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CASTINGS

Report and Accounts 1985



Notice of Meeting

Notice is hereby given that the seventy-eighth Annual General Meeting of Castings p.l.c. will be held at Baron's Court Hotel, Walsall Road, Walsall Wood, Walsall, West Midlands, W39 9AH, on Thursday, 8th August 1985 at 3.30 p.m. for the following purposes:-

- 1 To receive and consider the Directors' Report and Accounts and the Auditors' Report thereon.
- 2 To confirm the interim dividend already paid and declare a final dividend.
- 3 To elect a Director.
- 4 To re-appoint R. A. Lea & Co. as auditors of the company at a fee to be agreed with the directors.
- 5 To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:-

That pursuant to the Articles of Association of the Company and by:-

- a) Article 49, the Authorised Capital of the Company be increased to £1,500,000 by the creation of 7,500,000 additional Ordinary Shares 10 pence each.
 - b) Article 140 of the Articles of Association of the Company, and upon the recommendation of the Directors, it is desirable to capitalise the sum of £338,105 being the amount of £49,000 standing to the credit of Capital Reserve Account and an amount of £289,105 being part of the Revenue Reserve of the Company and accordingly that the Directors be and they are hereby authorised and directed to appropriate the said sum of £338,105 to the members holding Ordinary Shares registered at the close of business on the 31st July, 1985, rateably in proportion of one new Ordinary Share for each two Ordinary Shares held by them at the close of business on the 31st July, 1985 each new Ordinary Share to rank for dividends in respect of all periods commencing after 31st March 1985, and in all other respects *pari passu* with the existing issued Ordinary Shares of the Company and so that all Rights to fractional parts of ordinary Shares resulting from such distribution as aforesaid shall be consolidated and allotted to Trustees to be nominated by the Directors and who shall sell the same in the market and retain the net proceeds of sale for the benefit of the Company.
- 6 To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:-

That the Board be and is hereby generally and unconditionally authorised to exercise all powers of the company to allot relevant securities (within the meaning of Section 80 of The Companies Act 1985) up to an aggregate nominal amount of £75,000 provided that this authority should expire on the thirty first day of March 1990 save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Board may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.
 - 7 To consider and if thought fit, to pass the following Resolution as a Special Resolution:-

That subject to the passing of the previous Resolution the Board be and it is hereby empowered pursuant to Section 95 of The Companies Act 1985 to allot equity securities up to five per cent of the authorised share capital of the company (within the meaning of Section 89 of the said Act) pursuant to the authority conferred by the previous Resolution as if sub-section (1) of the said Section 89 did not apply to any such allotment provided this power shall expire on the date of the next Annual General Meeting save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.
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Notice of Meeting continued

8 To transact any other ordinary business of an Annual General Meeting.

The record date for payment of the final dividend was 21st June 1985. Assuming the final dividend is approved by the members, dividend warrants will be posted on 9th August 1985.

By order of the board



H. LANE
Secretary

Lichfield Road,
Brownhills,
West Midlands, WS8 6JZ.

15 July 1985

Note:

Any member of the company entitled to attend and vote at this meeting may appoint a proxy, who need not also be a member, to attend and vote in his stead. The instrument appointing a proxy must be received at the Registered Office of the company not less than 48 hours before the time appointed for the meeting.

The following information will be available for inspection at the company's Registered Office between 9.30 a.m. and 4.30 p.m. on any weekday (Saturdays and public holidays excluded), from the 15th July 1985 until the date of the Annual General Meeting and at the place of the meeting for fifteen minutes prior to and during the Annual General Meeting:-

- 1 A statement in respect of the contracts of service of the directors.
- 2 Articles of Association.

Chairman's statement

Results and dividend

I am pleased to report that our profit has increased to a record level and I consider the results are again satisfactory.

Turnover increased to £10,49m and profits increased from £1,073m to £1,192m.

The board recommends a final dividend of 2.75p per share payable on 9th August, 1985, which together with the Interim of 1.0p per share paid on January 21st 1985 makes a total for the year of 3.75p (3.25p 1983/84).

