

C F BOOTH LIMITED  
DIRECTORS' REPORT

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Directors: K F Booth (Chairman)  
C K F Booth  
J H Booth  
J Jones  
C T Wilkinson  
R Wilkinson

Secretary: K F Booth

Registered office: Clarence Metal Works, Armer Street, Rotherham, South  
Yorkshire S60 1AF

The directors present their report for the year ended 31 March 1986.

#### ACCOUNTS AND DIVIDENDS

The directors submit the audited accounts for the year ended 31 March 1986. The loss for the year attributable to members is £373,000 and is dealt with as shown in the consolidated profit and loss account. The directors do not propose a dividend.

#### PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The principal activities of the group continued to be metal recycling and the manufacture of prime metal from three sites in Rotherham and sites in Sheffield and Barnsley.

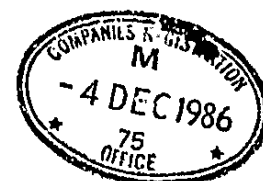
An analysis of group turnover and results between the different classes of business is given in note 3 to the accounts.

#### SUBSEQUENT EVENTS AND FUTURE DEVELOPMENTS

There have been no events to the date of this report which have materially affected the group and the group will pursue its existing activities.

#### DIRECTORS

The directors of the company during the year ended 31 March 1986 were those listed above. K F Booth retired as managing director on 27 July 1986 but will continue as chairman of the board. K F Booth and J Jones are the directors retiring by rotation and, being eligible, each offers himself for re-election.



## C F BOOTH LIMITED

## DIRECTORS' REPORT (continued)

## DIRECTORS' INTERESTS

According to the register maintained as required under the Companies Act 1985 the directors' interests in the share capital of the company were as follows:

	31 March	
	1986	1985
	£	£
K F Booth	25,075	25,075
C K F Booth	3,000	2,663
J H Booth	1,501	750
J Jones	Nil	Nil
C T Wilkinson	2,085	2,085
R Wilkinson	2,417	2,417

No director had an interest in the shares of any subsidiary, other than as a nominee for C F Booth Limited, during the year.

## DISABLED PERSONS

It is the company's policy to give full consideration to suitable applications for employment from disabled persons.

Opportunities also exist for employees of the company who become disabled to continue in their employment or to be trained for other positions within the company.

## EMPLOYEE INVOLVEMENT

Employees are provided with information on matters of concern to them at a level commensurate with their current understanding of the financial and economic factors affecting the performance of the group. Most employees are in regular contact with senior management when they are able to discuss decisions likely to affect their interests.

## AUDITORS

Ernst & Whinney have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the annual general meeting.

By order of the board

K F Booth

Secretary

11 September 1986

Ernst & Whinney Chartered Accountants

REPORT OF THE AUDITORS TO THE MEMBERS

We have examined the accounts of C F Booth Limited set out on pages 4 to 18. These have been prepared under the historical cost convention as explained in note 1 (a). 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 of the group, so far as concerns members of the company, at 31 March 1986 and of the loss and source and application of funds for the year then ended and comply with the Companies Act 1985.

Ernst & Whinney

Sheffield

11 September 1986

## C F BOOTH LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 1986

Ernst &amp; Whinney

	Note	1986 £'000	1985 £'000
TURNOVER	2	33,492	31,240
OPERATING COSTS	4	33,811	30,337
		<hr/>	<hr/>
GROUP OPERATING (LOSS)/PROFIT	5	(319)	903
Other income	7	5	19
		<hr/>	<hr/>
		(314)	922
Interest payable	8	320	110
		<hr/>	<hr/>
(LOSS)/PROFIT BEFORE TAXATION		(634)	812
Taxation	9	(261)	218
		<hr/>	<hr/>
(LOSS)/PROFIT ATTRIBUTABLE TO MEMBERS	10	(373)	594
Dividends	11	-	30
		<hr/>	<hr/>
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		(373)	564
		<hr/>	<hr/>
STATEMENT OF RETAINED PROFITS			
Balance at 31 March 1985		6,943	6,379
(Loss)/retained profit for the financial year		(373)	564
		<hr/>	<hr/>
Balance at 31 March 1986	12	6,570	6,943
		<hr/>	<hr/>

