

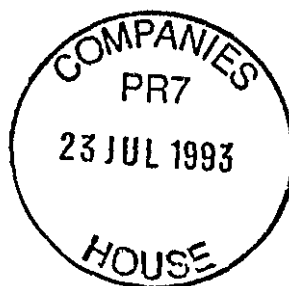
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ANNUAL REPORT 1993

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Financial Highlights

Profit before tax – £2,853,000	up 31%
Earnings per share (fully taxed)	up 16%
Earnings per share (actual tax)	up 16%
Dividends per share	up 18%

Shareholder Information

Payment of interim dividend	January
Full year results preliminary announcement	June
Report and accounts published	June
Annual general meeting	July
Payment of final dividend	August
Publication of interim report	November

Shareholder Enquiries

Shareholders who have questions relating to the group's business should contact the company at 16 Lambourne Crescent, Cardiff CF4 5GG.

Telephone: 0222 766744

Facsimile: 0222 747766

Registrar

Administrative enquiries concerning shareholdings in Hicking Pentecost PLC such as the loss of a share certificate, dividend payments, or a change of address should be directed, in the first instance, to the registrar whose address is:

Exchange Registrars Limited
18 Park Place
Cardiff CF1 3PD

Telephone: 0222 371210

Facsimile: 0222 388455

Correspondence with the registrar should refer to Hicking Pentecost PLC and state clearly the registered name and address of the shareholder.

Five Year Record

	1993 £'000	1992 £'000	1991 £'000	1990 £'000	1989 £'000
Turnover					
Continuing operations	29,506	24,598	21,079	17,783	17,357
Discontinued operation	—	—	—	1,171	1,803
	<u>29,506</u>	<u>24,598</u>	<u>21,079</u>	<u>18,954</u>	<u>19,160</u>
Operating profit/(loss)					
Continuing operations	2,963	2,389	1,589	75	933
Discontinued operation	—	—	—	(121)	—
	<u>2,963</u>	<u>2,389</u>	<u>1,589</u>	<u>(46)</u>	<u>933</u>
Costs of reorganisation	—	—	—	(1,225)	—
Loss on disposal of business	—	—	—	(1,881)	—
Profit on disposal of fixed assets	—	—	—	164	173
	<u>2,963</u>	<u>2,389</u>	<u>1,589</u>	<u>(2,988)</u>	<u>1,106</u>
Interest payable	110	219	807	579	383
	<u>2,853</u>	<u>2,170</u>	<u>782</u>	<u>(3,567)</u>	<u>723</u>
Profit/(loss) before taxation					
Taxation	718	547	92	43	43
	<u>2,135</u>	<u>1,623</u>	<u>690</u>	<u>(3,610)</u>	<u>680</u>
Profit/(loss) after taxation					
	<u>2,135</u>	<u>1,623</u>	<u>690</u>	<u>(3,610)</u>	<u>680</u>
 Operating margin-continuing operations	10.0%	9.7%	7.5%	0.4%	5.4%
 Earnings/(loss) per share					
Actual tax	13.01p	11.25p	7.82p	(56.55p)	10.28p
Fully taxed	11.64p	10.07p	5.85p	(36.88p)	7.10p
 Dividends per share	4.0p	3.4p	2.25p	2.0p	2.0p
 Employment of capital					
Fixed assets	8,190	7,561	7,408	4,273	4,328
Working capital	3,729	1,766	2,901	3,789	2,896
	<u>11,919</u>	<u>9,327</u>	<u>10,309</u>	<u>8,062</u>	<u>7,224</u>
 Capital employed					
Capital and reserves	11,913	10,906	6,380	4,232	5,173
Net debt/(cash)	6	(1,579)	3,929	3,830	2,051
	<u>11,919</u>	<u>9,327</u>	<u>10,309</u>	<u>8,062</u>	<u>7,224</u>
 Return on average capital employed					
Continuing operations	27.9%	24.3%	17.3%	1.0%	14.2%
 Capital expenditure	1,487	707	599	542	856
Depreciation	834	760	493	576	416

Chairman's Statement

In my Annual statement last year and in my Interim statement for this year, I expressed the board's optimism for the future and I am pleased to report that this optimism has been borne out by the results.

The board is delighted with the group's performance, achieved in what continued to be a difficult economic environment.

Financial Results

In the year to 31st March 1993 group profit before taxation increased by 31 per cent from £2.17 million to £2.85 million on turnover up 20 per cent from £24.6 million to £29.5 million. After a maintained actual tax charge of 25 per cent, earnings per share grew by 16 per cent to 13.01p. Fully taxed earnings per share similarly grew by 16 per cent to 11.64p.

For the first time the results are reported under the new accounting standard FRS3—Reporting Financial Performance. No re-statement of last year's turnover, profit before taxation or earnings per share was necessary.

Cash generation remained strong. Cash flow from trading operations amounted to £3.53 million, out of which £1.49 million was invested in capital expenditure in the group's businesses, thus providing additional productive capacity for further organic growth. In addition, a total of £2.84 million was paid in cash during the year as consideration for new acquisitions. Notwithstanding this high level of investment, the group remained ungeared at the year end.

Dividend

In view of the excellent results and strong cash generation, the Board is recommending a final dividend of 2.65p (net) per share, a 20 per cent increase over last year's final dividend of 2.2p (net). When taken together with the interim dividend of 1.35p (net) the total for the year will be 4p (net), an increase of 18 per cent over last year's total 3.4p (net).

This increased level of dividend is covered 3.25 times by earnings per share and 2.91 times by fully taxed earnings per share.

Operating Performance

The Textiles division produced another excellent performance with sales up by 9 per cent to £20.51 million and operating profits up by 30 per cent to £2.32 million. Operating margins improved from 9.5 per cent to 11.3 per cent. A particularly strong contribution to this improvement was made by the knitwear businesses.

The Industrial Products division produced a satisfactory overall performance. Turnover, in part reflecting the benefit of acquisitions, increased by 55 per cent to £9 million and operating profits increased by 7 per cent to £0.64 million. Operating margins fell from 10.4 per cent to 7.2 per cent reflecting a difficult and competitive commercial environment. The future prospects of this division are, however, promising.

Acquisitions

Three acquisitions were made for cash during the year, all in the Industrial Products division. The acquisition of Thompson Horseley Bridge was completed on 18th May 1992 and the acquisitions of Roban Ductile Welding and Periquip Services were completed on 6th October 1992. The total cash cost, including expenses, amounted to £2.84 million. In the period since acquisition, these businesses generated an operating profit of £182,000 on turnover of £3.89 million.

The acquisitions represent further progress in building a division supplying a complementary range of products to the water, gas and related industries. I am pleased to report that good progress has been made in the integration of these businesses into the group structure.

Corporate Governance

The report on the Financial Aspects of Corporate Governance by the Cadbury Committee was published in its final form on 1st December, 1992 and the board fully supports the objectives contained in the accompanying Code of Best Practice.

Chairman's Statement

Prior to the publication of the report, Hicking Pentecost had in place appropriate divisions of responsibilities at board level and had established a remuneration committee. The board has also now resolved to establish an audit committee. In order to comply with the key recommendations, it will be necessary to increase the size of the board by adding to the non-executive element and this step will be taken during the current year. Notwithstanding the need to have regard to the transitional provisions of the Cadbury report in relation to smaller companies, your board feels that it is appropriate to move to full compliance as quickly as is practicable, and I shall keep you informed on the progress made in my next report.

People

The board appreciates the dedication and commitment of the group's management and staff at all times. Without these, the success and progress reflected in the results could not have been achieved and on behalf of the board and shareholders, I should like to thank all employees for their efforts.

Current Trading and Outlook

After three consecutive years of steady progress and strongly rising profits, the group is in a healthy position to move forward. The group has entered the current year with strong order books and trading since the year end has been satisfactory with turnover in the first two months ahead of the corresponding period last year. The investment we have made in the future, both through acquisitions and capital expenditure, should give us every chance of continuing the satisfactory progress made in recent years throughout the current year.

