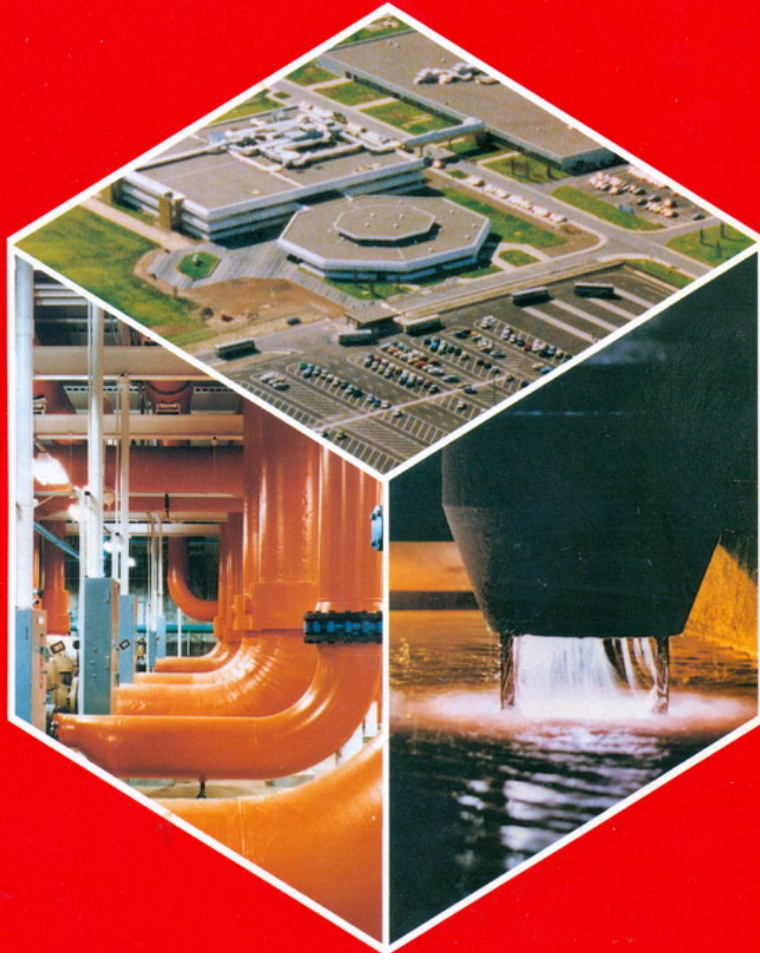
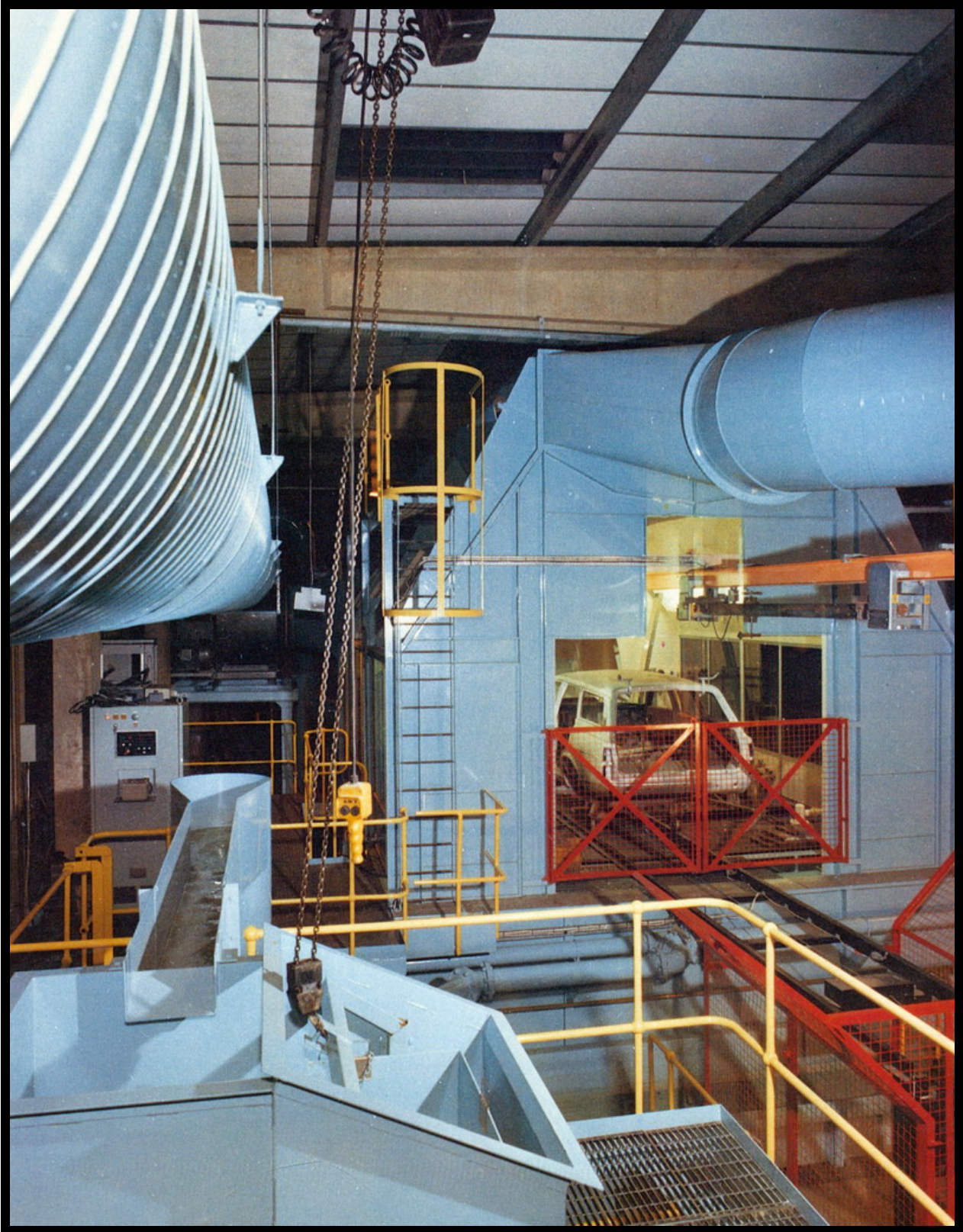


