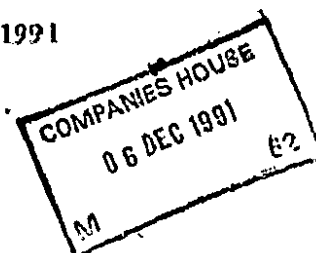


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R GRIGGS AND CO LIMITED AND
ITS SUBSIDIARY UNDERTAKINGS

REPORT AND FINANCIAL STATEMENTS

31 MARCH 1991



R GRIGGS AND CO LIMITED

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R GRIGGS AND CO LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of R Griggs and Co Limited will be held at Elgin House, Billing Road, Northampton on Thursday 31 October 1991 for the following purposes:

- 1 To receive the Report of the Directors together with the Financial Statements for the year ended 31 March 1991 and the Report of the Auditors thereon.
- 2 To re-appoint Grant Thornton as Auditors and to authorise the Directors to fix their remuneration.
- 3 To transact any other ordinary business.

BY ORDER OF THE BOARD

M G Darnell

.....
Secretary

Cobbs Lane
Wollaston

11 October 1991

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 AND CO LIMITED

DIRECTORS AND OFFICERS

DIRECTORS

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

SECRETARY

M G Darnell S.A.T.

REGISTERED OFFICE

Cobbs Lane
Wollaston
Wellingborough
Northamptonshire
NN9 7SW

AUDITORS

Grant Thornton
Elgin House
Billing Road
Northampton
NN1 5AU

BANKERS

Midland Bank PLC
Market Street
Wellingborough
Northamptonshire
NN8 1AE

SOLICITORS

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

Martineau Johnson
St Phillips House
St Phillips Place
Birmingham
B3 2PP

R GRIGGS AND CO LIMITED

GROUP SUMMARY OF RESULTS

FOR THE YEAR ENDED 31 MARCH 1991

	1991 £'000	1990 £'000	1989 £'000	1988 £'000	1987 £'000
Turnover, profit and dividends					
Turnover	48,701	32,304	33,294	31,994	28,754
Group profit before taxation	6,233	3,948	4,164	4,009	2,459
Group profit after taxation	4,236	2,558	2,763	2,597	1,595
Extraordinary item	143	-	-	-	-
Dividends	-	1	1	1	1
Profit attributable to members of the company, retained in the business	4,379	2,557	2,762	2,596	1,594
Net assets employed	14,096	21,342	18,785	15,464	12,868
Earnings per share	£73.93	£21.73	£23.47	£22.06	£13.55

R GRIGGS AND CO LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

REPORT OF THE DIRECTORS

The directors present their report together with Financial Statements for the year ended 31 March 1991.

1 PRINCIPAL ACTIVITY

The group is principally engaged in the footwear industry.

2 REVIEW OF THE BUSINESS

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

58,506 ordinary shares of £1 each and 956 preference shares of £1 each, 48% of the company's called up capital, were acquired during the year for a total consideration of £11,574,074 in order to buy back and cancel the shareholdings of Mr P T Griggs and his family.

On 3 September 1990 the group acquired the entire share capital of Septimus Rivett Limited, a company registered in England.

The profit for the year after taxation and extraordinary items amounted to £4,378,996. The directors do not recommend payment of a dividend and the profit has therefore been retained.

3 DIRECTORS

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

Mr P T Griggs resigned from the Board on 6 July 1990.

The interests of the directors and their families in the shares of the company and its subsidiaries at 1 April 1990 and at 31 March 1991, as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1985, were as follows:

The company	1991		1990	
	Ordinary	Preference	Ordinary	Preference
Mr W M Griggs	33,852	956	34,502	956
Mr S W Griggs	24,732	2,407	24,732	2407
Mr R C Shelton	NIL	NIL	NIL	NIL
Mr J M Clissold	NIL	NIL	NIL	NIL

R GRIGGS AND CO LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

REPORT OF THE DIRECTORS (CONTINUED)

4 FIXED ASSETS

Group additions during the year were as follows:

	£
Freehold property	741,109
Plant and machinery	2,264,298
Motor vehicles	451,314
	<hr/>
	£3,456,721
	<hr/>

The net book amount of fixed assets sold during the year was £348,749.

The directors are of the opinion that the aggregate value of the group's 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 £18,340.

Donations to political organisations amounted to £1,000.