## C F BOOTH LIMITED

## CONSOLIDATED BALANCE SHEET - 31 MARCH 1986

Ernst &amp; Whinney

	Note	1986 £'000	1985 £'000
FIXED ASSETS			
Tangible assets	13	5,169	5,371
CURRENT ASSETS			
Stocks	15	3,300	4,696
Debtors	16	5,867	7,170
Cash in hand		23	55
		<hr/>	<hr/>
		9,190	11,921
CREDITORS - amounts falling due within one year			
Bank overdraft	17	2,461	3,684
Creditors	18	3,255	4,417
		<hr/>	<hr/>
		5,716	8,101
		<hr/>	<hr/>
NET CURRENT ASSETS		3,474	3,820
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,643	9,191
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	19	574	749
		<hr/>	<hr/>
		8,069	8,442
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	20	50	50
Revaluation reserve	21	1,255	1,255
Other reserves	21	194	194
Profit and loss account	21	6,570	6,943
		<hr/>	<hr/>
		8,069	8,442
		<hr/>	<hr/>

K F Booth

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Directors

J Jones

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11 September 1986

8,069

8,442

## C F BOOTH LIMITED

## BALANCE SHEET - 31 MARCH 1986

Ernst &amp; Whinney

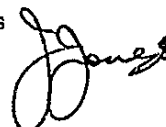
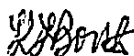
	Note	1986 £'000	1985 £'000
<b>FIXED ASSETS</b>			
Tangible assets	13	2,964	3,109
Investments	14	643	660
		<hr/>	<hr/>
		3,607	3,769
<b>CURRENT ASSETS</b>			
Stocks	15	337	1,093
Debtors	16	1,686	2,251
Cash in hand		8	32
		<hr/>	<hr/>
		2,031	3,376
<b>CREDITORS - amounts falling due within one year</b>			
Bank overdraft	17	39	1,147
Creditors	18	1,377	1,299
		<hr/>	<hr/>
		1,416	2,446
<b>NET CURRENT ASSETS</b>		<hr/>	<hr/>
		615	930
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<hr/>	<hr/>
		4,222	4,699
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	19	216	317
		<hr/>	<hr/>
		4,006	4,382
<b>CAPITAL AND RESERVES</b>			
Called up share capital	20	50	50
Revaluation reserve	21	1,024	1,024
Profit and loss account	21	2,932	3,308
		<hr/>	<hr/>
		4,006	4,382
		<hr/>	<hr/>

K F Booth )

J Jones )

11 September 1986

Directors



## C F BOOTH LIMITED

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 31 MARCH 1986

Ernst &amp; Whinney

	1986 £'000	1985 £'000
SOURCES OF FUNDS		
FROM OPERATIONS		
(Loss)/profit before taxation	(634)	812
Items not involving the movement of funds:		
Depreciation of tangible fixed assets	709	638
Deficit on revaluation of tangible fixed assets	-	4
Profit on sale of tangible fixed assets	(17)	(18)
Total generated from operations	58	1,436
OTHER SOURCES		
Proceeds of sale of tangible fixed assets	55	48
Total sources of funds	113	1,484
FUNDS APPLIED		
Purchase of tangible fixed assets	545	1,002
Dividends paid	30	15
Taxation paid	148	252
	723	1,269
(DECREASE)/INCREASE IN WORKING CAPITAL	(610)	215
Arising from movements in:		
Stocks	(1,396)	1,970
Debtors	(1,285)	1,554
Trade and other creditors, social security and accruals	880	(1,020)
	(1,801)	2,504
Net liquid funds - bank overdraft	1,223	(2,298)
- cash in hand	(32)	9
	(610)	215

## C F BOOTH LIMITED

## NOTES ON THE ACCOUNTS - 31 MARCH 1986

## 1 ACCOUNTING POLICIES

## (a) Accounting convention

The accounts are prepared under the historical cost convention modified by the revaluation of freehold and long leasehold property.