Haden



Haden plc

Report and Accounts 1982



Haden R&D Centre, Wembley

Chairman's Statement

The Company has had an active and successful year in a markedly difficult economic climate for the construction and automotive industries on which its fortunes so much depend.

In the United Kingdom, construction activity in the private sector, for both commercial and industrial projects, has been at a restrained level and, in the public sector, the Government's economies have been well reported. There are some indications that the Government will be considering measures over the next year to stimulate increased investment at home. Overseas, activity remained high, though the latter part of the year showed a slackening off in the Middle East in the face of declining oil prices.

The automotive industry has shown a high degree of investment in the United States as a result of the car manufacturers' programmes to produce more compact, fuel-efficient models. This has been counterbalanced by comparatively low investment in the rest of the world, including the United Kingdom, though there have been a few major projects. It seems possible that this trend will be reversed over the next few years, with certain of the major European, South East Asian and Comecon manufacturers investing in expansion, and a possible slowing down in the United States.

Financial Results

Despite the difficult business environment, results for the year have again shown an improvement. Turnover was up 15% over 1981 at £283 million, and Group profit before tax increased 12% to £8.6 million.

A 13% improvement in trading profit reflected excellent results by many of the operating companies. The figures include, for the first time, profit contributions from *Morgan-Moore Engineering* and *Gregson Pipework*, which were acquired with effect from 1st July, 1982.

Despite the steady decline in interest rates during the year, interest income increased to £1.85 million, reflecting continued emphasis on efficient cash management. The cash position remains strong; nevertheless the opportunity was taken to renegotiate the medium-term loan arrangements so as to ensure that additional funds will be available for expansion as and when required. The previous £7 million loan facilities were replaced by credit lines totalling £12 million, with a final repayment date of 1990.

