

THESE ACCOUNTS AMEND THE PREVIOUS ACCOUNTS FILED  
FOR THE SAME PERIOD

UNITRUT (UK) HOLDING COMPANY LIMITED

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Report of the directors  
for the year ended 31 December 1987

1 The directors present herewith the audited accounts for the year ended 31 December 1987.

Principal activities and review of business

2 The principal activity of the group continues to be the manufacture and distribution of metal framing systems.

3 The results for the year are set out on page 4. The directors expect the general level of activity to continue to improve.

Dividends

4 The directors do not recommend payment of a dividend in respect of the year.

Directors and their interests

5 The directors of the company at 31 December 1987, all of whom served for the whole of the year, were:-

D J Shingler - Chairman  
P White  
C J Malfese (USA)  
E C Gady (USA)  
W B Attfield (USA)

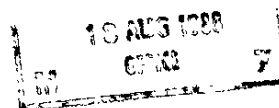
5 The directors do not have any interests required to be disclosed under Schedule 7, paragraph 2 of the Companies Act 1985.

Fixed assets

6 The movements in fixed assets during the year are set out in note 11 to the accounts.

Close company provisions

7 As far as the directors are aware, the close company provisions of the Income and Corporation Taxes Act 1970, as amended, do not apply to the company.



UNISTRUT (UK) HOLDING COMPANY LIMITED

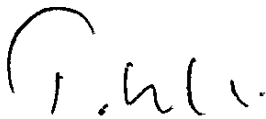
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Report of the directors  
for the year ended 31 December 1987 - continued

Auditors

8 A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

BY ORDER OF THE BOARD



P WHITE  
Secretary, 17 March 1988

Report of the auditors to the members of  
UNISTRUT (UK) HOLDING COMPANY LIMITED

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We have audited the accounts on pages 4 to 18 in accordance with approved Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company and the group at 31 December 1987 and of the profit and source and application of funds of the group for the year then ended and comply with the Companies Act 1985.

COOPERS & LYBRAND

Chartered Accountants  
NORTHAMPTON, 17 March 1988

UNISTRUT (UK) HOLDING COMPANY LIMITED

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Consolidated profit and loss account  
for the year ended 31 December 1987

	<u>Notes</u>	<u>1987</u> £	<u>11 months</u> <u>1986</u> £
TURNOVER		9,287,955	8,860,353
Cost of sales		(6,029,982)	(5,622,749)
GROSS PROFIT		3,257,973	3,237,604
Net operating expenses	3	(2,850,139)	(2,711,867)
OPERATING PROFIT		407,834	525,737
Interest payable and similar charges	4	(235,804)	(243,558)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	172,030	282,179
Tax on profit on ordinary activities	9	(76,982)	(121,635)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		95,048	160,544
EXTRAORDINARY ITEM			
Provision for closure costs	16(b)	35,000	(35,000)
RETAINED PROFIT FOR THE YEAR	10	£130,048	£125,544
STATEMENT OF CONSOLIDATED RETAINED PROFITS			
Retained profits, 1 January 1987		75,513	-
Retained profit for the year		130,048	125,544
Goodwill arising on consolidation, written off		-	(32,071)
Exchange rate fluctuations		6,159	(17,960)
RETAINED PROFITS, 31 DECEMBER 1987	18	£211,720	£75,513

The notes on pages 8 to 18 form part of these accounts.

Auditors' report page 3

UNISTRUT (UK) HOLDING COMPANY LIMITED

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Consolidated balance sheet - 31 December 1987

	Notes	1987		1986	
		£	£	£	£
FIXED ASSETS					
Tangible assets	11		1,205,848		915,411
CURRENT ASSETS					
Stocks	12	1,349,250		1,242,078	
Debtors	13	1,868,932		1,731,399	
Cash at bank and in hand		2,831		66,514	
		3,221,013		3,039,991	
CREDITORS: amounts falling due within one year	14	(3,182,647)		(2,785,114)	
NET CURRENT ASSETS			38,366		254,877
Total assets less current liabilities			1,244,214		1,170,288
Less: Non current liabilities					
CREDITORS: amounts falling due after more than one year	15		(749,186)		(780,000)
PROVISIONS FOR LIABILITIES AND CHARGES	16		(209,308)		(240,775)
			£285,720		£149,513
CAPITAL AND RESERVES					
Called up share capital	17		74,000		74,000
Profit and loss account	18		211,720		75,513
			£285,720		£149,513

These accounts were approved by the board on 17 March 1988.

