

Castings p.l.c.

91580 / 194

## Notice of Meeting

Notice is hereby given that the seventy-ninth Annual General Meeting of Castings p.l.c. will be held at Baron's Court Hotel, Walsall Road, Walsall Wood, Walsall, West Midlands, WS9 9AH, on Thursday, 14th August 1986 at 3.30 p.m. for the following purposes:-

- 1 To receive and consider the Directors' Report and Accounts and the Auditors' Report thereon.
- 2 To confirm the interim dividend already paid and declare a final dividend.
- 3 To elect a Director.
- 4 To re-appoint R. A. Lea & Co. as auditors of the company at a fee to be agreed with the directors.
- 5 To transact any other ordinary business of an Annual General Meeting.

The record date for payment of the final dividend was 20th June 1986. Assuming the final dividend is approved by the members, dividend warrants will be posted on 15th August 1986.

By order of the board



H. LANE  
Secretary

Lichfield Road,  
Brownhills,  
West Midlands, WS8 6JZ.

21st July 1986

### Note:

Any member of the company entitled to attend and vote at this meeting may appoint a proxy, who need not also be a member, to attend and vote in his stead. The instrument appointing a proxy must be received at the Registered Office of the company not less than 48 hours before the time appointed for the meeting.

The following information will be available for inspection at the company's Registered Office between 9.30 a.m. and 4.30 p.m. on any weekday (Saturdays and public holidays excluded), from the 21st July 1986 until the date of the Annual General Meeting and at the place of the meeting for fifteen minutes prior to and during the Annual General Meeting:-

- 1 A statement in respect of the contracts of service of the directors.
- 2 Articles of Association.



## Chairman's statement

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In the year ended 31st March 1986 sales were £13.2 million, and the profits of the company, before tax, were £1.55 million. The directors now propose a final dividend of 2.2p per share, making a total of 3.0p for the year.

The company acquired W. H. Booth & Co. Limited in April 1985 and together with our traditional business the profits of both companies are very satisfactory.

### Castings foundries

During the year under consideration, production at Castings' own foundries was maintained at a reasonable level, but some capacity was available for increased orders. The general demand for castings has continued to decline because of importation of motor vehicles and components. I am pleased to report we have obtained further export orders and the level of sales should be kept at a satisfactory level.

### W. H. Booth & Co. Limited

As reported in my interim statement, we closed a manufacturing unit in Hull last September, and moved the plant to Brownhills. The move was very successful and all must be congratulated in the manner it was carried out. Additional plant was also purchased at the same time and now I am pleased to report production and sales are running at a record level.

The Rotherham plant continues to operate and investment will be made in order to increase productivity and improve working conditions.

### Development

The company built and commissioned a new plant at Brownhills during June this year. This foundry will produce specialised S. G. Iron castings and once again widen our market and also increase our flexibility to produce small to medium size orders.

We are continuing to improve our energy usage by investing in advanced recording equipment; substantial cost savings have already been made. We are also updating laboratory and measuring equipment in order to meet quality standards now required.

### Appointment of a director

Mr. T. G. Locker, Managing Director of W. H. Booth & Co. Limited, was appointed a director on 2nd January 1986. This appointment is subject to confirmation at the Annual General Meeting.

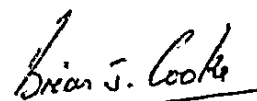
### Employees

I wish to thank co-directors, staff and all employees for their continued support in achieving these excellent results for the company.

In order to provide an opportunity for employees to acquire a financial stake in the company, the directors consider it is time to introduce an Executive Share Option Scheme and Savings Related Share Option Scheme. Full details of the proposals accompany the Report and Accounts and the appropriate resolution will be put to the shareholders at an Extraordinary General Meeting to follow the Annual General Meeting.

### Prospects for 1986/87

Your company, by investing in modern equipment to make it more competitive, should continue to make good progress in a somewhat difficult industry.



