


SC015262

McCormick (UK) Plc

Report and Accounts

23 November 1996

CL

		
SCT	*S7KX900P*	683
COMPANIES HOUSE 9/9/97		
A03	*A3KL7YYL*	105
COMPANIES HOUSE 09/09/97		

 **ERNST & YOUNG**

DIRECTORS

J C Molan (Chairman)
R J F Keefe
C D F Savage
W Sinclair

SECRETARY

C J Mann

AUDITORS

Ernst & Young
Apex Plaza
Reading
RG1 1YE

BANKERS

National Westminster Bank PLC
PO Box 17
33 High Street
High Wycombe
Bucks HP11 2AJ

The Royal Bank of Scotland plc
30 Bothwell Street
Glasgow G2 6PB

SOLICITORS

Beachcroft Stanleys
20 Fumival Street
London EC4A 1BW

REGISTRARS

The Royal Bank of Scotland plc
Owen House
8 Bankhand
Crossway North
Edinburgh EH11 4BR

REGISTERED OFFICE

The Royal Bank of Scotland plc
Owen House
8 Bankhand
Crossway North
Edinburgh EH11 4BR

DIRECTORS' REPORT

The directors present their report and the group accounts for the 56 week period ended 23 November 1996.

RESULTS AND DIVIDENDS

The retained profit after taxation for the period amounts to £7,842,000 (1995 – £99,000).

The directors do not recommend the payment of a dividend in respect of the period (1995 – £9,834,861). After exchange differences on retranslation of net assets and results of subsidiary undertakings of £331,000, the retained profit carried forward is £9,792,000 (1995 – £2,281,000).

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The group's principal activities during the period continued to be the manufacturing and packing of food products and the marketing, selling and distribution of these and other products to grocery, catering and other outlets. Additionally, the group manufactures thermoformed samples used for promotional purposes.

The operating results for the period ended 23 November 1996 were satisfactory, and the future outlook for the business remains promising.

TANGIBLE FIXED ASSETS

The changes in tangible fixed assets during the period are summarised in note 13. The principal element of tangible asset additions relates to assets acquired as part of the relocation and integration of 'dry' food production activities in Haddenham. This project will continue throughout the current year as noted in note 6 (exceptional item) and note 23 (capital commitments).

EMPLOYEE INVOLVEMENT

The group has continued its policy of providing employees with information on matters of concern to them as employees and has consulted them or their representatives on a regular basis. This has been carried out by divisional management at the group's various locations and by way of group meetings, information bulletins and conferences. Employees participate directly in the success of the business through the group's profit sharing scheme.

DISABLED EMPLOYEES

The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever applicable.

CHARITABLE CONTRIBUTIONS

The group has made gifts for charitable purposes amounting to £11,438 (1995 – £9,775) to local charities serving the needs of the community.

DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS

The directors during the period were as follows:

H J Handley (USA) (Chairman) (resigned 1 April 1996)
 R J F Keefe
 C D F Savage
 W Sinclair
 J C Molan (Chairman) (appointed 1 April 1996)

The interests of the directors in shares in the ultimate parent company McCormick & Company Inc. were as follows:

	<i>Common Voting</i>	<i>Common Non-Voting</i>
W Sinclair	944	784
R J F Keefe	422	-

The interests of the directors in options to acquire shares in the ultimate parent company McCormick & Company Inc. were as follows:

	<i>At 28 Oct. 1995</i>	<i>Granted during the year</i>	<i>Exercised during the year</i>	<i>At 23 Nov. 1996</i>
J C Molan	-	42,100	-	42,100
R J F Keefe	8,884	2,500	-	11,384
C D F Savage	10,973	2,500	-	13,473
W Sinclair	11,054	2,000	-	13,054


CLOSE COMPANY STATUS

The company is not a close company within the meaning of the provisions of the Income and Corporation Taxes Act 1988.

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

On behalf of the board



Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
ACCOUNTS

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

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

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

REPORT OF THE AUDITORS

to the members of McCormick (UK) Plc

We have audited the accounts on pages 7 to 24, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 11 and 12.