D J SHINGLER

P WHITE

Directors

The notes on pages 8 to 18 form part of these accounts.

Auditors' report page 3

Balance sheet - 31 December 1987


	<u>Notes</u>	<u>1987</u> £	<u>1986</u> £
FIXED ASSETS			
Investments - subsidiaries	19	2,121,469	2,121,469
DIVIDEND RECEIVABLE FROM SUBSIDIARY		100,000	-
		<u>2,221,469</u>	<u>2,121,469</u>
<u>Less:</u>			
CREDITORS: amounts falling due after more than one year			
Amount due to subsidiary company	20	(2,075,931)	(2,075,931)
		<u>£145,538</u>	<u>£45,538</u>
CAPITAL AND RESERVES			
Called up share capital	17	74,000	74,000
Profit and loss account		71,538	(28,462)
		<u>£145,538</u>	<u>£45,538</u>

These accounts were approved by the board on 17 March 1988.

D J SHINGLER )

P WHITE )

Directors

  
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The notes on pages 8 to 18 form part of these accounts.

Auditors' report page 3

Consolidated statement of source and application  
of funds for the year ended 31 December 1987

	1987		1986	
	£	£	£	£
<b>SOURCE OF FUNDS</b>				
Profit on ordinary activities after taxation		95,048		160,544
Extraordinary item		-		(35,000)
		<u>95,048</u>		<u>125,544</u>
Adjustment for items not involving the movement of funds:-				
Depreciation	170,267		170,941	
Increase in provision for liabilities and charges	3,533		240,775	
Exchange fluctuations	6,159		(17,960)	
Capitalisation of finance leases (note 1(g))	(307,990)		-	
		<u>(128,031)</u>		<u>393,756</u>
		<u>(32,983)</u>		<u>519,300</u>
<b>Total from operations</b>				
Funds from other sources				
Bank loan	-		1,220,000	
Disposal of tangible fixed assets	2,390		6,636	
Issue of share capital	-		74,000	
Long term finance lease obligations (note 1(g))	209,186		-	
		<u>211,576</u>		<u>1,300,636</u>
		<u>178,593</u>		<u>1,819,936</u>
<b>Total source of funds</b>				
<b>APPLICATION OF FUNDS</b>				
Purchase of tangible fixed assets	155,104		1,092,988	
Purchase of goodwill	-		32,071	
Repayments of bank loan	240,000		-	
		<u>(395,104)</u>		<u>(1,125,059)</u>
<b>Total application of funds</b>				
		<u>£(216,511)</u>		<u>£694,877</u>
<b>INCREASE IN WORKING CAPITAL</b>				
Increase in stocks	107,172		1,242,078	
Increase in debtors	137,533		1,731,399	
Decrease/(increase) in creditors falling due within one year, excluding bank loans and overdrafts	107,314		(1,615,033)	
		<u>352,019</u>		<u>1,358,444</u>
<b>Movement in net liquid funds:</b>				
Cash at bank and in hand	(63,683)		66,514	
Bank overdraft and short term loans	(504,847)		(730,081)	
		<u>(568,530)</u>		<u>(663,567)</u>
		<u>£(216,511)</u>		<u>£694,877</u>

The notes on pages 8 to 18 form part of these accounts.

Auditors' report page 3

UNISTRUT (UK) HOLDING COMPANY LIMITED

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Notes to the accounts - 31 December 1987

Principal accounting policies

1 The accounts are prepared under the historical cost convention. A summary of the more important accounting policies is set out below.

(a) Basis of consolidation

The consolidated accounts include the company and all its subsidiaries. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the date of their acquisition or up to the date of their disposal. Intra-group sales and profits are eliminated on consolidation and all sales and profit figures relate to external transactions only.

When subsidiary companies are acquired any excess of the consideration over the net tangible assets at the date of acquisition is written off against reserves.

(b) Turnover

Turnover comprises the value of sales stated net of all credits, allowances, discounts, value added tax and carriage.

(c) Stocks

Stocks are stated at the lower of cost and net realisable value on an item-by-item basis. Cost includes all direct costs incurred in bringing stocks to their present state and location, including an appropriate proportion of manufacturing overheads.

Net realisable value is based on estimated normal selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving and defective items where appropriate.

Contracts undertaken by the group are all of a short term nature and profit is only taken when the contracts are complete.

(d) Foreign currency transactions

Transactions in foreign currencies have been translated into sterling at the rate prevailing at the transaction date. Balances payable in foreign currencies are translated to sterling at the rates of exchange ruling at the balance sheet date. Resulting gains and losses are reflected in the statement of profit and loss.