BRIAN J. COOKE  
Chairman

30th June 1986

## Directors & Officers

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### Directors

B. J. Cooke, AdvDipNFC, MIBritF *Chairman and Managing Director*  
W. A. Parsons, MIBritF *Metallurgical*  
C. G. Wilson, CEng, MIMechE *Engineering*  
D. A. H. Sharp, MinstM *Sales*  
H. Lane, FCA *Financial*  
J. N. Roxburgh, MIBritF *Production*  
A. J. Smith, AMIBritF *Works*  
T. G. Locker, *Managing Director, W. H. Booth & Co. Limited*

### Secretary and Registrar

H. Lane, FCA  
Registered Office  
Lichfield Road, Brownhills, West Midlands, WS8 6JZ

### Auditors

R. A. Lea & Co.  
Chartered Accountants  
60 Newhall Street  
Birmingham B3 3RJ

### Solicitors

Kenneth Cooke & Co.  
18 Lichfield Street, Walsall, West Midlands, WS1 1UB

### Bankers

Midland Bank PLC  
High Street, Brownhills, West Midlands, WS8 6HJ

### Stockbrokers

Fysho, Horton, Finney & Co.  
Charles House  
148-9 Great Charles Street  
Birmingham B3 3HT

Roy James & Co.  
(Incorporating Bacon Tedd & Scribbans)  
Stock Exchange Buildings  
33 Great Charles Street  
Queensway  
Birmingham B3 3JS

## Directors' Report

The directors submit their Report and the Audited Accounts for the year ended 31st March 1986.

### Directors' report

The company, Castings p.l.c., with effect from 1st April 1985, has purchased the issued capital of W. H. Booth & Co. Limited.

### Trading activities

Castings p.l.c. supplies blackheart, pearlitic, free cutting and weldable malleable iron castings to a variety of manufacturing industries from its fully mechanised foundries at Brownhills. W. H. Booth & Co. Limited supplies precision castings in spheroidal graphite iron from the foundries in Rotherham and Brownhills. There were no significant changes in the principal activities of either company during the year, which are considered to be one class of business only.

The progress of both companies during the year is recorded in the accounts and it is hoped will be maintained.

### Profit and appropriations

The profit for the year and the proposed appropriations are set out in detail on page 7.

### Directors

The directors of the company at 31st March 1986 are as listed on page 3.

Mr. T. G. Locker was appointed a director from 2nd January 1986 under the provisions of Article 107 of the Articles of Association. In accordance with those articles he now retires, and being eligible, offers himself for re-election.

The other directors, being under service agreements, do not retire by rotation.

The interests of the directors and their families in the ordinary share capital of the company were as follows:-

	31 March 1986	31 March 1985
B. J. Cooke	560,137	374,091
— non beneficial	114,793	121,587
W. A. Parsons	33,306	22,204
C. G. Wilson	19,897	13,265
D. A. H. Sharp	11,835	7,890
H. Lane	15,000	10,000
J. N. Roxburgh	7,999	5,333
A. J. Smith	3,000	—
T. G. Locker	150,000	—

There have been no changes in the shareholdings of directors between 31st March 1986 and 27th June 1986, other than a non-beneficial holding of 1,600 shares by Mr. T. G. Locker being purchased.

No director is or was interested in any contract subsisting at 31st March 1986 or which subsisted during the year ended on that date in relation to the company's business.

### Substantial shareholdings

Details of substantial shareholdings, other than directors, at the beginning and end of the year are:-

	31 March 1986	31 March 1985
Britannic Assurance plc	1,200,000	800,000
3i Investments plc	999,999	666,666
J. F. Cooke, OBE	776,866	521,244
Imperial Group Pension Trust Ltd with Imperial Group Investments Ltd	729,999	486,666
Mrs. S. P. Davis	543,950	358,050

There have been no changes in these substantial shareholdings between 31st March 1986 and 27th June 1986.

So far as is known no other person holds more than 5% of the issued share capital of the company.

### Fixed assets

The market value of the company's interests in land cannot be accurately established without obtaining a revaluation of all the land and buildings owned by the company. The directors consider that although a revaluation would show the market value of the land and buildings to be in excess of book value, this excess would not be significant in the context of company trading and would not justify the expense of a revaluation.

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**Employee involvement**

Employees are informed weekly of production levels and the relative production performance. Similarly they are kept informed of any factor affecting the company and the industry generally.

Their involvement in the company's performance is encouraged by means of a production bonus and at the time of annual wages and salaries review they are made aware of all economic factors affecting the previous year's performance and the outlook for the ensuing year.

**Health and safety**

As required by The Health and Safety at Work Act, 1974, the company's policy for securing the health, safety and welfare at work of all employees has been brought to their notice. In addition, a safety committee holds regular meetings.

