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UNITED GLASS HOLDINGS plc

REPORT & ACCOUNTS 1988

05150/MEC



UNITED GLASS HOLDINGS plc

Directors

S C Dowling (Chairman)

E M Campbell

G R Clinard (USA)

L B Garton (USA)

J R Griffin

J H Lemieux (USA)

R K Martin

N M McDonnell

J E Oliver

Secretary

J E Oliver

Registered Office

Porters Wood, St Albans, Herts AL3 6NY

Auditors

Arthur Young

Chartered Accountants

REPORT OF THE DIRECTORS

The Directors submit their report and the audited accounts for the 53 weeks ended 3rd December 1988.

ACTIVITIES

The principal activity of the Group during the period was the manufacture of glass containers.

The Group disposed of its interests in the distribution business on 24th January 1988 and in the mould making/general engineering castings business on 21st February 1988. The results from these activities are included in the accounts up to the respective date of sale of the businesses. The adjustments arising from these disposals are shown as extraordinary items in the Profit and Loss Account.

FINANCIAL RESULTS AND BUSINESS REVIEW

The Group profit on ordinary activities after taxation amounted to £13,256,000. After taking into account extraordinary items of £3,845,000 the profit attributable to shareholders was £17,101,000. An interim dividend of £15,000,000 was paid to shareholders on 15th March 1988 and a second interim dividend of £15,000,000 was paid to shareholders on 15th September 1988. No final dividend is proposed. After taking account of dividends there was a reduction of £12,899,000 in retained earnings during the period.

The contraction of turnover and trading profit compared with the results for 1987 is directly attributable to the disposal of businesses over the past two years. Sales of glass containers increased, as the slight upturn in the UK market for glass containers which became evident in 1987 continued through 1988. The Company also increased its exports significantly during the period. The trading profit on glass containers recovered well from the slightly depressed level in 1987, mainly reflecting further improvement in manufacturing performance and reductions in fixed costs.

ADDITIONS TO TANGIBLE FIXED ASSETS

Total additions to fixed assets including expenditure on mould equipment amounted to £23,200,000. The main areas of expenditure were the rebuilding of furnaces, the installation of high productivity glass forming machines and the acquisition of the freehold title of the Harlow site where the Group previously held a leasehold interest.

INTERESTS IN LAND

The Directors are of the opinion that the market value of the Group's land and buildings is in excess of the aggregate net book value included in the accounts under the historical cost convention but, in the absence of a professional valuation, are unable to quantify the amount of such excess.

SHAREHOLDERS' INTERESTS

United Distillers plc (a wholly owned subsidiary of Guinness PLC) and O-I Overseas Management Company Limited (a wholly owned subsidiary of Owens-Illinois, Inc. with whom the Group has a technical assistance agreement) each held 50% of the share capital of the Company throughout the period and has continued to do so since 3rd December 1988. Subsidiaries of United Distillers plc and other subsidiaries of Guinness PLC are major customers for the Group's products and Owens-Illinois, Inc. is an important supplier of specialised machinery and equipment to the Group.

CHARITABLE DONATIONS

The sum of £8,287 was donated to charities during the period.

DISABLED EMPLOYEES

Full and fair consideration is given to the employment of disabled persons including the continuing employment of any who become disabled during their employment with the Company, having regard to their particular aptitudes and abilities, and appropriate training is provided where applicable. Full consideration is given to their career development and promotion prospects.

EMPLOYEE INVOLVEMENT

There are well established arrangements to keep employees informed on matters which may affect their employment and to involve them in the affairs of the business. These include regular presentations on business plans and on progress towards planned objectives.

DIRECTORS

Messrs S C Dowling, J F Small, E M Campbell, J Clarke, G R Clinard, L B Garton, J R Griffin, J W Johnson, J H Lemieux, R K Martin, N M McDonnell, H A Nettleship and J E Oliver served as Directors during the period.

Mr N M McDonnell was appointed as a Director on 29th January 1988.

Messrs H A Nettleship, J W Johnson, J Clarke and J F Small resigned from the Board 25th January 1988, 19th February 1988, 6th April 1988 and 20th May 1988 respectively.

