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SHEPHERD NEAME LIMITED



SHEPHERD NEAME
MASTER BREWERS

Report and Accounts
1979/80

SHEPHERD NEAME LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Sixty-Sixth Annual General Meeting of the Company will be held at the Offices of the Company on 3rd November, 1980 at 12 midday, for the following purposes:

1. To receive and adopt the Annual Statement of Accounts and Balance Sheet and the Reports of the Directors and Auditors thereon.
2. To declare a Final Dividend upon the "A" and "B" Ordinary Shares.
3. To re-elect a Director.
4. To re-appoint the Auditors and authorise the Directors to fix their remuneration.
5. To transact any other ordinary business.

Members entitled to attend and vote are entitled to appoint a proxy to vote instead of them and that proxy need not also be a member.

By Order of the Board,
S. F. B. NEAME,
Secretary.

17 COURT STREET,
FAVERSHAM, KENT.
10th October, 1980

SHEPHERD NEAME LIMITED

REPORT AND ACCOUNTS 1980

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SHEPHERD NEAME LIMITED

DIRECTORS:

R. H. B. NEAME (*Chairman*)
K. A. W. JOHNSTON
C. A. W. DAWES

COLIN R. B. NEAME (*Vice-Chairman*)
E. W. COULTER
S. F. B. NEAME

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their SIXTY-SIXTH ANNUAL REPORT and ACCOUNTS for the year ended 30th June, 1980.

The principal activities of the Company consist of brewing, bottling of beer and wines, the wholesaling and retailing of beer, wines and spirits, cider and aerated waters, property ownership and management of public houses, and farming.

After providing for all expenses of the business, including Depreciation, Debenture Interest and Taxation, the net profit for the year including extraordinary items, available for appropriation, amounts to	£	£
		733,563
Out of which have been paid or provided for:		
Interim Dividend on the "A" and "B" Ordinary Shares of 2.75% net	41,250	
Proposed Final Dividend on the "A" and "B" Ordinary Shares of 8.0% net	120,000	
		<u>161,250</u>
leaving amount to be retained		<u><u>£572,313</u></u>

SHEPHERD NEAME LIMITED

In the opinion of the Directors the market value of the properties considerably exceeds the amount included in the Balance Sheet. All such properties, however, form an integral part of the Company's business.

The average number of persons employed during the year was 353 and their remuneration amounted to £1,163,759.

No political donations were made in the year, charitable donations amounted to £1,001.

The value of goods exported during the year amounted to £144.

According to the Register, maintained as required by the Companies Act 1967, the interests of the Directors and their families in the Company's Shares and Debentures at 30th June, 1980 (1st July, 1979) are as follows:

	<i>"A" Ordinary Shares</i>		<i>"B" Ordinary Shares</i>	
	<i>Beneficial</i>	<i>As Trustee</i>	<i>Beneficial</i>	<i>As Trustee</i>
K. A. W. Johnston	30,028 (30,028)	24,220 (24,220)	560,600 (560,600)	109,100 (109,100)
R. H. B. Neame	29,062 (29,362)	91,925 (91,925)	1,584,050 (1,573,550)	— (—)
C. R. B. Neame	17,839 (17,839)	73,288 (73,288)	147,050 (147,050)	1,417,300 (1,417,300)
E. W. Coulter	4,000 (4,000)	— (—)	50,000 (50,000)	— (—)
C. A. W. Dawes	42,813 (42,813)	— (—)	102,300 (102,300)	— (—)
S. F. B. Neame	12,530 (12,530)	6,000 (6,000)	61,750 (61,750)	— (—)

Mr. C. R. B. Neame retires from the Board by rotation and offers himself for re-election.

The Directors are advised that the Company is a Close Company as defined by the Income and Corporation Taxes Act 1970.

Ernst & Whinney have expressed their willingness to continue in office as auditors and in accordance with Section 14 of the Companies Act 1976 a resolution proposing their re-appointment will be submitted at the annual general meeting.

By Order of the Board,
S. F. B. NEAME,
Secretary.

17 Court Street,
Faversham.
10th October, 1980

CHAIRMAN'S REPORT

I hope that as many "A" and "B" Shareholders as possible will be able to attend the Annual General Meeting despite the fact that for this year it has been moved from Friday to Monday. Shareholders will have the opportunity of a conducted tour of the brewery prior to the meeting to see in operation the new plant that was installed during the year. At the conclusion of the meeting lunch will be arranged at our new training/social club centre at 10, 11 and 11a Court Street.

