Registrars Copy.

REPORT AND FINANCIAL STATEMENT
FOR THE YEAR ENDED 31st DECEMBER 19

1435

CENTENARY YEAR

1889–1989

T.CLARKE
PUBLIC LIMITED COMPAN
ELECTRICAL ENGINEERS AND CONTRACTO

119351

Contents

Officers and other information

Directors

David B. D'Eath (Chairman)
*Patrick E. Stanborough (Managing)
*David L. Stent (Deputy Managing)
*James A. Johnston
*Derek E. Davis

David Syz (Swiss)
Luzius Hug (Swiss)
John H. Nixon

(*executive)

Secretary

Brian Moss

Registered office

Stanhope House 94-104 Denmark Hill London SE5 8RN

Technical directors

Robert G. Bowen
Reginald Webb
Derek Padwick
John C. Benson

Noel J. Anderson
Robin Wyborn
Reginald Reeves
John Davine

Registrar and transfer office

Stentiford Close Broseley House Newlands Drive Witham Essex CM8 2UL. Tel 0376 515755

Auditors

Moore Stephens Chartered Accountants St. Paul's House Warwick Lane London EC4P 4BN

Bankers

National Westminster Bank PLC 64 Knightsbridge London SW1X 7LG

Notes to the notice of annual general meeting

i) A member of the company who is entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and on a poll to vote on his/her behalf. The appointment of a proxy who need not be a member will not preclude the appointing member from attending and voting at the meeting. A form of proxy is enclosed.

ii) To be valid the instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority must be lodged at the companys registered office not less than forty-eight hours prior to the time of the meeting.

iii) The register of directors interests service agreements and company minute book will be available for inspection at the companys registered office during normal business hours until the date of the meeting. They will then be available for inspection at the referred venue from 11.45 a.m.

Notice of annual general meeting

Notice is hereby given that the seventy-eighth annual general meeting of T. Clarke Public Limited Company will be held at the River Room, Savoy Hotel, London, WC2 on Friday the 4th May 1990 at twelve o'clock noon to consider and if thought fit to pass the undermentioned resolutions.

Resolutions

1 That the audited financial statements for the year ended 31st December 1989 be adopted together with the directors and auditors reports thereon.

2 That the payment of a final dividend in respect of the year ended 31st December 1989, as recommended by the directors, be approved.

3 That Dr. David Syz the director to retire by rotation in accordance with the companys articles of association, being eligible, be re- elected a director of the company.

4 That Moore Stephens, Chartered Accountants, be re-appointed auditors to the company.

5 That the directors be authorised to fix the auditors remuneration.

6 That the following Special Business be approved and if thought fit passed as a Special Resolution:-

SPECIAL RESOLUTION

(a) That the Authorised Share Capital of the company be increased from £1,300,000 to £1,500,000 by the creation of 2,000,000 ordinary shares of 10p each, and

(b) That the directors be and are hereby generally and unconditionally authorised, in place of any such authorities previously granted, all of which are hereby revoked and cancelled to the extent not previously utilised, in accordance with Section 80 of the Companies Act 1985 to exercise all powers of the company to allot relevant securities as defined in the said Section 80 up to an aggregate nominal amount of £271,500 provided that this authority shall expire five years from the date of the passing of this Resolution 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 directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired, and

(c) That the directors be and are hereby empowered pursuant to Section 95 of the Companies Act 1985 to allot equity securities (within the meaning of Section 94(2) of the Companies Act 1985) as if sub-section (1) of Section 89 of the Companies Act 1985 did not apply to any such allotment provided that this power shall be limited:

(i) to the allotment of equity securities in connection with a rights or capitalisation issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective members numbers of ordinary shares held by them but subject to such exclusions as the directors may consider appropriate to deal with fractional entitlements of holders of shares outside the United Kingdom; and

(ii) to the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal value of £61,425 (being 5 per cent of the issued share capital of the company)

and shall expire on the date of the next annual general meeting of the company save that the company may before such expiry make an offer or agreement which would or might require equity securities to be allotted in pursuance of such offer or agreement as if the power conferred hereby had not expired and further provided that this power shall be in substitution for any previous power granted to the directors.

6th April 1990

94/104 Denmark Hill, London, SE5 8RN

By order of the board

B. MOSS (Secretary)

Chairmans statement

It is a pleasure to be able to report to you that in our centenary year the company's results continued to reflect our ability, not only to secure a generous share of the market, but also to maintain and improve our productivity and profitability.

Group profits rose from £2,524,493 to £3,828,164 on a turnover of £61,363,273 which represents an increase of 35% when compared with £45,594,485 in the previous year.