Proposed capitalisation issue

The continuing success of your company has resulted in an increase in the level of reserves and you will see from the notice of the annual general meeting that we are proposing to increase the issued capital to £1,014,316 by capitalising part of the accumulated reserves. These new shares will rank pari passu in all respects with the existing shares except that they will not rank for dividends in respect of the year ended 31st March 1985. You will also see from the notice of the annual general meeting that we are asking shareholders to approve an increase in the authorised capital so that this proposed capitalisation issue may be made.

The years activities

We are fortunate to have maintained a full order book throughout the year and again managed to increase our turnover. This presented us with some production problems and a certain amount of cost inefficiency; these problems have now been solved and our efficiency is continuing to improve.

We have invested heavily in energy saving and conversion to the use of more cost effective fuels.

Our export sales increased by over 40% and now represents about 18% of our total sales; this is a very satisfactory improvement and was only achieved by providing our customers with excellent service as regards quality, delivery and price.

It was announced on the 26th May 1985 that we have agreed to purchase the total issued capital of W. H. Booth & Co. Limited who specialise in the production of S. G. Iron castings by a patented process and other production methods, and with our customer base it is anticipated the sales from Booths will increase.

Mr. T. G. Locker, their present managing director, will continue in office and will sign a service agreement for two years.

Appointment of director

I am pleased to welcome as a director Mr. Anthony J. Smith who joined the company as an apprentice in 1962 and is now responsible for foundry methods and production. This appointment is subject to confirmation at the annual general meeting.

Employees

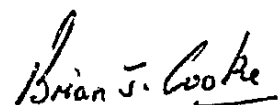
I would like to express my thanks to directors, managers and all employees for their continued support in achieving the results for the company. In order to remain a competitive and profitable company our employees are accepting change and modern technology in the full knowledge that this will help to secure their future employment.

Prospects for 1985/86

I look forward with confidence to the future - your company has a strong financial position, and with the acquisition of W. H. Booth & Co. Limited our turnover and profits should continue to grow.

24th June 1985

BRIAN J. COOKE
Chairman



Directors & Officers

Directors

B. J. Cooke, AdvDipNFC, MIBritF *Chairman and Managing Director*
W. A. Parsons, MIBritF *Metallurgical*
C. G. Wilson, CEng, MIMechE *Engineering*
D. A. H. Sharp, MinstM *Sales*
H. Lane, FCA *Financial*
J. N. Roxburgh, MIBritF, *Production*

Special Director

A. J. Smith, AMIBritF

Secretary and Registrar

H. Lane, FCA
Registered Office
Lichfield Road, Brownhills, West Midlands, WS8 6JZ

Auditors

R. A. Lea & Co.
Chartered Accountants
60 Newhall Street
Birmingham B3 3RJ

Solicitors

Kenneth Cooke & Co.
18 Lichfield Street, Walsall, West Midlands, WS1 1UB

Bankers

Midland Bank P.L.C.
High Street, Brownhills, West Midlands, WS8 6HJ

Stockbrokers

Fyfe, Horton, Finney & Co.
Devonshire House
40/42 Great Charles Street
Queensway
Birmingham B3 2NE

Roy James & Co.
(Incorporating Bacon Teed & Scribbans)
Stock Exchange Buildings
33 Great Charles Street
Queensway
Birmingham B3 3JS

Directors' Report

The directors submit their Report and the Audited Accounts for the year ended 31st March 1985.

Directors' report

The company, Castings p.l.c., sold its subsidiary company, Midland Cylinder Rebores (Coventry) Limited, with effect from 1st April 1984. Since the end of the year the company Castings plc has agreed to purchase the issued capital of W. H. Booth and Co. Limited.

Trading activities

The company supplies blackheart, pearlitic, free cutting and weldable malleable iron castings to a variety of manufacturing industries from its fully mechanised foundries at Brownhills. There were no significant changes in its principal activities during the year, which are considered to be one class of business only. The company's progress during the year is recorded in the accounts and it is hoped that it will be maintained.