**Employment of disabled persons**

The company continues to give full and fair consideration to applications for employment made by disabled persons registered under the Disabled Persons (Employment) Act, 1944.

**Charitable and political contributions**

Donations to charitable organisations amounted to £419 and for political purposes, £200 paid to the Aldridge - Brownhills Conservative and Unionist Association.

**Auditors**

R. A. Lea & Co. have indicated their willingness to continue in office and a resolution proposing their re-appointment as auditors of the company will be submitted at the Annual General Meeting.

**Finance Act 1965**

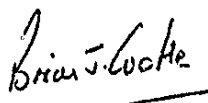
So far as is known, the company is not a close company.

**Capital gains tax**

For capital gains tax purposes the market value of the 10p ordinary shares in the company on 6th April 1965 was 15.75 pence each. As at 31st March 1982 the market value of each 10p ordinary share was 19.67 pence. In both cases adjustments have been made for subsequent capitalisation issues.

By order of the board

BRIAN J. COOKE  
Chairman



27th June 1986

## Accounting Policies

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### Depreciation

Depreciation is calculated on the straight line basis to write off the initial cost, after deducting any government grants, of fixed assets at the following rates per annum:

Freehold land	Nil
Freehold buildings	2%
Plant, machinery and equipment	10%
Fixtures and fittings	10%
Motor vehicles	25%
Patents	over the original unexpired life

The depreciation charge is affected by government grants.

### Government grants

Grants received under the Ferrous Industries Scheme have been directly credited to the relevant asset accounts.

### Deferred taxation

This consists of taxation deferred by reason of capital allowances exceeding depreciation charged in the accounts.

### Stocks and work in progress

Stocks and work in progress have been consistently valued at the lower of cost or net realisable value.

The valuation of work in progress and finished stocks includes manufacturing and works overheads computed on the basis of normal activity.

### Turnover

Turnover represents net invoice value of castings sold.

# Consolidated Profit & Loss Account

for the year ended 31st March 1986

	Notes	1986 £	1985 £
Turnover	1	13,217,315	10,497,743
Cost of sales		10,149,648	8,152,792
Gross profit		<u>3,067,667</u>	<u>2,344,951</u>
Operating costs	2	1,801,040	1,272,631
Operating profit		<u>1,266,627</u>	<u>1,072,320</u>
Other income	6	285,694	119,758
Profit on ordinary activities before taxation	3	<u>1,552,321</u>	<u>1,192,078</u>
Taxation on ordinary activities	7	452,380	521,494
Profit on ordinary activities after taxation		<u>1,099,941</u>	<u>670,584</u>
Dividends	8	308,795	253,579
Transfer to general reserve		600,000	350,000
Transfer to reserves		<u>191,146</u>	<u>67,005</u>
Earnings per share	9	<u>10.686p</u>	<u>9.917p</u>

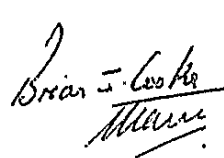
The comparative figures for 1985 relate to Castings p.l.c. only.  
The notes appearing on pages 11 - 14 form part of this account.

# Consolidated Balance Sheet

at 31st March 1986

	Notes	1986 £	1985 £
<b>Fixed assets</b>			
Intangible assets	10	1,013	7,089
Tangible assets	11	<u>2,875,026</u>	<u>2,518,638</u>
		2,876,039	2,525,727
<b>Investments</b>	12	178,345	299,206
<b>Current assets</b>			
Stock	13	942,593	764,754
Debtors	14	3,115,419	2,282,190
Short term deposits		1,979,368	1,793,000
Cash at bank and in hand		<u>777</u>	<u>579</u>
		6,038,157	4,840,523
<b>Creditors - amounts falling due within one year</b>			
Bank overdraft		549,437	556,341
Creditors		2,906,451	2,157,091
Taxation		<u>585,252</u>	<u>517,404</u>
	15	4,041,140	3,230,836
<b>Net current assets</b>		1,997,017	1,609,687
<b>Total assets less current liabilities</b>		<u>5,051,401</u>	<u>4,434,620</u>
<b>Provisions for liabilities and charges</b>	16	<u>880,000</u>	<u>995,000</u>
		4,171,401	3,439,620
<b>Capital and reserves</b>			
Called-up share capital	17	1,029,316	676,211
Share premium	18	45,000	—
Capital reserve	18	—	49,000
General reserve	18	2,300,000	1,700,000
Profit and loss account	18	<u>797,085</u>	<u>1,014,409</u>
		4,171,401	3,439,620

Approved by the board on 24th May 1986.