We intend to continue to build the scale of operations both organically and by acquisition and we are fortunate to be emerging from recession with a strong, cash generative, profitable and well managed group of businesses, and with a balance sheet unburdened by debt.

We expect improvement this year in the Industrial Products division, a full year's contribution from acquired companies and some easing of market conditions. It will be more difficult to improve on the sales growth and high operating margins achieved from the Textiles businesses throughout the recessionary period, but we nevertheless aim to do so. We also expect to make further acquisitions.

For these reasons, the board believes that the prospects for further progress in building the business of the group in the current year, and for continuing to generate satisfactory returns in the longer term, remain excellent.

John Lister
Chairman

7th June 1993



Directors' Report

The directors present their annual report and audited accounts for the year ended 31st March 1993.

Principal Activities

The principal activities of the group are carried out by its Textiles and Industrial Products divisions.

Textiles comprises the manufacture of fully-fashioned knitwear and the dyeing and finishing of this and other products.

The Industrial Products division comprises the manufacture of glass reinforced polyester and steel water storage systems and forged components, and the manufacture and supply of ductile iron pipeline, valves and tools for cutting, drilling and testing equipment principally for the gas, water and waste treatment industries.

Business Review

The development of the group's business during the financial year and its position at 31st March 1993 are dealt with in the Chairman's statement on pages 4 and 5.

Results and Dividend

The profit after tax for the year was £2,135,000. The board is recommending a 2.65p final dividend to bring the total for the year to 4.0p (1992: 3.4p). If approved, the final dividend will be paid on the 5th August 1993 to shareholders on the register on the 22nd July 1993. The total dividend for the year will cost £660,000 leaving a transfer to reserves of £1,475,000.

Acquisitions

Details of the acquisitions of Thompson Horseley Bridge, Roban Ductile Welding and Periquip Services are given in the Chairman's statement and note 11 to the accounts.

Directors

The directors during the year and their interests (all beneficial) in the shares of the company were:

	Shares		Share Options	
	1993	1992	1993	1992
J T Lister	750,854	750,854	80,000	80,000
J E M Carlsen	750,854	750,854	130,000	80,000
T G Davies	615,433	615,433	202,000	152,000
C M Jones	61,000	61,000	147,000	122,000
H M Grossart	200	200	—	—

There were no changes in directors' shareholdings or options between 31st March 1993 and 7th June 1993. Mr J T Lister and Mr J E M Carlsen are directors and significant shareholders of Euro Investments Limited which through its subsidiary Legibus Ten Limited held a further 712,704 shares at 31st March 1993 (unchanged since 31st March 1992).

No director exercised any share options during the year and options granted to directors and other employees during the year were all priced at 142p per share. No director had an interest during the year in any significant contract of the company or its subsidiaries. During the year the group maintained insurance providing liability cover for its directors and officers.

Re-Election

In accordance with the Articles of Association Mr C M Jones retires by rotation and, being eligible, offers himself for re-election. Mr Jones has a service contract which would require one year's notice from the date of the annual general meeting.

Directors' Report

Major Shareholdings

Other than the directors' shareholdings shown above, the company is aware of the following holdings of 3 per cent or more in the issued capital of the company at 17th May 1993.

	%
TR Smaller Companies Investment Trust PLC	10.0
Scottish Amicable Nominees Limited	6.1
Kleinwort Benson Investment Management Limited	5.5
Bank of Scotland Nominees (Save & Prosper) Limited	4.9
M & G Investment Management Limited	3.6
Pearl Assurance PLC	3.6
Framlington Investment Management Limited	3.4
Mrs M Molyneux	3.3
Manchester and London Investment Trust PLC	3.3

Annual General Meeting Resolutions

The company's Articles of Association provide for the shareholders giving the directors annually renewable authority to allot unissued shares, and in certain circumstances and subject to certain limits to disapply statutory pre-emption rights.

The current authority, which expires at this year's Annual General Meeting, gives the directors power to allot unissued shares amounting to approximately 10 per cent, and to disapply pre-emption rights in relation to approximately 5 per cent, of the issued share capital as at the date of the 1992 Annual General Meeting.

The directors seek renewal of such authority until the 1994 Annual General Meeting and the Ordinary and Special Resolutions in the Notice of Annual General Meeting deal with such renewal. The amounts stated in the Resolutions equal approximately 10 per cent and 5 per cent of the current issued share capital.

Fixed Assets

The movement in fixed assets during the year is shown in note 9 to the accounts. The directors are of the opinion that the market value of the group's properties is not significantly different from the carrying value included within these accounts.

Employee Involvement

Each company in the group is encouraged to make its employees aware of the financial and economic factors affecting its performance. Companies develop their own consultative policies such as regular management briefings.

The company pursues a policy of providing, wherever practicable, the same employment opportunities to disabled persons as to others.

Charitable and Political Donations

Charitable donations during the year amounted to £700 and there were no political contributions.

Taxation Status

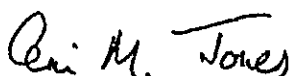
The company is not a close company within the meaning of the Income and Corporation Taxes Act 1988 and the position has not changed between 31st March 1993 and the date of this report.

Auditors

The auditors, Price Waterhouse, are willing to continue in office, and a resolution proposing their re-election will be put to the annual general meeting.

By Order of the Board

C M Jones
Secretary



7th June 1993

Directors and Advisers

**John Thomas Lister
Chairman**

John Lister, aged 51, is a Chartered Accountant who with John Carlsen has successfully founded and built up two businesses subsequently sold to public companies. He is currently the Honorary Treasurer of the British Athletic Federation and joined the board of Hicking Pentecost in September 1989.

**John Erik Marius Carlsen
Chief Executive and Deputy Chairman**

John Carlsen, aged 58, is an engineer who has designed, developed and marketed worldwide an aluminium low pressure diecasting process. Following the sale of this business he developed an alloy wheel casting process and was a major supplier to the UK and European automotive industry. John Carlsen joined the Hicking Pentecost board in September 1989.

**Tudor Griffith Davies
Managing Director**

Tudor Davies, aged 41, is a Chartered Accountant and former partner in corporate recovery with Arthur Young. He built up and subsequently sold an architectural ironmongery business to a public company. He has been closely involved with Hicking Pentecost since 1989 and joined the board in June 1990.

**Ceri Marc Jones
Finance Director and Secretary**

Ceri Jones, aged 33, is a Chartered Accountant. Following public practice experience with Peat Marwick and Arthur Young he has worked in industry since 1986. He was appointed Finance Director in November 1990.

**Hamish McLeod Grossart
Non Executive Director**

Hamish Grossart, aged 36, is Chairman of both EFT Group PLC and Quality Care Homes PLC. He is also a non-executive director of British Thornton Holdings PLC and Radio Clyde Holdings PLC and a number of private companies. He was previously a director of Noble Grossart and joined the board of Hicking Pentecost in October 1991.

The board has a remuneration committee comprising Hamish Grossart and John Lister.