Profit and appropriations

The profit for the year and the proposed appropriations are set out in detail on page 8.

Increase in authorised capital and Capitalisation Issue

Approval is being sought at the annual general meeting to increase the authorised capital from £750,000 to £1,500,000 by the creation of 7,500,000 ordinary shares of ten pence each.

If the proposal is approved, then a capitalisation issue of one ordinary share for every two shares held on 31st July 1985 will be proposed. The new shares will rank pari passu in all respects with the existing ordinary shares except that they will not rank for dividend for the year ended 31st March 1985. After the proposed capitalisation issue the issued capital of the company will be £1,014,316.20 consisting of 10,143,162 ordinary shares of ten pence each. Subject to the passing of the necessary resolutions, and to the admission of the new ordinary shares to the official list by the Council of The Stock Exchange, renounceable certificates will be posted on 9th August 1985 and dealings in the new shares are expected to commence on 12th August 1985. The dates for splitting and registration of renunciations are 4th September 1985 and 6th September 1985 respectively. Definitive share certificates will be despatched on 4th October 1985.

Directors

The directors of the company at 31st March 1985 are as listed on page 4.

Mr. A. J. Smith was appointed a director from 1st May 1985 under the provisions of Article 107 of the Articles of Association. In accordance with those articles he now retires, and being eligible, offers himself for re-election. The other directors, being under service agreements, do not retire by rotation.

The interests of the directors and their families in the ordinary share capital of the company were as follows:-

	31 March 1985	31 March 1984
B. J. Cooke	374,091	374,091
(jointly with other persons)	67,641	157,635
W. A. Parsons	22,204	22,204
C. G. Wilson	13,265	13,265
D. A. H. Sharp	7,890	8,890
H. Lane	10,000	10,000
J. N. Roxburgh	5,333	5,333

There have been no changes in the shareholdings of directors between 31st March 1985 and 28th June 1985. No director is or was interested in any contract subsisting at 31st March 1985 or which subsisted during the year ended on that date in relation to the company's business.

Substantial shareholdings

Details of substantial shareholdings, other than directors, at the beginning and end of the year are:-

	31 March 1985	31 March 1984
Britannic Assurance plc	800,000	800,000
3i Investments plc	666,666	666,666
J. F. Cooke, OBE	521,244	521,244
Imperial Group Pension Trust Ltd with Imperial Group Investments Ltd	486,666	486,666
Mrs. S. P. Davis	389,300	358,050

There have been no changes in these substantial shareholdings between 31st March 1985 and 28th June 1985. So far as is known no other person holds more than 5% of the issued share capital of the company.

Castings p.l.c.

Directors' Report continued

Fixed assets

The market value of the company's interests in land cannot be accurately established without obtaining a revaluation of all the land and buildings owned by the company. The directors consider that although a revaluation would show the market value of the land and buildings to be in excess of book value, this excess would not be significant in the context of company trading and would not justify the expense of a revaluation.

Employee involvement

Employees are informed weekly of production levels and the relative production performance. Similarly they are kept informed of any factor affecting the company and the industry generally.

Their involvement in the company's performance is encouraged by means of a production bonus and at the time of annual wages and salaries review they are made aware of all economic factors affecting the previous year's performance and the outlook for the ensuing year.

Health and safety

As required by The Health and Safety at Work Act, 1974, the company's policy for securing the health, safety and welfare at work of all employees has been brought to their notice. In addition, a safety committee holds regular meetings.

Employment of disabled persons

The company continues to give full and fair consideration to applications for employment made by disabled persons registered under the Disabled Persons (Employment) Act, 1944.

Charitable and political contributions

Donations to charitable organisations amounted to £320 and for political purposes, £300 paid to the Aldridge - Brownhills Conservative and Unionist Association.

Current cost accounts

The directors have again decided not to prepare current cost accounts this year.

