

R. GRIGGS & CO. LIMITED AND ITS SUBSIDIARIES.

494207.

ANNUAL REPORT

for the year ended 31st March, 1989.

GRANT THORNTON,

Chartered Accountants,

Brooke House,

Queen Street,

Wellingborough,

Northants.

20 JAN 1989

R. Griggs & Co. Limited.

ANNUAL REPORT for the year ended 31st March, 1989.

<u>Contents</u>	<u>Pages</u>
1. Notice of Meeting.	2
2. Directors and Officers.	3
3. Summary of Results.	4
4. Report of the Directors.	5 - 6
5. Report of the Auditors.	7
6. Subsidiary Companies in the Group.	8
7. Accounting Policies.	9 - 10
8. Group Profit and Loss Account.	11
9. Group Balance Sheet.	12
10. Balance Sheet of R. Griggs & Co. Limited	13
11. Group Source and Application of Funds Statement.	14
12. Notes to the Financial Statements.	15 - 23

R. Griggs & Co. Limited.

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of R. Griggs & Co. Limited will be held at Brooke House, Queen Street, Wellingborough, Northants on Friday, 8th December, 1989 at 11.00 a.m. for the following purposes:-

1. To receive the Report of the Directors together with the Financial Statements for the year ended 31st March, 1989 and the Report of the Auditors thereon.
2. To declare a dividend on the Ordinary Shares of the Company for the year ended 31st March, 1989.
3. To re-appoint Grant Thornton as Auditors and to authorise the Directors to fix their remuneration.
4. To transact any other ordinary business.

By Order of the Board -

  
M.G. DARNELL

Secretary.

Cobbs Lane,  
Wollaston.

8th December, 1989.

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company.

R. Griggs & Co. Limited.

Directors

W.M. Griggs	A.C.F.I.	-	Chairman
P.T. Griggs		-	Managing Director
S.W. Griggs	A.C.F.I.		
J.M. Clissold	F.C.A.		
R.C. Shelton	B.A.		

Secretary

M.G. Darnell M.A.A.T.

Executive Director

J. McCall

Registered Office

Cobbs Lane, Wollaston, Wellingborough,  
Northamptonshire. NN9 7SW

Auditors

Grant Thornton, Chartered Accountants,  
Brooke House, Queen Street, Wellingborough,  
Northamptonshire. NN8 4RW

Bankers

Midland Bank PLC,  
Market Street, Wellingborough,  
Northamptonshire. NN8 1AE

Lloyds Bank PLC,  
Market Street, Wellingborough,  
Northamptonshire. NN8 1AG

Solicitors

Smith Chamberlain,  
Regent House, 61 & 62 Oxford Street,  
Wellingborough, Northamptonshire.  
NN8 4JL

Martineau Johnson,  
St. Philips House,  
St. Philips Place,  
Birmingham.  
B3 2PP

R. Griggs & Co. Limited.

GROUP SUMMARY OF RESULTS  
for the year ended 31st March, 1989.

	<u>1989</u>	<u>1988</u>
	<u>£'000</u>	<u>£'000</u>
<u>Turnover, Profit and Dividends</u>		
Turnover	33,294	31,994
Group profit before taxation	4,164	4,009
Group profit after taxation	2,763	2,597
Dividends	1	1
Profit attributable to members of the company, retained in the business	2,762	2,596
Net assets employed	18,785	15,465

REPORT OF THE DIRECTORS

The Directors present their report together with Financial Statements for the year ended 31st March, 1989.

1. Principal activities

The group is principally engaged in the footwear industry and as general engineers.

2. Review of the business

The Directors are pleased to report another successful year's trading for the group but with a downturn in the economy, results for 1989/90 are expected to be lower.

The Directors consider the financial position at the balance sheet date to be satisfactory.

The profit for the year after taxation amounted to £2,762,568. The Directors recommend dividends absorbing £643, leaving £2,761,925 retained.

3. Directors

The Directors in office at the end of the year are listed below. Apart from Mr. J.M. Clissold who was appointed on 4th November, 1988, all served on the Board throughout the year.