THE YEAR'S RESULTS

The net profit before taxation amounts to £1,088,699 an increase of £235,750 compared to that of 1979. After deducting tax of £370,798 and adding extraordinary profits of £15,662 arising mainly from the sales of properties there remains available for appropriation £733,563.

In recommending a final dividend of 8% making a total for the year of 10.75% the Directors have decided to increase the total distribution by 26.5% and feel that this is fully justified. The proposed total distribution is nearly 4½ times covered by the profit for the year. The retained profit after distribution will be sufficient to allow the continued development of the business in the forthcoming year.

The Directors have decided that it is no longer necessary to make provision for the deferred taxation liability since it is expected that future levels of capital expenditure and stocks will be adequate to ensure that taxation deferred by the respective relief attracted will not be payable in the foreseeable future. They have therefore transferred to shareholders' funds £1,063,438. The sum of £862,030 relates to the period prior to July 1978 and the sum of £201,408 to the year ended 30th June, 1979.

BREWERY DEVELOPMENT

On 13th March Mr. William Deedes, P.C., Editor of the Daily Telegraph, opened the new Brewhouse and a number of visitors from the trade, brewing industry and local authorities attended this opening. The plant is now working smoothly and it is a great credit to all concerned that during the last eighteen months our trading has not been affected by these works.

Work on 10/15 Court Street has continued despite some difficulties with the Local Authority. These difficulties have mainly been raised by members who have not in all instances made an objective appraisal of the application. Unfortunately this is the price of democracy which can be expensive if the firm concerned is situated in a conservation area. 10, 11 and 11a Court Street are now complete and we expect the new office block in 12/15 to be completed early 1981. We have also applied for planning permission to expand the Wine and Spirit Store at the rear of the building but have again encountered difficulties resulting in an Appeal that was called in by the Minister. The future expansion of the Wine and Spirit Store must depend on the result of this Appeal. It must, however, be pointed out that the delays that have arisen in respect of this latter Planning Application over the past years will result in a cost of approximately 7/10 times the amount originally estimated for carrying out this work.

BEER SALES

There has been a levelling off of beer sales during the year resulting in a total volume decrease of 1.3%. The Tied Trade has shown a minimal increase and the main decline is due to a fall in sales of other brewers' beers.

In the present economic climate we expect volume sales to continue to fall but present indications are that our decline is less than our national competitors' and that our policy of holding our prices is generating a greater traffic through our houses.

The national brewers in our trading area continue to spend a considerable amount of money on their tied estate and have reintroduced a number of traditional draught beers to directly compete with our range. This is bound to have some effect on our tied trade and on our free trade potential but we believe that the quality of our beer and the service that we offer will stand us in good stead during the forthcoming months of economic depression. The balance of tied to free trade is in accordance with our policy and we are continuing to look for further tied outlets where these fit into our overall trading pattern.

TIED ESTATE

This year we purchased a further three houses at a cost of £175,552; The Lamb at Swanley, The Woodman at Otford and The Hope at St. Margaret's Bay. Twenty-three major alterations were completed during the year at a cost of £272,000. The total cost of improvement and repair work to our Houses during the year averaged £3,000, an increase of £500 per house on the previous year. It is important that we continue our investment to maintain our houses at a competitively high standard. Rents from our properties continue to rise and the effect of the new rent structure based on an annual increase will continue to show growth in the forthcoming years.

MANAGED HOUSES

The Managed Houses disappointingly did not contribute to profits during the year, although there is a small branch profit before deduction of head office expenses. The losses are mainly to be attributed to The Clarendon Hotel and Fountain which have now both been returned to tenancy. We are reviewing the present arrangements in respect of the day to day management of our managed houses and if this does not produce satisfactory results we will be introducing new management. We have now completed the last stage of the development at The Royal Hotel, Sheerness and during this period food sales have been adversely affected by the building works. A number of our other houses are showing greater profitability notably where there have been branch management changes.

WINES, SPIRITS AND CIDERS

The volume of wine and spirit sales is down by 4.5% for the year but this decline is less than national trends. I am pleased, however, to report that we continue to achieve an increased growth in profits on our wine and spirit department partly through our membership of the Clansouth Buying Consortium.

The purchase of shares in the Taunton Cider Company has proved a worthwhile investment and the product has been well received in our houses and now amounts to a high percentage of cider sales in our Tied Estate.

