

REGISTRAR

SC3848

REPORT AND ACCOUNTS

Lindustries Limited

30 SEPTEMBER 1992

ERNST & YOUNG

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# **Lindustries Limited**

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Registered No. 3848

## **DIRECTORS**

P J Harper (Chairman)  
N F Wilkinson  
C J Thomas

## **SECRETARY**

N F Wilkinson

## **AUDITORS**

Ernst & Young  
PO Box 3  
Lowgate House  
Lowgate  
Hull HU1 1JJ

## **REGISTERED OFFICE**

George House  
50 George Square  
Glasgow G2 1RR

 **ERNST & YOUNG**

Lindustries Limited  
DIRECTORS' REPORT

The directors present their report and the audited accounts for the year ended 30 September 1992.

**PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS**

The company is a divisional holding company within the Hanson PLC group of companies. The principal subsidiary undertaking and its activity is listed in note 11 to the accounts.

**SUBSEQUENT EVENTS AND FUTURE DEVELOPMENTS**

There have been no events subsequent to the end of the financial year which could have a material effect on the accounts.

**RESULTS AND DIVIDENDS**

The loss for the year attributable to shareholders amounts to £647,290 and is dealt with as shown in the profit and loss account.

The directors do not recommend the payment of a dividend.

**DIRECTORS AND THEIR INTERESTS**

The directors of the company during the year ended 30 September 1992 were those listed on page 1, together with Mr M G Taylor who resigned on 13 March 1992.

None of the directors has any interest in the share capital or loan stock of the company or its subsidiary undertakings.

Mr P J Harper is a director of the ultimate parent company, Hanson PLC, in whose accounts his interests in that company are shown.


The interests of the other directors in the shares of the ultimate parent company are as follows:

	<i>Ordinary shares 30 September 1992</i>	<i>Ordinary shares 1 October 1991</i>	<i>Options Granted</i>	<i>Options Exercised</i>
C J Thomas	1,294	1,294	29,000	-
N F Wilkinson	47,000	24,750	23,000	(57,000)

**AUDITORS**

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

By order of the Board

  
N F Wilkinson  
Secretary

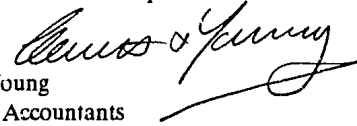
3 December 1992

ERNST & YOUNG

REPORT OF THE AUDITORS  
to the members of Lindustries Limited

We have audited the accounts on pages 4 to 12 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 30 September 1992 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Ernst & Young  
Chartered Accountants  
Registered Auditor  
Hull

3 December 1992

# Lindustries Limited

## PROFIT AND LOSS ACCOUNT for the year ended 30 September 1992

	Notes	1992 £	1991 £
<b>TURNOVER</b>	2	10,744,200	15,886,332
<b>OPERATING COSTS</b>	3	11,485,255	17,056,760
		(741,055)	(1,170,428)
Other income	6	93,308	107,619
		(647,747)	(1,062,809)
Interest receivable		457	-
Interest payable	7	-	12,588
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(647,290)	(1,075,397)
Taxation	8	-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>		(647,290)	(1,075,397)
Dividend	9	-	1,750,000
<b>LOSS FOR THE YEAR</b>		(647,290)	(2,825,397)

Movements on reserves are set out in note 17.

All the above items relate to the continuing activities of the company.


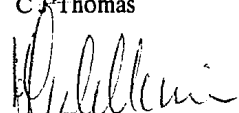
### RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the loss attributable to ordinary shareholders of £647,290 in the year ended 30 September 1992 (loss of £1,075,397 in the year ended 30 September 1991).

# Lindustries Limited

## BALANCE SHEET at 30 September 1992

	Notes	1992 £	1991 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	10	20,677	24,232
Investments	11	1,242,597	1,242,597
<b>CURRENT ASSETS</b>			
Debtors	12	80,721,935	76,197,455
Cash at bank and in hand		2,084,873	1,040,209
		<u>82,806,808</u>	<u>77,237,664</u>
<b>CREDITORS: amounts falling due within one year</b>			
Trade and other creditors	13	54,004,231	48,416,504
<b>NET CURRENT ASSETS</b>		<u>28,802,577</u>	<u>28,821,160</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>30,065,851</u>	<u>30,087,989</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	14	2,826,552	2,201,400
		<u>27,239,299</u>	<u>27,886,589</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	6,951,758	6,951,758
Share premium account		4,673,640	4,673,640
Profit and loss account	17	15,613,901	16,261,191
		<u>27,239,299</u>	<u>27,886,589</u>

  
 C J Thomas )  
  
 N F Wilkinson )

Directors

3 December 1992

# Lindustries Limited

## NOTES TO THE ACCOUNTS

at 30 September 1992

### 1. ACCOUNTING POLICIES

#### *Accounting convention*

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards including Financial Reporting Standards numbers 2 and 3.