Dividend

The directors are recommending a final Ordinary Dividend of 6.375p per share payable on 14th June, 1983. This lifts the total for the year to 8.625p per share, a 15% increase over last year.

Building, Industrial and Process Engineering

Good results were achieved, with another consistent performance from the United Kingdom where, with twenty branches nationwide, the company is the largest in the construction engineering services field. Although competitive pressures continued to increase, this strong presence ensured a good share of the available work.

In Australia, profits have further improved and the expansion into Queensland and the Northern Territory, which commenced last year, continues to prosper.

In the Middle East and South East Asia some further income has been received from the longstanding contracts which are now virtually complete. The joint venture with local partners, The Almutlaq Group, in Saudi Arabia, has completed its first year, in which it made a satisfactory start and received some worthwhile contracts. The Hong Kong company won some important orders, giving a substantial end-of-year workload.

In Europe the Belgian air conditioning business maintained a good profit record. It was reported last year that the mainstream air conditioning operations in France were being phased out; this exercise has been virtually completed and concentration is now on developing the air conditioning maintenance activity.

Industrial Finishing

The Company's leading position in the field of industrial finishing systems has been amply demonstrated by a very successful year. Several large-scale pre-treatment and painting plants were completed for automotive customers, and activity was at a high level.

The performance in the United States was particularly satisfactory and good results were also achieved in Belgium, Spain, Australia and South Africa. Results in the United Kingdom also improved from the previously depressed level, and returned to profit.

By contrast, the looked-for improvement in investment levels in the French market failed to materialise, and the French company thus made a loss. As a result, a substantial and costly redundancy programme was carried through and, in its slimmed-down form, the unit should now be better placed to respond to any upturn in the French market.

The West German company acquired last year has been fully integrated into the Division and has usefully broadened the Company's European coverage.

Chairman's Statement *continued*



Peter Simonis

Mechanical Handling

Having reported losses in 1981 in the United States and United Kingdom companies, I indicated that an improvement was expected. I am pleased to report that the new management team in the United States has tackled the problem energetically and achieved a break-even position. The market there remains dull and trading will not be easy. Similarly in the United Kingdom there has been a significant improvement from a severe loss-making position in the first half of the year. It is hoped that this progress will continue.

In Spain, Australia and South Africa, useful contributions were made by our local companies.

Mechanical handling technology is changing fast and a vigorous development programme is being pursued, especially in the application of computer techniques for the control and monitoring of materials handling systems.

Specialist Engineering

The equipment distribution and maintenance companies in this Division performed well, but this was partly offset by poor performance from certain of the specialist contracting companies which are working out some old, difficult contracts.

The recently purchased companies of *Morgan-Moore Engineering* and *Gregson Pipework* now form part of this Division and, since the end of the year *Holroyd Food Machinery* has been acquired. This company's principal activities are the importation, distribution and servicing of new and rebuilt meat processing equipment. These activities link in with current operations handling the design and construction of abattoirs and specialised equipment distribution.

People

In today's fiercely competitive world markets, it is only by harnessing some extra degree of effort to technical knowledge and engineering skills that a contracting business can continue to prosper. Your company is fortunate in having so many loyal, experienced and hard-working employees; I am sure that shareholders will wish to join me in thanking them for their efforts.

At an Extraordinary General Meeting of the Company held in September 1982, the shareholders approved the introduction of a Savings-Related Share Option Scheme and an Executive Share Option Scheme. In the case of the former scheme, which was made open to all United Kingdom employees who had completed five years' service, 52% of those eligible applied to join. This is an exceptionally high proportion and it represents a welcome expression of confidence in the future prosperity of the Company.

Future Prospects

Like industry in general, we are very dependent on the health of the economy of the countries in which we operate; thus we look forward to the much-discussed upturn in world economic growth.