DIRECTORS' INTERESTS

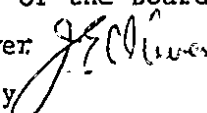
The Directors and their families did not have any interests in the Company's shares or debentures or in the shares of any subsidiary company, other than the non-beneficial interests of certain Directors in the shares of the Company and its subsidiaries as nominees. There has been no change in Directors' interests since the end of the period.

At no time during the year did any Director have a material interest in a contract which was of significance in relation to the Group's business.

AUDITORS

Arthur Young are willing to continue in office as Auditors and a resolution that they be re-appointed at a fee to be fixed by the Directors will be proposed at the Annual General Meeting.

By order of the Board

J E Oliver 

Secretary

St Albans
Hertfordshire
26th April 1989

REPORT OF THE AUDITORS

to the Members of United Glass Holdings plc

We have audited the Accounts on pages 5 to 17 in accordance with approved auditing standards.

In our opinion the Accounts, which have been prepared under the historical cost convention, give a true and fair view of the state of affairs of the Company and the Group at 3rd December 1988 and of the profit and source and application of funds of the Group for the period then ended and comply with the Companies Act 1985.


ARTHUR YOUNG

Chartered Accountants

London
26th April 1989

0515/MEC

Group Profit and Loss Account

for 53 weeks ended 3rd December 1988

		1988 (53 weeks) £000	1987 (52 weeks) £000
Turnover	Note 2	161,245	196,860
Cost of sales		<u>128,046</u>	<u>159,827</u>
Gross profit		33,199	37,033
Distribution costs		10,791	10,285
Administrative expenses		6,696	8,492
Trading profit	3	<u>15,712</u>	<u>18,256</u>
Exceptional items	6	3,173	(1,649)
Interest	7	<u>(1,842)</u>	<u>(1,744)</u>
Profit on ordinary activities before taxation		17,043	14,863
Taxation	8	3,787	5,500
Profit on ordinary activities after taxation		<u>13,256</u>	<u>9,363</u>
Extraordinary items	9	3,845	3,504
Profit attributable to shareholders		<u>17,101</u>	<u>12,867</u>
Retained earnings at 28th November 1987		50,961	68,094
Dividends paid		<u>(30,000)</u>	<u>(30,000)</u>
Retained earnings at 3rd December 1988		<u>38,062</u>	<u>50,961</u>

The notes on pages 8 to 17 form part of these accounts.

Source and Application of Group Funds

for 53 weeks ended 3rd December 1988

	1988 (53 weeks) £000		1987 (52 weeks) £000	
Source of funds				
Profit on ordinary activities before taxation		17,043		14,863
Extraordinary item before taxation		<u>8,845</u>		<u>2,204</u>
		25,888		17,067
Adjustment for items not involving the movement of funds:				
Depreciation		10,792		13,538
(Profit)loss on disposal of tangible fixed assets		<u>(4,327)</u>		<u>1,239</u>
Increase in provisions		997		-
Total generated from operations		33,350		31,844
(Increase)/decrease in working capital:				
Stocks	2,441		8,373	
Debtors excluding consortium relief	9,585		8,736	
Creditors excluding bank overdrafts, loans, finance lease obligations and corporation tax	<u>(11,854)</u>		<u>(7,262)</u>	
		172		9,847
Total operating funds		33,522		41,691
Other sources of funds:				
Disposal of tangible fixed assets		21,676		12,143
Consortium relief		<u>1,306</u>		<u>-</u>
Total source of funds		36,504		53,834
Application of funds				
Dividends paid		30,000		30,000
Expenditure on tangible fixed assets		23,200		21,016
Corporation tax paid		<u>788</u>		<u>29</u>
Decrease in net borrowings		<u>2,516</u>		<u>2,789</u>
Represented by changes in:				
Cash at bank and in hand		1,239		(4,127)
Bank overdrafts, loans and finance lease obligations repayable within one year		<u>(2,263)</u>		<u>(4,684)</u>
Borrowings repayable after more than one year including obligations under finance leases		<u>3,540</u>		<u>11,600</u>
		<u>2,516</u>		<u>2,789</u>
Net proceeds from business disposals comprised:-				
Tangible fixed assets - net book value		10,988		13,050
Stocks		1,312		12,292
Debtors		3,718		328
Creditors		<u>(3,856)</u>		<u>(1,712)</u>
Leasing obligations		<u>(2,835)</u>		<u>(5,095)</u>
Profit on disposal		<u>8,845</u>		<u>2,204</u>
Net proceeds		18,172		21,067

Notes to the accounts

1 Accounting policies.

Group accounts

The Group accounts comprise the consolidated accounts of the Company and its subsidiaries. A profit and loss account is not presented in respect of the Company, as provided by S228(7) of the Companies Act 1985.

