

R GRIGGS AND CO LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 1994
COMPANY NUMBER: 494207



R GRIGGS AND CO LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 March 1994.

Principal activities

The company is principally engaged in footwear manufacturing.

Review of the business

The directors consider that the company has traded satisfactorily during the year and will continue to do so for the foreseeable future.

There was a profit for the year after taxation amounting to £2,101,887 (1993: £4,382,863). The directors do not recommend payment of a dividend and the profit has therefore been retained.

Directors

The directors in office at the end of the year are listed below. All served on the Board throughout the year.

Mr S P Horne and Mr G M Brent were appointed to the Board on 1 April 1993.

Mr S A Bull, Mr K Shooter, Mr B R Wagstaff and Mr W A Pearson were appointed to the Board on 1 September 1994.

The interests of the directors, who are also directors of the parent undertaking are disclosed in that company's financial statements. The other directors held no interests in the shares of the company, the parent undertaking or other group undertakings at 1 April 1993 or at 31 March 1994.

Mr S W Griggs (Chairman and Managing Director)	
	(also a director of the parent undertaking)
Mr R C Shelton	(also a director of the parent undertaking)
Mr S P Horne	
Mr G M Brent	

No director had, during or at the end of the year, a material interest in any contract which was significant in relation to the company's business except as disclosed in note 23 to the financial statements.

Fixed assets

The movement in the year is shown in note 9 to the accounts. The principal additions relate to the purchase of plant and machinery and ancillary equipment. The principal disposals relate to the sale of plant and machinery to Airwair Limited.

The directors are of the opinion that in aggregate the market value of the freehold land and buildings exceeds the book value of the assets.

Charitable donations

Donations to charitable organisations amounted to £2,797.

R GRIGGS AND CO LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Employee involvement

The company has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the company. This is achieved through consultations with employee representatives.

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies, having regard to their particular aptitudes and abilities.

In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the company may continue. It is the policy of the company that training, career development and promotion opportunities should be available to all employees.

Directors' responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, 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 financial statements;

Prepare the financial statements 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Grant Thornton offer themselves for re-appointment as auditors in accordance with Section 385 of the Companies Act 1985.

Registered office:
Cobbs Lane
Wollaston
Wellingborough
Northants
NN29 7SW
14 October 1994

ON BEHALF OF THE BOARD

.....

R C Shelton
Deputy Chairman

REPORT OF THE AUDITORS TO THE MEMBERS OF

R GRIGGS AND CO LIMITED

We have audited the financial statements on pages 4 to 18 which have been prepared under the accounting policies set out on pages 4 and 5.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton
Registered Auditors
Chartered Accountants



Northampton

14 October 1994

R GRIGGS AND CO LIMITED

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 1994

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards except that certain freehold properties are shown at their revalued amounts and the investment properties were revalued at market value in 1994.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

No depreciation is provided on freehold land.

Depreciation is calculated to write down the cost of freehold buildings and motor vehicles by equal annual instalments over their expected useful lives.

Depreciation on other tangible fixed assets is calculated on the reducing balance method and aims to write down the cost of the assets over their expected useful lives.

The rates generally applicable are:

Freehold buildings	2%	- straight line method
Plant and machinery and office equipment	15% - 25%	- reducing balance method
Motor vehicles	25%	- straight line method

Investment properties

In accordance with Statement of Standard Accounting Practice No 19, certain of the company's properties are held for long-term investment and are included in the balance sheet at their open market values. The surplus or deficit on revaluation of such properties is transferred to the investment property revaluation reserve. Depreciation is not provided in respect of freehold investment properties.

This policy represents a departure from statutory accounting principles, which require depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the financial statements may give a true and fair view, because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

R GRIGGS AND CO LIMITED

ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1994

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred taxation

Deferred tax is provided for under the liability method using the rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All other exchange differences are dealt with through the profit and loss account.

Leased assets

The company has certain leases which are regarded as operating leases and the total payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

Contributions to pension funds

Defined contribution scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

Defined benefit scheme

The pension costs charged against profits are based on actuarial methods and assumptions designed to spread the anticipated pension costs over the service lives of the employees in the scheme, so as to ensure that the regular pension cost represents a substantially level percentage of the current and expected future pensionable payroll. Variations from regular cost are spread over the remaining service lives of current employees in the scheme.