## (b) Basis of consolidation

The consolidated accounts incorporate the accounts of the company and of each of its subsidiaries for the year ended 31 March 1986.

## (c) Depreciation of tangible fixed assets

Freehold land is not depreciated. The cost (after deducting investment and other government grants) or valuation of other tangible fixed assets is written off by equal annual instalments over their expected useful lives as follows:

Freehold buildings	50 years
Long leasehold property	50 years
Tools and equipment	10 years
Office equipment	10 years
Skips and trailers	10 years
Motor lorries	5 years
Motor cars	4 years

Depreciation is not charged on any item of plant until it is installed and in operation.

## (d) Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items. In the case of finished goods and work in progress, cost includes direct labour and an appropriate proportion of production overheads. The allocation of manufacturing fixed overheads has regard to budgeted normal production.

## (e) Deferred taxation

Provision is made for deferred taxation, using the liability method, on short term timing differences and all other material timing differences which are not expected to continue in the future.

## 2 TURNOVER

Turnover comprises the invoice value of goods and services supplied by the group exclusive of VAT and intra-group transactions.



## C F BOOTH LIMITED

## NOTES ON THE ACCOUNTS -- 31 MARCH 1986

## 3 ANALYSIS OF TURNOVER AND PROFITS BETWEEN ACTIVITIES

	Turnover		(Loss)/profit before taxation	
	1986 £'000	1985 £'000	1986 £'000	1985 £'000
Metal recycling	23,402	21,804	(737)	503
Prime metal manufacture	8,897	8,679	91	221
Other activities	1,193	757	12	88
	<hr/>	<hr/>	<hr/>	<hr/>
	33,492	31,240	(634)	812
	<hr/>	<hr/>	<hr/>	<hr/>

## 4 OPERATING COSTS

	1986 £'000	1985 £'000
Decrease/(increase) in stocks of finished goods	1,676	(1,884)
Raw materials and consumables	23,303	25,188
Staff costs - wages and salaries	3,718	3,219
- social security costs	334	329
- other pension costs	90	102
Depreciation and other amounts written off tangible fixed assets	709	642
Other operating charges	2,826	1,841
Other external charges	1,155	900
	<hr/>	<hr/>
	33,811	30,337
	<hr/>	<hr/>

## 5 GROUP OPERATING (LOSS)/PROFIT is stated after charging:

	1986 £'000	1985 £'000
Hire of plant and equipment	157	19
Auditors' remuneration	36	34
Emoluments of directors (note 6)	382	328
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## 6 EMOLUMENTS OF DIRECTORS

	1986 £'000	1985 £'000
Remuneration, including pension contributions	382	328
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## C F BOOTH LIMITED

## NOTES ON THE ACCOUNTS - 31 MARCH 1986

## 6 EMOLUMENTS OF DIRECTORS (continued)

The emoluments, excluding pension contributions, of directors of the company are detailed as follows:

	1986 £'000	1985 £'000
Chairman and highest paid director	213	140
Other directors in scale:	Number	Number
£10,001 to £15,000	3	3
£50,001 to £55,000	-	1
£55,001 to £60,000	1	1
£60,001 to £65,000	1	-

## 7 OTHER INCOME

	1986 £'000	1985 £'000
Interest receivable	5	19

## 8 INTEREST PAYABLE

	1986 £'000	1985 £'000
Bank overdrafts	320	110

## 9 TAXATION

	1986 £'000	1985 £'000
The (credit)/charge based on the (loss)/profit for the year comprises:		
UK Corporation tax (recoverable)/payable	(134)	250
Transfer from deferred taxation	(138)	(32)
	(272)	218
Adjustment relating to prior years:		
UK Corporation tax	61	-
Transfer from deferred taxation	(50)	-
	(261)	218

UK Corporation tax has been provided at 40% (1985 - 45%). The elements of the deferred taxation charge for the year are available by reference to the movement between the 1985 and 1986 deferred taxation balances shown in Note 19.