FARM

Queen Court has shown a decreased profit from £17,647 to £7,330 this year. The accounts show an increase in income from hop sales and fruit with a decline in income from other crops. During the year there has been continued investment in pig development using brewery waste products and we have developed a vineyard to approximately seven acres. Wages have continued to increase whilst the market value of our produce has failed to keep pace with inflation.

CAPITAL INVESTMENT

This year's capital investment on plant amounted to £175,000. The total capital expenditure for the year on all plant, properties, etc. was £1,026,000 and this has been financed from within the company and by retaining our existing bank borrowing facilities.

FUTURE POLICY

Despite the economic climate the directors see no reason for changing their policy for the future expansion of the company although the rate of capital investment may have to be reconsidered in the near future if interest rates continue to remain at their present high level. It will be noted that interest rates have cost us an extra £39,307 for the year although the level of borrowing has only marginally increased. We shall continue to develop and improve our tied estate but it is unlikely that we shall be developing hotel accommodation as quickly as we originally anticipated.

CONCLUSION

This is the first year that we have achieved a net trading profit before tax of over £1,000,000 which must be a significant landmark in the history of the company and I believe is a firm justification for the company remaining a firmly knit family concern with a single-mindedness of purpose throughout our staff, licensees and work force. Although the economic climate may restrict growth over the next few years I believe the company is soundly based and will continue to give long term prosperity for both Shareholders and employees provided that there is a commitment by all concerned to work together for the future. Once again I would like to pay tribute to our staff and employees for their hard work during the past year and express the hope that we can continue to maintain our service, product and warm hospitality in our houses to all our customers.

R. H. B. NEAME

REPORT OF THE AUDITORS

To the Members of SHEPHERD NEAME LIMITED.

We have examined the accounts set out on pages 10 to 17 which have been prepared under the historical cost convention. Our audit has been carried out in accordance with approved auditing standards.

In our opinion these accounts give a true and fair view of the state of affairs at 30th June, 1980 and of the profit, changes in retained profits and source and application of funds for the year then ended and comply with the Companies Acts 1948 and 1967.

ERNST & WHINNEY,

Ernst & Whinney
Chartered Accountants.

57 Chiswell Street,
London EC1Y 4SY.
10th October, 1980

SHEPHERD NEAME LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30th JUNE, 1980

		1980	1979 (as restated)
		£	£
TURNOVER	1	9,562,883	8,801,373
TRADING PROFIT	2	885,630	684,538
Other income	4	329,777	260,935
		1,215,407	945,473
Interest payable	5	126,708	92,524
PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEMS		1,088,699	852,949
Taxation	6	370,798	254,100
PROFIT AFTER TAXATION		717,901	598,849
Extraordinary items	7	15,662	25,948
PROFIT FOR THE YEAR		733,563	624,797
Dividends	8	161,250	127,500
PROFIT RETAINED		£572,313	£497,297

STATEMENT OF RETAINED PROFITS

	1980	1979
	£	£
BALANCES AT 1st JULY, 1979		
As previously reported:—		33,835
General Capital Reserve	13,530	902,934
Debenture Redemption Reserve	1,239,128	20,000
General Revenue Reserve	—	956,769
Profit and Loss Account	1,252,658	862,030
	1,063,438	1,818,799
Prior year adjustment	2,316,090	497,297
As restated	572,313	—
PROFIT RETAINED FOR THE YEAR	£2,888,409	£2,316,096
BALANCE AT 30th JUNE, 1980		

The notes on pages 13 to 17 form part of these accounts.

SHEPHERD NEAME LIMITED

BALANCE SHEET AS AT 30th JUNE, 1980

ASSETS EMPLOYED	Note	1980	1979 (as restated)
		£	£
FIXED ASSETS	10	5,569,333	4,937,962
INVESTMENTS	11	204,676	160,752
RECOVERABLE ADVANCE			
CORPORATION TAX		51,429	40,178
CURRENT ASSETS :			
Stocks	12	923,201	631,008
Debtors		1,183,195	1,048,537
Bank balances and cash		28,371	41,304
		<u>2,134,767</u>	<u>1,720,849</u>
CURRENT LIABILITIES :			
Creditors		1,664,893	1,451,839
Bank overdraft	14	753,396	687,371
Club and trade deposits		169,904	165,221
Current taxation		310,376	215,317
Proposed dividends		120,000	93,750
		<u>£3,018,569</u>	<u>2,613,498</u>
NET CURRENT LIABILITIES		(883,802)	(892,649)
CORPORATION TAX :			
Payable 1st January, 1982		(324,727)	(198,147)
		<u>£4,616,909</u>	<u>£4,048,096</u>
FINANCED BY			
SHAREHOLDERS' FUNDS :			
Share Capital	13	1,500,000	1,500,000
Reserves		2,888,409	2,316,096
		<u>4,388,409</u>	<u>3,816,096</u>
DEBENTURE STOCK (secured)	14	228,500	232,000
		<u>£4,616,909</u>	<u>£4,048,096</u>