The interests of the Directors and their families in the shares of the company and its subsidiaries at 1st April, 1988 and at 31st March, 1989, as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1985, were as follows:-

	<u>1989 and 1988</u>	
	<u>Ordinary</u>	<u>Preference</u>
<u>The company</u>		
Mr. W.M. Griggs	34,502	956
Mr. P.T. Griggs	39,131	956
Mr. S.W. Griggs	24,732	2,407
Mr. J.M. Clissold	Nil	Nil

On 1st April, 1989 Mr. R.C. Shelton was appointed a Director of the Company.

4. Fixed assets

Group additions during the year were as follows:-

	£
Freehold Property	305,094
Plant and Machinery	946,538
Motor Vehicles	<u>233,148</u>
	<u>£1,484,780</u>

The net book amount of fixed assets sold during the year was £374,923.

4. Fixed assets (Continued)

Valuation

During the year the Group's Investment Property was revalued and the revised value incorporated into the Financial Statements. The surplus of £649,907 arising from the revaluation has been transferred to reserves.

The Directors are of the opinion that in aggregate the market value of the Group's other Freehold Properties exceed the book value.

5. Employee involvement

The group 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 group.

6. 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 retain 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.

7. Charitable and political contributions

Donations to charitable organisations amounted to £8,983.

8. Auditors

Grant Thornton offer themselves for re-appointment as auditors in accordance with Section 384 (1) of the Companies Act 1985.

On behalf of the Board -



W.M. GRIGGS

.....  
Chairman.

Cobbs Lane,  
Wollaston,  
Northants.

8th December, 1989.

Report of the Auditors to the Members to R. Griggs & Co. Limited.

We have audited the Financial Statements on pages 8. to 23. in accordance with Auditing Standards.

In our opinion the Financial Statements give a true and fair view of the state of affairs of the company and the group at 31st March, 1989 and of the profit and source and application of funds of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Wellingborough.

8th December, 1989.

  
GRANT THORNTON

Chartered Accountants.



R. Griggs & Co. Limited.

SUBSIDIARY COMPANIES at 31st March, 1989.

All companies are registered in England.

100% of the ordinary share capital is held by R. Griggs & Co. Limited or its nominees in all companies.

All companies are engaged in the footwear industry with the exception of G.E.M. Co. (Wollaston) Limited which is engaged in general engineering.

G.B. Footwear Limited,  
16/17 William's Way  
Wollaston, Wellingborough,  
Northamptonshire.

John Pick & Co. Limited,  
Victoria Road,  
Whetstone,  
Leicestershire.

G.E.M. Co. (Wollaston) Limited,  
Cobbs Lane,  
Wollaston,  
Wellingborough,  
Northamptonshire.

G.W. & R. Shelton Limited,  
Park Street,  
Wollaston, Wellingborough,  
Northamptonshire.

G & P Closers Limited,  
Station Road, Irthlingborough,  
Northamptonshire.

Sundy Shoes Limited,  
Victoria Road, Whetstone,  
Leicestershire.

Luther Austin and Sons Limited,  
Eastfield Road,  
Wollaston, Wellingborough,  
Northamptonshire.

The Tower Boot Company Limited  
Wellingborough Road,  
Finedon,  
Northamptonshire.

M. & F. Jinks Limited,  
Gold Street, Wellingborough,  
Northamptonshire.

Arthur Whittle & Co. Limited,  
Nelson Way, Boston,  
Lincolnshire.

Phillips Bros. (Wollaston) Limited,  
Unit 4, Raymond Close,  
Wollaston, Wellingborough,  
Northamptonshire.

Wollaston Vulcanizing Company Limited,  
Hinwick Road, Wollaston,  
Wellingborough,  
Northamptonshire.

R. Griggs & Co. Limited and its Subsidiaries.

ACCOUNTING POLICIES

for the year ended 31st March, 1989.

The Financial Statements have been prepared under the historical cost convention except that Investment Property is shown at its revalued amount.

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

(a) Basis of consolidation

The group Financial Statements consolidate the Financial Statements of the company and of its subsidiaries (see Page 8.). The Financial Statements of each company in the group have been prepared to 31st March, 1989. All intra-group profits are eliminated on consolidation.

(b) Turnover

Turnover is the total amount receivable by the group in the ordinary course of business with outside customers for goods supplied as a principal and for services provided, excluding VAT and trade discounts.

