

# **CTP Silleck Davall Limited**

## **Report and Accounts**

31 March 1999

Registered No. 3088344



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# CTP Silleck Davall Limited

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## DIRECTORS' REPORT

Directors: P J Young (Chairman)  
J Adams  
N Bradbury  
M Bettam  
R N Easdale  
C Mawe  
S Pottage  
R Salt  
I Williamson

Secretary: S Pottage

Registered office: Dafen Industrial Park, Llanelli, Carmarthenshire, SA14 8LX

The directors present their report and accounts for the year ended 31 March 1999.

### RESULTS AND DIVIDENDS

The profit for the year amounts to £46,768 and is dealt with as shown in the profit and loss account.

### PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The activities of the company consist of the manufacture of moulded plastic components for the automotive and teletronics industries.

### YEAR 2000

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and thus require modification or replacement to accommodate the Year 2000.

We have carried out a review of both our computer installations and systems and other business automation facilities to determine those which are not Year 2000 compliant. This review also considered the impact on our business of Year 2000 related failures by our significant suppliers and customers.

Our computer facilities are either compliant or will shortly be upgraded to achieve compliance, current year and outstanding expenditure for which is not material.

Given the complexity of the problem, it is not possible to guarantee that no Year 2000 problems will remain because some level of failure may still occur. However, we believe that the company will achieve an acceptable state of readiness.

# CTP Silleck Davall Limited

## DIRECTORS' REPORT

### DIRECTORS AND THEIR INTERESTS

The directors of the company during the period ended 31 March 1999 were those listed above together with Mr J A Revill, Mr R M Chalkley and Mr D M Smoley all of who resigned on 31 March 1999 and Mr D W Adam who resigned on 30 July 1999.

Mr I Williamson was appointed on 22 June 1998, Mr M Bettam was appointed on 1 December 1998, Messrs N Bradbury, S Pottage and R Salt were appointed on 1 April 1999, Mr C Mawe was appointed on 3 September 1999 and Mr. J Adams was appointed on 1 October 1999.

Directors' interests notifiable under the terms of the Companies Act 1985 were those listed below:

#### Carclo Engineering Group PLC

	<i>Holdings of ordinary shares of 5p each 31 March 1998 (or date of appointment if later)</i>
	<i>31 March 1999 No.</i>
P J Young	30,000

	<i>As at 31 March 1998 (or date of appointment if later)</i>	<i>Granted during period</i>	<i>Options to purchase ordinary shares of 5p each Exercised or surrendered during period</i>	<i>As at 31 March 1999</i>
	<i>No.</i>	<i>No.</i>	<i>No.</i>	<i>No.</i>
P J Young	46,000	-	-	46,000
	6,250*	-	-	6,250*
R N Easdale	10,000	-	-	10,000
M Bettam	10,000	-	-	10,000

\* options granted under Carclo Sharesave Option Scheme 1997.

I Williamson and D W Adam were also directors of the ultimate parent company, Carclo Engineering Group PLC, in whose accounts their interests in the share capital of that company are shown.

CTP Silleck Davall Limited

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DIRECTORS' REPORT

**AUDITORS**

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board

S Pottage  
Secretary

A handwritten signature in cursive script, appearing to read 'S Pottage', written in dark ink.

10 January 2000

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE  
ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE AUDITORS**

to the members of CTP Silleck Davall Limited.

We have audited the accounts on pages 6 to 14 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and on the basis of the accounting policies set out on pages 8 and 9.

**Respective responsibilities of directors and auditors**

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

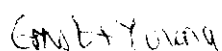
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 March 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Registered Auditor  
Leeds

10 January 2000

CTP Silleck Davall Limited

**PROFIT AND LOSS ACCOUNT**

for the year ended 31 March 1999

<i>ended</i>		<i>Year ended</i>	<i>15 months</i>
		<i>31 March</i>	<i>31 March</i>
	<i>Notes</i>	<i>1999</i>	<i>1998</i>
		<i>£</i>	<i>£</i>
<b>TURNOVER</b>	3	4,251,609	4,008,250
<b>OPERATING PROFIT/(LOSS)</b>	4	94,531	(108,273)
Net interest payable	5	39,369	18,417
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		55,162	(126,690)
Taxation charge/(credit)	8	8,394	(55,610)
<b>RETAINED PROFIT/(DEFICIT) FOR THE FINANCIAL PERIOD</b>		46,768	(71,080)