R. H. B. NEAME }
COLIN NEAME } *Directors*

R. H. B. Neame
Colin Neame

The notes on pages 13 to 17 form part of these accounts.

SHEPHERD NEAME LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 30th JUNE, 1980

	1980		1979	
	£	£	£	£
SOURCE OF FUNDS				
Profit before Taxation and Extraordinary Items		1,088,699		852,949
Charge against profits not involving the movement of funds:—				
Depreciation		386,335		312,126
FUNDS GENERATED FROM TRADING		1,475,034		1,165,075
Disposal of Fixed Assets		23,627		51,334
TOTAL FUNDS GENERATED		<u>£1,498,661</u>		<u>£1,216,409</u>
APPLICATION OF FUNDS				
Additions to Fixed Assets	1,026,196		1,003,487	
Outlay on Trade Investments and Loans	46,899		24,657	
Tax Paid	160,410		146,250	
Dividends Paid	135,000		97,500	
	<u>1,368,505</u>		<u>1,271,894</u>	
MOVEMENT IN WORKING CAPITAL				
Increase/(Decrease) in stocks	292,193		(23,795)	
Increase in Debtors	134,658		179,928	
Increase in Creditors	(213,054)		(317,711)	
Increase in Club Deposits	(4,683)		(22,386)	
	<u>209,114</u>		<u>(183,964)</u>	
MOVEMENT IN LIQUID FUNDS				
(Decrease)/Increase in Cash Balances	(12,933)		20,023	
(Increase)/Decrease in bank overdraft	(66,025)		108,456	
	<u>(78,958)</u>		<u>128,479</u>	
		<u>£1,498,661</u>		<u>£1,216,409</u>

The notes on pages 13 to 17 form part of these accounts.

SHEPHERD NEAME LIMITED

ACCOUNTING POLICIES

(a) Accounting Convention

The accounts are prepared under the historical cost convention.

(b) Fixed Assets

Fixed assets are stated at 1948 book value with subsequent additions or improvements at cost less Government grants received.

(c) Depreciation

Depreciation is provided on brewery freehold buildings. Other freehold buildings and land are not depreciated. It is the Company's policy to keep licensed properties in such a state of repair that the trade is protected and the aggregate residual value of premises is maintained at not less than book amount. Such expenditure is charged to profits in the year in which it is committed. Having regard to this policy any element of depreciation of these premises would, in the opinion of the directors, be immaterial.

Leaseholds are amortised over the terms of the leases, other fixed assets are depreciated at varying rates based upon their expected useful lives.

(d) Stocks

Stocks and stores are valued on a consistent basis at the lower of cost and net realisable value. Cost for own beers includes materials and duty with a suitable addition for variable production expenses. Farm work to land is not valued annually, the historical cost of £582 being included.

(e) Deferred Taxation

Provision is made for deferred taxation using the liability method on timing differences only if there is a reasonable probability that a liability will arise in the foreseeable future.

Advance corporation tax relating to the proposed dividends, insofar as it is not offset against deferred taxation, is carried forward on the basis that it will be recoverable on future periods.

(f) Repairs to Properties

The charge in the Accounts includes provision for the estimated cost of completing all work commenced before the accounting date.

(g) Pension Benefits

Pension benefits for certain employees are provided by a company scheme and are funded over the employees' periods of service. An unfunded liability estimated at £34,000 exists at 30th June, 1980 which will be eliminated by additional payments over the next seven years.

SHEPHERD NEAME LIMITED

NOTES ON THE ACCOUNTS

1. **TURNOVER:** Amount receivable from net sale of goods supplied and services rendered arising from the trading activities of the Company. The figure for farm includes hops taken into the brewery at valuation prices. Value Added Tax is excluded.