(c) Investment income

Investment income comprises dividends and interest received on listed investments and rents receivable.

(d) Depreciation

Depreciation is calculated to write down the cost of tangible fixed assets over their expected useful lives.

Freehold Buildings are depreciated by equal annual instalments, whilst all other assets with the exception of Freehold Land are depreciated by the reducing balance method.

The periods generally applicable are:

Freehold Buildings	22 and 50 years
Leasehold Premises	Period of lease
Plant and Machinery	8 and 14 years
Motor Vehicles	8 years

(e) Investment property

In accordance with Statement of Standard Accounting Practice No. 19, investment property is included in the Balance Sheet at its open market value. The surplus on revaluation is transferred to the investment revaluation reserve.

Depreciation is not provided in respect of such property.

(f) Investments

Investments are included at cost.

K. Griggs & Co. Limited and its Subsidiaries.

ACCOUNTING POLICIES (CONTINUED)

for the year ended 31st March, 1989.

(g) Goodwill

Purchased goodwill is stated at cost less amounts written off. It is group policy to write off goodwill, whether arising on consolidation or purchased, direct to profit and loss account.

(h) Stock and work in progress

Stock and work in progress is stated at the lower of cost and net realisable value.

In the case of raw materials, cost means purchase price including transport and handling costs, less trade discounts, calculated on a first in first out basis. In the case of work in progress and finished goods, cost consists of direct materials, direct labour and attributable production overheads.

Net realisable value means estimated selling price (less trade discounts) less all further costs to completion and all costs to be incurred in selling and distribution.

(i) Deferred tax

Deferred tax is the tax attributable to timing differences between profits or losses as computed for tax purposes and results as stated in Financial Statements.

Deferred tax is provided to the extent that it is probable that a liability or asset will crystallise and not provided to the extent that it is probable that a liability or asset will not crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Deferred tax is calculated at the rate(s) at which it is estimated that the tax/group relief will be paid (or recovered) when the timing differences reverse.

(j) Contributions to pension funds

The Company and its Subsidiaries operate pension schemes under which contributions by employees and the Companies are administered by trustees in funds independent from the Companies' assets. Contributions are charged against profits to cover the cost of benefits arising from the current service of employees.

GROUP PROFIT AND LOSS ACCOUNT  
for the year ended 31st March, 1989.

	<u>Note</u>	<u>1989</u>	<u>1988</u>
		£	£
Turnover	1	33,293,865	31,994,384
Operating charges	1	<u>29,812,136</u>	<u>28,359,280</u>
		3,481,729	3,635,104
Income from fixed asset investments	2	<u>484,128</u>	<u>310,360</u>
		3,965,857	3,945,464
Interest receivable and other similar income		<u>198,370</u>	<u>63,714</u>
Profit on ordinary activities before taxation	1	4,164,227	4,009,178
Tax on profit on ordinary activities	4	<u>1,401,659</u>	<u>1,412,063</u>
Profit on ordinary activities after taxation		2,762,568	2,597,115
Dividends:	6		
Preference		231	231
Ordinary		<u>412</u>	<u>412</u>
		643	643
Profit retained	15	<u>£2,761,925</u>	<u>£2,596,472</u>
By the company		£1,075,375	£1,199,283
By subsidiaries		<u>£1,686,550</u>	<u>£1,397,189</u>

The Accounting Policies and Notes on pages 9. and 10. and 15. to 23.  
form part of these Financial Statements.

R. Griggs & Co. Limited and its Subsidiaries.

GROUP BALANCE SHEET at 31st March, 1989.

