

970803

ACCOUNTS

PETER'S SAVOURY PRODUCTS LIMITED

1 APRIL 1988



SPICER & OPPENHEIM

A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

CHARTERED ACCOUNTANTS

PETER'S SAVOURY PRODUCTS LIMITED

DIRECTORS' REPORT AND ACCOUNTS
for the year ended 1 April 1988

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DIRECTORS, OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS: G S Thomas (Joint Chairman and Chief Executive)
 P Thomas (Joint Chairman and Chief Executive)
 T J Foley (Production Director)
 J Griffiths (Sales Director)
 D P E Cole F.C.A.(Financial Director)
 S D Hudd B.Sc., C.Eng., M.I.E.E.(Technical Director)
 Mrs S M Case
 Mrs S M Thomas
 Mrs B L Thomas

SECRETARY: E C Mallett F.C.A.

SOLICITORS: Phillips and Buck, Cardiff

AUDITORS: Spicer & Oppenheim, Cardiff

BANKERS: National Westminster Bank PLC

REGISTERED OFFICE: Bedwas House Industrial Estate
 Bedwas, Newport,
 Gwent, NP1 8XP

GROUP RESULTS IN BRIEF

	1988	1987
Shares of 10p in issue	15,150,000	15,150,000
Turnover	£54,809,398	£46,064,569
Profit on ordinary activities before taxation	£5,243,807	£4,007,695
Profit attributable to ordinary shareholders	£3,464,983	£2,606,707
Basic earnings per share	23.01p	17.20p
Dividends per share	6.62p	3.43p
Net assets	£9,159,700	£6,795,405
Net assets per share	60.46p	44.85p

REPORT OF THE DIRECTORS

The directors submit their report and the audited accounts for the year ended 1 April 1988.

PRINCIPAL ACTIVITIES

The principal activity of the company and its subsidiaries is the manufacture and distribution of meat, savoury and convenience food products.

REVIEW OF THE BUSINESS

The Board are pleased to report a further increased pre-tax profit. More efficient regional distribution facilities enabled turnover to increase with the resultant enhancement of profit.

Major capital expenditure has been incurred on the provision of increased pig meat processing facilities. This is a long-term project, further capital expenditure will be necessary in the current year and it is not anticipated that the benefit of this additional capacity will be available until 1989/90. The current year's trading to date has been satisfactory.

LAND AND BUILDINGS

The directors are satisfied that the market value of the Group freehold properties are not materially different under existing use from the amount at which they are stated in the accounts.

RESULTS

The results of the Group for the year are set out in detail on page 6. Interim dividends totalling £1,003,638 have been paid, equivalent to 6.62p per share. The directors are not recommending a final dividend in respect of these accounts.

DIRECTORS

The directors who served during the year and their interests, the interest of their families and family trusts in the shares of the company are as follows:

	<u>As at 1 April 1988</u> <u>and 29 March 1987</u>		
	<u>Ordinary</u>	<u>'A' Non-Voting</u>	
		<u>Beneficial</u>	<u>Non-Beneficial</u>
T S Thomas (Retired 31 July 1987)	-	-	-
G S Thomas	4,040,000	1,270,000	375,000
P Thomas	4,040,000	1,270,000	750,000
T J Foley	-	-	-
J Griffiths	-	-	-
D P E Cole	-	-	1,255,000
S D Hudd	-	-	-
Mrs S M Case	-	2,900,000	130,000
Mrs J Thomas (Retired 31 July 1987)	-	-	-
Mrs S M Thomas	-	375,000	375,000
Mrs B L Thomas	-	-	750,000

REPORT OF THE DIRECTORS (continued)

DIRECTORS (continued)

At the 29 March 1987 Mrs B L Thomas held 375,000 'A' non-voting ordinary shares. These shares were transferred to a non-beneficial interest and the recorded non-beneficial interests of P Thomas, D P E Cole and Mrs B L Thomas have been amended accordingly.

The record of non-beneficial holdings of 'A' non-voting shares as at 1 April 1988 relates to joint holdings as trustees of family settlements.

No director has directly or indirectly any material interest in any contract significant to the Group's business during the period under review.

DISABLED PERSONS

The company has an established policy of encouraging the employment of disabled persons wherever this is practicable. In compliance with current legislation the company seeks to employ at least the quota of disabled persons required. The company endeavours to ensure that disabled employees benefit from training and career development programmes in common with all employees.