Auditors

R. A. Lea & Co. have indicated their willingness to continue in office and a resolution proposing their re-appointment as auditors of the company will be submitted at the Annual General Meeting.

Finance Act 1965

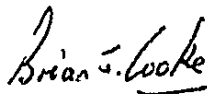
So far as is known, the company is not a close company.

Capital gains tax

For capital gains tax purposes the market value of the 10p ordinary shares in the company on 6th April 1965 was 23.625 pence each.

By order of the board

BRIAN J. COOKE
Chairman



28th June 1985

Accounting Policies

Depreciation

Depreciation is calculated on the straight line basis to write off the initial cost, after deducting any government grants, of fixed assets at the following rates per annum:

Freehold land	Nil
Freehold buildings	2%
Plant, machinery and equipment	10%
Fixtures and fittings	10%
Motor vehicles	25%
Patents	over the unexpired life

The depreciation charge is reduced by government grants.

Government grants

Grants received under the Ferrous Industries Scheme have been directly credited to the relevant asset accounts.

Deferred taxation

This consists of taxation deferred by reason of capital allowances exceeding depreciation charged in the accounts.

Stocks and work in progress

Stocks and work in progress have been consistently valued at the lower of cost or net realisable value.

The valuation of work in progress and finished stocks includes manufacturing and works overheads computed on the basis of normal activity.

Turnover

Turnover represents net invoice value of castings sold.

Castings p.l.c.

Profit & Loss Account

for the year ended 31st March 1985

	Notes	1985 £	1984 £
Turnover	1	10,497,743	9,036,135
Cost of sales		8,152,792	6,833,293
Gross profit		<u>2,344,951</u>	<u>2,202,842</u>
Operating costs	2	1,272,631	1,183,067
Operating profit		<u>1,072,320</u>	<u>1,019,775</u>
Other income	6	119,758	54,213
Profit on ordinary activities before taxation		<u>1,192,078</u>	<u>1,073,988</u>
Taxation on ordinary activities	7	521,494	562,642
Profit on ordinary activities after taxation		<u>670,584</u>	<u>511,346</u>
Dividends	8	253,579	219,769
Transfer to general reserve		350,000	250,000
Transfer to reserves		<u>67,005</u>	<u>41,577</u>
Earnings per share	9	<u>9.917p</u>	<u>7.562p</u>

The notes appearing on pages 11 - 14 form part of this account.

Castings p.l.c.

Balance Sheet

at 31st March 1985

	Notes	1985 £	1984 £
Fixed assets			
Intangible assets	10	7,089	13,164
Tangible assets	11	2,518,638	2,609,859
Investment in group company	12	—	20,000
Loan to group company		—	151,000
		<u>2,525,727</u>	<u>2,794,023</u>
Investments	13	<u>299,206</u>	<u>—</u>
Current assets			
Stocks	14	764,754	694,393
Debtors	15	2,202,494	2,648,788
Short term deposits		1,793,000	880,000
Cash at bank and in hand		579	334
		<u>4,760,827</u>	<u>4,223,515</u>
Creditors - amounts falling due within one year			
Bank overdraft		556,341	312,817
Trade creditors		2,157,091	2,124,518
Taxation		517,404	557,039
	16	<u>3,230,836</u>	<u>2,994,374</u>
Net current assets		<u>1,529,991</u>	<u>1,229,141</u>
Total assets less current liabilities		<u>4,354,924</u>	<u>4,023,164</u>
Provisions for liabilities and charges	17	<u>915,304</u>	<u>1,000,549</u>
		<u>3,439,620</u>	<u>3,022,615</u>
Capital and reserves			
Called-up share capital	18	676,211	676,211
Capital reserve	19	49,000	49,000
General reserve	19	1,700,000	1,350,000
Profit and loss account	19	1,014,409	947,404
		<u>3,439,620</u>	<u>3,022,615</u>

Approved by the board on 24th May 1985.