The following individual political contribution over £200 was made by the group:

Wellingborough Conservative Association £1,000.

R GRIGGS AND CO LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

REPORT OF THE DIRECTORS (CONTINUED)

8

AUDITORS

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

ON BEHALF OF THE BOARD

W. M. Griggs

Chairman

Registered office

Cobbs Lane
Wollaston
Wellingborough
Northamptonshire
NN9 7SW

11 October 1991

REPORT OF THE AUDITORS TO THE MEMBERS OF
R GRIGGS AND CO LIMITED

We have audited the financial statements on pages 9 to 29 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 31 March 1991 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.



GRANT THORNTON
Chartered Accountants

Northampton

11 October 1991

R GRIGGS AND CO LIMITED

SUBSIDIARY UNDERTAKINGS AT 31 MARCH 1991

All companies are registered in England. 100% of the ordinary share capital is held by R Griggs and 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, and Kids & Co (Footwear) Limited and Bulldog Sports Limited, both of which do not trade.

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

John Pick and 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
Spencer Street
Oadby
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

Septimus Rivett Limited
Yardley Road Industrial Estate
Olney
Duckinghamshire

Bulldog Sports Limited
Cobbs Lane
Wollaston
Wellingborough
Northamptonshire

Kids and Co (Footwear) Limited
Cobbs Lane
Wollaston
Wellingborough
Northamptonshire

The results of Septimus Rivett Limited which was acquired during the year have been consolidated with effect from 3 September 1990 and have increased the group profit after taxation by approximately £33,962. The undertaking has been accounted for by the acquisition method.

R GRIGGS AND CO LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 1991

The financial statements have been prepared under the historical cost convention except that certain freehold properties are shown at their revalued amounts and the investment property was revalued at market value in 1989.

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

1 BASIS OF CONSOLIDATION

The group financial statements consolidate those of the company and if its subsidiary undertakings (see page 8). The financial statements of each undertaking in the group have been prepared to 31 March 1991. The results of the subsidiary undertaking acquired during the year have been included from the date of acquisition. All intra-group profits are eliminated on consolidation.

Goodwill arising on consolidation, representing the excess of the fair value of the consideration given over the fair value of the net assets of subsidiary undertakings at the date of acquisition, is eliminated from the financial statements by immediate write-off on acquisition against reserves.

2 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.

3 INVESTMENT INCOME

Investment income comprises dividends declared during the accounting period, interest receivable on listed investments and rents receivable.

4 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
Plant and machinery	8 to 22 years
Motor vehicles	8 years

R GRIGGS AND CO LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1991

5 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 or deficit on revaluation is transferred to the investment revaluation reserve.

Depreciation is not provided in respect of such property.

6 INVESTMENTS

Investments are included at cost.

7 GOODWILL

Purchased goodwill is eliminated from the financial statements by immediate write-off on acquisition against reserves.

8 STOCK

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

9 DEFERRED TAXATION

Deferred tax is the taxation attributable to timing differences between profits or losses as computed for taxation purposes, and results as stated in the financial statements.

Deferred tax 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.

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

10 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 an actuarial method and actuarial assumptions designed to spread the anticipated pension costs over the service lives of the employees in the scheme, in a way that seeks to ensure that the regular pension cost represents a substantially level percentage of the current and expected future pensionable payroll in the light of current actuarial assumptions. Variations from regular cost are spread over the remaining service lives of current employees in the scheme.

R GRIGGS AND CO LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1991

11

LEASES

The group 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.