Notes to the accounts - 31 December 1987 - continued(e) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. The following annual rates are used:-

Leasehold improvements	- based upon the unexpired portion of the lease at the time the improvement was made.
Plant and machinery	- 3 to 10 years
Motor vehicles	- 4 years
Office fixtures and fittings	- 5 years
Computer hardware	- 4 years

(f) Taxation

The charge for taxation is based on the profit for the year as adjusted for disallowable items, and for timing differences to the extent that they are unlikely to result in an actual tax liability in the foreseeable future. The tax effect of other timing differences is treated as a deferred tax liability. Timing differences arise from the recognition for tax purposes of certain items of income and expenses in a different accounting period from that in which they are recognised in the accounts.

(g) Leases

- (a) As at 31 December 1987 assets acquired under a finance lease have been capitalised and included with tangible fixed assets on the balance sheet. As such, they will be subject to depreciation from 1 January 1988. The amount representing the capital element of the lease payments not yet due, is shown as a liability in the balance sheet. Leasing rentals (less the interest element, which is written off when incurred) are written off over the life of the lease against this liability.

This represents a change in policy as, previously, leasing rentals have been charged as incurred. The change is considered to have no material effect upon the calculation of annual profits.

The corresponding balance sheet figures for 1986 have not been adjusted.

- (b) Operating lease payments are written off in the year as incurred.

Segment information

- 2 The analysis of turnover by geographical market has been omitted.

Notes to the accounts - 31 December 1987 - continuedNet operating expenses

3	<u>1987</u> £	11 months <u>1986</u> £
Technical and manufacturing costs	648,961	584,003
Selling and distribution costs	533,931	508,416
Administrative expenses	1,498,018	1,377,474
Royalties payable	309,369	285,354
	<hr/>	<hr/>
Other operating income	2,990,279 (140,140)	2,755,247 (43,380)
	<hr/>	<hr/>
	<u>£2,850,139</u>	<u>£2,711,867</u>

Interest payable and similar charges

4	<u>1987</u> £	11 months <u>1986</u> £
On bank overdrafts and loans repayable within 5 years by instalments	£235,804	£243,558
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Profit on ordinary activities before taxation

5 Profit on ordinary activities before taxation is stated after charging:

	<u>1987</u> £	11 months <u>1986</u> £
(a) Depreciation of tangible fixed assets	170,267	170,941
(b) Hire of plant and machinery	209,581	178,771
(c) Rental of land and buildings	221,154	142,767
(d) Auditors remuneration	20,000	17,087
(e) Directors' emoluments including pension contributions (note 7)	101,449	70,945
(f) Exceptional item (note 6)	147,770	-
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Exceptional charges

6 Charged against profits for the year are adjustments relating to the following, which are not related to trading within the year:

- (a) Reduction in recovery on a contract completed in 1986.
- (b) Correction of errors in stocktaking related to 1986.
- (c) Claims in connection with a supply contract completed in 1986.

Notes to the accounts - 31 December 1987 - continuedDirectors' emoluments

7 Emoluments of the directors of Unistrut (UK) Holding Company Limited, including pension contributions, all of which are received from a subsidiary company:-

	<u>1987</u>	11 months <u>1986</u>
	£	£
For management services	£101,449	£70,945

Directors' emoluments disclosed in accordance with Part V of Schedule 5 of the Companies Act 1985, and excluding pension contributions, are as follows:-

	<u>1987</u>	11 months <u>1986</u>
	£	£
Emoluments of the chairman	£64,045	£48,486

Number of directors, other than the chairman, whose emoluments were within the ranges:-

£Nil to £5,000	3	4
£20,001 to £25,000	-	1
£30,001 to £35,000	1	-

Employee information

8 Particulars of employee costs (including executive directors) are shown below:-

	<u>1987</u>	11 months <u>1986</u>
	£	£
Wages and salaries	2,016,476	1,815,625
Social security costs	152,602	143,148
Other pension costs	80,462	-
	<u>£2,249,540</u>	<u>£1,958,773</u>

The average weekly number of persons employed by the group during the year (including executive directors) was as follows:-

	<u>1987</u> <u>Number</u>	<u>1986</u> <u>Number</u>
Technical and manufacturing	88	89
Sales and distribution	40	43
Administration	58	56
	<u>186</u>	<u>188</u>

Notes to the accounts - 31 December 1987 - continuedTax on profit on ordinary activities