EMPLOYEE INVOLVEMENT

The company communicates with its employees via Shop Stewards Committees and formal and informal management meetings. Thus it continually channels information and likewise receives the views of its employees at all levels.

POLITICAL AND CHARITABLE CONTRIBUTIONS

Contributions during the year to charitable organisations amounted to £2,924.

TAXATION STATUS

In the opinion of the directors, the company is a close company within the meaning of the Income and Corporation Taxes Act 1970 (as amended).

AUDITORS

Spicer and Pegler changed their name on 18 January 1988 to Spicer & Oppenheim and accordingly have signed the audit report in their new name. A resolution to reappoint Spicer & Oppenheim as auditors will be proposed at the annual general meeting.

By order of the Board



Secretary

5 August 1988

REPORT OF THE AUDITORS TO THE MEMBERS OF PETER'S SAVOURY PRODUCTS LIMITED

We have audited the financial statements on pages 6 to 20 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of affairs of the company and the group at 1st April 1988 and of the profit and source and application of funds of the group for the year then ended and comply with the Companies Act 1985.

Spicer & Oppenheim

Chartered Accountants
Fitzalan House
Fitzalan Road
Cardiff

5 August 1988

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 1 April 1988

	Note	1988	1987
TURNOVER	1(c) & 2	54,809,398	46,064,569
Cost of sales		(40,493,954)	(34,360,400)
GROSS PROFIT		14,315,444	11,704,169
Distribution costs	(7,161,117)	(5,809,240)	
Administrative expenses	(1,999,036)	(1,964,115)	
		(9,160,153)	(7,773,355)
OPERATING PROFIT	3	5,155,291	3,930,814
Share of profit of related company		-	11,832
Interest receivable	6	98,370	67,592
Interest payable	7	(9,854)	(2,543)
		88,516	76,881
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,243,807	4,007,695
Tax on profit on ordinary activities	8	(1,757,098)	(1,400,988)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION BEFORE EXTRAORDINARY ITEM		3,486,709	2,606,707
Extraordinary item	9	(21,726)	-
PROFIT FOR THE FINANCIAL YEAR ATTRIBUTABLE TO THE MEMBERS OF PETER'S SAVOURY PRODUCTS LIMITED	10	3,464,983	2,606,707
Dividends	11	(1,003,638)	(520,000)
RETAINED PROFIT FOR THE YEAR	20	<u>£2,461,345</u>	<u>£2,086,707</u>

The notes on page 10 to 20 form an integral part of these accounts. A statement of movements on reserves is set out in Note 20.

CONSOLIDATED BALANCE SHEET
1 April 1988

	Note	1988	1987
FIXED ASSETS			
Tangible assets	12	9,841,477	7,202,150
Investments	13	-	106,726
		<u>9,841,477</u>	<u>7,308,876</u>
CURRENT ASSETS			
Stocks	14	1,805,713	1,631,880
Debtors	15	5,604,150	5,103,300
Cash at bank and in hand		1,144,146	502,610
		<u>8,554,009</u>	<u>7,237,790</u>
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR			
Bank overdrafts - secured		510,212	463,520
Trade creditors		3,955,641	3,490,068
Sundry creditors	16(a)	3,112,845	1,819,759
		<u>7,578,698</u>	<u>5,773,347</u>
NET CURRENT ASSETS		<u>975,311</u>	<u>1,464,443</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,816,788</u>	<u>8,773,319</u>
CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
	16(b)	(56,148)	(155,653)
PROVISIONS FOR LIABILITIES AND CHARGES			
	17	(1,166,939)	(1,345,629)
DEFERRED CREDIT			
	18	(434,001)	(476,632)
		<u>£9,159,700</u>	<u>£6,795,405</u>
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	19	1,515,000	1,515,000
RESERVES			
Profit and loss account	20(a)	7,545,978	5,181,683
Non distributable reserve	20(b)	98,722	98,722
		<u>7,644,700</u>	<u>5,280,405</u>
TOTAL RESERVES		<u>7,644,700</u>	<u>5,280,405</u>
SHAREHOLDERS' FUNDS		<u>£9,159,700</u>	<u>£6,795,405</u>

APPROVED BY THE BOARD OF DIRECTORS

G. S. Mc...
P. J. Mc...

5 August 1988

The notes on pages 10 to 20 form an integral part of these accounts.