R GRIGGS AND CO LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 MARCH 1994**

	Note	1994 £	1993 £
Turnover	1	38,763,634	28,896,679
Other operating income and charges	2	35,465,333	23,070,412
Operating profit		<u>3,298,301</u>	<u>5,826,267</u>
Income from fixed asset investments	3	220,000	220,220
Exceptional income	4	-	510,860
Net interest	5	(172,965)	(180,375)
Profit on ordinary activities before taxation	1	<u>3,345,336</u>	<u>6,376,972</u>
Tax on profit on ordinary activities	7	1,243,449	1,994,109
Profit for the financial year		<u>2,101,887</u>	<u>4,382,863</u>
Dividends	8	-	2,605,000
Profit retained	17	<u>£2,101,887</u> =====	<u>£1,777,863</u> =====

The accompanying accounting policies and notes form an integral part of these financial statements.

R GRIGGS AND CO LIMITED

BALANCE SHEET AT 31 MARCH 1994

	Note	£	1994 £	£	1993 £
Fixed assets					
Tangible assets	9		7,658,286		7,721,031
Current assets					
Stocks	10	4,784,126		3,791,434	
Debtors	11	20,164,702		13,945,285	
Cash at bank and in hand		1,483		1,501,741	
		<u>24,950,311</u>		<u>19,238,460</u>	
Debtors: amounts falling due after more than one year	11	1,180,598		1,188,993	
		<u>26,130,909</u>		<u>20,427,453</u>	
Creditors: amounts falling due within one year	12	18,863,770		15,640,149	
Net current assets			<u>7,267,139</u>		<u>4,787,304</u>
Total assets less current liabilities			<u>14,325,425</u>		<u>12,508,335</u>
Creditors: amounts falling due after more than one year	13	69,828		590,661	
Provisions for liabilities and charges	14	<u>600,444</u>		<u>664,408</u>	
			670,272		1,255,069
			<u>£13,655,153</u>		<u>£11,253,266</u>
			=====		=====
Capital and reserves					
Called up share capital	16		64,278		64,278
Capital redemption reserve	17		59,462		59,462
Investment property revaluation reserve	17		549,907		249,907
Profit and loss account	17		<u>12,981,506</u>		<u>10,879,619</u>
Shareholders' funds	18		<u>£13,655,153</u>		<u>£11,253,266</u>
			=====		=====

The financial statements were approved by the Board of Directors on 14 October 1994

S W Griggs
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Director



The accompanying accounting policies and notes form an integral part of these financial statements.

R GRIGGS AND CO LIMITED

TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 MARCH 1994

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Note	1994 £	1993 £
Profit for the financial year		2,101,887	1,777,863
Unrealised surplus on revaluation of investment properties		300,000	-
Total recognised gains and losses for the year	18	<u>£2,401,887</u> =====	<u>£1,777,863</u> =====

The accompanying accounting policies and notes form an integral part of these financial statements.

R GRIGGS AND CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1994

1 Turnover and profit on ordinary activities before taxation

Turnover and profit on ordinary activities before taxation are attributable to one activity, footwear manufacturing.

An analysis of turnover is given below:

	1994 £	1993 £
Home market	36,502,733	27,370,172
Export market	2,260,901	1,526,507
	<u>£38,763,634</u>	<u>£28,896,679</u>
	=====	=====

The profit on ordinary activities is stated after:

	1994 £	1993 £
Auditors' remuneration	8,500	9,835
Operating lease rentals: - hire of plant and machinery	9,852	34,913
	<u>=====</u>	<u>=====</u>

2 Other operating income and charges

	Note	1994 £	1993 £
Change in stocks of finished goods and work in progress		493,177	(262,061)
Other operating income		(503,718)	(341,748)
Raw materials and consumables		21,875,878	9,113,550
Other external charges		2,930,150	2,430,253
Staff costs	6	4,836,500	6,726,652
Depreciation	9	503,420	918,460
Other operating charges		5,329,926	4,485,306
		<u>£35,465,333</u>	<u>£23,070,412</u>
		=====	=====

3 Income from fixed asset investments

	1994 £	1993 £
External rent receivable	220,000	220,000
Listed investments	-	220
	<u>£220,000</u>	<u>£220,220</u>
	=====	=====

R GRIGGS AND CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1994

4 Exceptional income

	1994	1993
Profit on disposal of fixed asset investments	£ -	£510,860
	=====	=====