 Brian J. Cooke,  
 H. Lane, } Directors

The comparative figures for 1985 relate to Castings p.l.c. only.  
 The notes appearing on pages 11 - 14 form part of this account.



# Balance Sheet

at 31st March 1986

	Notes	1986 £	1985 £
<b>Fixed assets</b>			
Intangible assets	10	1,013	7,089
Tangible assets	11	<u>2,598,903</u>	<u>2,518,638</u>
		2,599,916	2,525,727
<b>Investments</b>	12	664,838	299,206
<b>Current assets</b>			
Stocks	13	809,356	764,754
Debtors	14	2,580,473	2,282,190
Short term deposits		1,826,306	1,793,000
Cash in hand		462	579
		<u>5,216,597</u>	<u>4,840,523</u>
<b>Creditors - amounts falling due within one year</b>			
Bank overdraft		452,436	556,341
Creditors		2,574,308	2,157,091
Taxation		<u>480,013</u>	<u>517,404</u>
	15	<u>3,506,757</u>	<u>3,230,836</u>
<b>Net current assets</b>		1,709,840	1,609,687
<b>Total assets less current liabilities</b>		<u>4,974,594</u>	<u>4,434,620</u>
<b>Provisions for liabilities and charges</b>	16	<u>805,000</u>	<u>995,000</u>
		<u>4,169,594</u>	<u>3,439,620</u>
<b>Capital and reserves</b>			
Called-up share capital	17	1,029,316	676,211
Share premium account	18	45,000	—
Capital reserve	18	—	49,000
General reserve	18	2,300,000	1,700,000
Profit and loss account	18	<u>795,278</u>	<u>1,014,409</u>
		<u>4,169,594</u>	<u>3,439,620</u>

Approved by the board on 24th May 1986.

Brian J. Cooke, }  
 H. Lane, } Directors

The notes appearing on pages 11 - 14 form part of this account.

# Source and Application of Funds

for the year ended 31st March 1986

	1986		1985	
	£	£	£	£
<b>Source of funds</b>				
Generated by trading—				
Net profit for the year		1,552,321		1,192,078
Depreciation and adjustments on disposals		<u>482,641</u>		<u>392,911</u>
		2,034,962		1,584,989
Funds from other sources—				
Disposal of fixed assets	11,380		9,550	
Realisations of investments	202,356		314,478	
Repayment of loan	—		151,000	
Repayment of mortgage	<u>12,600</u>		<u>3,150</u>	
	226,336		478,178	
Movement not involving cash—				
Issue of shares	<u>60,000</u>		—	
		<u>286,336</u>		<u>478,178</u>
<b>Total funds</b>		<u>2,321,298</u>		<u>2,063,167</u>
<b>Application of funds</b>				
Capital expenditure	544,939		289,165	
Investments made during year	94,095		612,834	
Increase in stocks	34,963		70,361	
Increase (decrease) in debtors	354,815		(446,294)	
(Increase) decrease in creditors	<u>(189,387)</u>		<u>(8,423)</u>	
Dividends paid	268,303		236,674	
Taxation	663,178		639,129	
Purchase of subsidiary company	<u>286,493</u>		—	
		<u>2,057,399</u>		<u>1,393,446</u>
		<u>263,899</u>		<u>669,721</u>
<b>Movement in liquid funds</b>				
Increase (decrease) in cash and short-term deposits		186,310		913,245
(Increase) decrease in bank overdraft		<u>77,589</u>		<u>(243,524)</u>
		<u>263,899</u>		<u>669,721</u>
<b>Creditors falling due within one year</b>				
(Increase) decrease in creditors falling due within one year				
Trade creditors	(255,309)		327,394	
Taxation and social security	65,378		(51,107)	
Other Creditors	241,513		30,376	
Accruals	(192,881)		(315,086)	
Advance corporation tax	<u>(48,088)</u>		—	
	<u>(189,387)</u>		<u>(8,423)</u>	