## C F BOOTH LIMITED

## NOTES ON THE ACCOUNTS - 31 MARCH 1986

## 10 (LOSS)/PROFIT ATTRIBUTABLE TO MEMBERS

In accordance with the exemptions allowed by section 228 (7) of the Companies Act 1985, the company has not presented its own profit and loss account.

The loss for the year attributable to members which has been dealt with in the accounts of the company amounts to £376,280 (1985 profit of £131,680).

## 11 DIVIDENDS

	1986 £'000	1985 £'000
Proposed dividend (1985 - 60%)	-	30

## 12 RETAINED PROFITS

	1986 £'000	1985 £'000
Retained by:		
Company - retained profits	2,932	3,308
- consolidation adjustment	131	23
	<hr/>	<hr/>
Subsidiaries	3,063	3,331
	3,507	3,612
	<hr/>	<hr/>
	6,570	6,943
	<hr/>	<hr/>

The consolidation adjustment relates to provisions made by the holding company against investments in and amounts due from certain subsidiaries.

## C F BOOTH LIMITED

## NOTES ON THE ACCOUNTS - 31 MARCH 1986

## 13 TANGIBLE FIXED ASSETS

	Freehold property £'000	Long leasehold property £'000	Plant, equipment and motor vehicles £'000	Total £'000
GROUP				
Cost or valuation				
At 31 March 1985	2,893	13	7,482	10,388
Additions	2	-	543	545
Disposals	-	-	(171)	(171)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1986	2,895	13	7,854	10,762
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 31 March 1985	157	1	4,859	5,017
Charge for year	37	-	672	709
On disposals	-	-	(133)	(133)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1986	194	1	5,398	5,593
	<hr/>	<hr/>	<hr/>	<hr/>
Net book amounts at 31 March 1986	2,701	12	2,456	5,169
	<hr/>	<hr/>	<hr/>	<hr/>
Net book amounts at 31 March 1985	2,736	12	2,623	5,371
	<hr/>	<hr/>	<hr/>	<hr/>
Cost or valuation at 31 March 1986 is made up of:				
Cost	99	10	7,854	7,963
Valuation 1978	1,306	3	-	1,309
1980	160	-	-	160
1982	565	-	-	565
1985	765	-	-	765
	<hr/>	<hr/>	<hr/>	<hr/>
	2,895	13	7,854	10,762
	<hr/>	<hr/>	<hr/>	<hr/>

Revaluations of the group's freehold and long leasehold property, on an open market value for existing use basis, took place in 1978, 1980, 1982 and 1985. If the properties had not been revalued, they would have been carried in the balance sheet at:

	£'000
Cost	1,551
Accumulated depreciation	96
	<hr/>
Net book amount	1,455
	<hr/>

## C F BOOTH LIMITED

## NOTES ON THE ACCOUNTS - 31 MARCH 1986

## 13 TANGIBLE FIXED ASSETS (continued)

	Freehold property £'000	Plant, equipment and motor vehicles £'000	Total £'000
COMPANY			
Cost or valuation			
At 31 March 1985	2,171	3,305	5,476
Additions	-	142	142
Disposals	-	(72)	(72)
	<hr/>	<hr/>	<hr/>
At 31 March 1986	2,171	3,375	5,546
	<hr/>	<hr/>	<hr/>
Depreciation			
At 31 March 1985	131	2,236	2,367
Charge for year	27	253	280
On disposals	-	(65)	(65)
	<hr/>	<hr/>	<hr/>
At 31 March 1986	158	2,424	2,582
	<hr/>	<hr/>	<hr/>
Net book amounts at 31 March 1986	2,013	951	2,964
	<hr/>	<hr/>	<hr/>
Net book amounts at 31 March 1985	2,040	1,069	3,109
	<hr/>	<hr/>	<hr/>
Cost or valuation at 31 March 1986 is made up of:			
Cost	93	3,375	3,468
Valuation 1978	1,216	-	1,216
1980	160	-	160
1982	112	-	112
1985	590	-	590
	<hr/>	<hr/>	<hr/>
	2,171	3,375	5,546
	<hr/>	<hr/>	<hr/>