Respective responsibilities of directors and auditors

As described on page 5 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

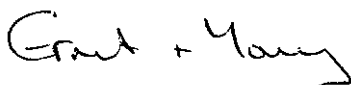
Basis of opinion

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

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

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group as at 23 November 1996 and of the profit of the group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants
Registered Auditor
Reading

1 September 1997

GROUP PROFIT & LOSS ACCOUNT

for the period ended 23 November 1996

	<i>Notes</i>	<i>Period ended 23 November 1996 £000</i>	<i>Period ended 29 October 1995 £000</i>
TURNOVER			
Continuing operations:			
ongoing		198,147	166,951
disposals		4,434	-
	2	202,581	166,951
Cost of sales		169,601	139,019
Gross profit		32,980	27,932
Distribution costs		6,962	5,858
Administrative expenses		12,107	8,937
		19,069	14,795
OPERATING PROFIT/(LOSS)			
Continuing operations:			
ongoing		15,108	13,137
disposals		(1,197)	-
	2, 3	13,911	13,137
Fundamental restructuring	6	-	(7,169)
Other income	7	727	656
Interest payable	8	(2,560)	(2,426)
		(1,833)	(8,939)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		12,078	4,198
Tax on profit on ordinary activities	9	4,236	4,099
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	10	7,842	99
Dividends	11	-	9,835
RETAINED PROFIT/(LOSS) FOR THE PERIOD	22	7,842	(9,736)

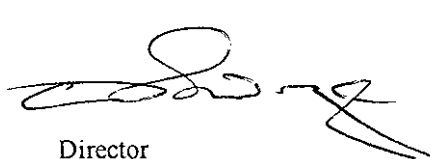
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the period ended 23 November 1996

	<i>1996</i> <i>£000</i>	<i>1995</i> <i>£000</i>
Profit/(loss) for the period	7,842	(9,736)
Exchange differences	(331)	(10)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD	<u>7,511</u>	<u>(9,746)</u>

GROUP BALANCE SHEET

at 23 November 1996

	Notes	23 November 1996 £000	28 October 1995 £000
FIXED ASSETS			
Intangible assets	12	24,386	26,221
Tangible assets	13	26,566	16,781
Investments	14	231	-
		<u>51,183</u>	<u>43,002</u>
CURRENT ASSETS			
Stock	15	23,224	21,476
Debtors	16	29,985	29,742
Cash at bank and in hand	17	8,994	9,919
		<u>62,203</u>	<u>61,137</u>
CREDITORS: amounts falling due within one year	18	49,450	46,798
		<u>12,753</u>	<u>14,339</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>63,936</u>	<u>57,341</u>
CREDITORS: amounts falling due after more than one year	19	25,050	25,395
PROVISIONS FOR LIABILITIES AND CHARGES	20	84	655
		<u>25,134</u>	<u>26,050</u>
		<u>38,802</u>	<u>31,291</u>
CAPITAL AND RESERVES			
Called up share capital	21	29,010	29,010
Profit and loss account	22	9,792	2,281
		<u>38,802</u>	<u>31,291</u>