	<u>Note</u>	<u>1989</u>	<u>1988</u>
		£	£
<u>FIXED ASSETS</u>			
<u>TANGIBLE ASSETS</u>	7	8,829,985	7,753,611
<u>INVESTMENTS</u>	8	520,820	1,024,163
		9,350,805	8,777,774
<u>CURRENT ASSETS</u>			
Stocks	9	7,045,188	7,269,608
Debtors	10	5,004,589	3,585,855
Cash at bank and in hand		3,964,881	2,452,921
		16,014,658	13,308,384
<u>CREDITORS: amounts falling due within one year</u>	11	5,352,595	5,367,750
<u>NET CURRENT ASSETS</u>		10,662,063	7,940,634
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		20,012,868	16,718,408
<u>CREDITORS: amounts falling due after more than one year</u>	12	158,500	176,500
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	13	1,069,300	1,227,800
		1,077,700	1,254,200
		<u>£18,785,068</u>	<u>£15,464,208</u>
<u>CAPITAL AND RESERVES</u>			
<u>CALLED UP SHARE CAPITAL</u>	14	123,740	123,740
<u>OTHER RESERVES</u>	15	902,460	252,553
<u>PROFIT AND LOSS ACCOUNT</u>	15	17,758,868	15,087,915
		<u>£18,785,068</u>	<u>£15,464,208</u>

The Financial Statements were approved by the Board of Directors on 8th December, 1989.

W.M. GRIGGS

P.T. GRIGGS

Directors

The Accounting Policies and Notes on pages 9. to 10. and 15. to 23. form part of these Financial Statements.

R. Griggs & Co. Limited.

BALANCE SHEET at 31st March, 1989.

	<u>Note</u>	£	<u>1989</u>	£	£	<u>1988</u>	£
<u>FIXED ASSETS</u>							
<u>TANGIBLE ASSETS</u>	7		5,012,137			4,557,884	
<u>INVESTMENTS</u>	8		2,008,197			2,511,540	
			7,020,334			7,069,424	
<u>CURRENT ASSETS</u>							
Stocks	9	2,575,598			3,220,871		
Debtors	10	4,044,318			3,285,716		
Cash at bank and in hand		<u>1,298,443</u>			<u>596,383</u>		
		7,918,359			7,102,970		
<u>CREDITORS: amounts falling due within one year</u>	11	<u>2,286,996</u>			<u>3,368,563</u>		
<u>NET CURRENT ASSETS</u>			<u>5,631,363</u>			<u>3,734,407</u>	
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			12,651,697			10,803,831	
<u>CREDITORS: amounts falling due after more than one year</u>	12	2,141,485			2,008,901		
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	13	<u>700,000</u>	<u>2,841,485</u>		<u>710,000</u>	<u>2,718,901</u>	
			<u>£ 9,810,212</u>			<u>£ 8,084,930</u>	
<u>CAPITAL AND RESERVES</u>							
<u>CALLED UP SHARE CAPITAL</u>	14		123,740			123,740	
<u>OTHER RESERVES</u>	15		649,907			-	
<u>PROFIT AND LOSS ACCOUNT</u>	15		<u>9,036,565</u>			<u>7,961,190</u>	
			<u>£9,810,212</u>			<u>£8,084,930</u>	

The Financial Statements were approved by the Board of Directors on 8th December, 1989.

W.M. GRIGGS

P.T. GRIGGS

Directors

The Accounting Policies and Notes on pages 9. and 10. and 15. to 23. form part of these Financial Statements.

R. Griggs & Co. Limited and its Subsidiaries.

GROUP STATEMENT OF SOURCE AND APPLICATION OF FUNDS

for the year ended 31st March, 1989.

<u>Source/(outflow) of funds</u>	£	<u>1989</u>	£	£	<u>1988</u>	£
<u>From operations</u>						
Profit on ordinary activities before taxation		4,164,227			4,009,178	
Adjustments for items not involving the movement of funds:-						
Depreciation and amounts written off fixed assets	780,137			749,763		
(Profits)/Losses on sale of fixed assets	(138,570)			21,324		
Profits on disposal of fixed asset investments	(89,191)	<u>552,376</u>		<u>(25,267)</u>	<u>745,820</u>	
		4,716,603			4,754,998	
<u>From other sources</u>						
Proceeds of disposals of tangible fixed assets	513,493			171,672		
Proceeds of disposal of fixed asset investments	<u>592,534</u>	<u>1,106,027</u>		<u>300,000</u>	<u>471,672</u>	
		5,822,630			5,226,670	
<u>Goodwill written off</u>		<u>90,972</u>			-	
		5,731,658			5,226,670	
<u>Application of funds</u>						
Dividends paid	643			643		
Taxation paid	1,662,290			651,064		
Purchase of tangible fixed assets	1,581,527			2,333,725		
Purchase of fixed asset investments	-	<u>3,244,460</u>		<u>67,506</u>	<u>3,052,938</u>	
<u>Net inflow of funds</u>		<u>£2,487,198</u>			<u>£2,173,732</u>	
<u>Increase/(decrease) in working capital</u>						
Stock		(224,420)			1,970,049	
Debtors		1,418,734			601,270	
Creditors: amounts falling due within one year		<u>276,896</u>			<u>12,036</u>	
		1,471,210			2,583,355	
Net liquid funds:-						
Cash at bank and in hand	1,511,960			(229,935)		
Bank overdrafts	<u>(495,972)</u>	<u>1,015,988</u>		<u>(179,688)</u>	<u>(409,623)</u>	
<u>Net increase in working capital</u>		<u>£2,487,198</u>			<u>£2,173,732</u>	

