

128058



United Glass



Report & Accounts

1987



United Glass Holdings plc

Directors

Chairman: S. C. Dowling

Managing Director: J. F. Small

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 financial year ended 28th November 1987.

Financial Results

The Group profit on ordinary activities after taxation amounted to £9,363,000. After taking into account extraordinary items of £3,504,000 the profit for the year was £12,867,000. An interim dividend of £15,000,000 was paid to shareholders on 15th April 1987 and a second interim dividend of £15,000,000 was paid to shareholders on 15th October 1987. No final dividend is proposed. After taking account of these dividends there was a reduction of £17,133,000 in retained profits during the year.

Activities

The principal activities of the Group during the year were the manufacture and marketing of glass and plastic containers, metal and plastic closures, glass tableware, engineering castings and moulds for making glass containers. In addition the Group operated a road transport and warehousing business.

The Group disposed of its interests in the glass tableware business on 17th May 1987 and in the closure and plastic container business on 12th June 1987. The results from these activities are included in the accounts for the period up to their respective dates of disposal. The adjustments arising from these disposals have been shown as extraordinary items in the Group Profit and Loss Account.

Post Balance Sheet Events

Since 28th November 1987 the Group has contracted for the sale of its interests in the road transport, warehousing, mould making and engineering castings businesses and of the freehold of its former Head Office property at Staines. The aggregate surplus over book values expected to be realised from these disposals amounts to approximately £10 million.

Business Review

Despite the poor summer weather, demand for glass containers in the UK increased slightly in 1987 and prices were more stable than in recent years. The glass container division continued to implement the strategy of developing the facilities in each plant to support the quality and service needs of particular markets. Alloa is now the main supplier of glass containers for the Scotch whisky industry; Harlow specialises in beer and wine bottles and Peasley and Queenborough are heavily involved in the dairy and food trades. Two important steps were taken towards the completion of this plan in 1987 with the installation of a facility for producing very lightweight beer bottles by the narrow neck press and blow process at Harlow and the introduction of a fourth ten section machine on 85 furnace at Alloa. A second ten section machine, specialising in the manufacture of wide-mouth containers, will shortly be installed at Queenborough.

In April, the division transferred its sales and administrative headquarters from Staines to the United Glass Technical Centre at St. Albans. The marketing, design, quality assurance and planning departments are now located, together with the relevant data processing support, in one building and a significant improvement in service to customers has already been achieved.

Although the volume of glass containers sold was slightly higher than had been planned, production continued to outpace demand and stocks of finished products increased. After a careful assessment of the likely future growth of demand and productivity, it was reluctantly decided that a permanent reduction in capacity was necessary. The closure of the Swinton plant in South Yorkshire was announced on 13th February 1988 and the Company has started work with the local authorities and other bodies to encourage the development of new industry and employment opportunities in the Swinton area.

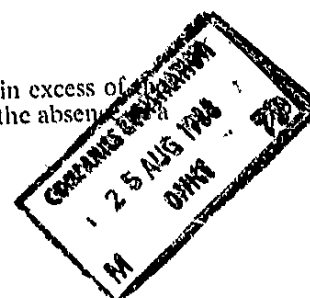
Both Robson's Distribution Services and Johnson Radley achieved satisfactory results in 1987. Robson's completed the development of the Castleford site as a major distribution centre in Yorkshire. Johnson Radley maintained a high level of export business in extremely competitive markets and, for the first time, their worldwide sales of 'Cerberite', a hot glass handling material, exceeded £1 million in a year.

Additions to Tangible Fixed Assets

Total capital expenditure during the year, including the acquisition of fixed assets under finance leasing arrangements, amounted to £21 million. The main items of expenditure were the rebuilding of glass container furnaces, the installation of high productivity glass forming machines, the refurbishment of the St Albans premises and the acquisition of the freehold title of the former Head Office property in Staines.

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.



Report of the Directors (continued)

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 technical assistance agreements) each held 50% of the share capital of the Company throughout the year and has continued to do so since 28th November 1987. 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 £7,859 was donated to charities during the year.