BALANCE SHEET
1 April 1988

	Note	1988	1987
FIXED ASSETS			
Tangible assets	12	8,658,691	6,352,016
Investments	13	419,659	504,659
		<u>9,078,350</u>	<u>6,856,675</u>
CURRENT ASSETS			
Stocks	14	1,200,619	1,011,328
Debtors	15	4,630,908	4,312,740
Cash at bank and in hand		1,143,393	489,485
		<u>6,974,920</u>	<u>5,813,553</u>
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR			
Bank overdraft - secured		449,417	463,520
Trade creditors		3,124,476	2,661,451
Sundry creditors	16(a)	2,825,292	1,578,736
		<u>6,399,185</u>	<u>4,703,707</u>
NET CURRENT ASSETS		<u>575,735</u>	<u>1,109,846</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,654,085</u>	<u>7,966,521</u>
CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR 16(b)			
		(43,502)	(126,441)
PROVISION FOR LIABILITIES AND CHARGES			
	17	(1,027,870)	(1,214,702)
DEFERRED CREDIT	18	(434,001)	(476,632)
		<u>£8,148,712</u>	<u>£6,148,746</u>
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	19	1,515,000	1,515,000
RESERVES			
Profit and loss account	20(a)	6,633,712	4,633,746
SHAREHOLDERS' FUNDS		<u>£8,148,712</u>	<u>£6,148,746</u>

APPROVED BY THE BOARD OF DIRECTORS



5 August 1988

The notes on pages 10 to 20 form an integral part of these accounts.

SOURCE AND APPLICATION OF FUNDS
for the year ended 1 April 1988

	1988	1987
SOURCE OF FUNDS		
Profit on ordinary activities before taxation	5,243,807	4,007,695
Items not involving the movement of funds:		
Depreciation	1,084,909	936,748
Profit on disposal of fixed assets and investments	(36,647)	(23,856)
Regional development grant release	(49,906)	(61,059)
Related company profit	-	(11,832)
	<u>998,356</u>	<u>840,001</u>
FUNDS GENERATED FROM OPERATIONS	<u>6,242,163</u>	<u>4,847,696</u>
FUNDS FROM OTHER SOURCES		
Sale of investment	34,000	-
Finance leases entered into	-	439,708
Sale of fixed assets	229,477	68,316
Government grants	7,275	73,938
	<u>270,752</u>	<u>581,962</u>
	<u>6,512,915</u>	<u>5,429,658</u>
APPLICATION OF FUNDS		
Dividends paid	321,888	520,000
Purchase of fixed assets	3,912,904	2,568,698
Hire purchase repayments	4,615	-
Taxation paid	1,330,480	1,289,747
Finance leases discharged	96,467	211,315
Loan to related company	44,000	40,000
	<u>(5,710,354)</u>	<u>(4,629,760)</u>
INCREASE IN WORKING CAPITAL	<u>£802,561</u>	<u>£799,898</u>
Representing (funded by):		
Increase in stocks	173,833	422,937
Increase in debtors	507,061	979,849
Increase (decrease) in cash and bank balances	641,536	(820,085)
(Increase) decrease in bank overdrafts	(46,692)	885,746
(Increase) in creditors	(473,177)	(668,549)
	<u>£802,561</u>	<u>£799,898</u>

NOTES TO THE ACCOUNTS
1 April 1988

1 ACCOUNTING POLICIES

These financial statements have been prepared to comply with the requirements of the Companies Act 1985 under the historical cost convention. The principal accounting policies which the directors have adopted are set out below and have remained unchanged throughout the year. In accordance with S228 (7) of the Companies Act 1985, a profit and loss account is not presented in respect of the Parent company.

a) BASIS OF CONSOLIDATION

The group accounts incorporate the accounts of the company and its subsidiaries after eliminating intra-group profits.

b) NON DISTRIBUTABLE RESERVE ON CONSOLIDATION

The reserve on consolidation is the amount by which the fair value to the group of the net assets acquired exceeded the purchase consideration for shares in subsidiary companies.