# Notes on Accounts

	1986 £	1985 £
<b>1 Geographical analysis of turnover</b>		
The invoiced value of castings directly exported during the year was £1,840,429 (1985 - £1,858,864).		
A geographical analysis of turnover for the year is as follows:-		
United Kingdom	11,376,886	8,638,879
Europe:		
Sweden	1,455,433	1,557,614
France	130,338	103,702
Holland	55,195	52,243
Germany	16,535	28,589
Denmark	30,484	24,126
Ireland	9,589	12,201
Belgium	50,357	4,289
Africa	42,829	59,441
Australasia	3,574	3,272
Middle and Far East	45,447	13,387
United States	648	—
	<u>13,217,315</u>	<u>10,497,743</u>
<b>2 Operating costs</b>		
Distribution	165,534	103,208
Administration	<u>1,635,506</u>	<u>1,169,423</u>
	<u>1,801,040</u>	<u>1,272,631</u>
<b>3 Trading profits are stated after charging</b>		
Depreciation	461,874	359,566
Directors' emoluments (see note 4)	270,839	182,204
Auditors' remuneration	7,500	4,000
Interest on bank overdraft	467	1,193
Hiring charges	<u>7,424</u>	<u>2,626</u>
	<u>748,104</u>	<u>549,589</u>
<b>4 Directors' emoluments</b>		
Emoluments of directors, excluding pension contributions, amounted to £270,839 (1985 - £182,204) and £8,950 (1985 - £8,950) in respect of pensions to former directors.		
Emoluments of the Chairman	£ 41,072	£ 34,087
Analysis of other directors' emoluments	Number	Number
£20,001 to £25,000	—	2
£25,001 to £30,000	2	3
£30,001 to £35,000	3	—
£35,001 to £40,000	2	—
<b>5 Employee cost</b>		
Average weekly number of employees during the year was	532	434
Aggregate remuneration paid to all employees	£ 4,516,559	£ 3,636,128
Social security costs	379,040	304,821
Pension costs	270,518	183,596
Other employee costs	<u>99,149</u>	<u>80,003</u>
	<u>5,265,266</u>	<u>4,204,548</u>

## Notes on Accounts continued

	1986 £	1985 £
<b>6 Other income</b>		
Interest on short term deposits	210,243	114,926
Interest on mortgage - gross	13,272	3,880
Interest on building society deposits	28,775	—
Royalties and licence fees	14,427	—
Profit on sale of building society bonds	17,551	—
Miscellaneous	1,426	952
	<u>285,694</u>	<u>119,758</u>
<b>7 Taxation</b>		
Corporation tax at 40% (1985 - 45%) on the taxable profit as shown by these accounts	690,000	600,000
Deferred taxation	(223,438)	(78,000)
Taxation adjustment in respect of previous years	(14,182)	(506)
	<u>452,380</u>	<u>521,494</u>
<b>8 Dividends on ordinary shares</b>		
Interim paid 20th January 1986 of 0.80p per share (1985 - 1.00p)	82,345	67,621
Proposed final of 2.20p per share (1985 - 2.75p)	226,450	185,958
	<u>308,795</u>	<u>253,579</u>
<b>9 Earnings per share</b>	Shares	Shares
Earnings per share are calculated on the number of shares in issue at the end of the year	<u>10,293,162</u>	<u>6,762,108</u>
	£	£
Profit on ordinary activities after taxation	<u>1,099,941</u>	<u>670,584</u>
	Pence	Pence
Earnings per share	<u>10.69</u>	<u>9.92</u>
<b>10 Fixed assets - Intangible</b>	Patent £	Total £
<b>a) Castings p.l.c. and subsidiary company</b>		
Cost		
At 31st March 1985	40,000	40,000
Additions during year	—	—
Disposals	—	—
At 31st March 1986	<u>40,000</u>	<u>40,000</u>
Depreciation and amounts written off		
At 31st March 1985	32,911	32,911
Charge for year	6,076	6,076
Disposals and adjustments	—	—
At 31st March 1986	<u>38,987</u>	<u>38,987</u>
<b>Fixed assets - Intangible - per balance sheet</b>		
At 31st March 1986	<u>1,013</u>	<u>1,013</u>
At 31st March 1985	<u>7,089</u>	<u>7,089</u>
<b>b) Castings p.l.c.</b>		
Cost		
At 31st March 1985	40,000	40,000
Additions during year	—	—
Disposals	—	—
At 31st March 1986	<u>40,000</u>	<u>40,000</u>
Depreciation and amounts written off		
At 31st March 1985	32,911	32,911
Charge for year	6,076	6,076
Disposals and adjustments	—	—
At 31st March 1986	<u>38,987</u>	<u>38,987</u>
<b>Fixed assets - Intangible - per balance sheet</b>		
At 31st March 1986	<u>1,013</u>	<u>1,013</u>
At 31st March 1985	<u>7,089</u>	<u>7,089</u>