Turnover.

Turnover represents the amount receivable for goods and services sold, excluding value added tax.

Stocks

Stocks are valued at the lower of cost and the estimated amount realisable from disposal in the normal course of business. Cost comprises standard cost of purchase or manufacture adjusted to include cost variances which reflect current levels of expense and normal activity levels. Works overhead expense is included to the extent attributable to the processes or departments through which the stock has passed.

Tangible fixed assets and depreciation

The cost of tangible fixed assets including assets held under finance leases is stated after deduction of grants receivable. Depreciation is calculated on the net cost. The general policy is to provide depreciation on tangible fixed assets, other than freehold land, evenly over the estimated useful lives. Adjustments for depreciation over or underprovided are included in the depreciation charge for the year in which the relevant assets are sold or scrapped. The estimated lives of furnaces and moulds are reviewed annually by reference to usage. Foreseeable future losses arising on disposal of tangible fixed assets are provided for by way of additional depreciation.

Leasing

Assets obtained under finance leases are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to profit and loss account over the period of the lease and represents a constant proportion of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Deferred taxation

Deferred taxation is provided under the liability method on timing differences only to the extent that a liability is expected to crystallise within the foreseeable future.

Research and development

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

Pensions

The Group has a number of pension schemes designed to provide retirement benefits for employees. The assets of the schemes are independent of the Group's resources.

Contributions to the Group's pension schemes are made in accordance with actuarial recommendations and are charged against profits as they fall due.

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange differences arising from currency conversions in the normal course of trading are dealt with in the profit and loss account.

2	Turnover	1988	1987
		(53 weeks)	(52 weeks)
		£000	£000
	Glass containers	158,773	152,273
	Other products and services (excluding sales within the Group)	2,472	44,587
		<u>161,245</u>	<u>196,860</u>
3	Trading profit	1988	1987
		(53 weeks)	(52 weeks)
		£000	£000
	Glass containers	15,058	12,491
	Other products and services	654	5,765
		<u>15,712</u>	<u>18,256</u>
	Trading profit is stated after charging:		
	Depreciation - owned assets	9,907	10,351
	- leased assets	885	3,187
		<u>10,792</u>	<u>13,538</u>
	Hire of plant - operating leases	421	849
	Other operating lease payments	368	1,347
	Auditors' remuneration	99	126

4 Employees

The average weekly number of persons employed by the Group during the year was 2,932 (1987 4,988), comprising 2,747 (1987 3,050) in the glass container business and 185 (1987 1,938) in other activities.

	1988	1987
	(53 weeks)	(52 weeks)
	£000	£000
Employment costs:		
Wages and salaries	37,673	54,214
Social security costs	2,810	3,941
Other pension costs	315	496
	<u>40,798</u>	<u>58,651</u>

After taking account of the latest actuarial valuations and subsequent advice from the schemes' actuaries, the Group made no contributions to its principal pension schemes during the period (1987 Nil).

The emoluments, excluding pension fund contributions, of employees (other than directors of the Company) whose remuneration exceeded £30,000 were within the following bands

£		£	Number	Number
40,001	to	45,000	1	1
35,001	to	40,000	2	2
30,001	to	35,000	7	2

5 Directors' emoluments

The aggregate amount of directors' emoluments was £220,333 (1987 £288,100) all of which related to services other than as directors. Payments to five former directors who ceased to hold office during 1988 and 1987 amounted to £479,496 (1987 £25,000).