R. Griggs & Co. Limited and its Subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 1989.

1. Turnover and profit on ordinary activities before taxation

	<u>Turnover</u>		<u>Profit before taxation</u>	
	<u>1989</u>	<u>1988</u>	<u>1989</u>	<u>1988</u>
	£'000	£'000	£'000	£'000
Footwear manufacturing	32,882	31,623	4,161	4,008
General engineering	<u>412</u>	<u>371</u>	<u>3</u>	<u>1</u>
	<u>£33,294</u>	<u>£31,994</u>	<u>£4,164</u>	<u>£4,009</u>

Operating charges:-

	<u>1989</u>	<u>1988</u>
	£	£
Change in stocks of finished goods and work in progress	(334,835)	(730,177)
Raw materials and consumables	13,057,363	13,325,882
Other external charges	3,343,800	3,010,104
Staff costs	10,950,313	9,628,339
Depreciation	780,137	749,763
Auditors' remuneration	37,200	34,350
Hire of plant and machinery	106,256	116,344
Other operating charges	<u>1,871,902</u>	<u>2,224,675</u>
	<u>£29,812,136</u>	<u>£28,359,280</u>

2. Income from fixed asset investments

External rent receivable	363,025	244,634
Listed investments	<u>121,103</u>	<u>65,726</u>
	<u>£484,128</u>	<u>£310,360</u>



R. Griggs & Co. Limited and its Subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31st March, 1989.

3. Directors and employees

	<u>1989</u>	<u>1988</u>
	<u>£</u>	<u>£</u>
Staff costs during the year:		
Wages and salaries	8,753,747	7,810,201
Social security	760,469	661,207
Pension costs	1,401,625	1,126,463
Other staff costs	<u>34,472</u>	<u>30,468</u>
	<u>£10,950,313</u>	<u>£9,628,339</u>

The average number of employees of the group during the year was 1,166 (1988 1,099).

Directors' emoluments were payable as follows:-

Management remuneration	<u>£1,830,338</u>	<u>£1,140,616</u>
-------------------------	-------------------	-------------------

The emoluments of the directors, excluding pension contributions, were as follows:-

The chairman	<u>£309,616</u>	<u>£113,950</u>
--------------	-----------------	-----------------

The highest paid director	<u>£ -</u>	<u>£123,158</u>
---------------------------	------------	-----------------

All directors:	<u>Number</u>	<u>Number</u>
£5,001 to £10,000	1	-
£35,001 to £40,000	-	1
£60,001 to £65,000	1	-
£110,001 to £115,000	-	1
£120,001 to £125,000	-	1
£305,001 to £310,000	2	-
	=	=

The number of employees of the company receiving more than £30,000 during the year, excluding pension contributions, fell in the following bands:-

£35,001 to £40,000	-	2
£60,001 to £65,000	2	-
	=	=

R. Griggs & Co. Limited and its Subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31st March, 1989.

4. Tax on profit on ordinary activities

The taxation charge is based on the profit for the year and is made up as follows:-

	<u>1989</u> £	<u>1988</u> £
Corporation tax @ 35%	1,431,500	1,464,081
Deferred tax @ 35%	<u>(8,400)</u>	<u>(57,815)</u>
	1,423,100	1,406,266
Adjustments in respect of prior year	<u>(21,441)</u>	<u>5,797</u>
	<u>£1,401,659</u>	<u>£1,412,063</u>

5. Profit for the financial year

The company has taken advantage of Section 258 (5) of the Companies Act 1985 and has not included its own profit and loss account in these Financial Statements. £1,077,018 (1988 £1,199,926) of the group profit for the year is dealt with in the Financial Statements of the parent company.