c) TURNOVER

Turnover is the total amount, excluding value added tax and trade discounts, of goods invoiced by the group to third parties during the year.

d) DEFERRED TAXATION

Provision is made for taxation liabilities arising from the allocation of items to different periods for taxation and for accounting purposes, except where it is probable that a liability will not crystallise because of the availability of tax allowances for fixed asset expenditure in advance of depreciation. In establishing the pattern of likely future tax liabilities, the directors undertake a review at the balance sheet date of past investment patterns and expected future levels of capital expenditure and depreciation. The board have taken a decision to provide in full at rates applicable to the year ended 1 April 1988.

e) TANGIBLE FIXED ASSETS AND DEPRECIATION

No depreciation is provided on freehold land. For all other fixed assets depreciation is calculated to write off their cost by equal annual instalments over their estimated useful lives which are considered to be:

Freehold buildings	-	50 years
Leasehold property	-	term of lease
Motor vehicles	-	2 to 7 years
Fixtures and fittings	-	7 years
Plant and machinery	-	10 years

The investment property included in Freehold Buildings at a cost of £424,424 is not depreciated.

Included in plant and machinery are van bodies, the useful lives of which have been revised from nine to six years, which has resulted in reducing profits in the year by £93,000.

NOTES TO THE ACCOUNTS
1 April 1988

f) LEASED ASSETS

Material fixed assets leased under finance leases are capitalised and depreciated over their estimated useful lives. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding.

The costs relating to operating leases are charged to the profit and loss account as they accrue.

g) STOCKS

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

Cost is calculated as follows:

Raw materials and consumables	-	At suppliers invoice price
Finished goods	-	At sales value less deduction to cover selling expenses and estimated profit

h) RELATED COMPANY

A related company is one in which the group has a substantial interest held for the long term and upon whose commercial and financial policy decisions the group exercises a significant influence.

i) PENSIONS

The group operates pension schemes covering the majority of its salaried employees. Contributions are normally charged as revenue expenses as they are made. Actuarial valuations are carried out every three years. Deficits arising on these valuations are charged to the profit and loss account and funded over the three year period before the next valuation.

j) DEFERRED CREDIT

Grants received in respect of tangible fixed assets are treated as a deferred credit and are released to the profit and loss account in equal instalments over the estimated useful economic life of the assets concerned.

2 TURNOVER AND PROFIT

The turnover and profit before taxation of the group arise from activities regarded by the directors as a single class of business.

NOTES TO THE ACCOUNTS
1 April 1988

3	OPERATING PROFIT	1988	1987
	Operating profit is arrived at after charging:		
	Depreciation - owned assets	£1,040,939	£832,910
	- leased assets	£43,970	£103,838
	Operating lease rentals	£1,561,618	£1,244,611
	Hire of plant and machinery	£75,969	£76,827
	Auditors' remuneration	£34,000	£26,000
		<u>£1,684,896</u>	<u>£1,284,186</u>
	and after crediting:		
	Regional development grants	£49,906	£61,059
	Profit on sale of fixed assets	£36,647	£23,856
		<u>£56,553</u>	<u>£84,915</u>
		<u>£1,741,449</u>	<u>£1,369,101</u>
4	EMPLOYEES	1988	1987
	The average number employed by the group, which includes directors, within each category of persons was:		
	Production staff	671	569
	Sales and distribution staff	317	260
	Administration staff	99	101
		<u>1,087</u>	<u>930</u>
	The costs incurred in respect of these employees were:		
	Wages and salaries	8,349,539	6,841,036
	Social security costs	719,305	585,489
	Other pension costs	259,889	265,038
		<u>£9,328,733</u>	<u>£7,691,563</u>

NOTES TO THE ACCOUNTS
1 April 1988

5	DIRECTORS	1988	1987
	Emoluments of directors of the holding company included in staff costs were as follows:		
	Management remuneration including pension contributions	434,809	511,686
	Ex gratia payment to former director	8,700	-
		<u>£443,509</u>	<u>£511,686</u>
	The emoluments, excluding pension contributions of directors were as follows:		
	Chairman (retired 31 July 1987)	<u>£20,596</u>	<u>£51,602</u>
	Joint Chairmen and highest paid directors - two	<u>£72,681</u>	<u>£69,327</u>
	Other directors		
	£5,001 - £10,000	3	2
	£10,001 - £15,000	1	2
	£45,001 - £50,000	-	1
	£50,001 - £55,000	4	3
6	INTEREST RECEIVABLE		
	Interest receivable - short term deposits	<u>£98,370</u>	<u>£67,592</u>
7	INTEREST PAYABLE		
	Bank overdrafts	<u>£9,854</u>	<u>£2,543</u>