Revaluations of the company's freehold property, on an open market value for existing use basis, took place in 1978, 1980, 1982 and 1985. If the properties had not been revalued, they would have been carried in the balance sheet at:

	£'000
Cost	1,178
Accumulated depreciation	56
	<hr/>
Net book amount	1,122
	<hr/>

## C F BOOTH LIMITED

## NOTES ON THE ACCOUNTS - 31 MARCH 1986

## 14 INVESTMENTS

	Subsidiary companies £'000
Cost at 31 March 1986 and at 31 March 1985	664
Provision for diminution in value	4
At 31 March 1985	17
Charge in year	
	<hr/>
At 31 March 1986	21
	<hr/>
Net book amount at 31 March 1986	643 h
	<hr/>
Net book amount at 31 March 1985	660 h
	<hr/>

The subsidiaries at 31 March 1986 were:

Company	Nature of business
Booth PSV & Commercials Limited	Non trading
Booth Rags and Metals Limited	Non trading
Booth Special Alloys Limited	Non trading
Booth Stainless & Nickel Alloys Limited	Metal recycling
Booth Steel Stockholders Limited	Steel stockholders
Booth Transport Limited	Transport
Car Shredders Limited	Metal recycling
C F Booth (Doncaster) Limited	Metal recycling
C F Booth (Engineering) Limited	Engineering
C F Booth (Steel) Limited	Metal recycling
C G Carlisle & Co Limited	Stainless steel manufacture and stockholding
Demex Limited	Demolition, excavation and metal recycling
Fibretox Industrial Services Limited	Non trading
Hull Metals (Import & Export) Limited	Non trading
Non-ferrous Smelting Co Limited	Non trading
Northfield Aluminium Limited	Non-ferrous ingot manufacture
Roe Brothers & Company Limited	Metal recycling
Roe Brothers (Ipswich) Limited	Non trading
Roe Brothers (Non-Ferrous & Alloys) Limited	Non trading
Roe Brothers (Transport) Limited	Non trading
Roe Foundry Limited	Non trading
Rotherham Stainless & Nickel Alloys Limited	Stainless steel merchanting
Rotherham Waste Disposals Limited	Non trading
Shredder Engineering Services Limited	Non trading
Thorpe Waste Removals Limited	Waste removals
Waste Paper Processors Limited	Pallet sales

All subsidiary companies are incorporated in England and are wholly owned by C F Booth Limited.

## C F BOOTH LIMITED

## NOTES ON THE ACCOUNTS - 31 MARCH 1986

15 STOCKS	GROUP		COMPANY	
	1985 £'000	1985 £'000	1986 £'000	1985 £'000
Raw materials	755	312	-	-
Work in progress	56	121	-	-
Finished goods	2,466	4,142	337	1,093
Other	23	121	-	-
	<u>3,300</u>	<u>4,696</u>	<u>337</u>	<u>1,093</u>

The replacement cost of relevant stock is not materially different from the figures stated above.

16 DEBTORS	GROUP		COMPANY	
	1986 £'000	1985 £'000	1986 £'000	1985 £'000
Due within one year				
Trade debtors	5,443	6,553	1,029	965
Other debtors	351	383	230	287
Amounts owed by group companies	-	-	289	881
Value added tax	-	149	-	118
UK Corporation tax	-	18	138	-
Prepayments and accrued income	73	67	-	-
	<u>5,867</u>	<u>7,170</u>	<u>1,686</u>	<u>2,251</u>

## 17 BANK OVERDRAFT

The bank overdraft is secured by legal mortgages and specific equitable charges over the freehold and long leasehold property and a floating charge over all other assets of the company and certain of its subsidiaries.