#### *Depreciation*

The cost of tangible fixed assets is written off by equal annual instalments over their expected useful lives as follows:

Motor vehicles	3 years
Fixtures and fittings	4 - 8 years
Computer equipment	2 years

#### *Deferred taxation*

Provision is made when required for deferred taxation, using the liability method, on all timing differences to the extent that it is probable that the liabilities will crystallise.

#### *Consolidated accounts*

The company is a wholly owned subsidiary undertaking of a body registered in England and Wales and advantage has been taken of S228(1) of the Companies Act 1985 in that consolidated accounts have not been prepared.

#### *Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

#### *Pensions*

The company is a member of the Hanson Industrial Pension Scheme, a defined benefit plan. 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. The regular cost is attributed to individual years using the projected unit credit method. Variations in pension cost, which are identified as a result of actuarial valuations, are amortised over the average expected working lives of employees in proportion to their expected payroll costs. Differences between the amounts funded and the amounts charged to the profit and loss account are treated as either provisions or prepayments in the balance sheet.

### 2. TURNOVER

Turnover comprises the invoice value of services supplied to fellow subsidiary undertakings, exclusive of VAT and is all derived from within the United Kingdom. The turnover derives from the ordinary continuing activity of the company.

# Lindustries Limited

## NOTES TO THE ACCOUNTS

at 30 September 1992

### 3. OPERATING COSTS

	1992	1991
	£	£
Employment costs (note 4)	(3,231)	282,501
Depreciation of tangible fixed assets	14,226	15,410
Auditors' remuneration	18,229	29,225
Other operating charges	11,456,031	16,729,624
	<u>11,485,255</u>	<u>17,056,760</u>

Certain fees for non-audit services provided by Ernst & Young to the company have been borne by the ultimate parent company. It is not practicable to ascertain what proportion of such fees relates to the company.

### 4. EMPLOYMENT COSTS

	1992	1991
	£	£
Wages and salaries	186,115	194,029
Social security costs	24,454	38,272
Pension (credit)/costs (note 20)	(213,800)	50,200
	<u>(3,231)</u>	<u>282,501</u>

The average number of persons, including directors, employed during the financial year, all of whom were employed in the UK, amounted to 6 (1991 - 6).

### 5. EMOLUMENTS OF DIRECTORS

Employment costs include emoluments of directors amounting to £162,669 (1991 - £195,948).

Directors' emoluments, excluding pension contributions, fell within the following ranges:

	1992	1991
	No.	No.
Not more than £5,000	2	2
£5,001 - £10,000	-	1
£10,001 - £20,000	-	1
£20,001 - £30,000	1	-
£30,001 - £40,000	1	-
£40,001 - £50,000	-	1

The emoluments, excluding pension contributions, of the highest paid director were £89,312 (1991 - £121,859). The chairman received no emoluments (1991 - £Nil).



# Lindustries Limited

## NOTES TO THE ACCOUNTS at 30 September 1992

### 6. OTHER INCOME

	1992 £	1991 £
Profit on sale of fixed assets	35,358	-
Other	57,950	107,619
	<u>93,308</u>	<u>107,619</u>

### 7. INTEREST PAYABLE

	1992 £	1991 £
Loans wholly repayable within five years	-	12,588
	<u>-</u>	<u>12,588</u>

### 8. TAXATION

There is no credit for taxation based on the loss for the year because the company will surrender its losses by way of group relief, for no consideration, to other members of the group. This was also the case in 1991.

### 9. DIVIDEND

	1992 £	1991 £
Ordinary dividend paid	-	1,750,000
	<u>-</u>	<u>1,750,000</u>

# Lindustries Limited

## NOTES TO THE ACCOUNTS at 30 September 1992

### 10. TANGIBLE FIXED ASSETS

	<i>Motor vehicles, fixture and fittings £</i>
Cost:	
At 29 September 1991	80,152
Additions	18,376
Disposals	(57,954)
At 30 September 1992	<u>40,574</u>
Depreciation:	
At 29 September 1991	55,920
Charge for the year	14,226
Disposals	(50,249)
At 30 September 1992	<u>19,897</u>
Net book amounts:	
At 30 September 1992	<u>20,677</u>
At 29 September 1991	<u>24,232</u>

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### 11. FIXED ASSET INVESTMENTS

	£
Cost at 30 September 1992 and 1 October 1991	2,123,473
Amounts written off	(880,876)
Net book amounts at 30 September 1992 and 29 September 1991	<u>1,242,597</u>

In the opinion of the directors, the value of the company's investments in its subsidiary undertakings is not less than the amount at which they are stated in the balance sheet.