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

for the year ended 31 March 1999

	<i>Year ended</i>	<i>15 Months</i>
	<i>31 March</i>	<i>ended</i>
	<i>1999</i>	<i>31 March</i>
	<i>£</i>	<i>1998</i>
		<i>£</i>
Profit/(loss) for the period	46,768	(71,080)
Unrealised gain on revaluation of land and buildings	80,260	-
	127,028	(71,080)

# CTP Silleck Davall Limited

## BALANCE SHEET at 31 March 1999

	Notes	1999 £	1998 £
<b>FIXED ASSETS</b>			
Tangible assets	9	1,694,498	1,625,324
<b>CURRENT ASSETS</b>			
Stocks	10	159,752	315,466
Debtors	11	379,157	1,110,011
Cash at bank and in hand		68	238
<b>CREDITORS: amounts falling due within one year</b>	12	538,977 607,563	1,425,715 1,549,391
<b>NET CURRENT LIABILITIES</b>		(68,586)	(123,676)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,625,912	1,501,648
<b>CREDITORS: amounts falling due after more than one year</b>			
Medium term loan from parent company		450,246	477,274
<b>PROVISION FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	13	125,912	101,648
		1,049,754	922,726
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	1,000,000	1,000,000
Revaluation reserve	15	80,260	-
Profit and loss account	15	(30,506)	(77,274)
<b>EQUITY SHAREHOLDERS' FUNDS</b>	16	1,049,754	922,726

N Bradbury )  
S Pottage )  
10 January 2000

) Directors  
(Signature of N. Bradbury)  
(Signature of S. Pottage)



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NOTES TO THE ACCOUNTS

at 31 March 1999

**1. FUNDAMENTAL ACCOUNTING CONCEPT**

*Going concern*

The accounts have been prepared under the going concern basis as the directors have received written confirmation from the parent undertaking that continued financial support will be made available to enable the company to settle its liabilities as they fall due.

**2. ACCOUNTING POLICIES**

*Accounting convention*

The accounts are prepared under the historical cost convention, as modified by the revaluation of land and buildings, and in accordance with applicable accounting standards.

*Related party transactions*

The company has taken advantage of the exemption in Financial Reporting Standard 8 from disclosing transactions with related parties that are part of Carclo Engineering Group PLC.

*Leased assets*

Rentals in respect of operating leases are charged to the profit and loss account on a straight line basis.

*Depreciation*

Land and buildings are shown at cost or valuation. Other fixed assets are shown at cost, any related government grants being deducted from the cost.

Freehold land is not depreciated.

Depreciation is provided, at annual rates calculated to write off the cost or valuation after deducting government grants, on all fixed assets on a straight line basis over their expected useful lives as follows:-

Freehold buildings	2%
Fixtures and fittings	10 - 20%
Plant and machinery	10 - 25%

*Stocks*

Stocks are stated at the lower of cost and net realisable value, with due allowance for any obsolete or slow moving items. In the case of finished goods and work in progress cost comprises direct materials, direct labour and an appropriate proportion of manufacturing overhead expenses.

*Research and development*

Expenditure on research and development is written off in the year in which it is incurred.

*Deferred taxation*

Provision is made for deferred taxation using the liability method where it is considered that such a liability may become payable in the future.

*Pensions*

The company contributes to a group pension scheme which is a defined benefit scheme and fully funded. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives with the company. The effect of any experience surpluses is retained within the accounts of the ultimate parent company.

# CTP Silleck Davall Limited

## NOTES TO THE ACCOUNTS

at 31 March 1999

### 2. ACCOUNTING POLICIES (continued)

#### *Foreign currencies*

Normal trading activities denominated in foreign currencies are recorded in sterling at actual exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are translated at the rates of exchange prevailing at the year end, except where they are covered by forward contracts in which case the rate appropriate to the forward contract is used.

### 3. TURNOVER

Turnover is the net invoiced value of goods and services provided by the company exclusive of VAT.

Turnover is attributable to the company's principal activity, the manufacture of moulded plastic components.