Brian J. Cooke, }
H. Lane, } Directors

The notes appearing on pages 11 - 14 form part of this account.

Source and Application of Funds

for the year ended 31st March 1985

	1985		1984	
	£	£	£	£
Source of funds				
Generated by trading—				
Net profit for the year	1,192,078		1,073,988	
Depreciation and adjustments on disposals	<u>392,911</u>		<u>407,559</u>	
		1,584,989		1,491,547
Funds from other sources—				
Disposal of fixed assets	9,550		19,865	
Realisations of investments	314,478		—	
Repayment of loan	151,000		41,094	
Repayment of mortgage	<u>3,150</u>		<u>—</u>	
		478,178		60,959
Total funds		<u>2,063,167</u>		<u>1,542,506</u>
Application of funds				
Capital expenditure	289,165		267,036	
Investments made during year	612,834		—	
Increase in stocks	70,361		14,550	
Increase (decrease) in debtors	(446,294)		1,031,662	
(Increase) decrease in creditors	(8,423)		(714,267)	
Dividends paid	236,674		185,958	
Taxation	<u>639,129</u>		<u>282,642</u>	
		1,393,446		1,067,581
		<u>669,721</u>		<u>474,925</u>
Movement in liquid funds				
Increase (decrease) in cash and short-term deposits		913,245		625,229
(Increase) decrease in bank overdraft		<u>(243,524)</u>		<u>(150,304)</u>
		<u>669,721</u>		<u>474,925</u>
Creditors falling due within one year				
(Increase) decrease in creditors falling due within one year				
Trade creditors	327,394		(650,237)	
Taxation and social security	(51,107)		71,382	
Other Creditors	30,376		57,167	
Accruals	<u>(315,086)</u>		<u>(192,579)</u>	
	<u>(8,423)</u>		<u>(714,267)</u>	

Notes on Accounts

	1985 £	1984 £
1 Geographical analysis of turnover		
The invoiced amount of castings directly exported during the year was £1,858,864 (1984 - £1,283,167). A geographical analysis of turnover for the year is as follows:-		
United Kingdom	8,638,879	7,752,968
Europe:		
Sweden	1,557,614	946,605
France	103,702	52,116
Holland	52,243	60,449
Germany	28,589	37,649
Denmark	24,126	26,445
Other	17,337	10,703
Africa	59,441	84,946
Australasia	3,272	6,304
Middle and Far East	12,540	57,950
	<u>10,497,743</u>	<u>9,036,135</u>
2 Operating costs		
Distribution	103,208	101,121
Administration	<u>1,169,423</u>	<u>1,081,946</u>
	<u>1,272,631</u>	<u>1,183,067</u>
3 Trading profits are stated after charging		
Depreciation	359,566	334,821
Directors' emoluments (see note 4)	182,204	161,815
Auditors' remuneration	4,000	3,750
Interest on bank overdraft	1,193	562
Hiring charges	2,626	10,284
Ex gratia payment	—	25,000
	<u>549,589</u>	<u>536,232</u>
4 Directors' emoluments		
Emoluments of directors, excluding pension contributions, amounted to £182,204 (1984 - £161,815) and £8,950 (1984 - £6,325) in respect of pensions to former directors.		
Emoluments of the Chairman	£ 34,087	£ 29,694
Analysis of other directors' emoluments	Number	Number
£15,001 to £20,000	—	2
£20,001 to £25,000	3	3
£25,001 to £30,000	2	—
£30,001 to £35,000	—	—
5 Employee cost	434	382
Average weekly number of employees during the year was		
Aggregate remuneration paid to all employees	£ 3,636,128	£ 3,033,169
Social security costs	304,821	262,091
Pension costs	183,596	185,091
Other employee costs	<u>80,003</u>	<u>60,035</u>
	<u>4,204,548</u>	<u>3,540,386</u>