# 11 Fixed assets - Tangible

	Freehold land & buildings £	Plant and other equipment £	Total £
e) Castings p.l.c. and subsidiary company			
Cost	1,376,997	4,374,714	5,751,711
At 31st March 1985	27,343	517,596	544,939
Additions during year	—	(121,381)	(121,381)
Disposals	1,404,340	4,770,929	6,175,269
At 31st March 1986			
Depreciation and amounts written off	246,060	2,687,618	2,933,678
At 31st March 1985	27,184	428,614	455,798
Charge for year	—	(89,233)	(89,233)
Disposals and adjustments	273,244	3,026,999	3,300,243
At 31st March 1986			
Fixed assets - Tangible - per balance sheet	1,131,096	1,743,930	2,875,026
At 31st March 1986	1,049,328	1,469,310	2,518,638
At 31st March 1985 (Castings p.l.c. only)			
b) Castings p.l.c.			
Cost	1,280,027	3,845,552	5,125,579
At 31st March 1985	5,973	474,365	480,338
Additions during year	—	(19,219)	(19,219)
Disposals	1,286,000	4,300,698	5,586,698
At 31st March 1986			
Depreciation and amounts written off	230,699	2,376,242	2,606,941
At 31st March 1985	23,627	372,497	396,124
Charge for year	—	(15,270)	(15,270)
Disposals and adjustments	254,326	2,733,469	2,987,795
At 31st March 1986			
Fixed assets - Tangible - per balance sheet	1,031,674	1,567,229	2,598,903
At 31st March 1986	1,049,328	1,469,310	2,518,638
At 31st March 1985			
	1986	1985	
	Group	Company	
	£	£	£
12 Investments			
Shares in subsidiary company:-			
2,500 ordinary shares of £1 each in W. H. Booth & Co. Limited, wholly owned and incorporated in England		286,493	—
Loan to subsidiary company:-		200,000	—
W. H. Booth & Co. Limited			
Other investments other than loans:-		—	202,356
Bristol and West Building Society Bond	50,000	50,000	—
£53,361.45 2½% Exchequer Stock 1987	3,437	3,437	—
3,340 7% cum. conv. red. pref. shares of £1 each in Parkfield Group			
Other loans:-	84,250	84,250	96,850
Mortgage on leasehold property (repayable over 8 years from January, 1985)	40,658	40,658	—
Mortgage on freehold property (repaid in June, 1986)	178,345	664,838	299,206
13 Stocks	246,406	222,687	214,149
Raw materials	435,284	435,284	362,170
Work in progress	260,903	151,385	188,435
Finished goods	942,593	809,356	764,754

## Notes on Accounts continued

	1986		1985		
	Group £	Company £	£		
<b>14 Debtors</b>					
Trade debtors	2,993,610	2,437,488	2,196,620		
Amount owed by subsidiary company	—	42,458	—		
Advance corporation tax recoverable	92,493	92,493	79,696		
Other debtors	13,803	7,523	4,933		
Prepayments	15,513	510	941		
	<u>3,115,419</u>	<u>2,580,472</u>	<u>2,282,190</u>		
<b>15 Creditors</b>					
Amounts falling due within one year:					
Bank overdraft	549,437	452,436	556,341		
Trade creditors	1,004,027	849,541	601,936		
Corporation tax	585,253	480,013	517,404		
Advance corporation tax	127,784	127,784	79,696		
Other taxation and social security	265,834	175,028	237,676		
Other creditors	170,366	158,230	182,015		
Accruals	1,111,989	1,037,275	869,810		
Proposed dividend	226,450	226,450	185,958		
	<u>4,041,140</u>	<u>3,506,757</u>	<u>3,230,836</u>		
<b>16 Provisions for liabilities and charges</b>					
Deferred taxation					
Balance at 31st March 1985	1,103,438	995,000	1,073,000		
Taxation deferred this year	(223,438)	(190,000)	(78,000)		
	<u>880,000</u>	<u>805,000</u>	<u>995,000</u>		
<b>17 Share capital</b>					
Authorised					
15,000,000 (1985, 7,500,000) 10p ordinary shares		<u>1,500,000</u>	<u>750,000</u>		
Issued and fully paid					
10,293,162 (1985, 6,762,108) 10p ordinary shares		<u>1,029,316</u>	<u>676,211</u>		
<b>18 Movement of reserves</b>					
	Capital reserve £	General reserve £	Share premium account £	Profit and loss account £	Group profit and loss account £
Reserves at 31st March 1985	49,000	1,700,000	—	1,014,409	1,014,409
Premium on issue of 150,000 shares at 40 pence each	—	—	45,000	—	—
Applied in capitalisation issue	(49,000)	—	—	(289,105)	(289,105)
Transfer from profit and loss	—	600,000	—	69,974	191,146
Goodwill on consolidation	—	—	—	—	(119,365)
	<u>—</u>	<u>2,300,000</u>	<u>45,000</u>	<u>795,278</u>	<u>797,085</u>
<b>19 Capital commitments</b>				1986 £	1985 £
Contracted for, but not provided in the accounts				60,200	2,100
Approved by the board of directors, but not contracted for				<u>124,300</u>	<u>19,500</u>
				<u>184,500</u>	<u>21,600</u>