NOTES TO THE ACCOUNTS
1 April 1988

8	TAX ON PROFIT ON ORDINARY ACTIVITIES	1988	1987
	Taxation is based on the profits for the year and comprises:		
	Corporation tax at 35% (1987 35%) on taxable profit	1,806,500	1,412,397
	Deferred tax	48,560	(15,178)
		<u>1,855,060</u>	<u>1,397,219</u>
	Overprovision for previous year	(97,962)	-
		<u>1,757,098</u>	<u>1,397,219</u>
	Related company	-	<u>3,769</u>
		<u><u>£1,757,098</u></u>	<u><u>£1,400,988</u></u>
9	EXTRAORDINARY ITEM		
	Loss on disposal of related company	<u>£21,726</u>	<u>£ -</u>
10	PROFIT FOR THE FINANCIAL YEAR ATTRIBUTABLE TO THE MEMBERS OF PETER'S SAVOURY PRODUCTS LIMITED		
	Dealt with in the accounts of the holding company	<u>£3,100,654</u>	<u>£2,340,248</u>
11	DIVIDENDS		
	On 8,080,000 ordinary and 7,070,000 'A' ordinary shares		
	Interim dividends paid 2.12p per share (1987 - 3.43p)	321,888	520,000
	Interim dividends payable 4.5p per share	<u>681,750</u>	-
		<u><u>£1,003,638</u></u>	<u><u>£520,000</u></u>

NOTES TO THE ACCOUNTS
1 April 1988

12 TANGIBLE ASSETS

	Assets Under Construction	Leasehold Buildings	Freehold Land and Buildings	Plant, Machinery Motor Vehicles Fixtures etc.	Total
a) GROUP					
COST					
At 29 March 1987	92,477	37,405	2,720,537	8,761,251	11,611,670
Additions	-	101,042	1,618,058	2,193,804	3,912,904
Disposals	-	-	(10,000)	(407,959)	(417,959)
Reclassified	(92,477)	77,550	-	14,927	-
At 1 April 1988	-	215,997	4,328,595	10,562,023	15,106,615
DEPRECIATION					
At 29 March 1987	-	16,916	234,724	4,157,880	4,409,520
Charge for year	-	6,814	40,824	1,037,271	1,084,909
Disposals	-	-	-	(229,291)	(229,291)
At 1 April 1988	-	23,730	275,548	4,965,860	5,265,138
NET BOOK VALUE					
At 1 April 1988	£ -	£192,267	£4,053,047	£5,596,163	£9,841,477
At 29 March 1987	£92,477	£20,489	£2,485,813	£4,603,371	£7,202,150
b) COMPANY					
COST					
At 29 March 1987		37,405	2,720,537	6,972,204	9,730,146
Additions		-	1,618,058	1,743,191	3,361,249
Disposals		-	(10,000)	(321,365)	(331,365)
At 1 April 1988		37,405	4,328,595	8,394,030	12,760,030
DEPRECIATION					
At 29 March 1987		16,916	234,724	3,126,490	3,378,130
Charge for year		1,716	40,824	839,785	882,325
Disposals		-	-	(159,116)	(159,116)
At 1 April 1988		18,632	275,548	3,807,159	4,101,339
NET BOOK VALUE					
At 1 April 1988		£18,773	£4,053,047	£4,586,871	£8,658,691
At 29 March 1987		£20,489	£2,485,813	£3,845,714	£6,352,016
c) LEASED ASSETS					
Included in plant and machinery are assets held under finance leases.					
NET BOOK VALUE				GROUP	COMPANY
At 1 April 1988				£291,900	£235,414
At 29 March 1987				£335,870	£271,314

NOTES TO THE ACCOUNTS
1 April 1988

13 FIXED ASSET INVESTMENTS

a) GROUP

	RELATED COMPANY Share of net surplus	Shares at Cost *	Loan	Total
At 29 March 1987	19,915	39,973	46,838	106,726
Advanced during the year	-	-	44,000	44,000
Disposal	(19,915)	(39,973)	(90,838)	(150,726)
At 1 April 1988	-	-	-	-