	1980	1979
	£	£
Brewery	9,336,852	8,020,826
Farm	226,031	180,547
	<u>£9,562,883</u>	<u>£8,801,373</u>

2. GROSS PROFIT ON TRADING

Less: Depreciation	1,830,516	1,511,712
Repairs to licensed premises	386,335	312,126
Remuneration of directors (Note 3)	458,650	432,855
Remuneration of auditors	82,401	67,193
	17,500	15,000
	<u>£885,630</u>	<u>£684,538</u>

TRADING PROFIT

3. DIRECTORS' REMUNERATION

	£	£
Fees	1,800	1,800
Other emoluments	63,155	50,082
Pensions to directors or their widows	10,617	9,918
Pension scheme contributions	6,829	5,393
	<u>£82,401</u>	<u>£67,193</u>

Emoluments of the chairman	£19,895	£16,242
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Other directors' emoluments were:—

	1980	1979
Not more than £5,000	1	3
Between £5,001 and £10,000	2	—
Between £10,001 and £15,000	—	1
Between £15,001 and £20,000	2	1

SHEPHERD NEAME LIMITED

NOTES ON THE ACCOUNTS

	1980 £	1979 £
4. OTHER INCOME		
Rental profit before charging repairs	323,850	255,182
From trade loans and unlisted securities	5,768	4,572
From bank deposits and sundries	159	1,181
	<u>£329,777</u>	<u>£260,935</u>
5. INTEREST PAYABLE		
6% Debenture Stock	13,920	13,920
Less: on own holding	1,962	1,347
	<u>11,958</u>	<u>12,573</u>
On bank overdrafts	103,765	72,577
On club and trade deposits	8,232	5,806
On other short term loans	2,753	1,568
	<u>£126,708</u>	<u>£92,524</u>
6. TAXATION		
(a) The charge based on the profits for the year comprises:—		
U.K. Corporation Tax at 52% (1979 - 52%)	390,479	254,100
Adjustments relating to prior years	(19,681)	—
	<u>£370,798</u>	<u>£254,100</u>
(b) No provision has been made for deferred taxation, since it is expected that future levels of capital expenditure and stocks will be adequate to ensure that taxation deferred by the respective reliefs attracted will not be payable in the foreseeable future. Had provision been made for the full potential liability the following amounts would have been necessary:—		
Capital Allowances	1,081,997	993,683
Realised Capital Gains	87,000	84,000
Stock Appreciation Relief	148,416	69,755
	<u>£1,317,413</u>	<u>£1,147,438</u>
7. EXTRAORDINARY ITEMS		
Book profits on disposal of properties (less tax)	15,137	25,948
Surplus arising from redemption of debentures	525	—
	<u>£15,662</u>	<u>£25,948</u>
8. DIVIDENDS		
'A' and 'B' Ordinary Shares—		
Interim paid 2.75% (1979 2.25%)	41,250	33,750
Final proposed 8.0% (1979 6.25%)	120,000	93,750
	<u>£161,250</u>	<u>£127,500</u>

SHEPHERD NEAME LIMITED

NOTES ON THE ACCOUNTS

9. PRIOR YEAR ADJUSTMENT

With effect from 1st July, 1979 the Company has discontinued its policy of providing in full for deferred taxation on all timing differences. Under the policy now adopted, which conforms with Statement of Standard Accounting Practice No. 15, provision is only made for deferred taxation on timing differences which are expected to reverse in the foreseeable future.

The change of accounting policy gives rise to a release of deferred taxation provisions amounting to £862,030 in respect of periods prior to 1st July, 1978 and also £201,408 relating to the year ended 30th June, 1979. Comparative figures for 1979 have been restated in both the Profit and Loss Account and Balance Sheet.

10. FIXED ASSETS

The cost of the main categories of assets (other than non-brewery freehold and leasehold properties, for which see Accounting Policy Note (c)) is written off by equal annual instalments, as follows:

Brewery buildings	25 and 50 years
Plant and equipment	5 – 13 years
Motor vehicles	5 – 7 years
Fixtures	5 – 10 years
Casks and kegs	6 – 10 years

	Freehold Properties	Leasehold over 50 years	Properties under 50 years	Fixed Plant and Vehicles	Containers and Fixtures	Total
Cost:						
At 30th June, 1979	3,004,254	29,540	2,100	1,858,136	1,341,421	6,235,451
Additions	438,147	—	—	278,441	309,608	1,026,196
Disposals	(1,465)	—	—	(38,390)	(240)	(40,095)
At 30th June, 1980	3,440,936	29,540	2,100	2,098,187	1,650,789	7,221,552