5 Net interest

	1994 £	1993 £
On bank loans, overdrafts and other loans		
Repayable within 5 years, otherwise than by instalments	(43,741)	(65,054)
Repayable within 5 years, by instalments	(187,176)	(266,929)
	<u>(230,917)</u>	<u>(331,983)</u>
Interest receivable and similar income	57,952	151,608
	<u>£(172,965)</u>	<u>£(180,375)</u>
	=====	=====

6 Directors and employees

Staff costs during the year were as follows:

	1994 £	1993 £
Wages and salaries	4,362,172	6,070,247
Social security costs	410,321	552,681
Other pension costs	52,200	85,932
Other staff costs	11,807	17,792
	<u>£4,836,500</u>	<u>£6,726,652</u>
	=====	=====

The average number of employees of the company during the year was as follows:

	1994 Number	1993 Number
Production	375	566
Administration	12	22
	<u>387</u>	<u>588</u>
	=====	=====

There was no directors' remuneration paid during the year.

A charge of £3,550,000 in respect of the provision of management services has been made by R Griggs Group Limited. It is not possible to identify separately that part of the charge relating to directors emoluments.

R GRIGGS AND CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1994

7 Tax on profit on ordinary activities

The tax charge is based on the profit for the year and represents:

	1994	1993
	£	£
Corporation tax @ 33% (1993: 33%)	1,092,543	1,942,007
Group relief	153,286	-
Deferred tax	(25,165)	37,115
	<u>1,220,664</u>	<u>1,979,122</u>
Adjustments in respect of prior year:		
Corporation tax	61,584	14,987
Deferred tax	(38,799)	-
	<u>£1,243,449</u>	<u>£1,994,109</u>
	=====	=====

8 Dividends

	1994	1993
Ordinary shares		
Interim dividend paid £nil per share		
(1993: £43.98)	£ -	£2,605,000
	=====	=====

R GRIGGS AND CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 1994

9 Tangible fixed assets

	Total £	Land and buildings Investment Property £	Freehold properties £	Motor vehicles £	Plant and machinery and office equipment £
Cost or valuation					
At 1 April 1993	11,441,236	1,900,000	3,839,657	402,289	5,299,290
Additions	1,347,717	-	356,450	232,703	758,564
Surplus on revaluation	300,000	300,000	-	-	-
Disposals	13,088,953 (2,413,974)	2,200,000 -	4,196,107 -	634,992 (87,686)	6,057,854 (2,326,286)
At 31 March 1994	£10,674,979	£2,200,000	£4,196,107	£547,304	£3,731,568
Depreciation At 1 April 1993	3,720,205	-	557,187	218,535	2,944,483
Provided in the year	503,420	-	74,454	137,069	291,897
Disposals	4,223,625 (606,932)	- -	631,641 -	355,604 (54,210)	3,236,380 (552,722)
At 31 March 1994	£3,616,693	£ -	£631,641	£301,394	£2,683,658
Net book amount at 31 March 1994	£7,058,286	£2,200,000	£3,564,466	£245,910	£1,047,910
Net book amount at 31 March 1993	£7,721,031	£1,900,000	£3,282,470	£183,754	£2,354,807

R GRIGGS AND CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1994

9 Tangible fixed assets (continued)

The gross amount of land and buildings on which depreciation is being provided is as follows:

Freehold buildings	£3,717,944
	=====

The figures stated above for cost or valuation include valuations as follows:

	Land and buildings £
At cost	4,196,107
At valuation 1994	2,200,000
	£6,396,107
	=====

Investment properties have been revalued by the directors at open market value.

No provision has been made in the deferred taxation account for the estimated corporation tax that would be payable on disposal at this valuation because, in the opinion of the directors, those assets are unlikely to be disposed of in the foreseeable future.