Meanwhile the Company is healthy and optimistic. Some operating problems remain but these are being tackled. The search for suitable acquisitions continues. The balance sheet remains strong, liquidity good and financial resources are available to respond quickly to any opportunities.

For 1983, barring the unforeseen, the Company's record of improving profitability can be expected to continue.

A handwritten signature in dark ink, appearing to read 'Peter Simonis'.

April, 1983.

Chairman

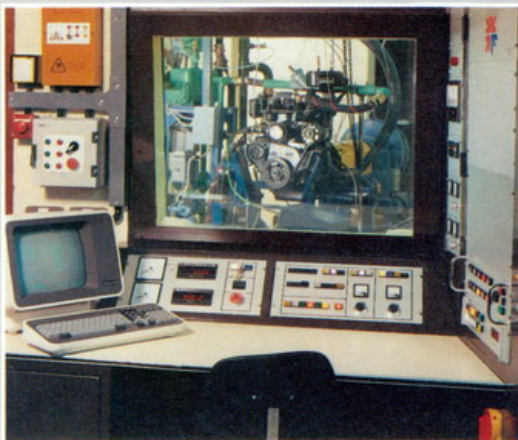


1 Concorde pays a courtesy visit to Newcastle Airport where Haden Young designed and constructed air conditioning, mechanical and electrical services for the new terminal.

2 The boiler house at St. John's Hospital, Lincoln, where Haden Young carried out a complete management contract involving building, civil and mechanical engineering work.

3 One of six new test cells at the Nuneaton headquarters of the Motor Industry Research Association, for computer linked performance testing of engines. The project was officially opened by HRH Prince Michael of Kent, President of MIRA. Haden Young designed and installed the engineering services.

4 Trading in progress at the London International Financial Futures Exchange, housed within the Royal Exchange building in London. Haden Young undertook the design and construction of air conditioning, mechanical and electrical services.



1 A new building to house the City of Glasgow's Burrell art collection is nearing completion. Haden Young was responsible for the air conditioning, mechanical and electrical services.

2 The Royal Concert Hall in Nottingham, to be opened in 1983, adjoins the famous Theatre Royal, and has seating for 2,500. The design permits variable adjustment to the acoustic properties of the auditorium to suit all types of productions. Haden Young installed the air conditioning and mechanical services.

3 The Yorkshire Clinic – a new private hospital which was opened in 1982. Haden Young's contract included heating, ventilation, operating theatre air conditioning, water services and the supply of medical equipment.

4 Opened in 1982 by Sir George Young, M.P., Under-Secretary of State, Department of the Environment, this new project for the Building Research Establishment at Watford will be used to monitor building energy performance. Mechanical services were by Haden Young.



1



2



3



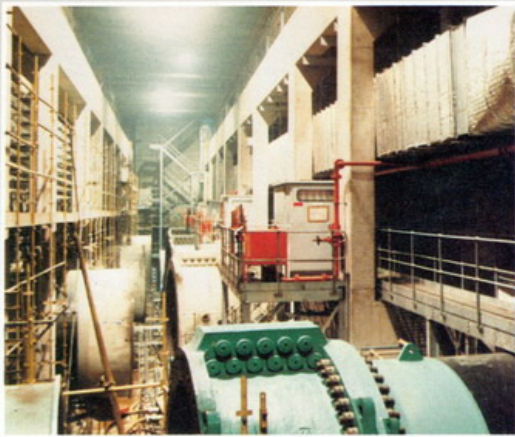
4

1 Dinorwic pumped storage hydro-electric power station, which nestles inside Elidir mountain in Snowdonia, North Wales, and which is nearing completion. Six water-driven turbines generate 1880 MW of power. Haden Young was responsible for the air conditioning and ventilation systems within the complex.

2 1982 saw completion of the first phase re-development of the Royal Opera House, Covent Garden, London, where Haden Young designed and installed a complete range of mechanical and electrical services.

3 A recently completed major office refurbishment for Land Securities at Devonshire House, Piccadilly, in London, was carried out with the building still in partial occupation. Haden Young undertook a £6 million design and installation contract for the total building services package.