Accumulated Depreciation:

At 30th June, 1979	42,602	4,587	1,312	666,296	582,692	1,297,489
Charge for year	7,586	308	112	182,550	195,779	386,335
On Disposals	—	—	—	(31,566)	(39)	(31,605)
At 30th June, 1980	50,188	4,895	1,424	817,280	778,432	1,652,219

Net book amounts:

At 30th June, 1980	£3,390,748	£24,645	£676	£1,280,907	£872,357	£5,569,333
At 30th June, 1979	£2,961,652	£24,953	£788	£1,191,840	£758,729	£4,937,962

SHEPHERD NEAME LIMITED

NOTES ON THE ACCOUNTS

	1980 £	1979 £
11. INVESTMENTS (Trade loans and unlisted securities):		
Holdings of equity capital	8,128	1,240
Loans to trade clubs, etc.	172,304	132,293
Own debenture stock purchased for redemption at cost (nominal value £29,200, 1979 £32,700)	24,244	27,219
At cost and directors' valuation	<u>£204,676</u>	<u>£160,752</u>

12. STOCKS AND WORK IN PROGRESS		
Raw materials	50,653	35,643
Beer in process	171,565	97,264
Finished products	605,536	433,191
Stores	52,232	28,054
Farm stocks	43,215	36,856
	<u>£923,201</u>	<u>£631,008</u>

13. SHARE CAPITAL		
(Authorised, issued and fully paid):		
'A' Ordinary Shares of £1 each	1,330,000	1,330,000
'B' Ordinary Shares of 2p each	170,000	170,000
	<u>£1,500,000</u>	<u>£1,500,000</u>

14. DEBENTURE STOCK

The 6% first mortgage redeemable debenture stock is secured on certain properties and by a floating charge on the undertaking and assets of the Company. The stock is redeemable either at par by instalments by operation of an annual sinking fund or through the cancellation of stock purchased by the Company and rendered to the trustees.

Certain title deeds are also deposited with the bank as security for facilities granted.

15. CAPITAL COMMITMENTS

Contracts for capital expenditure not provided for in the accounts amount to approximately:—

Outstanding contracts	240,000	176,000
Amounts authorised by the directors	183,000	180,000
	<u>£423,000</u>	<u>£356,000</u>

SHEPHERD NEAME LIMITED

FIVE YEAR REVIEW

	1980 £'000	1979 £'000	1978 £'000	1977 £'000	1976 £'000
PROFIT AND LOSS					
Turnover	9,563	8,801	7,689	6,474	5,321
Trading Profit	1,210	940	795	660	613
Net Financial Charges	121	87	56	40	63
Profit before Tax	1,089	853	739	620	550
Taxation	371	254	131	134	170
Preference Dividends	—	—	—	3	3
Net Earnings for Ordinary Shares	718	599	608	483	377
Extraordinary items—Profits	15	26	60	90	39
	733	625	668	573	416
DIVIDENDS ON ORDINARY SHARE CAPITAL (adjusted for Scrip issue July 1977)					
Net Dividends paid	£161,250	£127,500	£93,750	£78,400	£71,400
Percentage	10.75	8.50	6.25	5.60	5.10
Before Extraordinary items:—					
Cover for Dividend	4.45	4.70	6.49	6.16	5.28
Earnings per £1	47.86p	39.90p	40.53p	32.20p	25.13p
PROFIT RETENTIONS					
Profits of the Year	572	497	574	495	345
Depreciation	386	312	275	180	163
BALANCE SHEET					
Assets Employed:—					
Fixed Assets	5,569	4,938	4,272	3,569	2,953
Investments and Loans	205	161	136	106	129
Recoverable A.C.T.	51	40	31	29	29
Stocks and Debtors	2,106	1,679	1,523	1,311	986
Current Liabilities	7,931	6,818	5,962	5,015	4,097
Net Bank and Cash Balances	2,265	1,926	1,539	1,609	1,191
	725	646	775	334	284
Taxation payable 18 months hence	4,941	4,246	3,648	3,072	2,622
	325	198	98	96	89
	4,616	4,048	3,550	2,976	2,533
Financed by:—					
Share Capital	1,500	1,500	1,500	380	380
Reserves	2,888	2,316	1,818	2,364	1,859
Loan Capital	4,388	3,816	3,318	2,744	2,239
	228	232	232	232	294
	4,616	4,048	3,550	2,976	2,533