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. Consideration is also given to their career development and promotion prospects.

Employee Involvement

There are well established arrangements in the Group 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, R. S. Temple, J. F. Small, E. M. Campbell, J. Clarke, G. R. Clinard, L. B. Garton, J. R. Griffin, J. W. Johnson, J. H. Lemieux, R. H. Little, D. J. Margand, R. K. Martin, H. A. Nettleship, and J. E. Oliver served as Directors during the year.

Mr R. K. Martin, Mr G. R. Clinard and Mr N. M. McDonnell were appointed as Directors on 14th April 1987, 21st May 1987 and 29th January 1988 respectively.

Mr R. S. Temple, Mr R. H. Little, Mr D. J. Margand, Mr H. A. Nettleship and Mr J. W. Johnson resigned from the Board on 27th February 1987, 20th April 1987, 15th June 1987, 25th January 1988 and 19th February 1988 respectively. Mr J. Clarke retired from the Board on 6th April 1988.

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 year.

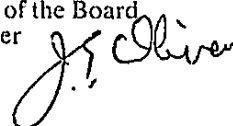
At no time during the year did any Director have a material interest in a contract which was of significance in relation to the Group's business.

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.

15th April 1988

By Order of the Board
J. E. Oliver
Secretary



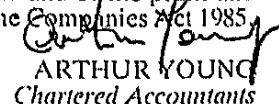
Report of the Auditors

to the Members of United Glass Holdings plc

We have audited the Accounts on pages 3 to 12 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 28th November 1987 and of the profit and source and application of funds of the Group for the year then ended and comply with the Companies Act 1985.

London
15th April 1988



ARTHUR YOUNG
Chartered Accountants

Group Profit and Loss Account

for year ended 28th November 1987

	Notes	1987		1986	
		£000	£000	£000	£000
Turnover	2		196,860		207,078
Cost of sales			159,827		169,768
Gross profit			<u>37,033</u>		<u>37,310</u>
Distribution costs		10,285		9,259	
Administrative expenses		<u>8,492</u>	18,777	<u>8,925</u>	18,184
Trading profit	3		<u>18,256</u>		<u>19,126</u>
Redundancy payments and other facility rationalisation costs	6		1,649		4,491
Interest	7		1,744		2,447
Profit on ordinary activities before taxation			<u>14,863</u>		<u>12,188</u>
Taxation	8		5,500		1,100
Profit on ordinary activities after taxation			<u>9,363</u>		<u>11,088</u>
Extraordinary items	9		<u>3,504</u>		<u>(7,900)</u>
Profit for the year			12,867		3,188
Dividends paid in year			<u>30,000</u>		<u>—</u>
Addition to (deduction from) retained profit			(17,133)		3,188
Retained profits at 29th November 1986			68,094		64,906
Retained profits at 28th November 1987			<u>50,961</u>		<u>68,094</u>

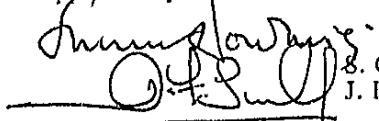
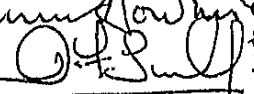
The notes on pages 6 to 12 form part of these accounts.

Balance Sheet

at 28th November 1987

The Company			The Group	
1987	1986		1987	1986
£000	£000		£000	£000
		Fixed assets		
384	1,049	Tangible assets	10 68,098	74,002
92,671	79,804	Investments	11 —	—
<u>93,055</u>	<u>80,853</u>		<u>68,098</u>	<u>74,002</u>
		Current assets		
—	—	Stocks	12 29,707	38,080
42,250	37,276	Debtors	13 34,342	43,078
—	—	Cash at bank and in hand	3,069	7,196
<u>42,250</u>	<u>37,276</u>		<u>67,118</u>	<u>88,354</u>
68,392	32,201	Creditors – amounts falling due within one year	14 56,971	58,343
<u>(26,142)</u>	<u>5,075</u>	Net current assets (liabilities)	<u>10,147</u>	<u>30,011</u>
66,913	85,928	Total assets less current liabilities	78,245	104,013
673	2,555	Creditors – amounts falling due after more than one year	15 12,005	20,640
<u>66,240</u>	<u>83,373</u>		<u>66,240</u>	<u>83,373</u>
		Capital and reserves		
11,240	11,240	Called up share capital	17 11,240	11,240
4,039	4,039	Share premium account	4,039	4,039
33,101	20,234	Revaluation reserve	18 —	—
17,860	47,860	Profit and loss account	18 50,961	68,094
<u>66,240</u>	<u>83,373</u>		<u>66,240</u>	<u>83,373</u>