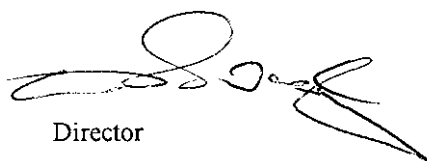
Director

26 August 1997

COMPANY BALANCE SHEET

at 23 November 1996

	Notes	23 November 1996 £000	28 October 1995 £000
FIXED ASSETS			
Intangible assets	12	9,339	10,004
Tangible assets	13	25,465	15,123
Investments	14	20,880	20,985
		<u>55,684</u>	<u>46,112</u>
CURRENT ASSETS			
Stock	15	20,292	18,544
Debtors	16	28,349	27,151
Cash at bank and in hand		8,046	9,175
		<u>56,687</u>	<u>54,870</u>
CREDITORS: amounts falling due within one year	18	45,618	42,873
		<u>11,069</u>	<u>11,997</u>
NET CURRENT ASSETS			
		<u>66,753</u>	<u>58,109</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS: amounts falling due after more than one year	19	25,050	25,395
PROVISIONS FOR LIABILITIES AND CHARGES	20	-	586
		<u>25,050</u>	<u>25,981</u>
		<u>41,703</u>	<u>32,128</u>
CAPITAL AND RESERVES			
Called up share capital	21	29,010	29,010
Profit and loss account	22	12,693	3,118
		<u>41,703</u>	<u>32,128</u>



Director

NOTES TO THE ACCOUNTS

at 23 November 1996

1. ACCOUNTING POLICIES

Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of consolidation

The group accounts consolidate the accounts of McCormick (UK) Plc and all of its subsidiary undertakings for the period ended 23 November 1996. No profit and loss account is presented for McCormick (UK) Plc as permitted under section 230 of the Companies Act 1985.

Cashflow

The group has decided to adopt FRS1 (Revised). Therefore, no group cashflow has been prepared because the accounts of the group's US parent company are publicly available.

Goodwill

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its separate net assets. It is being written off in equal annual instalments through the profit and loss account over its estimated economic life of 20 years.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land and assets in the course of construction, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life as follows:

	<i>Current useful lives</i>
Buildings	30-40 years
Trademarks	10 years
Plant and machinery	8 years
Furniture and fixtures	8 years
Computer hardware and software	5 years
Vehicles	4 years
Personal computers	3 years

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets, currently ranging from three to eight years, by equal annual instalments.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes direct materials and labour and also those overheads incurred in bringing the stock to its present location and condition.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

NOTES TO THE ACCOUNTS

at 23 November 1996

1. ACCOUNTING POLICIES (continued)

Foreign currencies

Company

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward exchange contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate. All differences are taken to the profit and loss account.

Group

The accounts of the overseas subsidiary undertaking are translated at the rate of exchange ruling at the balance sheet date. The exchange difference arising on the retranslation of opening net assets is taken directly to reserves. All other translation differences are taken to the profit and loss account.

Pension costs

The group operates a defined benefit pension scheme, which requires contributions to be made to a separately administered fund. Contributions to this fund are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives within the group. The regular cost is attributed to individual years using the projected unit credit method. Variations in pension cost, which are identified as a result of actuarial valuations, are amortised over the average expected remaining working lives of employees in proportion to their expected payroll costs. Differences between the amounts funded and the amounts charged to the profit and loss account are treated as either accruals or prepayments in the balance sheet.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated that the timing differences will reverse.

Leased assets

Assets held under finance leases and HP contracts, which are those where substantially all the risks and rewards of ownership have passed to the group, are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Operating lease rentals are charged to the profit and loss account over the term of the lease.

2. TURNOVER AND SEGMENTAL ANALYSIS

Turnover represents the amounts derived from the provision of goods, including those sold on clients' behalf, and services which fall within the group's ordinary activities, all of which are continuing, stated net of value added tax.

NOTES TO THE ACCOUNTS

at 23 November 1996

2. **TURNOVER AND SEGMENTAL ANALYSIS** (continued)

Group turnover and operating profit derives from the manufacture and distribution of food and other products. Analysis by geographical location is as follows:

	<i>Turnover</i>		<i>Operating profit</i>	
	<i>1996</i>	<i>1995</i>	<i>1996</i>	<i>1995</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
United Kingdom	174,685	146,855	10,225	10,571
Other European countries	20,006	14,084	2,478	1,761
Rest of World	7,890	6,012	1,208	805
	<u>202,581</u>	<u>166,951</u>	<u>13,911</u>	<u>13,137</u>

Analysis by activities is not included as, in the opinion of the directors, this would be seriously prejudicial to the interests of the group.