By geographical area

	<i>Year ended 31 March 1999 £</i>	<i>15 months ended 31 March 1998 £</i>
United Kingdom	3,972,218	4,004,796
Rest of Europe	279,391	3,454
	<u>4,251,609</u>	<u>4,008,250</u>

### 4. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is arrived at as follows:

	<i>Year ended 31 March 1999 £</i>	<i>15 months ended 31 March 1998 £</i>
Turnover	4,251,609	4,008,250
(Decrease)/increase in stocks of finished goods and work in progress	(55,593)	63,353
	<u>4,196,016</u>	<u>4,071,603</u>
Raw materials and consumables	2,741,655	2,898,818
Employee costs (note 6)	694,134	680,696
Depreciation	164,709	168,567
Auditors' remuneration	3,949	7,000
Operating lease rentals – plant and machinery	37,464	30,511
Management charge	30,000	30,000
Other operating charges	429,574	364,284
	<u>4,101,485</u>	<u>4,179,876</u>
	<u>94,531</u>	<u>(108,273)</u>

# CTP Silleck Davall Limited

## NOTES TO THE ACCOUNTS at 31 March 1999

### 5. NET INTEREST PAYABLE

	<i>Year ended 31 March 1999 £</i>	<i>15months ended 31 March 1998 £</i>
Bank loans and overdraft	39,369	27,466
Interest receivable from parent company	-	(9,049)
	<u>39,369</u>	<u>18,417</u>

### 6. EMPLOYEE COSTS

Employee costs during the year amounted to:

	<i>Year ended 31 March 1999 £</i>	<i>15months ended 31 March 1998 £</i>
Wages and salaries	617,348	606,008
Social security costs	46,086	44,895
Pension costs	30,700	29,793
	<u>694,134</u>	<u>680,696</u>

The average monthly number of persons employed by the company during the year was 50 (1998 -39).

The employee costs shown above include the following remuneration in respect of the directors:

	<i>Year ended 31 March 1999 £</i>	<i>15months ended 31 March 1998 £</i>
Emoluments	<u>57,500</u>	<u>35,250</u>

D W Adam and I Williamson are also directors of the holding company and fellow subsidiaries. P J Young and J A Revill are also directors of fellow subsidiaries. These directors received total remuneration of £450,232 (1998 - £448,916), all of which was paid by the holding company. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of the holding and fellow subsidiary companies.

The number of directors who were eligible to receive retirement benefits under the group defined benefit pension schemes at 31 March 1999 was 4 (1998 - 6).

### 7. PENSIONS

Contributions to the pension scheme are determined by qualified actuaries on the basis of triennial valuations. The most recent valuation was at 1 April 1998 and the details of these actuarial valuations are disclosed in the accounts of the parent company.

# CTP Silleck Davall Limited

## NOTES TO THE ACCOUNTS

at 31 March 1999

### 8. TAXATION

The charge/(credit) based on the profit/(loss) for the year comprises:

	<i>Year ended 31 March 1999 £</i>	<i>15 months ended 31 March 1998 £</i>
Corporation tax	(13,670)	(18,740)
Deferred tax	27,542	52,827
Adjustment relating to prior period - corporation tax	(2,200)	(87,396)
- deferred tax	(3,278)	(2,301)
	<u>8,394</u>	<u>(55,610)</u>

### 9. TANGIBLE FIXED ASSETS

	<i>Freehold land and buildings £</i>	<i>Plant and machinery £</i>	<i>Total £</i>
Cost or valuation:			
At 1 April 1998	537,425	1,412,651	1,950,076
Additions -non group	5,836	129,080	134,916
-group	-	46,563	46,563
Disposals -non group	-	(5,060)	(5,060)
Revaluation of land and buildings	(23,261)	-	(23,261)
At 31 March 1999	<u>520,000</u>	<u>1,583,234</u>	<u>2,103,234</u>
Of which at valuation 1999	<u>520,000</u>		
Depreciation:			
At 1 April 1998	95,425	229,327	324,752
Provided during the year	8,096	156,613	164,709
On group additions	-	24,678	24,678
Disposals -non group	-	(1,882)	(1,882)
Revaluation of land and buildings	(103,521)	-	(103,521)
At 31 March 1999	<u>-</u>	<u>408,736</u>	<u>408,736</u>
Net book value:			
At 31 March 1999	<u>520,000</u>	<u>1,174,498</u>	<u>1,694,498</u>
At 31 March 1998	<u>442,000</u>	<u>1,183,324</u>	<u>1,625,324</u>

# CTP Silleck Davall Limited

## NOTES TO THE ACCOUNTS

at 31 March 1999

Freehold land and buildings were revalued on an open market for existing use basis as at 31 March 1999 by Eddisons Commercial Limited in accordance with the Appraisal and Valuation Manual of The Royal Institute of Chartered Surveyors.