Notes on Accounts continued

	1985 £	1984 £
6 Other income		
Interest on mortgage	3,880	—
Interest on short term deposits	114,926	54,213
Net capital gains	952	—
	<u>119,758</u>	<u>54,213</u>
7 Taxation		
Corporation tax at 45% (1984 - 50%) on the taxable profit as shown by these accounts	600,000	615,000
Deferred taxation	(78,000)	(50,000)
Taxation adjustment in respect of previous years	(506)	(2,358)
	<u>521,494</u>	<u>562,642</u>
8 Dividends on ordinary shares		
Interim paid 21st January 1985 of 1.00p per share (1984 - 0.75p)	67,621	50,716
Proposed final of 2.75p per share (1984 - 2.50p)	185,958	169,053
	<u>253,579</u>	<u>219,769</u>
9 Earnings per share		
Earnings per share are calculated on the 6,762,108 shares in issue in both years.		
Profit on ordinary activities after taxation	670,584	511,346
Earnings per share	0.10	0.08
10 Fixed assets - Intangible		
Cost	Patents £	Total £
At 31st March 1984	40,000	40,000
Additions during year	—	—
Disposals	—	—
At 31st March 1985	<u>40,000</u>	<u>40,000</u>
Depreciation and amounts written off		
At 31st March 1984	26,836	26,836
Charge for year	6,075	6,075
Disposals and adjustments	—	—
At 31st March 1985	<u>32,911</u>	<u>32,911</u>
Fixed assets - Intangible - per balance sheet		
At 31st March 1985	<u>7,089</u>	<u>7,089</u>
At 31st March 1984	<u>13,164</u>	<u>13,164</u>

	Freehold land & buildings £	Plant and other equipment £	Total £
11 Fixed assets - Tangible			
Cost			
At 31st March 1984	1,255,247	3,677,660	4,932,907
Additions during year	34,835	254,330	289,165
Disposals	(10,055)	(86,438)	(96,493)
At 31st March 1985	<u>1,280,027</u>	<u>3,845,552</u>	<u>5,125,579</u>
Depreciation and amounts written off			
At 31st March 1984	209,002	2,114,046	2,323,048
Charge for year	23,507	329,983	353,490
Disposals and adjustments	(1,810)	(67,787)	(69,597)
At 31st March 1985	<u>230,699</u>	<u>2,376,242</u>	<u>2,606,941</u>
Fixed assets - Tangible - per balance sheet			
At 31st March 1985	<u>1,049,328</u>	<u>1,469,310</u>	<u>2,518,638</u>
At 31st March 1984	<u>1,046,245</u>	<u>1,563,614</u>	<u>2,609,859</u>

	1985 £	1984 £
12 Investment in group company		
Shares at cost	—	20,000

This investment represented 100% of the issued share capital of Midland Cylinder Robores (Coventry) Limited.

13 Investments		
Mortgage outstanding on Leasehold Property (Repayable over 2 years from January 1986)	96,850	—
Building Society Bonds	<u>202,356</u>	—
	<u>299,206</u>	—

14 Stocks		
Raw materials	214,149	218,460
Work in progress	362,170	374,835
Finished goods	<u>188,435</u>	<u>101,098</u>
	<u>764,754</u>	<u>694,393</u>

15 Debtors		
Trade debtors	2,196,620	2,646,420
Other debtors	4,933	1,784
Prepayments	<u>941</u>	<u>584</u>
	<u>2,202,494</u>	<u>2,648,788</u>

Castings p.l.c.