6. Dividends

	<u>1989</u> £	<u>1988</u> £
Preference dividend of 3.85p per share	231	231
Ordinary shares:		
Proposed final dividend of 0.35p per share (1988 0.35p)	<u>412</u>	<u>412</u>
	<u>£643</u>	<u>£643</u>

R. Griggs & Co. Limited and its Subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31st March, 1989.

7. Tangible fixed assets

The group

	<u>Land and Buildings</u>				
	<u>Total</u>	<u>Investment</u>	<u>Freeholds</u>	<u>Plant and</u>	<u>Motor</u>
	<u>£</u>	<u>Property</u>	<u>£</u>	<u>Machinery</u>	<u>Vehicles</u>
		<u>£</u>		<u>£</u>	<u>£</u>
Cost					
At 1st April, 1988	12,179,559	1,684,679	3,589,866	6,403,226	501,788
Additions	1,484,780	-	305,094	946,538	233,148
Disposals	(541,818)	-	(38,573)	(348,441)	(154,804)
Acquisitions	136,242	-	85,000	41,888	9,354
Revaluation	<u>615,321</u>	<u>615,321</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31st March, 1989	<u>£13,874,084</u>	<u>£2,300,000</u>	<u>£3,941,387</u>	<u>£7,043,211</u>	<u>£589,486</u>
Depreciation					
At 1st April, 1988	4,425,948	34,586	493,942	3,684,037	213,383
Provided in the year	780,137	-	74,739	592,746	112,652
Disposals	(166,895)	-	(6,894)	(79,782)	(80,219)
Acquisitions	39,495	-	-	32,042	7,453
Revaluations	<u>(34,586)</u>	<u>(34,586)</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31st March, 1989	<u>£5,044,099</u>	<u>£ -</u>	<u>£561,787</u>	<u>£4,229,043</u>	<u>£253,269</u>
Net book amount					
At 31st March, 1989	<u>£8,829,985</u>	<u>£2,300,000</u>	<u>£3,379,600</u>	<u>£2,814,168</u>	<u>£336,217</u>
Net book amount					
At 31st March, 1988	<u>£7,753,611</u>	<u>£1,650,093</u>	<u>£3,095,924</u>	<u>£2,719,189</u>	<u>£288,405</u>

The gross amount of Freehold Land and Buildings on which depreciation is being provided is £3,596,666.

R. Griggs & Co. Limited and its Subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31st March, 1989.

7. Tangible fixed assets (continued)

The company	<u>Land and Buildings</u>				
	<u>Total</u>	<u>Investment Property</u>	<u>Freeholds</u>	<u>Plant and Machinery</u>	<u>Motor Vehicles</u>
	£	£	£	£	£
Cost or valuation					
At 1st April, 1988	6,107,462	1,684,679	2,433,855	1,786,544	202,384
Additions	305,806	-	36,320	165,910	103,576
Disposals	(397,765)	-	(250)	(338,353)	(59,162)
Group transfers	(4,943)	-	2,500	(495)	(6,948)
Revaluations	<u>615,321</u>	<u>615,321</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31st March, 1989	<u>£6,625,881</u>	<u>£2,300,000</u>	<u>£2,472,425</u>	<u>£1,613,606</u>	<u>£239,850</u>
Depreciation					
At 1st April, 1988	1,549,578	34,586	250,016	1,188,094	76,882
Provided in the year	213,420	-	46,858	116,643	49,919
Disposals	(110,045)	-	-	(79,779)	(30,266)
Group transfers	(4,623)	-	-	-	(4,623)
Revaluations	<u>(34,586)</u>	<u>(34,586)</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31st March, 1989	<u>£1,613,744</u>	<u>£ -</u>	<u>£296,874</u>	<u>£1,224,958</u>	<u>£91,912</u>
Net book amount					
At 31st March, 1989	<u>£5,012,137</u>	<u>£2,300,000</u>	<u>£2,175,551</u>	<u>£388,648</u>	<u>£147,938</u>
Net book amount					
At 31st March, 1988	<u>£4,557,884</u>	<u>£1,650,093</u>	<u>£2,183,839</u>	<u>£598,450</u>	<u>£125,502</u>

The gross amount of land and buildings on which depreciation is being provided is £2,330,500.