R GRIGGS AND CO LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1991

	NOTE	1991	1990
		£	£
Turnover	1	48,700,695	32,304,474
Change in stock of finished goods and work in progress		1,343,124	(475,635)
		<u>50,043,819</u>	<u>31,828,839</u>
Other operating income		565,040	202,682
		<u>50,608,859</u>	<u>32,031,521</u>
Raw materials and consumables		20,567,552	11,920,473
Other external charges		4,672,175	3,172,932
Staff costs	4	13,971,213	10,736,125
Depreciation	9	1,241,200	911,691
Other operating charges		3,403,436	2,188,845
		<u>43,855,576</u>	<u>28,930,066</u>
Operating profit		<u>6,753,283</u>	<u>3,101,455</u>
Income from fixed asset investments	2	220,320	308,193
Other interest receivable and similar income		234,382	544,889
		<u>454,702</u>	<u>853,082</u>
Interest payable and similar charges	3	(975,369)	(6,220)
Profit on ordinary activities before taxation	1	6,232,616	3,948,317
Tax on profit on ordinary activities	5	1,996,134	1,390,544
Profit on ordinary activities after taxation		<u>4,236,482</u>	<u>2,557,773</u>
Extraordinary item	7	142,514	-
Profit for the financial year		<u>4,378,996</u>	<u>2,557,773</u>
Dividends	6	-	643
Profit retained		<u><u>£4,378,996</u></u>	<u><u>£2,557,130</u></u>
By the company		<u><u>£8,572,298</u></u>	<u><u>£1,116,067</u></u>
By subsidiary undertakings		<u><u>£(4,193,302)</u></u>	<u><u>£1,441,063</u></u>

The accounting policies and notes on pages 9 to 11 and 18 to 29 form part of these financial statements.

R GRIGGS AND CO LIMITED AND ITS SUBSIDIARY UNDERTAKINGS
GROUP PROFIT AND LOSS ACCOUNT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 1991

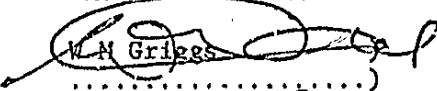
	1991 £	1990 £
Statement of group retained profits		
At 1 April 1990	20,315,998	17,758,868
Retained profit for the year	4,378,996	2,557,130
Goodwill written off	(50,952)	-
Purchase of own shares	(11,574,074)	-
At 31 March 1991	<u>£13,069,968</u>	<u>£20,315,998</u>

R GRIGGS AND CO LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

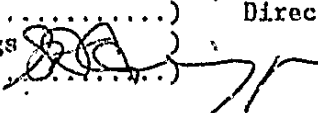
GROUP BALANCE SHEET AT 31 MARCH 1991

	NOTE	1991	1990
		£	£
Fixed assets			
Tangible assets	9	12,063,087	10,174,335
Investments	10	9,917	326,506
		<u>12,073,004</u>	<u>10,500,841</u>
Current assets			
Stocks	11	8,080,819	6,695,989
Debtors	12	9,933,800	5,202,753
Cash at bank and in hand		455,643	8,034,558
		<u>18,470,262</u>	<u>19,933,300</u>
Creditors: amounts falling due within one year	13	10,361,159	7,934,243
Net current assets		<u>8,109,103</u>	<u>11,999,057</u>
Total assets less current liabilities		<u>20,182,107</u>	<u>22,499,898</u>
Creditors: amounts falling due after more than one year	14	5,000,000	-
Provisions for liabilities and charges	15	1,085,939	1,157,700
		<u>6,085,939</u>	<u>1,157,700</u>
		<u>£14,096,168</u>	<u>£21,342,198</u>
Capital and reserves			
Called up share capital	17	64,278	123,740
Other reserves	18	961,922	902,460
Profit and loss account		13,069,968	20,315,998
		<u>£14,096,168</u>	<u>£21,342,198</u>

The financial statements were approved by the Board of Directors on 11 October 1991

 W N Griggs

Directors

 S W Griggs

The accounting policies and notes on pages 9 to 11 and 18 to 29 form part of these financial statements.

R GRIGGS AND CO LIMITED

BALANCE SHEET AT 31 MARCH 1991

	NOTE	£	1991	£	£	1990	£
Fixed assets							
Tangible assets	9		6,399,615			5,625,348	
Investments	10		<u>1,497,507</u>			<u>1,813,894</u>	
			7,897,122			7,439,242	
Current assets							
Stocks	11	3,020,310			2,658,813		
Debtors	12	7,018,544			5,189,690		
Cash at bank and in hand		239			<u>4,019,774</u>		
			10,039,093		11,868,277		
Creditors: amounts falling due within one year	13	<u>4,215,413</u>			<u>5,539,755</u>		
Net current assets			5,823,680			6,328,522	
Total assets less current liabilities			13,720,802			13,767,764	
Creditors: amounts falling due after more than one year	14	5,219,828			2,141,485		
Provisions for liabilities and charges	15	<u>576,471</u>			<u>700,000</u>		
			5,796,299			2,841,485	
			<u>£7,924,503</u>			<u>£10,926,279</u>	
Capital and reserves							
Called up share capital	17		64,278			123,740	
Capital redemption reserve	18		59,462			-	
Other reserves	18		649,907			649,907	
Profit and loss account	18		<u>7,150,856</u>			<u>10,152,632</u>	
			<u>£7,924,503</u>			<u>£10,926,279</u>	

The financial statements were approved by the Board of Directors on 11 October 1991.