Auditors

Price Waterhouse

Solicitors

McGrigor Donald

Brokers

Credit Lyonnais Laing
Allied Provincial Securities

Bankers

National Westminster Bank PLC
Lloyds Bank PLC

Actuaries

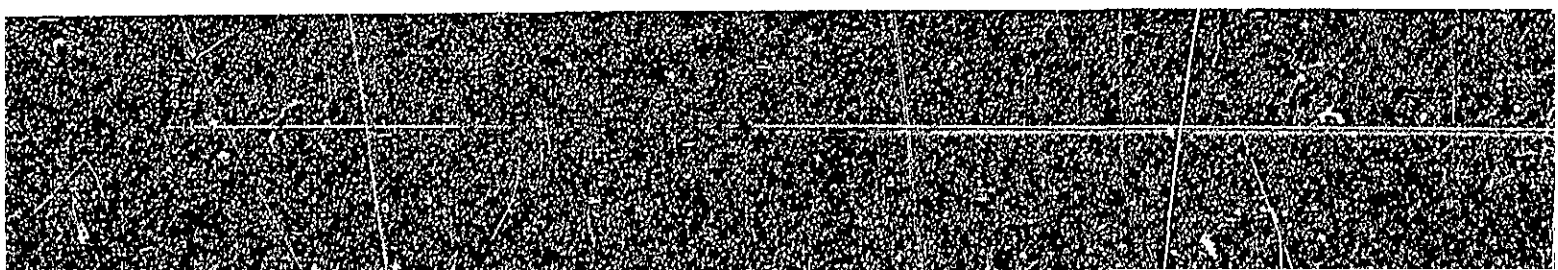
William M. Mercer Limited

Company Registration Number

406925

Registered Office

16 Lambourne Crescent
Cardiff Business Park
Llanishen
Cardiff CF4 5GG



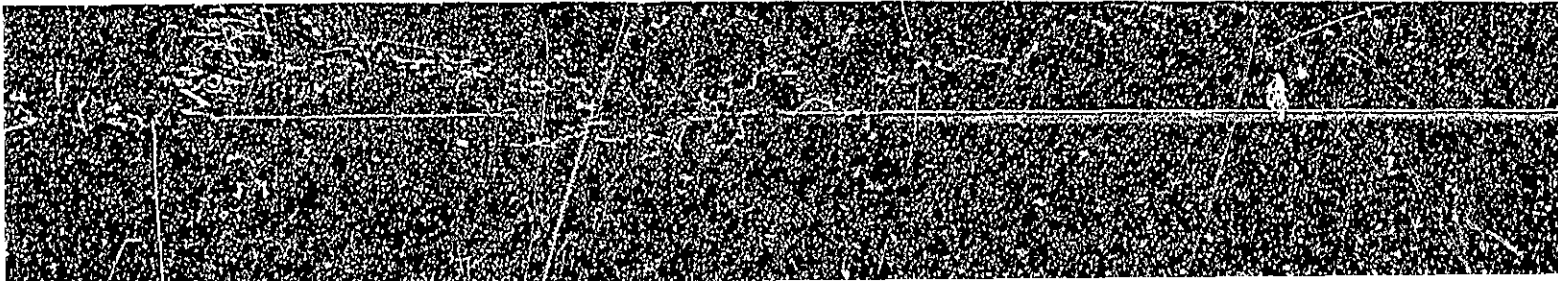
Divisional Operations and Management

TEXTILES

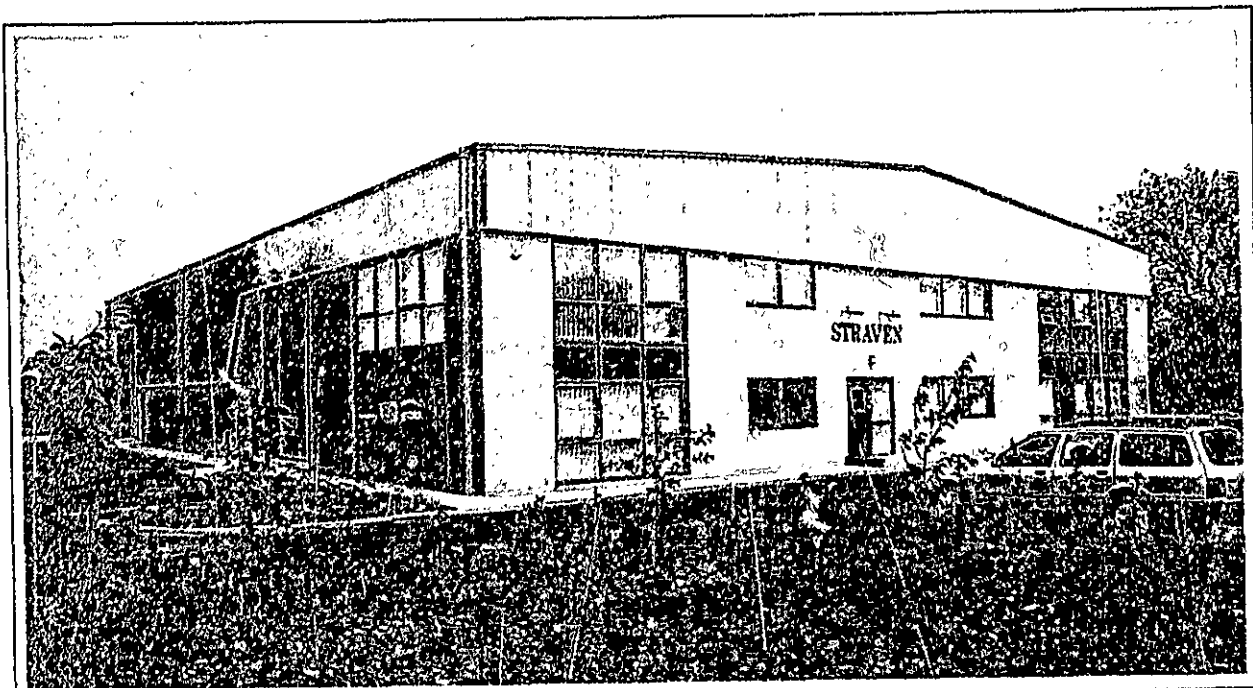
	Head of Operation	Activity
Hicking Pentecost (Dyers) Ltd Queens Road Nottingham	John Folman	Commission dyer and finisher of fabric, net curtain and lace
Straven Ltd Ball Hill South Normanton Derbyshire	Keith White	Manufacturer of fully fashioned knitwear
The British Textile Manufacturing Co. Ltd Ballymena Road Ballymoney	Robert Francey	Manufacturer of fully fashioned knitwear
Hicking Pentecost (Dyers) Ltd Bobbers Mill Nottingham	Peter Crews	Garment dyer and finisher
Hicking Pentecost & Co. (NI) Ltd Leighinmohr Works Leighinmohr Avenue Ballymena	Robert Francey	Commission dyer and finisher of garments and fabric

INDUSTRIAL PRODUCTS

Nicholson Plastics Ltd Riverside Road Kirkfieldbank Lanark	Gordon Duff	Manufacturer of GRP (Glass reinforced polyester) water storage systems
HB Tanks Ltd 27/29 Thornleigh Trading Estate Blowers Green Dudley	Colin Shaw	Distributor of GRP and steel water storage systems
Forgemasters PLC Garth Works Taffs Well Cardiff	Roger Meacham	Manufacturer of forged components and pressed steel tanks
Roban Ductile Welding Ltd Faircharm Industrial Estate Evelyn Drive Leicester	John Bartram	Manufacture and supply of ductile iron pipelines, valves and associated fittings
Periquip Services Ltd Unit 11, Pipers Wood Industrial Park off Waterberry Drive Waterlooville Hampshire	Steven Hodgson	Design, manufacture and supply of tools for cutting, testing and drilling equipment