During the year Investment Property was revalued by an independent firm of Chartered Surveyors. The basis of the valuation used was existing use value assuming the benefit of rental income due on the current lease. The surplus arising has been transferred to revaluation reserve.

If Investment Property had not been revalued, it would have been included on the historical cost basis at £1,684,679.

R. Griggs & Co. Limited and its Subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31st March, 1989.

8. Fixed asset investments

The group	£	
Cost		
At 1st April, 1988		1,024,163
Disposals		<u>(503,343)</u>
At 31st March, 1989		<u>£ 520,820</u>
Listed investments		
Investments at cost include:	<u>1989</u>	<u>1988</u>
Investments listed on a recognised stock exchange	<u>£520,800</u>	<u>£1,024,143</u>

The aggregate market value of these investments at 31st March, 1989 was £627,875 (1988 £1,168,250).

The company	<u>Total</u> £	<u>Listed</u> <u>Securities</u> £	<u>Shares in</u> <u>group companies</u> £
Cost			
At 1st April, 1988	3,021,702	1,023,080	1,998,622
Disposals	<u>(503,343)</u>	<u>(503,343)</u>	<u>-</u>
At 31st March, 1989	<u>£2,518,359</u>	<u>£ 519,737</u>	<u>£1,998,622</u>
Amounts written off			
At 1st April, 1988 and			
At 31st March, 1989	<u>£510,162</u>	<u>£ -</u>	<u>£510,162</u>
Net book amount			
At 31st March, 1989	<u>£2,008,197</u>	<u>£519,737</u>	<u>£1,488,460</u>
Net book amount			
At 31st March, 1988	<u>£2,511,540</u>	<u>£1,023,080</u>	<u>£1,488,460</u>

The aggregate market value of listed securities at 31st March, 1989 was £627,375 (1988 - £1,167,719).

9. Stocks

	<u>The group</u>		<u>The company</u>	
	<u>1989</u> £	<u>1988</u> £	<u>1989</u> £	<u>1988</u> £
Raw materials	3,523,239	4,079,994	1,497,464	1,931,061
Work in progress	1,685,563	1,471,234	841,084	1,038,861
Finished goods for resale	1,833,886	1,713,380	234,550	245,949
Racehorse	<u>2,500</u>	<u>5,000</u>	<u>2,500</u>	<u>5,000</u>
	<u>£7,045,188</u>	<u>£7,269,608</u>	<u>£2,575,598</u>	<u>£3,220,871</u>

R. Griggs & Co. Limited and its Subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31st March, 1989.

10. Debtors

	<u>The group</u>		<u>The company</u>	
	<u>1989</u>	<u>1988</u>	<u>1989</u>	<u>1988</u>
Amounts falling due within one year:				
	£	£	£	£
Trade debtors	3,463,586	3,145,316	1,207,883	1,330,535
Amounts owed by group companies	-	-	994,412	1,303,304
Other debtors	441,048	326,352	304,310	137,570
Prepayments	93,138	100,778	50,081	45,820
	<u>£3,997,772</u>	<u>£3,572,446</u>	<u>£2,556,686</u>	<u>£2,817,229</u>
Amounts falling due after more than one year:				
	£	£	£	£
Amounts owed by group companies	-	-	480,815	455,078
Other debtors	<u>1,006,817</u>	<u>13,409</u>	<u>1,006,817</u>	<u>13,409</u>
	<u>£1,006,817</u>	<u>£13,409</u>	<u>£1,487,632</u>	<u>£468,487</u>
	<u>£5,004,589</u>	<u>£3,585,855</u>	<u>£4,044,318</u>	<u>£3,285,716</u>