W N Griggs

Directors

S W Griggs

The accounting policies and notes on pages 9 to 11 and 18 to 29 form part of these financial statements.

R GRIGGS AND CO LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

GROUP STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 31 MARCH 1991

	1991	1990
	£	£
Source/(outflow) of funds		
From operations		
Profit on ordinary activities before taxation	6,232,616	3,948,317
Extraordinary item before attributable taxation	159,344	-
Adjustment for items not involving the movements of funds:		
Depreciation and amounts written off fixed assets	1,241,200	911,691
Profits on sale of fixed assets	(170,230)	(99,693)
Profits on disposal of fixed asset investments	(83,412)	(68,594)
	<u>987,558</u>	<u>743,404</u>
	7,379,518	4,691,721
From other sources		
Proceeds of disposals of tangible fixed assets	518,981	230,286
Proceeds of disposal of fixed asset investments	400,000	271,753
Long term loan	5,000,000	-
Loan repayments	<u>300,000</u>	<u>-</u>
	<u>6,218,981</u>	<u>511,039</u>
	13,598,499	5,202,760
Goodwill written off	<u>(50,952)</u>	<u>-</u>
	13,547,547	5,202,760
Application of funds		
Dividends paid	643	643
Taxation paid	5,286,984	1,564,690
Purchase of tangible fixed assets	3,478,701	2,395,634
Purchase of subsidiary undertakings (see analysis below)	1	8,845
Purchase of own shares	<u>11,574,074</u>	<u>-</u>
	<u>20,340,403</u>	<u>3,969,812</u>
Net (outflow)/Inflow of funds	<u>£(6,792,856)</u>	<u>£1,232,948</u>

R GRIGGS AND CO LIMITED AND ITS SUBSIDIARY UNDERTAKINGS
GROUP STATEMENT OF SOURCE AND APPLICATION OF FUNDS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 1991

	1991	1990
	£	£
Increase/(decrease) in working capital		
Stock	1,384,830	(349,199)
Debtors	2,744,073	198,164
Creditors: amounts falling due within one year	(787,204)	(463,683)
	<u>3,341,699</u>	<u>(614,718)</u>
Net liquid funds		
Cash at bank and in hand	(7,578,915)	4,069,677
Bank overdrafts	<u>(2,555,640)</u>	<u>(2,222,011)</u>
	<u>(10,134,555)</u>	<u>1,847,666</u>
Net (decrease)/increase in working capital	<u>£(6,792,856)</u>	<u>£1,232,948</u>

Analysis of the acquisition of subsidiary undertaking.

Net assets acquired	£	Discharged by	£
Tangible fixed assets	21,980	Cash paid	1
Goodwill	50,952		
Stock	2,520		
Debtors	17,981		
Creditors	(93,432)		
	<u>£1</u>		<u>£1</u>
Figure as above under 'Application of Funds'	<u>£1</u>		<u>£1</u>

R GRIGGS AND CO LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1991

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit before taxation are attributable to one activity, footwear manufacturing.

An analysis of turnover is given below:

	1991 £
Home market	45,673,335
Export market	3,027,360
	<u>£48,700,695</u>

The profit on ordinary activities is stated after:

	1991 £	1990 £
Auditors' remuneration	103,400	106,300
Operating lease rentals:		
Hire of plant and machinery	97,211	104,281

2 INCOME FROM FIXED ASSET INVESTMENTS

	1991 £	1990 £
External rent receivable	220,000	220,000
Listed investments	320	88,193
	<u>£220,320</u>	<u>£308,193</u>

3 INTEREST PAYABLE AND SIMILAR CHARGES

	1991	1990
On bank loans, overdrafts and other loans		
- repayable within 5 years, otherwise than by instalments	<u>£975,369</u>	<u>£6,220</u>

R GRIGGS AND CO LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1991

4 DIRECTORS AND EMPLOYEES

	1991 £	1990 £
Staff costs during the year:		
Wages and salaries	12,337,939	9,235,831
Social security	1,059,461	706,171
Pension costs	540,925	763,177
Other staff costs	32,888	30,946
	<u>£13,971,213</u>	<u>£10,736,125</u>

The average number of employees of the group during the year was 1,291 (1990 1,100).