The principal subsidiary undertaking at 30 September 1992 was as follows:

<i>Company</i>	<i>Country of incorporation and operation</i>	<i>Activity</i>
Industrial Del Fresno SA	Mexico	Products for fishing industry

The company owns 75.9% of the issued share capital of Industrial Del Fresno SA.

# Lindustries Limited

## NOTES TO THE ACCOUNTS at 30 September 1992

### 12. DEBTORS

	1992 £	1991 £
Amount owed by parent company	52,608,326	34,248,996
Amounts owed by fellow subsidiary undertakings	27,985,339	41,860,263
Other debtors and prepayments	128,270	88,196
	<u>80,721,935</u>	<u>76,197,455</u>

### 13. TRADE AND OTHER CREDITORS

	1992 £	1991 £
Trade creditors	56,794	35,001
Amounts owed to fellow subsidiary undertakings	53,600,772	47,905,634
Accruals	318,121	458,771
Other creditors	28,544	17,098
	<u>54,004,231</u>	<u>48,416,504</u>

### 14. PROVISIONS FOR LIABILITIES AND CHARGES

Warranty and other provisions:

	£
At 1 October 1991	2,201,400
Assumed transferred from group companies	1,030,000
Arising during the year	464,000
Utilised during the year	(868,848)
At 30 September 1992	<u>2,826,552</u>

### 15. DEFERRED TAXATION

No provision for deferred taxation at 30 September 1992 is required and there are no potential deferred tax liabilities (1991 - £Nil).

# Lindustries Limited

## NOTES TO THE ACCOUNTS

at 30 September 1992

### 16. CALLED UP SHARE CAPITAL

At 30 September 1992 and 1 October 1991 the share capital of the company was:

	<i>Authorised</i> £	<i>Allotted, called up and fully paid</i> £
3.5% cumulative preference stock of £1 each	1,100,000	1,100,000
4.2% preferred ordinary stock of £1 each	1,100,000	1,100,000
Ordinary shares of 25p each	10,300,000	4,751,758
	<u>12,500,000</u>	<u>6,951,758</u>

### 17. PROFIT AND LOSS ACCOUNT

	£
At 1 October 1991	16,261,191
Loss for the year	(647,290)
At 30 September 1992	<u>15,613,901</u>

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

Total shareholder funds:

	<i>1992</i> £000	<i>1991</i> £000
Loss on ordinary activities after taxation	(647,290)	(1,075,397)
Dividend	-	(1,750,000)
Retained loss attributable to the members of the company	(647,290)	(2,825,397)
Opening shareholders' funds	27,886,589	30,711,986
Closing shareholders' funds	<u>27,239,299</u>	<u>27,886,589</u>

### 19. CAPITAL COMMITMENTS

Amounts authorised by the directors but not contracted for were £19,643 (1991 - £19,392).

### 20. GROUP ACCOUNTS

The parent company of the group of undertakings for which group accounts are drawn up and of which the company is a member is Hanson PLC, registered in England and Wales. Hanson PLC is also the company's ultimate parent company. Copies of Hanson PLC's accounts can be obtained from 1 Grosvenor Place, London, SW1X 7JH.

# Lindustries Limited

## NOTES TO THE ACCOUNTS at 30 September 1992

### 21. PENSION COMMITMENTS

The company is a member of the Hanson Industrial Pension Scheme, a defined benefit plan which is funded by the payment of contributions to a separately administered trust fund.

The contributions to this scheme are determined with the advice of independent qualified actuaries on the basis of triennial valuations using the projected unit credit method. The most recent valuation was conducted as at 6 April 1989 using the following main assumptions:

Rate of return on investments                      9.0% per annum

Rate of increase in pensionable earnings      7.5% per annum

At 6 April 1989 the market value of the scheme's assets was £106.6m and the actuarial value of those assets represented 183% of the value of the benefits that had accrued to the members, after allowing for the effect of future increases in their earnings. Accordingly the member companies have suspended their contributions and the difference between the regular cost of providing pension benefits and the amortisation of the surplus, a credit of £215,000, has been recorded in the accounts of the company. It is not practicable to allocate this difference to all of the member companies.

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