Approved by the directors on 15th April 1988

 J. C. Dowling
 J. F. Small

Directors

The notes on pages 6 to 12 form part of these accounts.

Source and Application of Group Funds

for year ended 28th November 1987

	1987		1986	
	£000	£000	£000	£000
Source of funds				
Profit on ordinary activities before taxation		14,863		12,188
Extraordinary item before taxation		2,204		(7,900)
		<u>17,067</u>		<u>4,288</u>
Adjustment for items not involving the movement of funds:				
Depreciation		13,538		17,260
Loss on disposal of tangible fixed assets		1,239		—
Total generated from operations		<u>31,844</u>		<u>21,648</u>
(Increase)/decrease in working capital:				
Stocks	8,373		1,407	
Debtors excluding consortium relief	8,736		(9,709)	
Creditors excluding overdrafts, loans and corporation tax	(7,262)		13,660	
		<u>9,847</u>	<u>—</u>	<u>5,358</u>
Total operating funds		<u>41,691</u>		<u>27,006</u>
Other sources of funds:				
Disposal of tangible fixed assets		12,143		858
Consortium relief		—		1,344
Total source of funds		<u>53,834</u>		<u>29,208</u>
Application of funds				
Dividends paid		30,000		—
Expenditure on tangible fixed assets		21,016		26,312
Corporation tax paid		29		—
		<u>2,789</u>		<u>2,896</u>
Decrease in net borrowings				
Represented by changes in:				
Cash at bank and in hand		(4,127)		2,219
Bank overdrafts, loans and finance lease obligations repayable within one year		(4,684)		2,583
Borrowings repayable after more than one year including obligations under finance leases		11,600		(1,906)
		<u>2,789</u>		<u>2,896</u>
Net proceeds from business disposals in 1987 comprise:-				
Tangible fixed assets – net book value		13,050		
Stocks		12,292		
Debtors		328		
Creditors		(1,712)		
Finance lease obligations		(5,095)		
Profit on disposal		2,204		
		<u>21,067</u>		
Net proceeds				<u>21,067</u>

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 become payable within the foreseeable future. The estimated total potential liability for deferred taxation is shown by way of a note to the accounts.

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

	1987 £000	1986 £000
Glass containers	152,273	132,381
Other products and services (excluding sales within the Group)	44,587	74,697
	<u>196,860</u>	<u>207,078</u>

3 Trading profit	1987 £000	1986 £000
Glass containers	12,491	13,986
Other products and services	5,765	5,140
	<u>18,256</u>	<u>19,126</u>
Trading profit is stated after charging:		
Depreciation – owned assets	10,351	10,163
– leased assets	3,187	2,997
	<u>13,538</u>	<u>13,160</u>
Hire of plant – operating leases	849	1,017
Other operating lease payments	1,347	1,936
Auditors' remuneration	126	123

4 Employees

The average weekly number of persons employed by the Group during the year was 4,988 (1986 5,483) comprising 3,050 (1986 2,545) in the glass container business and 1,938 (1986 2,938) in other activities.

	1987 £000	1986 £000
Employment costs:		
Wages and salaries	54,214	55,107
Social security costs	3,941	3,963
Other pension costs	496	3,609
	<u>58,651</u>	<u>62,679</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 year ended 28th November 1987.