Directors' emoluments were payable as follows:

Management remuneration	<u>£1,444,653</u>	<u>£1,089,587</u>
-------------------------	-------------------	-------------------

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

The chairman and highest paid director	<u>£608,136</u>	<u>£334,598</u>
--	-----------------	-----------------

Other directors	Number	Number
£25,001 to £30,000	-	1
£45,001 to £50,000	1	-
£95,001 to £100,000	-	1
£115,001 to £120,000	-	1
£145,001 to £150,000	2	-
£240,001 to £245,000	1	-
£330,001 to £335,000	-	1

R GRIGGS AND CO LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1991

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

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

	1991 £	1990 £
Corporation tax @ 34% (1990 35%)	2,090,259	1,302,509
Deferred tax (note 15)	(5,466)	88,400
Tax attributable to franked investment income	80	-
	<u>2,084,873</u>	<u>1,390,909</u>
Adjustments in respect of prior year		
Corporation tax	(22,444)	(365)
Deferred tax (note 15)	(66,295)	-
	<u>£1,996,134</u>	<u>£1,390,544</u>

6 PROFIT FOR THE FINANCIAL YEAR

The holding company has taken advantage of Section 230 (2) of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The group profit for the year includes £8,572,298 (1990 £1,116,067) which is dealt with in the financial statements of the company.

7 EXTRAORDINARY ITEM

The extraordinary item less attributable taxation credited in the profit and loss account is:

	1991 £	1990 £
Extraordinary profit on the disposal of the Wellington Plant	159,344	-
Corporation tax on extraordinary profit	(16,830)	-
	<u>£142,514</u>	<u>£ -</u>

8 DIVIDENDS

	1991 £	1990 £
Preference dividend of 3.85p per share	-	231
Ordinary shares:		
Proposed final dividend of £nil per share (1990 0.35p)	-	-
	<u>£ -</u>	<u>412</u>
	<u>£ -</u>	<u>£643</u>

R GRIGGS AND CO LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1991

9 TANGIBLE FIXED ASSETS

The group	Total £	Land and buildings Investment property £	Freehold £	Plant and machinery £	Motor vehicles £
Cost or valuation					
At 1 April 1990	15,798,196	2,300,000	4,473,413	8,447,248	577,535
Additions	3,456,721	-	741,109	2,264,298	451,314
Arising on acquisition of subsidiary undertaking	42,706	-	2,813	39,893	-
Disposals	19,297,623 (867,523)	2,300,000	5,217,335	10,751,439 (573,884)	1,028,849 (293,639)
At 31 March 1991	£18,430,100	£2,300,000	£5,217,335	£10,177,555	£735,210
Depreciation					
At 1 April 1990	5,623,861	-	646,906	4,719,942	257,013
Provided in the year	1,241,200	-	113,484	966,303	161,413
Arising on acquisition of subsidiary undertaking	20,726	-	1,605	19,121	-
Disposals	6,885,787 (518,774)	-	761,995	5,705,366 (361,021)	418,426 (157,753)
At 31 March 1991	£6,367,013	£ -	£761,995	£5,344,345	£260,673
Net book amount at 31 March 1991	£12,063,087	£2,300,000	£4,455,340	£4,833,210	£474,537
Net book amount at 31 March 1990	£10,174,335	£2,300,000	£3,826,507	£3,727,306	£320,522

The gross amount of freehold buildings on which depreciation is provided is £4,840,004