Textiles



New factory for Straven Limited opened July 1992

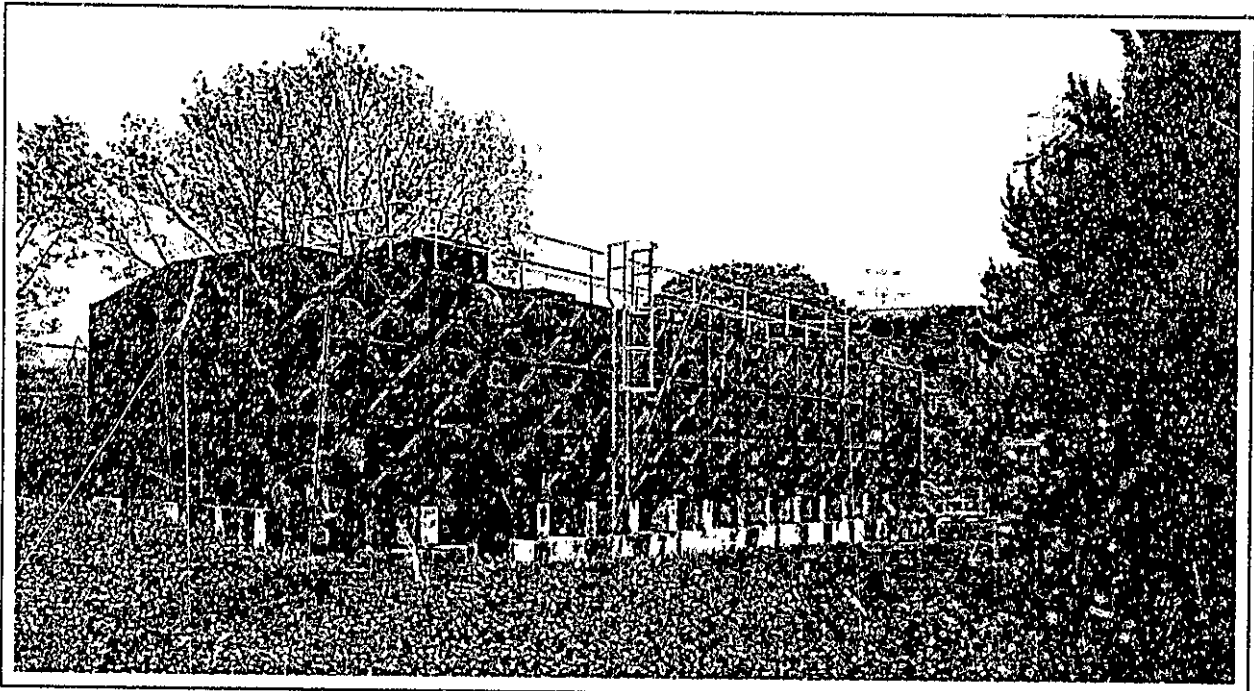


Classic knitwear

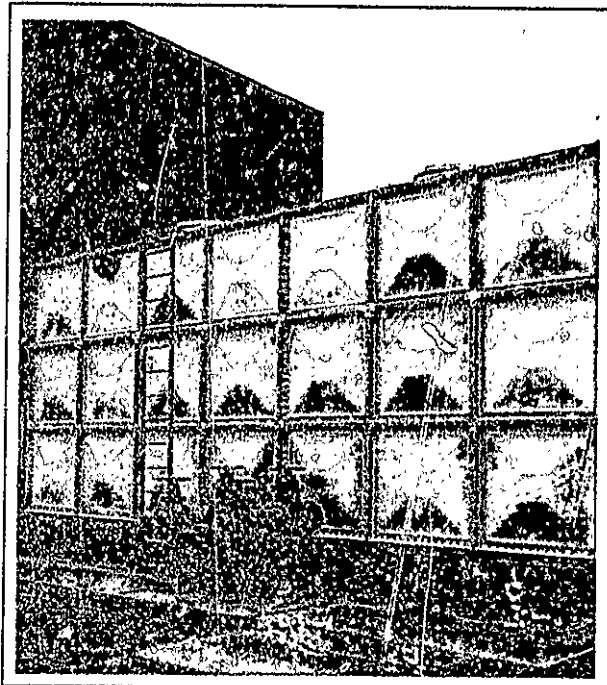


Fully fashioned knitwear production —
Intarsia pattern

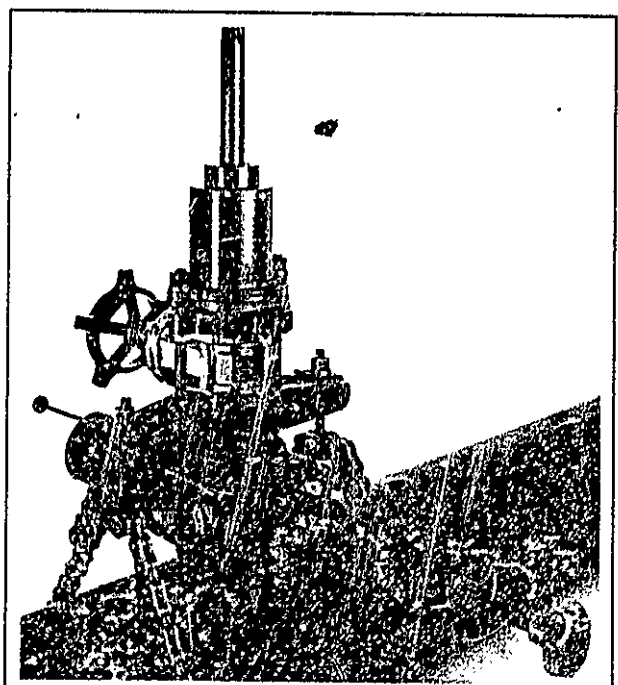
Industrial Products



Steel tank for village water supply — Welsh Water PLC



GRP water tank for emergency fire fighting



PQ2000 — removes lead ferrules and elbows from water mains under pressure

Group Profit and Loss Account

for the year ended 31st March 1993

	Notes	Acquired 1993 £'000	Existing 1993 £'000	Total 1993 £'000	1992 £'000
Turnover	1	3,887	25,619	29,506	24,598
Cost of sales		<u>2,875</u>	<u>18,309</u>	<u>21,184</u>	<u>18,034</u>
Gross profit		1,012	7,310	8,322	6,564
Distribution costs		296	1,789	2,085	1,546
Administrative expenses		<u>534</u>	<u>2,740</u>	<u>3,274</u>	<u>2,629</u>
Operating profit		<u><u>182</u></u>	<u><u>2,781</u></u>	<u>2,963</u>	<u>2,389</u>
Interest	2			<u>110</u>	<u>219</u>
Profit on ordinary activities before taxation	3			2,853	2,170
Taxation on profit on ordinary activities	6			<u>718</u>	<u>547</u>
Profit attributable to shareholders				2,135	1,623
Dividends	7			<u>660</u>	<u>556</u>
Retained profit	19			<u><u>1,475</u></u>	<u><u>1,067</u></u>
Earnings per share (actual tax)	8			<u><u>13.01p</u></u>	<u><u>11.25p</u></u>
Earnings per share (33% tax)	8			<u><u>11.64p</u></u>	<u><u>10.07p</u></u>

The notes on pages 17 to 28 form part of these accounts.

Balance Sheets

31st March 1993

	Notes	Group 1993 £'000	Group 1992 £'000	Company 1993 £'000	Company 1992 £'000
Fixed assets					
Tangible assets	9	8,190	7,561	4,599	4,158
Investments	10	—	—	8,852	8,010
		<u>8,190</u>	<u>7,561</u>	<u>13,451</u>	<u>12,168</u>
Current assets					
Stock	12	4,077	2,419	2,584	2,024
Debtors due within one year	13	6,611	4,610	3,856	3,313
Debtors due after one year	13	912	1,024	912	1,024
Cash at bank and in hand		4,123	3,586	2,442	1,943
		<u>15,723</u>	<u>11,639</u>	<u>9,794</u>	<u>8,304</u>
Creditors: amounts falling due within one year	14	<u>8,358</u>	<u>6,191</u>	<u>4,745</u>	<u>4,314</u>
Net current assets		<u>7,365</u>	<u>5,448</u>	<u>5,049</u>	<u>3,990</u>
Total assets less current liabilities		<u>15,555</u>	<u>13,009</u>	<u>18,500</u>	<u>16,158</u>
Creditors: amounts falling due after more than one year	15	3,273	1,765	5,195	4,572
Provisions for liabilities and charges					
Deferred taxation	16	213	85	202	—
Other provisions	17	156	253	23	50
		<u>11,913</u>	<u>10,906</u>	<u>13,080</u>	<u>11,536</u>
Capital and reserves					
Called up share capital	18	8,220	8,181	8,220	8,181
Share premium account	18	1,818	1,803	1,818	1,803
Revaluation reserve	19	1,208	1,221	—	—
Profit and loss account	19	667	(299)	3,042	1,552
		<u>11,913</u>	<u>10,906</u>	<u>13,080</u>	<u>11,536</u>

Approved by the board of directors on 7th June 1993

On behalf of the board

C M Jones

C M Jones
Director

The notes on pages 17 to 28 form part of these accounts.