The emoluments, excluding pension fund contributions, of individual directors (other than those who performed their duties mainly outside the United Kingdom) were as follows:

	1988 (53 weeks)	1987 (52 weeks)
The Chairman	-	-
The highest paid director	£60,289	£63,332
Other directors within the following bands:		
£	Number	Number
50,001 to 55,000	-	1
45,001 to 50,000	1	-
40,001 to 45,000	1	-
35,001 to 40,000	1	4
20,001 to 25,000	-	1
15,001 to 20,000	1	-
5,001 to 10,000	2	-
under £5,000	2	3
6 Exceptional items	1988 (53 weeks) £000	1987 (52 weeks) £000
Surplus on disposal of properties	4,113	-
Redundancy payments and other facility rationalisation costs	(940)	(1,649)
	<u>3,173</u>	<u>(1,649)</u>
7 Interest	1988 (53 weeks) £000	1987 (52 weeks) £000
Interest payable on:		
Bank loans, overdrafts and other loans wholly repayable within five years	1,710	1,461
Loans not repayable within five years	279	625
	<u>1,989</u>	<u>2,086</u>
Interest receivable	147	342
	<u>1,842</u>	<u>1,744</u>
Interest payable on finance leases included above	<u>509</u>	<u>1,156</u>
8 Taxation	1988 (53 weeks) £000	1987 (52 weeks) £000
Corporation tax at 35% on profit for the period (1987 - 35%)	2,130	3,500
Deferred taxation	<u>1,637</u>	-
	<u>3,767</u>	<u>3,500</u>
9 Extraordinary items	1988 (53 weeks) £000	1987 (52 weeks) £000
Profit on disposal of businesses	3,845	2,204
Corporation tax arising on disposal of businesses		
Current taxation	(2,000)	1,300
Deferred taxation	<u>(3,700)</u>	-
	<u>3,845</u>	<u>3,504</u>

10 Tangible fixed assets

	The Group			The Company		
	Land & buildings	Plant	Total	Land & buildings	Plant	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 28th November 1987	30,370	102,747	133,117	72	1,460	1,532
Disposals	(14,934)	(23,069)	(38,003)	(72)	(1,460)	(1,532)
Acquisitions	4,120	19,080	23,200	-	-	-
At 3rd December 1988	<u>19,556</u>	<u>98,758</u>	<u>118,314</u>	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation						
At 28th November 1987	7,958	57,061	65,019	38	1,110	1,148
Disposals	(3,031)	(17,623)	(20,654)	(38)	(1,110)	(1,148)
Charge for period	488	10,304	10,792	-	-	-
At 3rd December 1988	<u>5,415</u>	<u>49,742</u>	<u>55,157</u>	<u>-</u>	<u>-</u>	<u>-</u>
Book value						
At 3rd December 1988	<u>14,141</u>	<u>49,016</u>	<u>63,157</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 28th November 1987	<u>22,412</u>	<u>45,686</u>	<u>68,098</u>	<u>34</u>	<u>350</u>	<u>384</u>

The book value of plant includes assets held under finance leases amounting to £5,616,000 (1987 £9,701,000) in respect of the Group and Nil (1987 £7,000) in respect of the Company.

The cost of land and buildings comprises:

	The Group		The Company	
	1988	1987	1988	1987
	£000	£000	£000	£000
Freehold	19,556	24,375	-	-
Long leasehold	-	5,462	-	72
Short leasehold	-	533	-	-
	<u>19,556</u>	<u>30,370</u>	<u>-</u>	<u>72</u>

The rates of depreciation applicable to each major class of tangible fixed asset are as follows:

Freehold and long leasehold buildings	2%
General plant - variable within range of	4% to 20%

Short leaseholds are depreciated over the unexpired period of the lease.
Furnaces and moulds are depreciated at variable rates according to usage.

11	Investments	Shares		Loans	Total
		Cost	Revaluation adjustment		
		£000	£000	£000	£000
	Subsidiary companies				
	At 28th November 1987	17,570	33,101	42,000	92,671
	Revaluation adjustment for the period	-	(38,569)	-	(38,569)
	At 3rd December 1988	17,570	(5,468)	42,000	54,102

Shares in subsidiary companies are valued at the book value of the underlying net tangible assets in order to reflect in the Company's balance sheet the reserves of the subsidiary companies.

The subsidiary companies which, in the opinion of the directors, principally affected the accounts of the Group, are as follows:

United Glass Limited	Manufacture of glass containers.
United Glass (Properties) Limited	Property investment
U.G. Leasing Limited	Leasing

The companies, registered in England, operate principally in the United Kingdom and all the issued share capital is held by the Company.