R GRIGGS AND CO LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1991

9 TANGIBLE FIXED ASSETS (CONTINUED)

The company	Land and buildings			Plant and machinery	Motor vehicles
	Total £	Investment property £	Freehold £	£	£
Cost or valuation					
At 1 April 1990	7,482,349	2,300,000	2,994,233	1,944,906	243,210
Additions	1,353,189	-	279,327	889,585	184,277
	<u>8,835,538</u>	<u>2,300,000</u>	<u>3,273,560</u>	<u>2,834,491</u>	<u>427,487</u>
Disposals	(220,556)	-	-	(68,530)	(152,026)
At 31 March 1991	<u>£8,614,982</u>	<u>£2,300,000</u>	<u>£3,273,560</u>	<u>£2,765,961</u>	<u>£275,461</u>
Depreciation					
At 1 April 1990	1,857,001	-	353,217	1,390,985	112,799
Provided in the year	444,496	-	61,926	322,820	59,750
	<u>2,301,497</u>	<u>-</u>	<u>415,143</u>	<u>1,713,805</u>	<u>172,549</u>
Disposals	(86,130)	-	-	(9,791)	(76,339)
At 31 March 1991	<u>£2,215,367</u>	<u>£ -</u>	<u>£415,143</u>	<u>£1,704,014</u>	<u>£96,210</u>
Net book amount at 31 March 1991	<u>£6,399,615</u>	<u>£2,300,000</u>	<u>£2,858,417</u>	<u>£1,061,947</u>	<u>£179,251</u>
Net book amount at 31 March 1990	<u>£5,625,348</u>	<u>£2,300,000</u>	<u>£2,641,016</u>	<u>£553,921</u>	<u>£130,411</u>

The gross amount of buildings on which depreciation is being provided is £3,091,338.

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

R GRIGGS AND CO LIMITED AND ITS SUBSIDIARY UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 1991

10 FIXED ASSET INVESTMENTS

The group	£
Cost	
At 1 April 1990	326,506
Disposals	<u>(316,589)</u>
At 31 March 1991	<u>£9,917</u>

Listed investments

Investments at cost include: 1991 1990

Investments listed on a recognised stock exchange	£8,845	£325,433
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The aggregate market value of listed securities at 31 March 1991 was £5,673 (1990 £395,375).

The company	Total £	Listed securities £	Shares in group undertakings £
Cost			
At 1 April 1990	2,324,056	325,433	1,998,623
Additions	201	-	201
	<u>2,324,257</u>	<u>325,433</u>	<u>1,998,824</u>
Disposals	<u>(316,588)</u>	<u>(316,588)</u>	<u>-</u>
At 31 March 1991	<u>£2,007,669</u>	<u>£8,845</u>	<u>£1,998,824</u>
Amounts written off at 1 April 1990 and at 31 March 1991	<u>£510,162</u>	<u>£ -</u>	<u>£510,162</u>
Net book amount at 31 March 1991	<u>£1,497,507</u>	<u>£8,845</u>	<u>£1,488,662</u>
Net book amount at 31 March 1990	<u>£1,813,894</u>	<u>£325,433</u>	<u>£1,488,461</u>

The aggregate market value of listed securities at 31 March 1991 was £5,673 (1990 £395,375).

R GRIGGS AND CO LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1991

11 STOCKS

	The group		The company	
	1991	1990	1991	1990
	£	£	£	£
Raw materials	3,783,376	3,742,377	1,554,694	1,608,251
Work in progress	2,641,125	1,691,926	1,207,158	831,535
Finished goods	1,656,318	1,261,684	258,458	219,027
	<u>£8,080,819</u>	<u>£6,695,989</u>	<u>£3,020,310</u>	<u>£2,658,813</u>

There were no significant differences between the replacement cost and the values disclosed for stock.

12 DEBTORS

Amounts falling due within one year	The group		The company	
	1991	1990	1991	1990
	£	£	£	£
Trade debtors	6,521,811	3,941,115	2,788,469	1,677,113
Amounts owed by group undertakings	-	-	2,051,020	1,961,026
Other debtors	3,172,601	1,140,893	1,603,575	1,022,708
Prepayments and accrued income	239,388	120,745	112,087	65,450
	<u>£9,933,800</u>	<u>£5,202,753</u>	<u>£6,555,151</u>	<u>£4,726,297</u>

Amounts falling due after more than one year

Amounts owed by group undertakings	<u>£ -</u>	<u>£ -</u>	<u>£463,393</u>	<u>£463,393</u>
	<u>£9,933,800</u>	<u>£5,202,753</u>	<u>£7,018,544</u>	<u>£5,189,690</u>

R GRIGGS AND CO LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1991

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The group		The company	
	1991	1990	1991	1990
	£	£	£	£
Bank overdrafts	6,108,154	3,552,514	2,365,236	3,022,536
Trade creditors	1,875,966	1,646,768	348,054	366,555
Amounts owed to group undertakings	-	-	432,586	1,036,647
Current taxation	557,033	1,472,318	266,132	612,754
Social security and other taxes	852,171	365,030	342,577	146,754
Proposed dividends	-	643	-	643
Other creditors	291,529	461,615	127,163	155,917
Accruals and deferred income	676,306	435,355	333,665	197,949
	<u>£10,361,159</u>	<u>£7,934,243</u>	<u>£4,215,413</u>	<u>£5,539,755</u>