Group Cash Flow Statement

for the year ended 31st March 1993

	Notes	1993 £'000	1992 £,000
Net cash inflow from operating activities	22	<u>3,532</u>	<u>3,656</u>
Servicing of finance			
Net interest paid		(104)	(296)
Dividends paid		(583)	(410)
Net cash outflow from servicing of finance		(687)	(706)
Taxation paid		(197)	(357)
Net cash inflow before investing and finance		<u>2,648</u>	<u>2,593</u>
Investing activities			
Capital expenditure		(1,487)	(707)
Grants received		128	157
Purchase of businesses	22	(3,141)	(1,319)
Sale of plant		213	71
Net cash outflow from investing activities		<u>(4,287)</u>	<u>(1,798)</u>
Net cash (outflow)/inflow before financing		<u>(1,639)</u>	<u>795</u>
Financing			
Shares issued		54	4,924
Expenses of share issue		—	(211)
Bank loans		2,193	—
Net new hire purchase and finance lease facilities		180	87
Repayment of loans		(251)	(356)
Net cash inflow from financing		<u>2,176</u>	<u>4,444</u>
Increase in cash and cash equivalents		<u>537</u>	<u>5,239</u>

The notes on pages 17 to 28 form part of these accounts.

Statement of Total Recognised Gains and Losses

for the year ended 31st March 1993

	Group 1993 £'000	Group 1992 £'000	Company 1993 £'000	Company 1992 £'000
Profit attributable to shareholders and total recognised gains and losses for the financial year	<u>2,135</u>	<u>1,623</u>	<u>2,150</u>	<u>1,536</u>

Note of Historical Cost Profits and Losses

for the year ended 31st March 1993

	Group 1993 £'000	Group 1992 £'000	Company 1993 £'000	Company 1992 £'000
Profit before taxation	2,853	2,170	2,617	1,759
Difference between historical cost depreciation and actual depreciation charge calculated on the revalued amount	<u>13</u>	<u>79</u>	<u>—</u>	<u>—</u>
Historical cost profit before tax	<u>2,866</u>	<u>2,249</u>	<u>2,617</u>	<u>1,759</u>
Historical cost retained profit	<u>1,488</u>	<u>1,146</u>	<u>1,490</u>	<u>980</u>

Movement in Shareholders' Funds

for the year ended 31st March 1993

	Group 1993 £'000	Group 1992 £'000	Company 1993 £'000	Company 1992 £'000
Profit for the financial year	2,135	1,623	2,150	1,536
Dividends	(660)	(556)	(660)	(556)
Goodwill on acquisitions	(610)	(1,254)	—	—
Goodwill written back	88	—	—	—
Shares issued (net of expenses)	<u>54</u>	<u>4,713</u>	<u>54</u>	<u>4,713</u>
	1,007	4,526	1,544	5,693
Opening shareholders' funds	<u>10,906</u>	<u>6,380</u>	<u>11,536</u>	<u>5,843</u>
Closing shareholders' funds	<u>11,913</u>	<u>10,906</u>	<u>13,080</u>	<u>11,536</u>

Accounting Policies

Basis of Accounting

The accounts are prepared under the historical cost convention as modified by the revaluation of land and buildings and in accordance with applicable accounting standards. FRS3-Reporting Financial Performance, has been adopted in these accounts.

Basis of Consolidation

The consolidated accounts comprise the accounts of the company and all its subsidiaries. The accounts of all subsidiaries are made up to the same date as those of the company and are prepared in accordance with group accounting policies.

Accounting for Acquisitions

The results of acquisitions are incorporated in the consolidated accounts from the date of acquisition. On acquisition, the purchase consideration and the estimated costs of integrating the businesses are allocated over assessed fair values of net assets acquired and goodwill. Adjustments are also made to bring the accounting policies of businesses acquired into alignment with those of the group. The amounts attributed to goodwill are written off against revenue reserves in the year of acquisition.

Turnover

Turnover represents net amounts receivable for goods sold and services rendered to external customers in the ordinary course of business.

Fixed Assets and Depreciation

The cost or valuation of fixed assets, including those held under finance leases and hire purchase agreements, is written off over the estimated useful life of the asset by providing depreciation on a straight line basis at the following annual rates:

Freehold buildings	2% to 7%
Leasehold buildings	Over the period of the lease
Plant and equipment	6.25% to 33%

Leased Assets

Assets held under finance leases are capitalised as fixed assets. Interest is charged to the profit and loss account over the primary period of the lease. Rentals under operating leases are charged against income as incurred.

Government Grants

Government grants on capital expenditure are treated as deferred income and released to profit and loss account over the life of the asset to which they relate. Revenue grants are credited to operating profit in the same period in which the expenditure to which they relate is charged.

Stock

Stock and work in progress are stated at the lower of cost, including a proportion of production overheads, and net realisable value.

Deferred Taxation

Deferred taxation is provided on timing differences only to the extent to which it is considered likely to fall due for payment in the foreseeable future. Full deferred tax provision is made for timing differences arising on pensions. No provision is made for any potential liability which might arise on disposal of properties at their revalued amounts.

Research and Development

Research and development expenditure is written off as incurred.

Investments

Investments held as fixed assets are stated at cost less provision for permanent diminution in value.

Pensions

The group operates a defined benefit pension scheme for certain of its employees. The scheme is funded by contributions partly from the employees and partly from the group at rates in accordance with the advice of independent actuaries following regular valuations.

Pension costs are charged to the profit and loss account over the anticipated working lives of the pension scheme members currently in service.

Foreign Currencies

Foreign currency assets and liabilities are expressed in sterling at exchange rates ruling at the year end. Transactions in the normal course of business are expressed at the rates ruling at the dates of the transactions.

Notes to the Accounts

1 ANALYSIS OF TURNOVER, PROFIT AND NET ASSETS

Turnover and operating profit

	Textiles		Industrial Products		Total	
	1993 £'000	1992 £'000	1993 £'000	1992 £'000	1993 £'000	1992 £'000
Turnover	20,510	18,805	8,996	5,793	29,506	24,598
Operating profit	2,319	1,788	644	601	2,963	2,389
Interest payable					(110)	(219)
Profit before taxation					2,853	2,170

Net assets

	Textiles		Industrial Products		Total	
	1993 £'000	1992 £'000	1993 £'000	1992 £'000	1993 £'000	1992 £'000
Net assets	8,201	7,291	5,116	3,447	13,317	10,738
Financing and head office					(1,404)	168
					11,913	10,906

Financing and head office principally comprises cash, borrowings, proposed dividends and tax liabilities.

Turnover by destination

	1993 £'000	1992 £'000
United Kingdom	23,538	20,734
Other EC countries	3,373	2,007
Other European countries	2,227	1,857
Rest of the world	368	—
	29,506	24,598

Geographical location

All the Group's turnover and profit arise from and all assets and liabilities are located in the United Kingdom.

2 INTEREST

	1993 £'000	1992 £'000
Bank and other borrowings wholly repayable within 5 years	36	22
Finance leases and hire purchase agreements	71	55
Loans not wholly repayable within 5 years	76	142
Interest receivable	(73)	—
	110	219

Notes to the Accounts

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

These figures are stated after charging/(crediting):

	1993 £'000	1992 £'000
Depreciation	834	760
Profit on disposal of fixed assets	(26)	(8)
Hire of plant and equipment	36	70
Other operating leases	178	196
Directors' remuneration —fees	—	7
—other emoluments	351	266
Audit fees	47	41
Income from government grants	(215)	(110)

Non audit fees paid to Price Waterhouse during the year amounted to £9,000.