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
30,001 to 35,000		2	2
35,001 to 40,000		2	—
40,001 to 45,000		1	—

5 Directors' emoluments

The aggregate amount of directors' emoluments was £288,100 (1986 £394,092) all of which related to services other than as directors. An amount of £25,000 (1986 Nil) was paid to a former director on his ceasing to hold office.

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

	1987	1986
The Chairman	—	—
The highest paid director	63,332	58,847
Other directors within the following bands:		
£	Number	Number
50,001 to 55,000	1	—
45,001 to 50,000	—	1
35,001 to 40,000	4	3
30,001 to 35,000	—	3
20,001 to 25,000	1	—
under £5,000	3	3

Notes to the Accounts (continued)

6 Redundancy payments and other facility rationalisation costs	1987	1986
	£000	£000
Provision for redundancy payments	(196)	3,343
Other facility rationalisation costs	1,845	1,148
	<u>1,649</u>	<u>4,491</u>

Other facility rationalisation costs in the year ended 28th November 1987 include provisions for charges associated with the closure of manufacturing facilities after that date.

7 Interest	1987	1986
	£000	£000
Interest payable on:		
Bank loans, overdrafts and other loans		
wholly repayable within five years	1,461	1,777
Loans not repayable within five years	625	899
	<u>2,086</u>	<u>2,676</u>
Interest receivable	342	229
	<u>1,744</u>	<u>2,447</u>
Interest payable on finance leases included above	<u>1,156</u>	<u>1,119</u>

8 Taxation	1987	1986
	£000	£000
Corporation tax at 35% on profit for the year	5 500	5,726
Relief for losses brought forward	—	(3,274)
Consortium relief	—	(135)
Relief for advance corporation tax written off in earlier year	—	(1,217)
	<u>5,500</u>	<u>1,100</u>

9 Extraordinary items	1987	1986
	£000	£000
Profit (loss) on disposal of businesses	2,204	(7,900)
Corporation tax relief on disposal of businesses	1,300	—
	<u>3,504</u>	<u>(7,900)</u>

10 Tangible fixed assets

	<i>The Group</i>			<i>The Company</i>		
	Land & buildings £000	Plant £000	Total £000	Land & buildings £000	Plant £000	Total £000
Cost						
At 29th November 1986	28,440	128,846	157,286	72	2,734	2,806
Disposals	(3,922)	(41,263)	(45,185)	—	(1,287)	(1,287)
Acquisitions	5,852	15,164	21,016	—	13	13
At 28th November 1987	<u>30,370</u>	<u>102,747</u>	<u>133,117</u>	<u>72</u>	<u>1,460</u>	<u>1,532</u>
Depreciation						
At 29th November 1986	10,447	72,837	83,284	37	1,720	1,757
Disposals	(3,075)	(28,728)	(31,803)	—	(973)	(973)
Depreciation for year	586	12,952	13,538	1	363	364
At 28th November 1987	<u>7,958</u>	<u>57,061</u>	<u>65,019</u>	<u>38</u>	<u>1,110</u>	<u>1,148</u>
Book value						
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>
At 29th November 1986	<u>17,993</u>	<u>56,009</u>	<u>74,002</u>	<u>35</u>	<u>1,014</u>	<u>1,049</u>

The book value of plant includes assets held under finance leases amounting to £9,701,000 (1986 £17,462,000) in respect of the Group and £7,000 (1986 £452,000) in respect of the Company.

The cost of land and buildings comprises:

	<i>The Group</i>		<i>The Company</i>	
	1987 £000	1986 £000	1987 £000	1986 £000
Freehold	24,375	23,333	—	—
Long leasehold	5,462	3,854	72	72
Short leasehold	533	1,253	—	—
	<u>30,370</u>	<u>28,440</u>	<u>72</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.