18 CREDITORS	GROUP		COMPANY	
	1986 £'000	1985 £'000	1986 £'000	1985 £'000
Trade creditors	1,715	3,013	74	273
Amounts owed to group companies	-	-	375	316
UK Corporation tax	38	290	-	104
Other taxation and social security	507	404	179	128
Other creditors	713	546	620	412
Accruals	282	134	129	36
Proposed dividend	-	30	-	30
	<u>3,255</u>	<u>4,417</u>	<u>1,377</u>	<u>1,299</u>

## C F BOOTH LIMITED

## NOTES ON THE ACCOUNTS - 31 MARCH 1986

## 19 DEFERRED TAXATION

Deferred taxation arises in respect of the following timing differences:

	GROUP		COMPANY	
	1986 £'000	1985 £'000	1986 £'000	1985 £'000
Accelerated capital allowances	624	762	266	330
Advance corporation tax recoverable	-	(13)	-	(13)
Other timing differences	(50)	-	(50)	-
	<u>574</u>	<u>749</u>	<u>216</u>	<u>317</u>

Deferred taxation has been provided at the corporation tax rate applicable when the timing differences are expected to reverse.

Additional tax liabilities, which are not expected to crystallise in the future, exist in respect of:

	1986 £'000	1985 £'000	1986 £'000	1985 £'000
Accelerated capital allowances	-	225	-	163
Revaluation of freehold property	360	360	283	283
	<u>360</u>	<u>585</u>	<u>283</u>	<u>446</u>

These potential liabilities have been calculated at a corporation tax rate of 35% (1985 - 40%).

## 20 SHARE CAPITAL

	1986 £'000	1985 £'000
Authorised - 150,000 Ordinary shares of £1 each	150	150
Allotted, called up and fully paid - 50,000 ordinary shares of £1 each	<u>50</u>	<u>50</u>



## C F BOOTH LIMITED

## NOTES ON THE ACCOUNTS - 31 MARCH 1986

## 21 RESERVES

	Arising on consolidation £'000	Revaluation surplus £'000	Distributable profits £'000
GROUP			
At 31 March 1985	194	1,255	6,943
(Loss)/retained profit for the year	-	-	(373)
	<hr/>	<hr/>	<hr/>
At 31 March 1986	194	1,255	6,570
	<hr/>	<hr/>	<hr/>
COMPANY			
At 31 March 1985		1,024	3,308
(Loss)/retained profit for the year		-	(376)
		<hr/>	<hr/>
At 31 March 1986		1,024	2,932
		<hr/>	<hr/>

At 31 March 1986, £155,000 of the group's and £109,000 of the company's revaluation surplus was distributable. (1985 - £133,000 and £91,000 respectively).

## 22 CAPITAL COMMITMENTS

No future capital expenditure had been authorised or contracted for at 31 March 1986 or 31 March 1985.

## 23 CONTINGENT LIABILITIES

The company has guaranteed, up to £500,000, the overdraft of Roe Brothers & Co Limited, one of its subsidiary companies. At 31 March 1986, the overdraft on this account was £4,920. (1985 - in excess of £500,000).

The company has given an unlimited guarantee in respect of the bank overdrafts on all accounts of the other subsidiary companies. At 31 March 1986, the overdrafts on these accounts amounted to £1,357,811 (1985 - £917,402).

The company has joint and several liability for all amounts due by its subsidiary companies to H M Customs & Excise under a Group VAT registration agreement. At 31 March 1986, the total potential liability amounted to £137,116 (1985 - £55,655).

## C F BOOTH LIMITED

## NOTES ON THE ACCOUNTS - 31 MARCH 1986

## 24 EMPLOYEES

The average number of group employees in each week in the year was 506 (1985 - 489) and is broken down into the following categories

	1986 Number	1985 Number
Management	14	13
Administration	93	99
Production	367	344
Distribution	32	33
	<hr/> 506	<hr/> 489