4 EMPLOYEES

Average number of persons employed:	1993	1992
Textiles	726	720
Industrial Products	155	119
	<u>881</u>	<u>839</u>

Staff costs during the year:	1993 £'000	1992 £'000
Wages and salaries	9,262	8,359
Social security costs	772	678
Other pension costs	112	67
	<u>10,146</u>	<u>9,104</u>

5 DIRECTORS' EMOLUMENTS

Emoluments (excluding pension contributions) of directors were as follows:

	1993 £'000	1992 £'000
Chairman	51	51
Highest paid director	101	76
Other directors:	Number	Number
£5,001 — £10,000	—	1
£10,001 — £15,000	1	—
£50,001 — £55,000	—	1
£60,001 — £65,000	—	1
£70,001 — £75,000	1	—
£85,001 — £90,000	1	—

Directors' total remuneration includes £56,500 of performance related pay and £25,133 in respect of pension contributions. Executive directors' performance was measured by growth in earnings per share above a base threshold. Full details of share options granted to executive directors are given in the Directors' Report.

Notes to the Accounts

6 TAXATION

	1993 £'000	1992 £'000
UK corporation tax at 33%	943	545
Overprovision in prior years	(69)	—
Surplus advance corporation tax reinstated	(400)	(157)
Deferred tax	244	159
	<u>718</u>	<u>547</u>

The tax charge for the year has been reduced by the reinstatement of advance corporation tax previously written off. There remains recoverable advance corporation tax of £107,000 not yet reinstated.

7 DIVIDENDS

	1993 £'000	1992 £'000
Interim paid 1.35p per share (1992: 1.2p)	224	196
Final proposed 2.65p per share (1992: 2.2p)	436	360
	<u>660</u>	<u>556</u>

8 EARNINGS PER SHARE

The calculation of earnings per share is based on:

	1993 £'000	1992 £'000
Profit after taxation	<u>2,135</u>	<u>1,623</u>
Weighted average number of shares in issue during the year	<u>16,415,326</u>	<u>14,427,206</u>

There is no material difference between fully diluted and undiluted earnings per share. At 31st March 1993 there were 16,440,359 ordinary shares in issue (1992: 16,361,359).

ADJUSTED EARNINGS PER SHARE

Earnings per share have been adjusted to show the group's earnings after a 33% corporation tax charge:

	1993 £'000	1992 £'000
Profit on ordinary activities before tax	2,853	2,170
Taxation at 33%	<u>942</u>	<u>716</u>
Adjusted profit attributable to shareholders	<u>1,911</u>	<u>1,454</u>
Adjusted earnings per share	<u>11.64p</u>	<u>10.07p</u>

Notes to the Accounts

9 TANGIBLE FIXED ASSETS GROUP

	Land and buildings		Plant and equipment	Total
	Freehold	Short leasehold		
Cost or valuation	£'000	£'000	£'000	£'000
At 1st April 1992	5,480	52	7,825	13,357
On acquisition	—	—	255	255
Additions	27	—	1,460	1,487
Disposals	—	—	(317)	(317)
At 31st March 1993	5,507	52	9,223	14,782
1989 valuation	2,759	52	—	2,811
Cost	2,748	—	9,223	11,971
Depreciation				
At 1st April 1992	238	3	5,555	5,796
On acquisition	—	—	92	92
Charge for the year	51	1	782	834
Released on disposal	—	—	(130)	(130)
At 31st March 1993	289	4	6,299	6,592
Net book amount				
At 31st March 1993	5,218	48	2,924	8,190
At 1st April 1992	5,242	49	2,270	7,561

On a historical cost basis, freehold land and buildings would be included at a net book amount of £4,011,000 (1992: £4,022,000). Assets held on hire purchase agreements and finance leases are included in plant and equipment at a cost of £1,501,000 (1992: £1,099,000) and accumulated depreciation of £702,000 (1992: £529,000). Depreciation charged on these assets during the year amounted to £177,000 (1992: £127,000).

COMPANY

	Land and buildings		Plant and equipment	Total
	Freehold	Short leasehold		
Cost	£'000	£'000	£'000	£'000
At 1st April 1992	2,921	52	6,255	9,228
Additions	27	—	996	1,023
Disposals	—	—	(182)	(182)
At 31st March 1993	2,948	52	7,069	10,069
Depreciation				
At 1st April 1992	209	3	4,858	5,070
Charge for the year	51	1	428	480
Released on disposals	—	—	(80)	(80)
At 31st March 1993	260	4	5,206	5,470
Net book amount				
At 31st March 1993	2,688	48	1,863	4,599
At 1st April 1992	2,712	49	1,397	4,158

Assets held on hire purchase agreements and finance leases are included in plant and equipment at a cost of £1,079,000 (1992: £801,000) and accumulated depreciation of £593,000 (1992: £478,000).

Notes to the Accounts

10 INVESTMENT IN GROUP COMPANIES

	Shares £'000	Loans £'000	Total £'000
At 1st April 1992	7,080	930	8,010
Additions	750	200	950
Repayments	—	(108)	(108)
Disposals	—	—	—
At 31st March 1993	<u>7,830</u>	<u>1,022</u>	<u>8,852</u>

All subsidiary companies are wholly owned, incorporated and operate in the United Kingdom. The main subsidiary companies are listed below and except where shown are registered in England.

Textiles

Hicking Pentecost (Dyers) Limited
Hicking Pentecost & Co (NI) Limited (registered in Northern Ireland)
The British Textile Manufacturing Company Limited
Straven Limited
Hicking Pentecost Textiles Limited (from April 1993)

Industrial Products

Nicholson Plastics Limited (registered in Scotland)
HB Tanks Limited
Forgemasters PLC
Garth Estates Limited
Roban Ductile Welding Limited
Periquip Services Limited

To avoid a list of excessive length, particulars of certain subsidiaries, none of which is material in relation to the group profit and loss account and balance sheet, are omitted but will be included in the 1993 Annual Return.



Notes to the Accounts

11 ACQUISITIONS

On 18th May 1992 the group acquired, through its subsidiary HB Tanks Limited, the fixed assets and stock of Thompson Horseley Bridge from Northern Engineering Industries PLC, a subsidiary of Rolls-Royce PLC.

On 6th October 1992 the group acquired the net trading assets of the Roban Ductile Welding and Periquip Services divisions of Robert Frazer and Sons Limited, a subsidiary of Usinor Sacilor SA.

The total consideration including expenses was £2,844,000 which has been settled fully in cash. The principal fair value adjustments are the application of group accounting policies to fixed assets and stock and provisions for reorganisation costs.

	Book Value £'000	Adjustments £'000	Fair Value £'000
Tangible fixed assets	255	(92)	163
Stock	1,606	(301)	1,305
Debtors	1,444	—	1,444
Deferred taxation	—	64	64
Cash	3	—	3
Trade and sundry creditors	(544)	(25)	(569)
Provisions	—	(176)	(176)
Net assets acquired	<u>2,764</u>	<u>(530)</u>	<u>2,234</u>
Goodwill (note 19)			610
Consideration on above acquisitions			2,844
Deferred consideration paid re Nicholson Plastics			300
Total cash consideration paid (note 22)			<u>3,144</u>

As disclosed in the circular to shareholders dated 19th October 1992, the unaudited profit before non-recurring charges, interest and taxation for Roban Ductile Welding and Periquip Services for the six months to 30th June 1992 was £142,000 and for the year to 31st December 1991 was £276,000.

DEFERRED CONSIDERATION

No consideration remains payable in respect of any acquisitions made in the year to 31st March 1993 or earlier years.