* including premium paid on acquisition.

b) COMPANY

	GROUP COMPANIES		RELATED COMPANY		
	Shares at Cost	Loans	Shares at Cost	Loans	Total
At 29 March 1987	233,550	186,109	38,162	46,838	504,659
Advanced during the year	-	-	-	44,000	44,000
Disposal	-	-	(38,162)	(90,838)	(129,000)
At 1 April 1988	£233,550	£186,109	-	-	£419,659

c) SUBSIDIARIES AND RELATED COMPANY

The subsidiaries and related company which, in the opinion of the directors, principally affected the amount of the result or net assets of the group are:

Percentage of nominal value of issued
voting ordinary shares held by
Peter's Savoury Products Limited

SUBSIDIARIES

Trading:

Peter's Savoury Products (Management
Services) Limited 100%

Somerwest Limited 100%

Non-Trading:

Peter's Savoury Products (Midlands
& Northern) Limited 100%

Peter's Savoury Products (Home
Counties) Limited 100%

Peter's Savoury Products (Frozen
Foods) Limited 100%

Harry Thomas and Sons Limited 100%

All companies are incorporated in Great Britain

NOTES TO THE ACCOUNTS
1 April 1988

14 STOCKS

	GROUP		COMPANY	
	1988	1987	1988	1987
Raw materials and consumables	835,990	674,292	659,206	542,836
Finished goods	969,723	957,588	541,413	468,492
	<u>£1,805,713</u>	<u>£1,631,880</u>	<u>£1,200,619</u>	<u>£1,011,328</u>

There was no significant difference between the replacement cost of stocks at 1 April 1988, and the amount at which they are stated in the accounts.

15 DEBTORS

	GROUP		COMPANY	
	1988	1987	1988	1987
Trade debtors	5,000,567	4,365,760	3,936,913	3,293,831
Amounts owed by group companies	-	-	107,376	314,862
Prepayments	205,209	321,336	193,058	307,515
Other debtors	398,374	416,204	393,561	396,532
	<u>£5,604,150</u>	<u>£5,103,300</u>	<u>£4,630,908</u>	<u>£4,312,740</u>

Included in other debtors is an amount of £64,838 (1987 - £NIL) due after more than one year.

16a) SUNDRY CREDITORS

	GROUP		COMPANY	
	1988	1987	1988	1987
Hire purchase loans	4,615	4,615	4,615	4,615
Amounts owed to group companies	-	-	56,352	27,832
Other creditors	109,879	54,013	93,653	28,863
Corporation tax	1,687,723	1,309,665	1,487,887	1,139,268
Advance corporation tax on proposed dividend	227,250	-	227,250	-
Other taxation and social security	245,366	333,944	195,461	297,915
Accruals	61,372	21,055	-	-
Dividends	681,750	-	681,750	-
Obligations under finance leases	94,890	96,467	78,324	80,243
	<u>£3,112,845</u>	<u>£1,819,759</u>	<u>£2,825,292</u>	<u>£1,578,736</u>

16b) CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	GROUP		COMPANY	
	1988	1987	1988	1987
Obligations under finance leases:				
two - five years	48,071	142,961	35,425	113,749
Hire purchase loans:				
two - five years	8,077	12,692	8,077	12,692
	<u>£56,148</u>	<u>£155,653</u>	<u>£43,502</u>	<u>£126,441</u>