12	Stocks	1988	1987
		£000	£000
	Raw materials and consumables	7,475	7,391
	Work in progress	-	1,048
	Finished stocks	19,791	21,268
		<u>27,266</u>	<u>29,707</u>

13	Debtors	The Group		The Company	
		1988	1987	1988	1987
		£000	£000	£000	£000
	Trade debtors	21,599	29,835	-	-
	Amounts owed by Group companies	-	-	30,472	40,820
	Dividends receivable	-	-	24,556	-
	Other debtors	651	2,211	-	1,314
	Prepayments	1,233	1,022	-	116
	Amount receivable for consortium relief	-	1,274	-	-
		<u>23,483</u>	<u>34,342</u>	<u>55,028</u>	<u>42,250</u>

14	Creditors - amounts falling due within one year	The Group		The Company	
		1988 £000	1987 £000	1988 £000	1987 £000
	Bank overdrafts and loans	17,198	13,887	-	3,682
	Obligations under finance leases	997	2,045	-	45
	Trade creditors	14,943	16,400	-	-
	Amounts owed to Group companies	-	-	53,503	63,549
	Corporation tax	8,800	1,206	227	271
	Other taxation and social security costs	4,124	5,230	-	16
	Other creditors	6,333	11,901	603	641
	Accruals	2,579	6,302	39	188
		<u>54,974</u>	<u>56,971</u>	<u>54,372</u>	<u>68,392</u>
15	Creditors - amounts falling due after more than one year	The Group		The Company	
		1988 £000	1987 £000	1988 £000	1987 £000
	7 1/4% first mortgage debenture stock 1987-90	617	617	617	617
	Obligations under finance leases	2,832	6,355	-	56
	Mortgage	816	833	-	-
	Corporation tax	-	4,200	-	-
		<u>4,265</u>	<u>12,005</u>	<u>617</u>	<u>673</u>

The debenture stock is secured against freehold properties and a floating charge on other assets.

The mortgage bears interest at 10 1/4% per annum and is repayable by instalments of £16,700 a year from 1979 to 2007 and £515,700 in 2008. The Company has a contingent liability as guarantor of repayment of the mortgage. The mortgage is secured against freehold premises.

The bank loans are unsecured and carry interest at prevailing market rates.

16 Provisions for liabilities and charges

	The Group		The Company	
	1988	1987	1988	1987
	£000	£000	£000	£000
Deferred taxation				
Accelerated capital allowances	237	-	-	-
Other timing differences	4,400	-	800	-
	<u>4,637</u>	<u>-</u>	<u>800</u>	<u>-</u>
Other provisions	997	-	-	-
	<u>5,634</u>	<u>-</u>	<u>800</u>	<u>-</u>

The estimated potential liability for deferred taxation at the expected future rate of corporation tax of 35%, including the amounts for which provision has been made, is as follows:

Accelerated capital allowances	10,010	10,229	-	79
Other timing differences	5,950	800	800	58
Total potential liability	<u>15,960</u>	<u>11,029</u>	<u>800</u>	<u>137</u>

17 Loan repayments

The aggregate amounts of loans or instalments repayable within each of the indicated periods after the balance sheet date are as follows:

	The Group		The Company	
	1988	1987	1988	1987
	£000	£000	£000	£000
Within one year	17,198	13,887	-	3,682
Between one and two years	634	634	617	617
Between two and five years	50	50	-	-
More than five years	749	766	-	-
	<u>18,631</u>	<u>15,337</u>	<u>617</u>	<u>4,299</u>

18 Share capital

	1988	1987
	£000	£000
Allotted share capital of the Company		
'A' ordinary shares of 25p each fully paid	5,620	5,620
'B' ordinary shares of 25p each fully paid	5,620	5,620
	<u>11,240</u>	<u>11,240</u>
Authorised share capital	<u>11,415</u>	<u>11,415</u>

19 Reserves

	The Group Profit & Loss account £000	The Company Revaluation reserve £000	The Company Profit & Loss account £000
At 28th November 1987	50,961	33,101	17,860
Dividends received/receivable	-	(54,556)	54,556
Dividends paid	(30,000)	-	(30,000)
Profit (loss) for period	17,101	15,987	(4,728)
	<u>38,062</u>	<u>(5,468)</u>	<u>37,688</u>
Provision against investment in subsidiaries	-	4,437	-
Provision against amounts receivable from subsidiaries	-	1,405	-
	<u>38,062</u>	<u>374</u>	<u>37,688</u>

20 Capital commitments

Contracted capital expenditure not provided for amounts to approximately £4,695,000 (1987 £607,000) for the Group. Capital expenditure authorised by the directors but not contracted amounts to approximately £7,202,000 (1987 £4,249,000).