9

	<u>1987</u> £	11 months <u>1986</u> £
United Kingdom corporation tax on the profit for the year at 35% (1986 -36.25%)	76,665	237,010
Overseas tax	3,935	2,382
Transfer to/(from) deferred taxation	3,533	(117,757)
	<u>84,133</u>	<u>121,635</u>
Adjustment of corporation tax in respect of prior years	(7,151)	-
	<u>£76,982</u>	<u>£121,635</u>

Results of Unistrut (UK) Holding Company Limited

10 As permitted by Section 228 (7) of the Companies Act 1985, Unistrut (UK) Holding Company Limited, the holding company, does not publish a separate profit and loss account. The consolidated profit retained for the year includes a profit of £100,000 (1986 loss - £28,462) which is dealt with in the accounts of the holding company.

Notes to the accounts - 31 December 1987 - continuedTangible fixed assets

11 The movement in the year was as follows:-

	<u>Leasehold improvements</u>	<u>Plant and machinery</u>	<u>Finance leases</u>	<u>Fixtures and fittings</u>	<u>Total</u>
	£	£	£	£	£
<u>Cost</u>					
At 1 January 1987	287,946	1,386,184	-	258,731	1,932,861
Additions	2,012	123,386	-	29,708	155,104
Exchange fluctuations	-	(355)	-	(94)	(449)
Disposals	-	(4,056)	-	(9,360)	(13,416)
Finance leases (note 1(g))	-	-	408,099	-	408,099
At 31 December 1987	<u>289,956</u>	<u>1,505,159</u>	<u>408,099</u>	<u>278,985</u>	<u>2,482,199</u>
<u>Depreciation</u>					
At 1 January 1987	89,952	761,041	-	166,457	1,017,450
Charge	4,177	130,445	-	35,645	170,267
Disposals	-	(2,963)	-	(8,512)	(11,475)
Finance leases (note 1(g))	-	-	100,109	-	100,109
At 31 December 1987	<u>94,129</u>	<u>888,523</u>	<u>100,109</u>	<u>193,590</u>	<u>1,276,351</u>
Net book value at 31 December 1987	<u>£195,827</u>	<u>£616,636</u>	<u>£307,990</u>	<u>£85,395</u>	<u>£1,205,848</u>
Net book value at 31 December 1986	<u>£197,994</u>	<u>£625,143</u>	<u>£-</u>	<u>£92,274</u>	<u>£915,411</u>

The net book value of assets held under finance leases comprises:-

	£
Motor vehicles	223,626
Computer	84,364
	<u>£307,990</u>

All fixed assets are held by subsidiary companies.

Notes to the accounts - 31 December 1987 - continuedStocks

12 The analysis of stocks is as follows:-

	<u>1987</u> £	11 months <u>1986</u> £
Raw materials	206,123	207,798
Finished goods	1,143,127	1,034,200
	<u>£1,349,250</u>	<u>£1,242,078</u>

All stocks are held by subsidiary companies. If stocks had been determined by reference to their replacement cost rather than by reference to their historical cost there would be no significant difference in the value (1986 - no significant difference).

Debtors

13

	<u>1987</u> £	<u>1986</u> £
Trade debtors	1,655,306	1,491,320
Amounts due by fellow subsidiaries	15,746	136,099
Prepayments and accrued income	105,173	103,980
Other debtors	92,707	-
	<u>£1,868,932</u>	<u>£1,731,399</u>

All amounts are receivable within one year.

Creditors - amounts falling due within one year

14 The following amounts are included in creditors falling due within one year:

	<u>1987</u> £	<u>1986</u> £
Bank overdrafts and short term loans	1,434,928	930,081
Long term bank loan - current portion	240,000	240,000
Trade creditors	1,198,973	1,159,455
Obligations under finance leases due within one year (note 1(g))	98,804	-
Amounts due to holding company and fellow subsidiaries	33,033	133,378
Other creditors:-		
- UK corporation tax payable	115,327	247,879
- VAT	-	15,819
- social security and PAYE	61,582	58,502
	<u>£3,182,647</u>	<u>£2,785,114</u>

Notes to the accounts - 31 December 1987 - continuedCreditors - amounts falling due after one year

15 The following amounts are included in creditors falling due after one year:-

	<u>1987</u> £	<u>1986</u> £
Bank loan	540,000	780,000
Obligations under finance leases due in two to five years (note 1(g))	209,186	-
	<u>£749,186</u>	<u>£780,000</u>

The bank loan is secured by a fixed and floating charge on the assets of a subsidiary company.