Notes to the Accounts (continued)

11 Investments

	Cost	Shares Revaluation Surplus	Loans	Total
	£000	£000	£000	£000
Subsidiary companies				
At 29th November 1986	17,570	20,234	42,000	79,804
Revaluation surplus for the year	—	12,867	—	12,867
At 28th November 1987	<u>17,570</u>	<u>33,101</u>	<u>42,000</u>	<u>92,671</u>

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 and plastic containers, container closures, glass tableware and moulds; transport and warehousing
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

	1987 £000	1986 £000
Raw materials and consumables	7,391	12,270
Work in progress	1,048	2,704
Finished stocks	<u>21,268</u>	<u>22,906</u>
	<u>29,707</u>	<u>38,080</u>

13 Debtors

	The Group		The Company	
	1987 £000	1986 £000	1987 £000	1986 £000
Trade debtors	29,835	38,866	—	—
Amounts owed by Group companies	—	—	40,820	36,475
Other debtors	2,211	1,414	1,314	603
Prepayments	1,022	1,524	116	198
Amounts receivable for consortium relief	1,274	1,274	—	—
	<u>34,342</u>	<u>43,078</u>	<u>42,250</u>	<u>37,276</u>

14 Creditors – amounts falling due within one year

	The Group		The Company	
	1987 £000	1986 £000	1987 £000	1986 £000
Bank overdrafts and loans	13,887	7,100	3,682	1,055
Obligations under finance leases	2,045	3,848	45	258
Trade creditors	16,400	16,656	—	—
Amounts owed to Group companies	—	—	63,549	29,743
Corporation tax	1,206	—	271	—
Other taxation and social security costs	5,230	7,383	16	377
Other creditors	11,901	12,637	641	631
Accruals	6,302	10,419	188	137
	<u>56,971</u>	<u>58,343</u>	<u>68,392</u>	<u>32,201</u>

15 Creditors – amounts falling due after more than one year

	<i>The Group</i>		<i>The Company</i>	
	1987 £000	1986 £000	1987 £000	1986 £000
7¼% first mortgage debenture stock 1987-90	617	1,722	617	1,722
Obligations under finance leases	6,355	11,833	56	533
Bank loans	—	5,000	—	—
Mortgage	833	850	—	—
Corporation tax	4,200	1,235	—	300
	<u>12,005</u>	<u>20,640</u>	<u>673</u>	<u>2,555</u>

The debenture stock is secured against freehold and leasehold premises and a floating charge on other property and assets.

The mortgage bears interest at 10¼% 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 leasehold premises.

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

16 Loan repayments

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

	<i>The Group</i>		<i>The Company</i>	
	1987 £000	1986 £000	1987 £000	1986 £000
Within one year	13,887	7,400	3,000	1,055
Between one and two years	634	6,722	617	1,722
Between two and five years	50	50	—	—
More than five years	766	800	—	—
	<u>15,337</u>	<u>14,972</u>	<u>3,617</u>	<u>2,777</u>

17 Share capital

	1987 £000	1986 £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>

18 Reserves

	<i>The Group</i> Profit & Loss account £000	<i>The Company</i> Revaluation reserve £000	<i>The Company</i> Profit & Loss account £000
At 29th November 1986	68,094	20,234	47,860
Dividends paid	(30,000)	—	(30,000)
Profit for year	12,867	12,867	—
At 28th November 1987	<u>50,961</u>	<u>33,101</u>	<u>17,860</u>

Notes to the Accounts (continued)

19 Deferred taxation

No provision for deferred taxation has been made as it is not anticipated that there will be a reversal of timing differences in the foreseeable future. The estimated potential liability at the expected future rate of corporation tax of 35% is as follows:

	<i>The Group</i>		<i>The Company</i>	
	1987 £000	1986 £000	1987 £000	1986 £000
Accelerated capital allowances	10,229	14,162	79	125
Other timing differences	800	(2,952)	58	77
Total potential liability	<u>11,029</u>	<u>11,210</u>	<u>137</u>	<u>202</u>

20 Capital commitments

Contracted capital expenditure not provided for amounts to approximately £607,000 (1986 £764,000) for the Group. Capital expenditure authorised by the directors but not contracted amounts to approximately £4,249,000 (1986 £980,000)