Notes on Accounts continued

	1985 £	1984 £
16 Creditors		
Amounts falling due within one year:		
Bank overdraft	556,341	312,817
Trade creditors	601,936	929,330
Corporation tax	517,404	557,039
Advance corporation tax	79,696	72,451
Other taxation and social security	237,676	186,569
Other creditors	182,015	212,391
Accruals	869,810	554,724
Proposed dividend	185,958	169,053
	<u>3,230,836</u>	<u>2,994,374</u>
 17 Provisions for liabilities and charges		
Deferred taxation		
Balance at 31st March 1984	1,073,000	1,123,000
Taxation deferred this year	(78,000)	(50,000)
	<u>995,000</u>	<u>1,073,000</u>
Less: Advance corporation tax recoverable	79,696	72,451
	<u>915,304</u>	<u>1,000,549</u>
 18 Share capital		
Authorised		
7,500,000 10p ordinary shares	<u>750,000</u>	<u>750,000</u>
Issued and fully paid		
6,762,108 10p ordinary shares	<u>676,211</u>	<u>676,211</u>
 19 Movement of reserves		
	Capital reserve £	General reserve £
Reserves at 31st March 1984	49,000	1,350,000
Transfer from profit and loss account	—	350,000
Reserves at 31st March 1985	<u>49,000</u>	<u>1,700,000</u>
		Profit and loss account £
		947,404
		<u>67,005</u>
		<u>1,014,409</u>
 20 Capital commitments		
	1985 £	1984 £
Contracted for, but not provided in the accounts	2,100	—
Approved by the board of directors, but not contracted for	<u>19,500</u>	<u>66,700</u>
	<u>21,600</u>	<u>66,700</u>

Castings p.l.c.

Auditors' Report

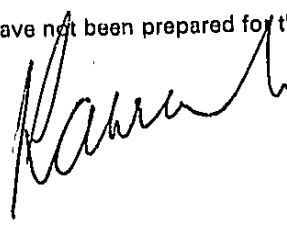
to the members of Castings p.l.c.

We have examined the accounts of Castings p.l.c. set out on pages 7 to 14. These have been prepared under the historical cost convention. Our audit has been carried out in accordance with approved auditing standards.

In our opinion, the accounts give a true and fair view of the state of affairs of the Company at 31st March 1985 and of the net income and the source and application of funds of the Company for the year ended on that date and comply with the Companies Acts 1948 to 1981.

Supplementary current cost accounts have not been prepared for the year ended 31st March 1985.

R. A. Lea & Co.
Chartered Accountants
25th May 1985



Five Year Review

For the years ended 31st March	1985 £	1984 £	1983 £	1982 £	1981 £
Turnover	10,497,743	9,294,812	6,425,075	6,504,531	6,221,473
Profit for the year before taxation	1,192,078	1,088,912	374,912	550,318	511,490
Profit after taxation	670,584	519,270	223,545	288,226	268,991
Dividends (see note below)	253,579	219,769	163,643	163,643	161,465
Capital employed					
Share capital	676,211	676,211	676,211	676,211	676,211
Capital reserve	49,000	49,000	49,000	49,000	49,000
Reserves	2,714,409	2,314,182	2,014,681	1,954,779	1,830,196
Deferred taxation	915,304	1,000,649	1,065,039	1,197,039	1,305,039
Total capital employed	<u>4,354,924</u>	<u>4,039,942</u>	<u>3,804,931</u>	<u>3,877,029</u>	<u>3,861,446</u>
Represented by					
Fixed assets	5,165,579	5,175,960	5,250,340	5,079,736	5,138,471
Less aggregate depreciation	<u>2,639,852</u>	<u>2,367,591</u>	<u>2,274,867</u>	<u>2,012,541</u>	<u>1,811,226</u>
Fixed assets at net book value	2,525,727	2,808,369	2,975,473	3,067,195	3,327,245
Investments	239,206	—	—	—	—
Net current assets	<u>1,529,991</u>	<u>1,231,573</u>	<u>829,458</u>	<u>809,834</u>	<u>534,201</u>
Total net assets	<u>4,354,924</u>	<u>4,039,942</u>	<u>3,804,931</u>	<u>3,877,029</u>	<u>3,861,446</u>
Dividends and earnings					
Pence per share paid	3.750	3.250	2.420	2.420	2.420
Number of times covered	2.6	2.4	1.4	1.8	1.6
Earnings per share - pence	9.917	7.679	3.306	4.262	3.978

Note

- (1) Dividends were waived in 1981 by the former Chairman.
 (2) The figures for 1983 and 1984 include the subsidiary company.