3. **OPERATING PROFIT**

This is stated after charging/(crediting):

	<i>1996</i>	<i>1995</i>
	<i>£000</i>	<i>£000</i>
Depreciation of assets held under finance leases and HP contracts	-	12
Depreciation of owned assets	2,024	2,093
Auditors' remuneration - audit services	66	75
- non audit services	127	115
Hire of plant and machinery	345	356
Operating lease rentals - land and buildings	340	565
- plant and machinery	1,393	1,139
Employees' profit sharing scheme	661	728
Government grants	(156)	(143)
Amortisation of goodwill	1,829	1,495
Amortisation of trademarks	6	5
Royalties payable	911	713
Minipack - Fixed asset write down to disposal proceeds	339	-
Minipack - Stock write down to disposal proceeds	288	-
	<u></u>	<u></u>

NOTES TO THE ACCOUNTS

at 23 November 1996

4. DIRECTORS' REMUNERATION

	<i>1996</i> <i>£000</i>	<i>1995</i> <i>£000</i>
Executive remuneration	562	424
Pension contributions	44	33
	<u>606</u>	<u>457</u>
Emoluments (excluding pension contributions) of the Chairman	236	-
Emoluments (excluding pension contributions) of the highest paid director	236	114

The emoluments (excluding pension contributions) of the directors fell within the following ranges:

	<i>1996</i> <i>No.</i>	<i>1995</i> <i>No.</i>
£nil - £5,000	1	1
£95,001 - £100,000	1	-
£100,001 - £105,000	1	2
£105,001 - £110,000	-	1
£110,001 - £115,000	-	1
£120,000 - £125,000	1	-
£235,001 - £240,000	1	-
	<u>5</u>	<u>5</u>

5. STAFF COSTS

	<i>1996</i> <i>£000</i>	<i>1995</i> <i>£000</i>
Wages and salaries	18,925	16,629
Social security costs	1,290	1,076
Other pension costs	1,126	914
	<u>21,341</u>	<u>18,619</u>

The average weekly number of employees during the period was made up as follows:

	<i>1996</i> <i>No.</i>	<i>1995</i> <i>No.</i>
Manufacturing	515	495
Selling and marketing	234	262
Administration	162	163
	<u>911</u>	<u>920</u>

NOTES TO THE ACCOUNTS

at 23 November 1996

6. FUNDAMENTAL RESTRUCTURING

	1996 £000	1995 £000
Restructuring costs arising on relocation of 'dry' production to new site at Haddenham	-	7,169

7. OTHER INCOME

	1996 £000	1995 £000
Profit on disposal of fixed assets	14	13
Interest receivable - third party	599	291
- group	114	352
	727	656

8. INTEREST PAYABLE

	1996 £000	1995 £000
Bank loans and overdrafts and other loans wholly repayable within five years	518	85
Group loans wholly repayable within five years	-	72
Bank loans due for repayment after more than five years	2,012	2,269
Other	30	-
	2,560	2,426

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1996 £000	1995 £000
UK Taxation:		
UK Corporation tax at 33% (1995 - 33%)	4,172	4,221
Deferred taxation	-	22
	4,172	4,243
Overseas taxation:		
Corporation tax	496	322
Deferred tax	(11)	(8)
	485	314
	4,657	4,557
Adjustments in respect of prior years:		
Corporation tax	144	(458)
Deferred tax	(565)	-
	4,236	4,099

NOTES TO THE ACCOUNTS

at 23 November 1996

10. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT UNDERTAKING

The profit dealt with in the accounts of the parent undertaking was £9,575,000 (1995 – loss of £570,000).