21 Lease commitments

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

	<i>The Group</i>		<i>The Company</i>	
	1987 £000	1986 £000	1987 £000	1986 £000
Within one year	2,809	4,336	50	338
Between one and five years	6,701	13,422	61	635
Beyond five years	1,059	1,941	—	—
	<u>10,569</u>	<u>19,699</u>	<u>111</u>	<u>973</u>
Less finance charges allocated to future years	2,169	4,018	10	182
	<u>8,400</u>	<u>15,681</u>	<u>101</u>	<u>791</u>

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

	<i>The Group</i>		<i>The Company</i>	
	1987 £000	1986 £000	1987 £000	1986 £000
Land and buildings				
Operating leases which expire:				
Within one year	—	12	—	—
Between one and five years	19	206	—	—
Beyond five years	916	1,398	—	200
	<u>935</u>	<u>1,616</u>	<u>—</u>	<u>200</u>
Plant				
Operating leases which expire:				
Within one year	22	130	—	50
Between one and five years	275	411	—	323
Beyond five years	52	16	—	—
	<u>349</u>	<u>557</u>	<u>—</u>	<u>373</u>

22 Contingent liabilities

At 28th November 1987 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 loans to a subsidiary amounting to £10,000,000 (1986 £11,383,426)

23 Post balance sheet events

Since 28th November 1987 the Group has contracted for the sale of its interests in the road transport, warehousing, mould making and engineering castings businesses and of the freehold of its former Head Office property at Staines. The aggregate surplus over book values expected to be realised from these disposals amounts to approximately £10 million.

Five Year Financial Summary

	1983*	1984*	1985	1986	1987
	£m	53 weeks £m	£m	£m	£m
Turnover					
Glass containers	120.0	118.6	126.3	132.4	152.3
Other products and services	59.4	63.3	67.5	74.7	44.6
	<u>179.4</u>	<u>181.9</u>	<u>193.8</u>	<u>207.1</u>	<u>196.9</u>
 Trading profit (loss)					
Glass containers	(0.4)	8.7	12.7	14.0	12.5
Other products and services	2.6	3.9	3.2	5.1	5.8
	<u>2.2</u>	<u>12.6</u>	<u>15.9</u>	<u>19.1</u>	<u>18.3</u>
 Redundancy and other facility rationalisation costs	12.4	0.3	1.0	4.5	1.6
Interest	4.2	3.6	3.6	2.4	1.8
	<u>(14.4)</u>	<u>8.7</u>	<u>11.3</u>	<u>12.2</u>	<u>14.9</u>
Profit (loss) on ordinary activities before taxation	(14.4)	8.7	11.3	12.2	14.9
Taxation charge (relief)	(4.3)	(1.5)	(2.3)	1.1	5.5
	<u>(10.1)</u>	<u>10.2</u>	<u>13.6</u>	<u>11.1</u>	<u>9.4</u>
Extraordinary items	—	—	—	(7.9)	3.5
	<u>(10.1)</u>	<u>10.2</u>	<u>13.6</u>	<u>3.2</u>	<u>12.9</u>
Profit (loss) for the year	(10.1)	10.2	13.6	3.2	12.9

Credits for taxation relief in years 1983 to 1985 comprise amounts receivable for the surrender of corporation tax losses.

Assets employed					
Fixed assets	53.2	53.3	65.9	74.0	68.1
Stocks	34.3	39.5	39.5	38.1	29.7
Debtors	35.9	37.8	34.6	43.1	34.4
Creditors excluding loans, overdrafts and finance lease obligations	(38.7)	(37.6)	(33.4)	(48.3)	(45.3)
	<u>84.7</u>	<u>93.0</u>	<u>106.6</u>	<u>106.9</u>	<u>86.9</u>
 Financed by					
Shareholders' funds	56.1	66.3	80.2	83.4	66.2
Net borrowings	28.6	26.7	26.4	23.5	20.7
	<u>84.7</u>	<u>93.0</u>	<u>106.6</u>	<u>106.9</u>	<u>86.9</u>

*The figures for 1983 and 1984 have not been restated to take account of the change in accounting policy for finance leases and are therefore not directly comparable with subsequent years' figures.