NOTES TO THE ACCOUNTS
1 April 1988

17 PROVISIONS FOR LIABILITIES AND CHARGES DEFERRED TAXATION	GROUP	COMPANY
i) Movement in year		
At 29 March 1987	1,345,629	1,214,702
Charge for the year	48,560	40,418
	<u>1,394,189</u>	<u>1,255,120</u>
Recoverable advance corporation tax	(227,250)	(227,250)
	<u>£1,166,939</u>	<u>£1,027,870</u>
At 1 April 1988		
ii) Provision at 1 April 1988		
As explained in Note 1(d) provision is made for taxation liabilities arising from the allocation of items to different periods for taxation and for accounting purposes except when it is probable that a liability will not crystallise.		
The source of the balance on the deferred tax account and the amounts involved are as follows:		
a) GROUP	Full provision dealt with in the accounts	
	1988	1987
Capital allowances in excess of depreciation	1,340,556	1,307,815
Short term timing differences	53,633	37,814
	<u>1,394,189</u>	<u>1,345,629</u>
Advance corporation tax	(227,250)	-
	<u>£1,166,939</u>	<u>£1,345,629</u>
b) COMPANY		
Capital allowances in excess of depreciation	1,211,033	1,183,777
Short term timing differences	44,087	30,925
	<u>1,255,120</u>	<u>1,214,702</u>
Advance corporation tax	(227,250)	-
	<u>£1,027,870</u>	<u>£1,214,702</u>
18 DEFERRED CREDIT - GOVERNMENT GRANTS	GROUP	COMPANY
At 29 March 1987	476,632	476,632
Receivable in relation to the year	7,275	7,275
Released to profit and loss account	(49,906)	(49,906)
	<u>£434,001</u>	<u>£434,001</u>
At 1 April 1988		
19 SHARE CAPITAL	1988	1987
Authorised:		
16,080,000 Ordinary Shares of 10p each	<u>1,608,000</u>	<u>1,608,000</u>
14,070,000 'A' Ordinary non-voting shares of 10p each	<u>1,407,000</u>	<u>1,407,000</u>

NOTES TO THE ACCOUNTS
1 April 1988

19 SHARE CAPITAL (continued)

Allotted	1988	1987
8,080,000 Ordinary Shares of 10p each fully paid	808,000	808,000
7,070,000 'A' Ordinary non-voting shares of 10p each fully paid	707,000	707,000
	<u>£1,515,000</u>	<u>£1,515,000</u>

20 RESERVES

GROUP		COMPANY	
1988	1987	1988	1987

a) Profit and Loss Account

Balance at 29 March 1987	5,181,683	3,094,976	4,633,746	2,813,498
Retained profit for the year	2,461,345	2,086,707	2,097,016	1,820,248
Purchased goodwill written off	(97,050)	-	(97,050)	-
Balance at 1 April 1988	<u>£7,545,978</u>	<u>£5,181,683</u>	<u>£6,633,712</u>	<u>£4,633,746</u>

b) Reserve arising on consolidation

£98,722	£98,722	£ -	£ -
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c) Total reserves

GROUP		COMPANY	
1988	1987	1988	1987

Available for distribution	7,545,978	5,161,768	6,633,712	4,633,746
Not available for distribution	98,722	98,722	-	-
Related company reserves	-	19,915	-	-
	<u>£7,644,700</u>	<u>£5,280,405</u>	<u>£6,633,712</u>	<u>£4,633,746</u>

NOTES TO THE ACCOUNTS
1 April 1988

21 BANK GUARANTEE

The company has guaranteed the bank overdraft of Somerwest Limited, which at 1 April 1988 amounted to £60,795.

22 FINANCIAL COMMITMENTS

a) Operating Leases

At 1 April 1988 the group had annual commitments under non-cancellable operating leases as set out below:

	1988		1987	
	Land and Buildings	Other	Land and Buildings	Other
Operating leases which expire:				
Within one year	1,170	125,738	-	382,113
In the second to fifth years	13,002	884,148	12,722	522,756
Over five years	230,680	60,777	89,785	58,931
	<u>£244,852</u>	<u>£1,070,663</u>	<u>£102,507</u>	<u>£963,800</u>

The majority of leases of land and buildings are subject to rent reviews at periodic intervals ranging between 5 and 15 years.

b) Finance Leases

At 1 April 1988 the group had incurred obligations under non-cancellable leases not considered material as set out below.

Gross amount payable:	
Within one year	10,734
In the second to fifth years	13,198
Over five years	-
	<u>£23,932</u>

c) Future Capital Expenditure

	GROUP		COMPANY	
	1988	1987	1988	1987
Contracted for but not provided	270,000	321,000	197,000	124,000
Authorised by the directors but not contracted for	2,734,000	324,000	1,690,000	300,000
	<u>£3,004,000</u>	<u>£645,000</u>	<u>£1,887,000</u>	<u>£424,000</u>

d) The company has guaranteed third party commitments in respect of equipment supplied. The liability at 1 April 1988 was £12,666.