11. DIVIDENDS

	1996 £000	1995 £000
Ordinary – paid	-	9,835

12. INTANGIBLE FIXED ASSETS

Group	Trademark £000	Goodwill £000	Total £000
COST:			
At 28 October 1995	53	29,632	29,685
Additions during the period	-	-	-
At 23 November 1996	53	29,632	29,685
AMORTISATION:			
At 28 October 1995	21	3,443	3,464
Provided during the period	6	1,829	1,835
At 23 November 1996	27	5,272	5,299
NET BOOK VALUE:			
At 23 November 1996	26	24,360	24,386
At 28 October 1995	32	26,189	26,221
Company			
COST:			
At 28 October 1995 and 23 November 1996	53	12,211	12,264
AMORTISATION			
At 28 October 1995	21	2,239	2,260
Provided during the period	6	659	665
At 23 November 1996	27	2,898	2,925
NET BOOK VALUE:			
At 23 November 1996	26	9,313	9,339
At 28 October 1995	32	9,972	10,004

NOTES TO THE ACCOUNTS

at 23 November 1996

13. TANGIBLE FIXED ASSETS

Group

	<i>Freehold land and buildings £000</i>	<i>Leasehold property £000</i>	<i>Plant, machinery, vehicles and equipment £000</i>	<i>Assets in the course of construction £000</i>	<i>Total £000</i>
COST:					
At 28 October 1995	2,879	3,832	12,646	5,397	24,754
Additions	73	22	183	11,929	12,207
Transfers	7,316	-	419	(7,721)	14
Disposal	-	-	(768)	-	(768)
Exchange adjustment	-	(1)	(80)	-	(81)
At 23 November 1996	10,268	3,853	12,400	9,605	36,126
DEPRECIATION:					
At 28 October 1995	216	977	6,780	-	7,973
Provided during the period	103	211	2,049	-	2,363
Disposal	-	-	(744)	-	(744)
Exchange adjustment	-	-	(32)	-	(32)
At 23 November 1996	319	1,188	8,053	-	9,560
NET BOOK VALUE:					
At 23 November 1996	9,949	2,665	4,347	9,605	26,566
At 28 October 1995	2,663	2,855	5,866	5,397	16,781

NOTES TO THE ACCOUNTS

at 23 November 1996

13. TANGIBLE FIXED ASSETS (continued)

Company

	<i>Freehold land and buildings £000</i>	<i>Leasehold property £000</i>	<i>Plant, machinery, vehicles and equipment £000</i>	<i>Assets in the course of construction £000</i>	<i>Total £000</i>
COST:					
At 28 October 1995	2,340	3,770	11,250	5,397	22,757
Additions	58	-	15	11,929	12,002
Transfers	7,316	-	404	(7,720)	-
Disposal	-	-	(708)	-	(708)
At 23 November 1996	9,714	3,770	10,961	9,606	34,051
DEPRECIATION:					
At 28 October 1995	204	954	6,476	-	7,634
Provided during the period	90	148	1,405	-	1,643
Transfers	-	-	-	-	-
Disposal	-	-	(691)	-	(691)
At 23 November 1996	294	1,102	7,190	-	8,586
NET BOOK VALUE:					
At 23 November 1996	9,420	2,668	3,771	9,606	25,465
At 28 October 1995	2,136	2,816	4,774	5,397	15,123

14. INVESTMENTS

*Group**Subsidiary
undertakings
£000***ADDITIONS:**

McCormick Kutas (Food Service) Limited

231

*Company***COST:**

At 28 October 1995

20,985

ADDITIONS:

Minipack Systems Limited (write off investment)

(336)

McCormick Kutas (Food Service) Limited

231

(105)

At 23 November 1996

20,880

NOTES TO THE ACCOUNTS

at 23 November 1996

14. INVESTMENTS (continued)

McCormick Kutas (Food Services) Limited is a joint venture company with a wholly owned subsidiary in Turkey. It was incorporated on 5 January 1996 with \$2million authorised share capital of \$1 ordinary shares. \$700,000 of the shares were issued of which McCormick UK invested \$350,000 in February 1996.