Included in freehold land and buildings is land valued at £80,000, which is not depreciated.

If land and buildings had not been revalued they would have been carried in the balance sheet as follows:

	1999	1998
	£	£
Cost	543,261	537,425
Accumulated depreciation	103,521	95,425
	<u>439,740</u>	<u>442,000</u>

### 10. STOCKS

	1999	1998
	£	£
Raw materials	60,882	161,003
Work in progress	13,443	-
Finished goods	85,427	154,463
	<u>159,752</u>	<u>315,466</u>

### 11. DEBTORS

	1999	1998
	£	£
Trade debtors	205,785	26,048
Amounts owed by group undertakings	157,102	988,703
Prepayments	2,600	4,000
Corporation tax repayable	13,670	91,260
	<u>379,157</u>	<u>1,110,011</u>

### 12. CREDITORS: amounts falling due within one year

	1999	1998
	£	£
Bank overdraft and loans	251,209	197,218
Trade creditors	94,998	498,775
Amounts owed to group undertakings	66,057	610,229
Other taxes and social security costs	10,369	70,745
Other creditors	9,570	8,423
Accruals	175,360	164,001
	<u>607,563</u>	<u>1,549,391</u>

# CTP Silleck Davall Limited

## NOTES TO THE ACCOUNTS

at 31 March 1999

### 13. DEFERRED TAXATION

	£
At 31 March 1998	101,648
Charge from profit and loss account	24,264
At 31 March 1999	<u>125,912</u>

Deferred taxation is as follows:

	1999 £	1998 £
Accelerated capital allowances	<u>125,912</u>	<u>101,648</u>

There is a potential liability in respect of the tax which would arise if the company's revalued property was sold for its revalued amount. This liability is estimated at £65,000 (1998 - £42,000).

### 14. CALLED UP SHARE CAPITAL

	1999 £	Authorised 1998 £	1999 £	Allotted, called up and fully paid 1998 £
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

### 15. RESERVES

	Revaluation reserve £	Profit and loss account £	Total £
At 31 March 1998	-	(77,274)	(77,274)
Retained profit for the year	-	46,768	46,768
Revaluation of freehold land and buildings	80,260	-	80,260
At 31 March 1999	<u>80,260</u>	<u>(30,506)</u>	<u>49,754</u>

### 16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999 £	1998 £
Profit/(loss) on ordinary activities after taxation	46,768	(71,080)
Issue of new share capital	-	999,998
Other recognised gains	80,260	-
Net addition to shareholders' funds	<u>127,028</u>	<u>928,918</u>
Opening shareholders' funds	922,726	(6,192)
Closing shareholders' funds	<u>1,049,754</u>	<u>922,726</u>

# CTP Silleck Davall Limited

## NOTES TO THE ACCOUNTS

at 31 March 1999

### 17. CAPITAL COMMITMENTS

	1999	1998
Contracted	-	89,000

### 18. OTHER FINANCIAL COMMITMENTS

At 31 March 1999 the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>		<i>Plant and machinery</i>	
	1999	1998	1999	1998
	£	£	£	£
Operating leases which expire:				
within one year	5,250	-	-	5,800
within two to five years	-	21,000	11,592	-
	<u>5,250</u>	<u>21,000</u>	<u>11,592</u>	<u>5,800</u>

### 19. CONTINGENT LIABILITY

Guarantees have been given by the company in respect of amounts drawn against borrowing facilities of certain associated undertakings.

### 20. ULTIMATE PARENT COMPANY

The parent company and ultimate controlling party of the group of undertakings for which group accounts are drawn up and of which the company is a member is Carclo Engineering Group PLC. Copies of Carclo Engineering Group PLC's accounts can be obtained from Carclo House, PO Box 224, Fife Street, Sheffield S9 1YX.