12 STOCK

	1993 Group £'000	1992 Group £'000	1993 Company £'000	1992 Company £'000
Raw materials	802	551	442	420
Work in progress	1,342	905	1,227	835
Finished stock	1,933	963	915	769
	<u>4,077</u>	<u>2,419</u>	<u>2,584</u>	<u>2,024</u>

Notes to the Accounts

13 DEBTORS

	1993 Group £'000	1992 Group £'000	1993 Company £'000	1992 Company £'000
Due within one year				
Trade debtors	6,178	4,227	3,474	2,999
Other debtors	149	93	63	58
Prepayments	284	207	216	167
Recoverable ACT	—	83	—	46
Due from group companies	—	—	103	43
	<u>6,611</u>	<u>4,610</u>	<u>3,856</u>	<u>3,313</u>
Due after one year				
Pension fund prepayment	<u>912</u>	<u>1,024</u>	<u>912</u>	<u>1,024</u>

Debtors falling due after one year at 31st March 1992 have been re-analysed in accordance with UITF abstract 4: "Presentation of long-term debtors in current assets".

14 CREDITORS: amounts falling due within one year

	1993 Group £'000	1992 Group £'000	1993 Company £'000	1992 Company £'000
Bank and other loans (note 15)	520	59	80	31
Loan notes (note 15)	44	44	44	44
Hire purchase and leasing	292	139	192	87
Trade creditors	3,463	2,509	1,716	1,462
Other taxation and social security	918	808	618	624
Other creditors	262	277	179	192
Accruals and deferred income	1,810	1,175	1,258	993
Corporation tax	612	520	221	221
Proposed dividend	437	360	437	360
Deferred consideration	—	300	—	300
	<u>8,358</u>	<u>6,191</u>	<u>4,745</u>	<u>4,314</u>



Notes to the Accounts

15 CREDITORS: amounts falling due after more than one year

	1993 Group £'000	1992 Group £'000	1993 Company £'000	1992 Company £'000
Bank loans	2,182	650	123	—
Other loans	391	423	106	123
Hire purchase and leasing	337	310	191	151
Due to group companies	—	—	4,412	3,916
Loan notes	363	382	363	382
	<u>3,273</u>	<u>1,765</u>	<u>5,195</u>	<u>4,572</u>
Due between 1 and 2 years	774	228	263	156
Due between 2 and 5 years	1,722	532	277	267
Due beyond 5 years	777	1,005	4,655	4,149
	<u>3,273</u>	<u>1,765</u>	<u>5,195</u>	<u>4,572</u>

BANK FACILITIES

Bank facilities are secured by fixed and floating charges on the group's assets and by legal mortgages on certain of the group's properties. The acquisition of Roban Ductile Welding and Periquip Services was funded by a £2 million bank loan repayable in monthly instalments over 5 years from October 1992, and with interest linked to National Westminster Bank PLC's base rate.

The group also has a secured bank loan of £650,000 with interest fixed at 11% until July 1993 with capital repayments commencing then and repayment to be made over 20 years.

OTHER LOANS

Other loans amounting to £423,000 (1992: £482,000) have varying terms as follows:

Interest payable	—	Nil to 13%
Repayment	—	1 to 9 years
Security	—	Charges on certain group assets

LOAN NOTES

Loan notes carry interest at 1% under National Westminster Bank base rate and are repayable in annual instalments of up to £44,000.

HIRE PURCHASE AND FINANCE LEASES

There are no finance lease or hire purchase agreements which expire after more than 5 years.

BORROWING POWERS

The borrowing powers of the directors are limited to twice the group's Adjusted Capital and Reserves, as defined in the Articles of Association. At 31st March 1993 the limit was £23.8 million (1992: £21.8 million).

Notes to the Accounts

16 DEFERRED TAXATION

The movement on the deferred taxation provision is as follows:

	Group £'000	Company £'000
At 1st April 1992	85	—
On acquisition	(64)	—
Charge for the year	244	254
Less: ACT recoverable	(52)	(52)
At 31st March 1993	<u>213</u>	<u>202</u>

The deferred taxation provision comprises:

	Group 1993 £'000	Group 1992 £'000	Company 1993 £'000	Company 1992 £'000
Accelerated capital allowances	250	251	171	172
Timing difference on pension fund	338	361	338	361
Short term timing differences	(173)	(192)	(105)	(179)
Losses available for offset	—	(31)	—	—
Surplus ACT available for offset	(76)	(230)	(76)	(230)
Less: Current ACT recoverable	(126)	(74)	(126)	(74)
	<u>213</u>	<u>85</u>	<u>202</u>	<u>—</u>

There is no material difference between the deferred tax provided for above and the total potential liability. Properties are not held for the purpose of resale and the potential deferred tax effect of disposal at their revalued amounts has not been quantified.

17 OTHER PROVISIONS

	Acquisition provisions £'000	Other provisions £'000	Group £'000	Company £'000
At 1st April 1992	203	50	253	50
Acquisitions (note 11)	176	—	176	—
Utilised	(246)	(27)	(273)	(27)
At 31st March 1993	<u>133</u>	<u>23</u>	<u>156</u>	<u>23</u>

No acquisition provisions have been released or applied for any purpose other than that for which they were established.

Notes to the Accounts

18 CALLED UP SHARE CAPITAL

	1993		1992	
	Authorised £'000	Allotted and fully paid £'000	Authorised £'000	Allotted and fully paid £'000
Ordinary shares of 50p each	<u>11,000</u>	<u>8,220</u>	<u>11,000</u>	<u>8,181</u>

Options were exercised over 79,000 shares at prices ranging between 50p and 119p during the year. Further options were granted over 190,000 shares at 142p and these may be exercised between 1995 and 2002. At 31st March 1993 options outstanding under the Senior Executive Share Option Scheme were as follows:

Year of Grant	Latest date for exercise	Option Price	No. of Shares
1985	13 December 1995	50p	15,000
1987	2 July 1997	52p	46,000
1988	7 January 1998	50p	20,000
1988	13 June 1998	70p	20,000
1988	3 July 1993	70p	5,966
1990	1 August 2000	72p	90,000
1991	7 July 2001	74p	144,000
1991	29 July 2001	75p	237,000
1991	30 July 2001	75p	15,000
1992	14 July 2002	142p	190,000
			<u>782,966</u>

SHARE PREMIUM ACCOUNT

	£'000
At 1st April 1992	1,803
Premium on shares issued this year	15
At 31st March 1993	<u>1,818</u>

19 RESERVES

	Group Revaluation Reserve £'000	Profit and Loss Account £'000	Company Profit and Loss Account £'000
At 1st April 1992	1,221	(299)	1,552
Profit for the year	—	1,475	1,490
Revaluation transfer	(13)	13	—
Goodwill (note 11)	—	(610)	—
Goodwill written back	—	88	—
At 31st March 1993	<u>1,208</u>	<u>667</u>	<u>3,042</u>

Under the provisions of section 230 of the Companies Act 1985 no profit and loss account has been presented for the holding company. The profit dealt with in the accounts of the holding company is £2,150,000.

The cumulative amount of goodwill written off in respect of acquisitions at 31st March 1993 was £2,168,000 (1992: £1,646,000).

Notes to the Accounts

20 COMMITMENTS

Capital commitments

	Group		Company	
	1993	1992	1993	1992
	£'000	£'000	£'000	£'000
Contracted for but not provided	—	98	—	91
Authorised but not yet contracted	<u>125</u>	<u>46</u>	<u>101</u>	<u>39</u>

Commitments under operating leases

Annual commitments payable under non-cancellable leases expiring:

	Land and Buildings		Plant and Equipment		Plant and Equipment	
	Group	Group	Group	Group	Company	Company
	1993	1992	1993	1992	1993	1992
	£'000	£'000	£'000	£'000	£'000	£'000
Within 1 year	22	—	38	25	19	25
Between 1 and 5 years	80	—	112	79	74	65
In over 5 years	<u>55</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>12</u>
	<u>157</u>	<u>—</u>	<u>150</u>	<u>104</u>	<u>93</u>	<u>102</u>

21 PENSIONS

The group operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the group in a trustee administered fund. Contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method and are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the group.

The most recent actuarial valuation was prepared as at 6th April 1991 and showed that the market value of the scheme's assets was £5.8 million and that the actuarial value of those assets represented 124% of the benefit that has accrued to members after allowing for expected future increases in earnings. The principal actuarial assumptions used were that investment returns would be 9% per annum and dividend growth 4.5%, that salary increases would average 7.5% per annum and that present and future pensions would increase at the rate of 3% per annum.