11. Creditors - amounts falling due within one year

Bank overdrafts	1,330,503	834,531	695,151	432,172
Trade creditors	1,041,536	1,268,118	219,218	439,062
Amounts owed to group companies	-	-	-	1,026,268
Current taxation	1,576,364	1,810,595	761,164	1,000,000
Social security and other taxes	626,739	553,454	351,327	166,277
Proposed dividends	643	643	643	643
Other creditors	426,764	569,695	161,364	163,667
Accruals and deferred income	<u>350,046</u>	<u>330,714</u>	<u>98,129</u>	<u>140,474</u>
	<u>£5,352,595</u>	<u>£5,367,750</u>	<u>£2,286,996</u>	<u>£3,368,563</u>

12. Creditors - amounts falling due after more than one year

Amounts owed to group companies	-	-	2,141,485	2,008,901
Taxation	<u>158,500</u>	<u>176,500</u>	-	-
	<u>£158,500</u>	<u>£176,500</u>	<u>£2,141,485</u>	<u>£2,008,901</u>

R. Griggs & Co. Limited and its Subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31st March, 1989.

13. Provisions for liabilities and charges

Full provision for deferred taxation in respect of capital allowances:

The group	£
At 1st April, 1988	1,077,700
Released during the year	<u>(8,400)</u>
At 31st March, 1989	<u>£1,069,300</u>

The company	£
At 1st April, 1988	710,000
Released during the year	<u>(10,000)</u>
At 31st March, 1989	<u>£700,000</u>

14. Called up share capital

	<u>1989 and 1988</u>	
	<u>Authorised</u>	<u>Allotted,</u>
	<u>£</u>	<u>called up</u>
		<u>and</u>
		<u>fully paid</u>
		<u>£</u>
6,000 Cumulative preference		
of £1 each 3.85% plus tax		
credit (formerly 5.5% gross)	6,000	6,000
'A' Redeemable preference		
shares of £1 each	2,300	-
5% 'B' Redeemable preference		
shares of £1 each	6,700	-
Ordinary shares of £1 each	<u>985,000</u>	<u>117,740</u>
	<u>£1,000,000</u>	<u>£123,740</u>

15. Reserves

The group	<u>Capital reserve</u>	<u>Investment</u>	<u>Total</u>	<u>Profit and</u>
	<u>arising on</u>	<u>property</u>	<u>other</u>	<u>loss account</u>
	<u>consolidation</u>	<u>revaluation</u>	<u>reserves</u>	
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
At 1st April, 1988	252,553	-	252,553	15,087,915
Retained profit for	-	-	-	2,761,925
the year	-	-	-	(90,972)
Goodwill written off	-	-	-	
Surplus on revaluation	-	649,907	649,907	-
of investment property	-			
At 31st March, 1989	<u>£252,553</u>	<u>£649,907</u>	<u>£902,460</u>	<u>£17,758,868</u>

R. Griggs & Co. Limited and its Subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31st March, 1989.

15. Reserves (Continued)

The company	Investment property revaluation reserve £	Total other reserves £	Profit and loss account £
The company			
At 1st April, 1988	-	-	7,961,190
Retained profit for the year	-	-	1,075,375
Surplus on revaluation of investment property	649,907	649,907	-
At 31st March, 1989	<u>£649,907</u>	<u>£649,907</u>	<u>£9,036,565</u>

16. Capital commitments

	<u>The group</u>		<u>The company</u>	
	<u>1989</u> £	<u>1988</u> £	<u>1989</u> £	<u>1988</u> £
Contracted for but not provided for in these financial statements	-	151,375	-	65,000
Authorised by the directors but not contracted for	-	1,000,000	-	1,000,000
	<u>£ -</u>	<u>£1,151,375</u>	<u>£ -</u>	<u>£1,065,000</u>

17. Contingent liabilities

	<u>1989 and 1988</u> £	<u>1989 and 1988</u> £
Customs and Excise guarantee given by the bank	150,000	150,000
N.C.C. Surety Bond given by the bank	<u>21,150</u>	<u>21,150</u>
	<u>£171,150</u>	<u>£171,150</u>

In addition to the above, there are contingent liabilities in respect of machinery rentals.

18. Pension commitments

The group has a number of pension schemes designed to provide retirement benefits based on final salary for its directors and senior employees. An actuarial valuation established that funding arrangements were satisfactory and adequate to meet the future liabilities of the schemes.