Details of the other investments in which the group or the company holds more than 10% of the nominal value of any class of share capital are as follows:

<i>Name of company</i>	<i>Country of incorporation and operation</i>	<i>Holding</i>	<i>Proportion held</i>	<i>Nature of business</i>
McCormick Glentham (Proprietary) Limited	Republic of South Africa	Ordinary shares	100%	Dry savory flavourings for the crisp and snack markets
Minipack Systems Limited	England	Ordinary shares Preference shares	100%	Manufacture of thermo-formed samples for promotional purposes
Noël Holdings Limited	England	Ordinary Shares	100%	Manufacture and processing of speciality ambient food products
L Noël & Sons Limited	England	Ordinary shares Preference shares	100%* 100%*	Manufacture and processing of speciality ambient food products

* owned via Noël Holdings Limited

All other subsidiaries are 100% owned by the company, or another subsidiary, and are dormant.

15. STOCKS

	<i>1996 £000</i>	<i>Group 1995 £000</i>	<i>1996 £000</i>	<i>Company 1995 £000</i>
Raw materials and work in progress	15,024	11,180	13,562	9,608
Finished goods	8,200	10,296	6,730	8,936
	<u>23,224</u>	<u>21,476</u>	<u>20,292</u>	<u>18,544</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

NOTES TO THE ACCOUNTS
at 23 November 1996

16. DEBTORS

	<i>1996</i>	<i>Group</i>	<i>1996</i>	<i>Company</i>
	<i>1995</i>	<i>1995</i>	<i>1995</i>	<i>1995</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Trade debtors	27,179	23,746	23,089	19,596
Amounts owed by group undertakings	367	3,752	2,918	5,438
Other debtors	576	313	625	354
Prepayments and accrued income	1,863	1,931	1,717	1,763
	<u>29,985</u>	<u>29,742</u>	<u>28,349</u>	<u>27,151</u>

17. CASH AND CASH EQUIVALENTS

Analysis of balances as shown in the group balance sheet and changes during the current and previous period:

	<i>1996</i>	<i>1995</i>	<i>Change in</i>
	<i>£000</i>	<i>£000</i>	<i>period</i>
			<i>£000</i>
Cash at bank and in hand	8,994	9,919	(925)
Bank overdraft	(4,594)	(747)	(3,847)
	<u>4,400</u>	<u>9,172</u>	<u>(4,772)</u>

	<i>1995</i>	<i>1994</i>	<i>Change in</i>
	<i>£000</i>	<i>£000</i>	<i>period</i>
			<i>£000</i>
Cash at bank and in hand	9,919	5,052	4,867
Bank overdraft	(747)	(577)	(170)
	<u>9,172</u>	<u>4,475</u>	<u>4,697</u>

NOTES TO THE ACCOUNTS
at 23 November 1996

18. CREDITORS : amounts falling due within one year

	1996 £000	Group 1995 £000	1996 £000	Company 1995 £000
Bank overdraft	4,594	747	3,754	14
Trade creditors	22,045	21,692	19,850	19,320
Amounts owed to group undertakings	174	3,017	1,939	4,253
Corporation tax payable	4,924	3,675	3,662	3,145
Accruals and deferred income	17,690	17,514	16,391	15,988
Deferred grant	22	153	22	153
	<u>49,450</u>	<u>46,798</u>	<u>45,618</u>	<u>42,873</u>

19. CREDITORS : amounts falling due after more than one year

	1996 £000	Group 1995 £000	1996 £000	Company 1995 £000
Loans wholly repayable within five years	-	370	-	370
Loans repayable after more than five years	25,000	25,000	25,000	25,000
Deferred grant	50	25	50	25
	<u>25,050</u>	<u>25,395</u>	<u>25,050</u>	<u>25,395</u>

20. PROVISIONS FOR LIABILITIES AND CHARGES

The major components of the provision for deferred taxation are as follows:

	1996 £000	Group 1995 £000	1996 £000	Company 1995 £000
Accelerated capital allowances	(1,098)	845	-	776
Short-term timing differences	1,182	(190)	-	(190)
	<u>84</u>	<u>655</u>	<u>-</u>	<u>586</u>

Full provision has been made for all timing differences arising from accelerated capital allowances.