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	The group		The company	
	1991	1990	1991	1990
	£	£	£	£
Bank loan	5,000,000	-	5,000,000	-
Amounts owed to group undertakings	-	-	219,828	2,141,485
	<u>£5,000,000</u>	<u>£ -</u>	<u>£5,219,828</u>	<u>£2,141,485</u>

15 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation (note 16)
	£
The group	
At 1 April 1990	1,157,700
Utilised during the year	(71,761)
At 31 March 1991	<u>£1,085,939</u>
The company	
At 1 April 1990	700,000
Utilised during the year	(123,529)
At 31 March 1991	<u>£576,471</u>

R GRIGGS AND CO LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1991

16 DEFERRED TAXATION

Deferred taxation provided for in the financial statements is set out below:

	The group		The company	
	1991	1990	1991	1990
	£	£	£	£
Accelerated capital allowances	1,137,094	1,178,000	625,596	720,300
Other timing differences	(51,155)	(20,300)	(49,125)	(20,300)
	<u>£1,085,939</u>	<u>£1,157,700</u>	<u>£576,471</u>	<u>£700,000</u>

17 CALLED UP SHARE CAPITAL

	Authorised 1991 and 1990	Allotted, called up and fully paid	
	£	1991 £	1990 £
Cumulative preference shares of £1 each 3.85% plus tax credit (formerly 5.5% gross)	6,000	5,044	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	985,000	59,234	117,740
	<u>£1,000,000</u>	<u>£64,278</u>	<u>£123,740</u>

During the year the company purchased 58,506 ordinary shares and 956 preference shares for £11,574,074 out of distributable profits. The resultant reduction in issued share capital of £59,462 has been credited to a capital redemption reserve.

R GRIFFS AND CO LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1991

18

RESERVES

	Capital reserve arising on consolidation £	Investment property revaluation reserve £	Capital redemption reserve £	Total other reserves £
At 1 April 1990	252,553	649,907	-	902,460
Transfer on purchase of own shares	-	-	59,462	59,462
At 31 March 1991	<u>£252,553</u>	<u>£649,907</u>	<u>£59,462</u>	<u>£961,922</u>

The company	Investment property revaluation reserve £	Capital redemption reserve £	Profit and loss account £
At 1 April 1990	649,907	-	10,152,632
Retained profit for the year	-	-	8,572,298
Arising on purchase of own shares	-	59,462	(11,574,074)
At 31 March 1991	<u>£649,907</u>	<u>£59,462</u>	<u>£7,150,856</u>

R GRIGGS AND CO LIMITED AND ITS SUBSIDIARY UNDERTAKINGS
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 31 MARCH 1991

19 CAPITAL COMMITMENTS

	The group		The company	
	1991	1990	1991	1990
	£	£	£	£
Contracted for but not provided in these financial statements	679,789	350,000	46,989	225,000
Authorised by the directors but not contracted for	-	12,500	-	-
	<u>£679,789</u>	<u>£363,500</u>	<u>£46,989</u>	<u>£225,000</u>

20 CONTINGENT LIABILITIES

	The group and the company 1991 and 1990 £
Customs and Excise guarantee given by the bank	150,000
N G C Surety Bond given by the bank	21,150
	<u>£171,150</u>

The parent 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 1991 the total of the overdraft guaranteed by the parent company under this agreement amounted to £6,219,638.

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. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions.

R BRIGGS AND CO LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1991

2.1 PENSION COMMITMENTS (CONTINUED)

The contributions are determined by a qualified actuary on the basis of triennial valuations using the Partly Projected Unit method, with a control period, and making allowance for new entrants. The most recent valuation was carried out as at 6 April 1990. 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 £2.9m and the actuarial value of assets was sufficient to cover 116% of the liabilities for pensioners, deferred pensioners and in-service members as valued on the funding method employed. The contributions of the company and employees will be 15% and 5% of earnings respectively (previously 20% and 5%), in accordance with the advice of the actuary.

Defined contributions 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 group.

2.2 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.