If land and buildings had not been revalued, they would have been included on the historical cost basis at the following amounts:

	£
Cost	5,846,200
Accumulated depreciation	631,641
Net book amount at 31 March 1994	£5,214,559
	=====
Net book amount at 31 March 1993	£4,932,563
	=====

R GRIGGS AND CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1994

10 Stocks

	1994 £	1993 £
Raw materials and consumables	3,762,661	2,276,792
Work in progress	852,689	1,264,002
Finished goods	168,776	250,640
	<u>£4,784,126</u>	<u>£3,791,434</u>
	=====	=====

11 Debtors

	1994 £	1993 £
Amounts falling due within one year:		
Trade debtors	6,948,719	8,071,758
Amounts owed by group undertakings	12,185,340	5,180,809
Other debtors	103,472	7,875
Prepayments and accrued income	927,171	684,843
	<u>20,164,702</u>	<u>13,945,285</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	1,180,598	1,188,993
	<u>£21,345,300</u>	<u>£15,134,278</u>
	=====	=====

12 Creditors: amounts falling due within one year

	1994 £	1993 £
Bank loan	520,833	1,250,000
Bank overdraft	3,563,887	1,768,363
Trade creditors	2,274,726	1,813,174
Amounts owed to group undertakings	10,223,967	3,100,896
Current taxation	1,294,761	2,067,398
Group relief	153,286	151,373
Social security and other taxes	356,745	725,472
Other creditors	212,345	355,147
Accruals and deferred income	261,220	348,326
	<u>£18,863,770</u>	<u>£15,640,149</u>
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1994

16	Share capital	Allotted, called up and fully paid	
		Authorised 1994 and 1993 £	£
	Cumulative preference shares of £1 each 3.85% plus tax credit	6,000	5,044
	'A' Redeemable preference shares of £1 each	2,300	-
	5% 'B' Redeemable preference shares of £1 each	6,700	-
	Ordinary shares of £1 each	985,000	59,234
		<u>£1,000,000</u>	<u>£64,278</u>
		=====	=====
17	Reserves	Investment property revaluation reserve £	Capital redemption reserve £
			Profit and loss account £
	At 1 April 1993	249,907	59,462
	Retained profit for the year	-	-
	Surplus on revaluation of assets	300,000	-
	At 31 March 1994	<u>£549,907</u>	<u>£12,981,506</u>
		=====	=====
18	Reconciliation of movements in shareholders' funds	1994 £	1993 £
	Profit for the financial year	2,101,887	4,382,863
	Dividends	-	(2,605,000)
		<u>2,101,887</u>	<u>1,777,863</u>
	Other recognised gain: Surplus on revaluation of assets	300,000	-
	Net increase in shareholders' funds	<u>2,401,887</u>	<u>1,777,863</u>
	Shareholders' funds at 1 April 1993	11,253,266	9,475,403
	Shareholders' funds at 31 March 1994	<u>£13,655,153</u>	<u>£11,253,266</u>
		=====	=====
19	Capital commitments	1994	1993
	Contracted for but not provided in these financial statements	£2,240,592	£140,000
		=====	=====

R GRIGGS AND CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1994

20 Contingent liabilities

	1994 £	1993 £
Customs and Excise guarantee given by the bank	200,000	200,000
N C C Surety Bond given by the bank	21,150	21,150
Guarantee given to City Merchants Bank Limited	-	200,000
Guarantee given to Abbey Commercial Investments Limited	-	200,000
Guarantee given to Property Lenders Trust	848,937	-
	<u>£1,070,087</u> =====	<u>£621,150</u> =====

There was a contingent liability in respect of deferred taxation as disclosed in note 15.

The company, together with other group undertakings, is party to unlimited multilateral guarantees given in respect of the bank overdrafts of the participating companies. As at 31 March 1994 the total of the overdraft guaranteed by the company under this agreement amounted to £4,021,525 (1993: fnil).

21 Pension commitments

Defined Benefit Scheme

The company operates a funded pension scheme providing defined benefits. The assets of the scheme are held separately from those of the company, their investment being delegated to professional investment managers.

The contributions are determined by a qualified actuary on the basis of triennial valuations using the Partly Projected Unit method, with a control period of 20 years, and making allowance for new entrants. The most recent valuation was carried out as at 6 April 1993. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rate of increase in salaries, which were 9.5% per annum and 8.0% per annum respectively. In calculating the discounted income value of assets, equity dividends were assumed to increase in the future at 4.5% per annum. At the valuation date, the market value of the scheme's assets was approximately £5.0m and the actuarial value of assets was sufficient to cover 90% of the liabilities for pensioners, deferred pensioners and in-service members as valued on the funding method employed. A sum of £600,000 was paid into the scheme during the year to eliminate the short-term deficit disclosed by the valuation. The contributions of the Company and employees will be 15% and 5% of pensionable salaries respectively, in accordance with the advice of the actuary.