NOTES TO THE ACCOUNTS

at 23 November 1996

21. SHARE CAPITAL

	<i>1996</i>	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>
	<i>1995</i>	<i>1996</i>	<i>1995</i>	
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Ordinary shares of 1p each	100,000	100,000	29,010	29,010

22. RESERVES AND RECONCILIATION OF SHAREHOLDERS' FUNDS

<i>Group</i>	<i>Share Capital £000</i>	<i>Profit and loss account £000</i>	<i>Total £000</i>
At 28 October 1995	29,010	2,281	31,291
Exchange differences on retranslation of net assets and results of subsidiary undertakings	-	(331)	(331)
Retained profit for the period	-	7,842	7,842
At 23 November 1996	29,010	9,792	38,802
<i>Company</i>			
At 28 October 1995	29,010	3,118	32,128
Retained profit for the period	-	9,575	9,575
At 23 November 1996	29,010	12,693	41,703

23. CAPITAL COMMITMENTS

At 23 November 1996 the directors had authorised and contracted future capital expenditure of £992,800 (1995-£10,967,600). Capital expenditure authorised but not contracted amounted to £67,700 (1995-£4,059,700).

24. POST BALANCE SHEET EVENT

On 20 December 1996 the trading assets and goodwill of Minipack Systems Limited were sold to Pinco 846 Limited, which will continue to trade as Minipack Sampling Solutions.

Pinco 846 Limited is an independent management buy-out vehicle which has been set up by various ex directors and employees of the company to acquire and develop the Minipack packaging business previously conducted as part of the interests of the McCormick Group world-wide.

On 6 December 1996 the company changed its name from Minipack Systems Limited to Bluebroad 1 Limited.

NOTES TO THE ACCOUNTS

at 23 November 1996

25. LEASING COMMITMENTS

At 23 November 1996 the group had annual commitments under non-cancellable operating leases as set out below:

<i>Group</i>	<i>1996</i>		<i>1995</i>	
	<i>Land and buildings £000</i>	<i>Other £000</i>	<i>Land and buildings £000</i>	<i>Other £000</i>
Operating leases which expire:				
within one year	340	183	269	107
between two and five years	840	2,211	840	2,288
over five years	896	-	1,106	-
	<u>2,076</u>	<u>2,394</u>	<u>2,215</u>	<u>2,395</u>
<i>Company</i>				
	<i>1996</i>		<i>1995</i>	
	<i>Land and buildings £000</i>	<i>Other £000</i>	<i>Land and buildings £000</i>	<i>Other £000</i>
Operating leases which expire:				
within one year	340	183	269	107
between two and five years	840	2,180	840	2,274
over five years	778	-	988	-
	<u>1,958</u>	<u>2,363</u>	<u>2,097</u>	<u>2,381</u>

26. PENSION COMMITMENTS

The group operates a defined benefit pension scheme which is funded by the payment of contributions to a separately administered trust fund.

Contributions to the scheme are determined with the advice of an independent qualified actuary on the basis of a valuation using the projected unit credit method. The result of the most recent valuation, which was conducted as at 1 April 1994 was as follows:

Main assumptions:

Rate of return on investments (% per annum)	8.5%
Rate of salary increases (% per annum)	6.0%
Rate of staff promotions (% per annum)	0.5%
Market value of scheme's assets on 6 April 1994	£14,021,000
Estimated market value on 30 September 1996	£18,114,000

Level of funding being the actuarial value of assets
(expressed as a percentage of the benefits accrued) to
members, after allowing for future salary increases 104%

The surplus in the scheme is being recognised as a variation from regular cost over the average expected remaining service lives of the employees.

NOTES TO THE ACCOUNTS

at 23 November 1996

27. PENSION COMMITMENTS (continued)

The defined benefit pension scheme valuation does not take into account the required changes arising from the need to equalise benefits for men and women.

In addition, a number of subsidiary undertakings operate defined contribution pension schemes. The assets of these schemes are held separately from those of the subsidiary undertakings in independently administered funds.

28. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is McCormick & Company, Inc. incorporated in the United States of America.