Provisions for liabilities and charges

16 The total provisions comprise:-

	<u>1987</u> £	<u>1986</u> £
Provision for deferred taxation	209,308	205,775
Provision for closure costs	-	35,000
	<u>£209,308</u>	<u>£240,775</u>

## (a) Deferred taxation

The amount provided represents the full amount required to provide for all timing differences as follows:-

	<u>1987</u> £	<u>1986</u> £
Excess of tax allowances over book depreciation of fixed assets	209,308	240,775
Other timing differences	-	(35,000)
	<u>£209,308</u>	<u>£205,775</u>

UNISTRUT (UK) HOLDING COMPANY LIMITEDNotes to the accounts - 31 December 1987 - continuedProvision for liabilities and charges - continued

## 16(a) Deferred taxation - continued

The movement on the provision for deferred taxation is as follows:-

	£
At 1 January 1987	205,775
Transfer from profit and loss account	3,533
At 31 December 1987	<u>£209,308</u>

## (b) Provision for closure costs

At 31 December 1986 a provision of £35,000 was made for the estimated costs of closure of the business of the German subsidiary of Unistrut (UK) Limited. The closure was not carried out during 1987 and since there is now no immediate intention of closing the company, the provision has been written back.

Called up share capital

## 17 Authorised:-

	<u>1987 and 1986</u> £
250,000 ordinary shares of £1 each	<u>£250,000</u>
Allotted, called up and fully paid:-	
74,000 ordinary shares of £1 each	<u>£74,000</u>

Profit and loss account

## 18 The movement on consolidated retained profits is analysed below:-

	<u>Unistrut (UK)</u> <u>Holding company</u> <u>Limited</u> £	<u>Subsidiary</u> <u>companies</u> £	<u>Total</u> £
At 1 January 1987	(28,462)	103,975	75,513
Retained profit for the year	100,000	30,048	130,048
Exch rate fluctuations	-	6,159	6,159
At 31 December 1987	<u>£71,538</u>	<u>£140,182</u>	<u>£211,720</u>



Notes to the accounts - 31 December 1987 - continuedInvestment - subsidiaries

19 The company holds the whole of the issued share capital of Unistrut (UK) Limited, a company registered in England. Unistrut (UK) Limited in turn holds the whole of the issued share capital of Unistrut Deutschland GmbH, a company registered in West Germany.

Amount due to subsidiary

20 The amount due to the subsidiary represents a loan which is unsecured, interest free and payable on demand. However repayment is not anticipated within 12 months of the balance sheet date.

Guarantees and other financial commitments

## 21(a) Capital commitments

At the end of the year, capital commitments, all of which related to subsidiary companies, were:-

	<u>1987</u> £	<u>1986</u> £
Contracted for	9,788	9,500
Authorised but not contracted for	-	-
	<u>£9,788</u>	<u>9,500</u>

## (b) Operating lease commitments

The company leases certain property, lorries and office equipment on short and long term operating leases. The rents payable under the leases are subject to renegotiation at various intervals specified in the leases.

The minimum annual rentals under the foregoing operating leases are as follows:-

Date of expiry

	<u>Lorries and</u> <u>Office equipment</u>		<u>Property</u>	
	<u>1987</u> £	<u>1986</u> £	<u>1987</u> £	<u>1986</u> £
Within one year	19,772	33,557	26,712	24,000
Within two to five years	95,732	141,982	6,143	-
After five years	1,646	-	205,871	197,191
	<u>£117,150</u>	<u>£175,539</u>	<u>£238,726</u>	<u>£221,191</u>

Notes to the accounts - 31 December 1987 - continued

## 21(c) Pension arrangements

The group maintains a self administered contributory pension scheme, which is open to all United Kingdom employees. The scheme's investments are managed by Scottish Widows Fund and Life Assurance Society. An actuarial valuation of the scheme at 6 April 1987 revealed that, whilst the scheme was well secured on a discontinuance basis, there was a small deficiency on an on-going basis. It is intended to increase company contribution rates from 6.8% to 8.4% from April 1988 to eliminate this deficiency.

## (d) Performance bonds and forward foreign exchange contracts.

	<u>1987</u>	<u>1986</u>
	£	£
Performance bonds	1,714	9,900
Forward foreign exchange contracts	-	31,522
	<u>£1,714</u>	<u>£41,422</u>

Ultimate holding company

22 The directors regard Unistrut International Corporation, which is incorporated in the USA, as the company's ultimate holding company.