Castings p.l.c.

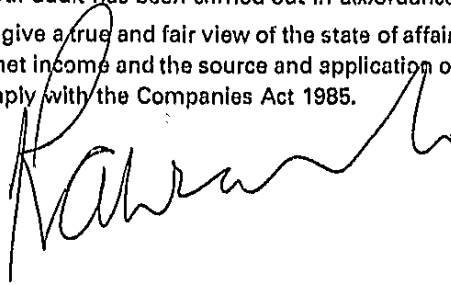
# Auditors' Report

to the members of Castings p.l.c.

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We have examined the accounts of Castings p.l.c. set out on pages 7 to 14. These have been prepared under the historical cost convention. Our audit has been carried out 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 subsidiary at 31st March 1986 and of the net income and the source and application of funds of the Company for the year ended on that date and comply with the Companies Act 1985.

R. A. Lea & Co.  
Chartered Accountants  
25th May 1986



## Five Year Review

For the years ended 31st March	1986 £	1985 £	1984 £	1983 £	1982 £
Turnover	13,217,315	10,497,743	9,294,812	6,425,075	6,504,131
Profit for the year before taxation	1,552,321	1,192,078	1,088,912	374,912	550,318
Profit after taxation	1,099,941	670,584	519,270	223,545	288,226
Dividends (see note below)	308,795	253,579	219,769	163,643	163,643
<b>Capital employed</b>					
Share capital	1,029,316	676,211	676,211	676,211	676,211
Share premium account	45,000				
Capital reserve	—	49,000	49,000	49,000	49,000
Reserves	3,097,085	2,714,409	2,314,182	2,014,681	1,954,779
Deferred taxation	880,000	915,304	1,000,549	1,065,039	1,197,039
Total capital employed	<u>5,051,401</u>	<u>4,354,924</u>	<u>4,039,942</u>	<u>3,804,931</u>	<u>3,877,029</u>
<b>Represented by</b>					
Fixed assets	6,215,269	5,165,579	5,175,960	5,250,340	5,079,736
Less aggregate depreciation	<u>3,339,230</u>	<u>2,639,852</u>	<u>2,367,591</u>	<u>2,274,867</u>	<u>2,012,541</u>
Fixed assets at net book value	2,876,039	2,525,727	2,808,369	2,975,473	3,067,195
Investments	178,345	299,206	—	—	—
Net current assets	<u>1,997,017</u>	<u>1,529,991</u>	<u>1,231,573</u>	<u>829,458</u>	<u>809,834</u>
Total net assets	<u>5,051,401</u>	<u>4,354,924</u>	<u>4,039,942</u>	<u>3,804,931</u>	<u>3,877,029</u>
<b>Dividends and earnings</b>					
Pence per share paid (see note 2)	3.000	3.750	3.250	2.420	2.420
Number of times covered	3.6	2.6	2.4	1.4	1.8
Earnings per share - pence	10.686	9.917	7.679	3.306	4.262
Notes					

- 1) The figures for 1983 and 1984 include a subsidiary company, since sold and for 1986 include W. H. Booth & Co. Limited.  
 2) The statistics of dividends for 1986 are on the share capital increased by a capitalisation issue and a further issue of 150,000 shares.