In view of the surplus disclosed by the valuation, the actuaries have recommended that no contributions be paid by the group into the scheme from 6th April 1991 until the next actuarial valuation in April 1994.

SSAP 24 requires the fund to be valued on a reasonable best estimate basis rather than using the overall more prudent assumptions used by the trustees in funding the scheme. In accounting for pension costs the principal assumptions used were investment returns would be 10% per annum and dividend growth 5.5%, that salary increases would average 7.5% per annum and pensions in payment would increase by 4.5% per annum.

The regular pension cost for 1993 of £224,000 has been reduced by interest of £109,000 accrued on the pension prepayment and a credit of £45,000 in respect of the spreading of the additional surplus identified in the latest actuarial valuations resulting in a net charge to profit of £70,000 (1992: £24,000) which has been deducted from the balance sheet prepayment.

The regular cost to the company in the year to 31st March 1993 amounted to 10.3% of pensionable salaries for staff members and 6.1% of pensionable salaries for non-staff members with employee contributions of 5% and 3.25% respectively.

In addition, the group made payments of £42,000 (1992: £43,000) to defined contribution schemes.



Notes to the Accounts

22 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1993 £'000	1992 £'000
Operating profit	2,963	2,389
Depreciation less profit on disposal of fixed assets	808	752
Income from government grants	(215)	(110)
Stock increase	(353)	(59)
Debtors (increase)/decrease	(558)	671
Creditors increase	887	13
Net cash inflow from operating activities	<u>3,532</u>	<u>3,656</u>

ANALYSIS OF CHANGE IN CASH DURING THE YEAR

	Cash in Hand £'000	Cash at Bank £'000	Total £'000
At 1st April 1992	4	3,582	3,586
Net cash inflow	<u>1</u>	<u>536</u>	<u>537</u>
At 31st March 1993	<u>5</u>	<u>4,118</u>	<u>4,123</u>

ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Share Capital (including Premium) £'000	Loans and Finance Leases £'000
At 1st April 1992	9,984	2,007
Cash inflow from financing	<u>54</u>	<u>2,122</u>
At 31st March 1993	<u>10,038</u>	<u>4,129</u>

PURCHASE OF BUSINESSES

The net outflow of cash and cash equivalents in respect of the purchase of businesses is analysed as follows:

	1993 £'000	1992 £'000
Cash consideration (note 11)	3,144	1,945
Cash acquired	<u>(3)</u>	<u>(626)</u>
	<u>3,141</u>	<u>1,319</u>

The businesses acquired during the year contributed £514,000 to the group's net operating cashflow and additional non-recurring operating cashflow of £501,000 arising directly from the acquisition. The acquired businesses paid £64,000 in respect of servicing of finance, made no payments in respect of taxation and utilised £308,000 acquiring fixed assets.

23 CONTINGENT LIABILITIES

The company has a contingent liability of £1.9 million at 31st March 1993 (1992: £nil) in respect of guarantees given to support borrowings of certain subsidiary companies.

Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and group and of the profit of the group for that period. In preparing those accounts the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors' Report

AUDITORS' REPORT TO THE SHAREHOLDERS OF HICKING PENTECOST PLC

We have audited the accounts on pages 12 to 28 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on page 16.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described above, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's and group's affairs as at 31st March 1993 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse
Chartered Accountants
and Registered Auditors

Price Waterhouse

Nottingham

7th June 1993



Notice of Meeting

Notice is hereby given that the forty-seventh Annual General Meeting of Hicking Pentecost PLC will be held at 11 am on Thursday 15th July 1993, at the offices of Credit Lyonnais Laing, Broadwalk House, 5 Appold Street, London EC2A 2DA, at which the following ordinary and special business will be transacted:

ORDINARY BUSINESS

- 1 to receive and adopt the report of the directors and the accounts for the year ended 31st March 1993 and the auditors' report thereon.
- 2 to declare a final dividend.
- 3 to re-elect as a director Mr C.M. Jones who retires by rotation.
- 4 to re-appoint the auditors and authorise the directors to fix their remuneration.

To consider and, if thought fit, pass the following resolutions:

Ordinary Resolution

- 5 That in terms of Article 5 of the company's Articles of Association the authority of the directors to allot relevant securities shall be renewed for the period ending on the date of the Annual General Meeting in 1994 or on the 15th October 1994, whichever is the earlier, in respect of equity securities having an aggregate nominal value of £822,018.

SPECIAL BUSINESS

Special Resolution

- 6 That in terms of Article 5 of the company's Articles of Association, the power of the directors to allot equity securities wholly for cash pursuant to and within the terms of the authority renewed by the above Ordinary Resolution, shall be renewed for the period ending on the date of the Annual General Meeting in 1994 or on the 15th October 1994, whichever is the earlier, and the aggregate nominal amount of equity securities which may be so allotted otherwise than in connection with a Rights Issue (as defined in the Articles of Association) shall be £411,009.

By order of the board

C.M. Jones
Secretary

16 Lambourne Crescent
Cardiff CF4 5GG

7th June 1993

Notes:

A member of the company is entitled to appoint a proxy or proxies to attend and vote in his stead and that proxy need not be a member of the company. A form of proxy is enclosed at page 31. To be effective the form of proxy must be deposited, duly completed and signed, at the company's registrars, Exchange Registrars Limited, 18 Park Place, Cardiff CF1 1YU, not later than 48 hours before the annual general meeting. Completion of the form of proxy will not preclude a member from attending and voting in person.

Copies of all service agreements between directors and the company and a statement of transactions of directors (and their family interests) in the share capital of the company will be available for inspection at the registered office of the company during normal business hours on any weekday until the date of the meeting and will be available for 15 minutes before and during the meeting.

Form of Proxy

I, the undersigned, being a Member of Hicking Pentecost PLC, hereby appoint the Chairman of the Meeting (see note 1) or

as my proxy to vote for me and on my behalf at the annual general meeting of the company to be held at 11.00 a.m. on the 15th day of July 1993 at the offices of Credit Lyonnais Laing, Broadwalk House, 5 Appold Street, London EC2A 2DA and at any adjournment thereof.

I wish my proxy to vote as shown below in respect of the Resolutions set out in the Notice of the Meeting:

Ordinary Resolutions

	For	Against
Resolution No. 1	<input type="checkbox"/>	<input type="checkbox"/>
Resolution No. 2	<input type="checkbox"/>	<input type="checkbox"/>
Resolution No. 3	<input type="checkbox"/>	<input type="checkbox"/>
Resolution No. 4	<input type="checkbox"/>	<input type="checkbox"/>
Resolution No. 5	<input type="checkbox"/>	<input type="checkbox"/>

Special Resolution

Resolution No. 6 ☐ ☐

Please indicate how you wish your proxy to vote in the appropriate box opposite each Resolution. If no indication is given your proxy will be determined to have the authority to vote or abstain at his or her discretion.

Signed _____ Dated this _____ day of _____ 1993

Name _____

Address _____

Notes:

1. If any other proxy is preferred strike out the reference to the Chairman of the Meeting stated above, add the name of the proxy you wish to appoint and initial the alteration. A member may appoint more than one proxy to attend on the same occasion.
2. If the appointor is a Corporation this form must be executed either under its common seal or under the hand of a duly authorised officer.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members. The signature of one holder will suffice, but the names of all the joint holders should be stated.
4. If you do not indicate how the person appointed proxy shall vote, the proxy may vote or abstain from voting at his/her discretion.
5. To be valid, this form must be completed and deposited at the company's registrars, at the address shown overleaf, not later than 48 hours before the Annual General Meeting. Deposit of the form of proxy will not preclude a member from attending and voting at the meeting or at any adjournment of it.

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BUSINESS REPLY SERVICE
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Exchange Registrars Limited,
18 Park Place,
Cardiff
CF1 1YU

first fold

second fold