R GRIGGS AND CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1994

21 Pension commitments (continued)

Defined Contribution Scheme

The company also operates a defined contribution pension scheme for the benefit of certain senior directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

22 Leasing commitments

The company has certain operating leases in respect of plant and machinery which may be terminated by giving 30 days notice in writing.

23 Transactions with directors

During the year the company traded with Airwair Limited in the normal course of business. Mr S W Griggs is a director of, and holds shares as a trustee, in this company.

The following transactions occurred in the year:

1994

Sales to Airwair Limited	£355,416
	=====

Rent received from Airwair Limited	£146,017
	=====

During the year the following transaction with Rushden and Diamonds Football Club Limited arose. Mr S W Griggs is a director of this company.

1994

Donation	£240,000
	=====

24 Transactions with officers

During the year the company made a bridging loan to one of its officers.

1994

Amount outstanding at 31 March 1994 and maximum amount outstanding during the year	£61,550
	=====

25 Ultimate parent undertaking

The ultimate parent undertaking of this company is R Griggs Group Limited, which is registered in England and Wales.

R GRIGGS AND CO LIMITED

MANAGEMENT TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1994

	£	1994 £	£	1993 £
Sales less discounts allowed		36,592,622		27,557,865
Less:				
Stocks, 1 April 1993	3,791,434		2,942,519	
Purchases of materials less discounts received	23,361,747		9,700,404	
	<u>27,153,181</u>		<u>12,642,923</u>	
Stocks, 31 March 1994	(4,784,126)		(3,791,434)	
	<u>22,369,055</u>		<u>8,851,489</u>	
Wages and National insurance	4,512,428		6,347,659	
Carriage and packing	749,286		1,056,526	
Machinery rentals	9,852		34,913	
	<u>27,640,621</u>		<u>16,290,587</u>	
Gross profit		8,952,001		11,267,278
Establishment expenses				
Rent	-		8,334	
Rates	50,847		77,891	
Power, lighting and heating	94,553		133,861	
General repairs and renewals	250,759		255,560	
Insurances	156,995		125,718	
	<u>553,154</u>		<u>601,364</u>	
Staff costs				
Office salaries and				
National insurance	260,065		275,269	
Retirement pensions	-		1,000	
Pension scheme contributions	52,200		84,932	
Private Patients Plan	11,807		17,792	
	<u>324,072</u>		<u>378,993</u>	

THESE PAGES DO NOT FORM PART OF THE STATUTORY FINANCIAL STATEMENTS

R GRIGGS AND CO LIMITED

MANAGEMENT TRADING AND PROFIT AND LOSS ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1994

	£	1994 £	£	1993 £
Other operating charges				
Machinery repairs and parts	430,751		462,494	
Renewals - lasts, knives and patterns	(42,883)		103,002	
Printing, postage and stationery	59,642		55,396	
Telephone	41,695		40,417	
Motor and travelling expenses	58,765		76,270	
Accountants' and auditors' remuneration	8,500		9,835	
Bank interest and charges	43,741		65,054	
Loan interest	187,176		266,929	
Trade subscriptions and levies	17,804		19,519	
Show, exhibition and advertising expenses	292,038		245,897	
Bad debts	8,391		(462)	
Sundry trade expenses	174,120		271,920	
Canteen and vending	12,252		18,320	
Legal and professional	163,997		81,334	
Service charge	3,550,000		2,500,000	
	<u>5,005,989</u>		<u>4,215,925</u>	
Provision for depreciation				
Buildings	74,454		72,388	
Plant and machinery	291,897		733,250	
Motor vehicles	137,069		112,822	
	<u>503,420</u>		<u>918,460</u>	
Other operating income				
Interest received	(57,952)		(151,608)	
Profit on disposal of investments	-		(510,860)	
Dividends received and royalties	-		(220)	
Rent receivable	(723,718)		(560,385)	
Loss/(profit) on disposal of fixed assets	1,700		(1,363)	
	<u>(779,970)</u>		<u>(1,224,436)</u>	
Total net expenses		<u>5,606,665</u>		<u>4,890,306</u>
Profit on ordinary activities		<u>£3,345,336</u>		<u>£6,376,972</u>
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THESE PAGES DO NOT FORM PART OF THE STATUTORY FINANCIAL STATEMENTS