4 Industrial pipework for process cooling installed by Haden Engineering at the Comalco aluminium plant in Sydney, Australia.



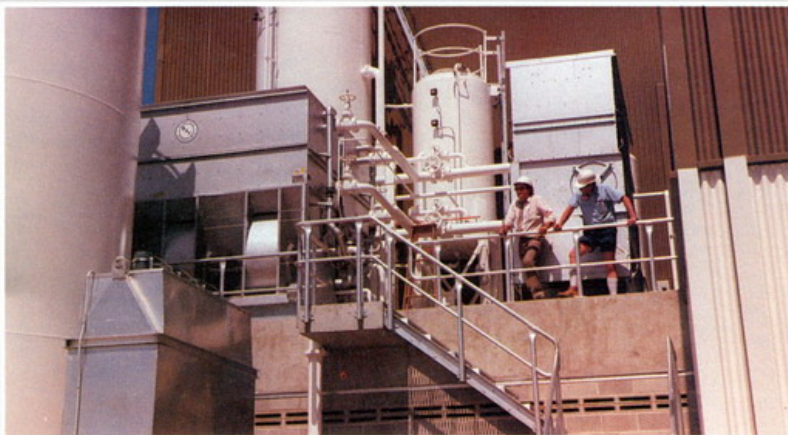
1



3



2



4

1 Haden Carrier-Ross designed and installed process and environmental air systems for the No. 2 board machine at Thames Board Limited's Workington Mill. Extensive heat recovery equipment is incorporated in the process exhaust systems.

2 The pumped circulation system serving 364 metres of Hydrosipin paint spray booth installed at the new General Motors assembly plant at Zaragoza in Spain. This Haden Drysys project also included Hydropac waste paint disposal systems, air replacement plants and mechanical conveyors (see page 15).

3 The process of curing applied organic coatings for metal surfaces is achieved in ovens which operate at temperatures of up to 250° Celsius. Illustrated is a range of five tin plate wicket ovens designed and installed by Haden Drysys.

4 A pre-treatment and powder coat installation near Stuttgart, West Germany, built by Haden Drysys GmbH.

5 A car body emerging from the cathodic Electro-dip section of a new pre-treatment and paint priming system installed by Haden Drysys at Shah Alam, Selangor in Malaysia, for a company jointly owned by Ford Motor Company, Associated Motor Industries, Malaysia, and Sime Darby.



1

3

2

4

5

1 Haden Automation Systems supports Group companies by providing software and hardware for process control systems of all kinds. The company's expertise includes the "FACTS" fault and control technology system which incorporates micro-processor and colourgraphic supervisory equipment.

2 The use of radiant ceiling panels is returning to popularity as an economical and effective way of heating large open areas. The pleasing aesthetic appearance of these Frenger Troughton radiant panels appeals to architects and building owners.

3 Carrier Air Conditioning designed and installed the engineering services for four low temperature test chambers at the Ford Research and Engineering Centre at Dunton in Essex. The test rooms are capable of operating at temperatures down to minus forty degrees Celsius.

4 The Earl of Avon, Under-Secretary of State, Department of Energy, opens the new computer controlled building supervisory system for Haden Maintenance at Pudding Lane, London, E.C.



1 Holroyd Food Machinery joined the Group in March, 1983. The company is engaged in the importation, distribution and servicing of new and re-built food processing machinery, an example of which is illustrated.

2 The communications room on an offshore oil platform, air conditioned by Haden Offshore to provide a controlled environment for the equipment as well as comfort for the operators.

3 The Valhal Field production platform in Norwegian waters where Morgan-Moore Engineering carried out a major instrumentation and controls hook-up and commissioning project.

4 Gregson Pipework manufactures a range of machines for computer controlled bending of large pipework by the induction heating technique. Gregson is the only British manufacturer of such machines, which offer designers more flexibility in planning their layouts, as well as being more energy efficient.