21 Lease commitments

The commitments for future minimum payments under finance leases are as follows:

	The Group		The Company	
	1988 £000	1987 £000	1988 £000	1987 £000
Within one year	1,569	2,809	-	50
Between one and five years	2,966	6,701	-	61
Beyond five years	516	1,059	-	-
	<u>5,051</u>	<u>10,569</u>	<u>-</u>	<u>111</u>
Less finance charges allocated to future years	<u>1,222</u>	<u>2,169</u>	<u>-</u>	<u>10</u>
	<u>3,829</u>	<u>8,400</u>	<u>-</u>	<u>101</u>

The payments under operating leases which are due to be made by the Group in the next year are as follows:

	1988 £000	1987 £000
Land and buildings		
Operating leases which expire:		
Within one year	-	-
Between one and five years	-	19
Beyond five years	<u>283</u>	<u>916</u>
	<u>283</u>	<u>935</u>
 Plant		
Operating leases which expire:		
Within one year	32	22
Between one and five years	164	275
Beyond five years	<u>20</u>	<u>52</u>
	<u>216</u>	<u>349</u>

The Company does not have any liability for payments under operating leases (1987 Nil).

22 Contingent liabilities

At 3rd December 1988 there are contingent liabilities arising from the ordinary course of the Group's business, upon which no material losses are likely to be incurred.

The Company has contingent liabilities as guarantor of bank overdraft loans to a subsidiary amounting to £17,181,250 (1987 £10,000,000).

FIVE YEAR FINANCIAL SUMMARY

	1984*	1985	1986	1987	1988 (53 weeks)
	£m	£m	£m	£m	£m
Turnover					
Glass containers	118.6	126.3	132.4	152.3	158.8
Other products and services	63.3	67.5	74.7	44.6	2.4
	<u>181.9</u>	<u>193.8</u>	<u>207.1</u>	<u>196.9</u>	<u>161.2</u>
Trading profit					
Glass containers	8.7	12.7	14.0	12.5	15.0
Other products and services	3.9	3.2	5.1	5.8	0.7
	<u>12.6</u>	<u>15.9</u>	<u>19.1</u>	<u>18.3</u>	<u>15.7</u>
Exceptional items	(0.3)	(1.0)	(4.5)	(1.6)	3.2
Interest	<u>(3.6)</u>	<u>(3.6)</u>	<u>(2.4)</u>	<u>(1.8)</u>	<u>(1.8)</u>
Profit on ordinary activities before taxation	8.7	11.3	12.2	14.9	17.1
Taxation	1.5	2.3	(1.1)	(5.5)	(3.8)
	<u>10.2</u>	<u>13.6</u>	<u>11.1</u>	<u>9.4</u>	<u>13.3</u>
Extraordinary items	-	-	(7.9)	3.5	3.8
Profit attributable to shareholders	<u>10.2</u>	<u>13.6</u>	<u>3.2</u>	<u>12.9</u>	<u>17.1</u>

Credits for taxation relief in years 1984 and 1985 comprise amounts receivable for the surrender of corporation tax losses.

Assets employed					
Fixed assets	53.3	65.9	74.0	68.1	63.1
Stocks	39.5	39.5	38.1	29.7	27.2
Debtors	37.8	34.6	43.1	34.4	23.5
Creditors excluding loans, overdrafts and finance lease obligations	(37.6)	(33.4)	(48.3)	(45.3)	(36.8)
Provisions for liabilities and charges	-	-	-	-	(5.6)
	<u>93.0</u>	<u>106.6</u>	<u>106.9</u>	<u>86.9</u>	<u>71.4</u>
Financed by					
Shareholders funds	66.3	80.2	83.4	66.2	53.3
Net borrowings	26.7	26.4	23.5	20.7	18.1
	<u>93.0</u>	<u>106.6</u>	<u>106.9</u>	<u>86.9</u>	<u>71.4</u>

* The figures for 1984 are before taking account of the change in accounting policy for finance leases which was introduced in 1985.