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DEVONPORT ROYAL DOCKYARD PLC

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1991



DEVONPORT ROYAL DOCKYARD PLC

Directors	J R S Morris	Chairman
	M J Leece	Managing Director

Secretary	I Henniker-Smith
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Auditors:	Ernst Young
	One Bridewell Street
	Bristol
	BS1 2AA

Bankers:	Barclays Bank Plc
	19 Princess Street
	Plymouth
	PL1 2HA

Registered Office:	Devonport Royal Dockyard
	Devonport
	Plymouth
	PL1 4SG

DEVONPORT ROYAL DOCKYARD PLC

DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 31 March 1991.

Review of the business and principal activity

On 6 April 1987 the company was acquired by Devonport Management Limited, a company entering into a seven year "Term Contract" with the Secretary of State for Defence to take over the commercial management, operation and maintenance of Devonport Royal Dockyard. The principal activity of Devonport Royal Dockyard PLC is to employ the Dockyard labour force, that is engaged in the refitting and maintenance of naval and commercial vessels and associated equipment. The company's costs are recharged to its parent company leaving no profit or loss for the year.

Future developments

The company was formed in order to provide continuity of employment for the dockyard labour force beyond expiry of the Term Contract. No change in activity is anticipated in the foreseeable future.

Fixed assets

Fixed assets used by the parent company are held on licence from the Ministry of Defence under the Term Contract.

Directors

The Directors during the year were as follows.-

J R S Morris (Chairman)
M J Leece

In accordance with the company's Articles of Association, Mr M J Leece retires by rotation and, being eligible, offers himself for re-election.


The Directors have no interests requiring disclosure under Schedule 7(2) of the Companies Act 1985.

DEVONPORT ROYAL DOCKYARD PLC

DIRECTORS' REPORT (continued)

Auditors

Ernst Young have indicated their willingness to continue as auditors. A resolution to re-appoint them will be proposed at the Annual General Meeting



BY ORDER OF THE BOARD

REPORT OF THE AUDITORS TO THE MEMBERS OF
DEVONPORT ROYAL DOCKYARD PLC

We have audited the accounts on pages 5 to 10 in accordance with approved Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 March 1991 and of its results and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985

Eust Manning

20 September 1991

DEVONPORT ROYAL DOCKYARD PLC

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 1991

	<u>Note</u>	<u>1991</u> <u>£'000</u>	<u>1990</u> <u>£'000</u>
Turnover	2	117,869	129,017
Cost of sales		117,869	129,017
		-----	-----
Profit on ordinary activities before taxation	3	-	-
Taxation		-	-
		-----	-----
Retained profit		-	-
		=====	=====

The notes on pages 8 to 10 form part of these accounts

DEVONPORT ROYAL DOCKYARD PLC

BALANCE SHEET
at 31 March 1991

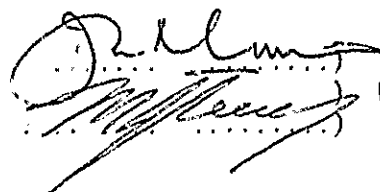
	<u>Note</u>	<u>1991</u> <u>£'000</u>	<u>1990</u> <u>£'000</u>
Current assets:			
Amount due from parent company		50	50
Total assets less current liabilities		50	50
		=====	=====
Capital and reserves			
Called up share capital	4	50	50
		50	50
		=====	=====

The notes on pages 8 to 10 form part of these accounts

Approved by the Board of Directors on

30 September

1991



Directors

DEVONPORT ROYAL DOCKYARD PLC
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
for the year ended 31 March 1991

	<u>1991</u> <u>£'000</u>	<u>1990</u> <u>£'000</u>
Source of funds		
Profit on ordinary activities before taxation	-	-
Working capital increase	- =====	- =====

The notes on pages 8 to 10 form part of these accounts

DEVONPORT ROYAL DOCKYARD PLC
NOTES TO THE ACCOUNTS
for the year ended 31 March 1991

1. ACCOUNTING POLICIES

a) Accounting Convention

The accounts are prepared under the historical cost convention.

b) Pension contributions

The group operates a pension scheme for the benefit of all its employees. The funds of the scheme are administered by Trustees and are separate from the group. Independent actuaries will complete valuations at least every three years and in accordance with their recommendations, annual contributions are paid to the scheme so as to secure the benefits set out in the rules and the periodic augmentation of current pensions. The cost of these is charged against profits when the contributions arise.

2. TURNOVER

Turnover, which is stated net of Value Added Tax, is attributable wholly to the recharge to the parent company of the costs of employing the Dockyard labour force.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1991 £'000	1990 £'000
a) This is stated after charging:		
Directors' remuneration	-	-
Staff costs - note 3(b)	117,869 =====	129,017 =====
b) Staff costs:		
Wages and salaries	99,081	109,235
Social security costs	7,480	8,042
Other pension costs	11,308	11,740
	-----	-----
	117,869 =====	129,017 =====

DEVONPORT ROYAL DOCKYARD PLC
NOTES TO THE ACCOUNTS
for the year ended 31 March 1991

b) Staff costs (continued)

The average number of persons employed by or permanently seconded to the company during the year was:

	<u>1991</u> No	<u>1990</u> No
Industrial	4 467	5 230
Non industrial	2 387	2 669
	-----	-----
	6 854	7 899
	=====	=====

4. SHARE CAPITAL

	<u>Authorised</u> No.	<u>Allotted, called up and fully paid</u> £
Ordinary shares of £1 each	50,000	50,000
Special share of £1	1	1
	-----	-----
	50,001	50,001
	=====	=====

The special share, issued to the Secretary of State for Defence, has rights attaching that effectively give him the power under certain extreme circumstances set out in the Company's Articles of Association to overrule the votes of the ordinary shares

DEVONPORT ROYAL DOCKYARD PLC
NOTES TO THE ACCOUNTS
for the year ended 31 March 1991

5. PENSION SCHEME

- The company operates a non-contributory pension scheme for its employees, all of whom are eligible to join the scheme providing they fulfil certain conditions. Contributions payable by the company during the year amounted to £11,288 000 (1990 - £12,433,000)

6. ULTIMATE HOLDING COMPANY

The company's holding company is Devonport Management Limited, which is incorporated in England