In the opinion of your directors these results warrant an increase in the annual distribution. We therefore recommend a final dividend of 4.8375p per share compared with 3.0625p per share in 1989. In 1989 a centenary dividend of 1p (net) per share increased the final distribution to 4.0625p. Taking this special distribution into account the effect of this year's increase is to lift the gross annual dividend from 6.66p to 8p. In addition a scrip distribution of 1 ordinary share for every four held will be made to those shareholders on the register at 27th April 1990.

A proposal to increase the authorised share capital will be laid before you at the annual general meeting.

The end of 1989 was darkened by the untimely death of John Heddle who had been an energetic and supportive non-executive director for five years. Our meetings will not be the same without his lively wit and incisive comments.

Earlier in the year we said goodbye with many regrets to Dr. Jean-Pierre Bruderer who retired in 1989 after forty years service on the board of the company. We shall miss his support and wise counsel and his sense of humour.

I made reference last year to the importance which your company places on apprentice training. We can claim with pride to have one of the largest training programmes in our industry, providing as we do every year a regular supply of professionally trained electricians, not only for our own company but for the industry as a whole. Two of our apprentices have recently been successful in attaining recognition from the Electrical Contractors' Association as the best students of their respective years.

We now have over two hundred young people in various stages of their four year apprenticeship. Our policy of promotion from within the company means that many of them can reasonably expect to attain senior appointments within our group, and the achievement of this aim is reflected amongst the names of our executive and technical directors.

It would in the present climate be unwise to anticipate continued growth at the rate which we have achieved over the past three years. Nonetheless we entered 1990 with a solid platform of orders and we are cautiously optimistic about the prospects for the remainder of the year.

You will see from the report of the directors that we are well ahead with the construction of our new office building in Walworth Road, which we expect to occupy by mid 1991.

I am conscious as always of the debt which is owed to my colleagues in the parent and subsidiary companies and to our senior managers and to staff at all levels who helped to achieve these results and to make our centenary year so successful, and I pass on to them the thanks of myself and of you all for their hard work and dedication.

D. B. D'EATH

Chairman

15th March 1990

Report of the directors

The directors present their annual report and the audited financial statements of the group for the year ended 31st December 1989.

Activity and Business Review

The principal activities of the group during the year consisted of:-

i) Supply and installation of electrical services and associated equipment.

ii) Manufacture and supply of specialist services trunking.

iii) Wholesale stockist and distribution of specialist conduits, cable, cable tray and ancillary accessories.

A review of the groups trading activities is referred to by the chairman in his statement on page 3.

Results and dividends

The profit for the year before taxation and distributions amounted to £3,828,164 (1988-£[illegible],524,493). *Specific details of the group trading activity are shown in the group profit and loss account on page 8* and in note 2 on page 11.

An interim dividend of 1.1625 pence per ordinary share was paid on 9th October 1989, absorbing £114,251.

The directors recommend payment of a final dividend in respect of the year ended 31st December 1989, of 4.8375 pence per ordinary share. The registrars records for final dividend purposes will close on 12th April 1990, and the shares go 'ex div' on the 25th March 1990. Subject to members approval the final dividend will be paid 8th May 1990, absorbing £475,429.

Capitalisation Issue

By virtue of the authority vested in them, the directors have resolved to increase the number of shares in issue by means of a capitalisation of reserves £245,700 of reserves are to be capitalised by the issue of 2,457,000 ordinary shares of 10p each, credited as fully paid, in the ratio of 1 new ordinary share for every 4 ordinary shares held by members on the register on Friday 27th April 1990. The new ordinary shares to be issued by way of capitalisation will rank pari passu in all respects with the existing ordinary shares of the company except that they will NOT rank for the final dividend for the year ended 31st December 1989. Application will be made to the Council of The Stock Exchange to admit *to the Daily Official List the new ordinary shares to be issued. Definitive share certificates will be* posted to shareholders on Friday, 4th May 1990 and dealings in the new shares are expected to commence on Tuesday the 8th May. Your directors are of the opinion that this capitalisation will help improve the marketability of the companys shares. As fractional entitlements will be small, the board has provided for these to be sold in the market for the benefit of the company pursuant to the power contained in the Articles of Association.

Increase in share capital

Your directors are of the opinion that following the above referred capitalisation there will be an imbalance between the companys issued and authorised share capital, and they accordingly recommend an increase in the authorised capital.

A resolution will therefore be put to members at the annual general meeting to increase the companys authorised share capital from £1,300,000 to £1,500,000 and to seek appropriate authorities under sections 80 and 95 of the Companies Act 1985.

Boards Authority to Issue Shares

Following the proposed increase in the authorised capital and the capitalisation issue, there will remain a balance of 2,715,000 unissued ordinary shares of 10p each, representing 22.1 per cent of the issued share capital, which your directors may need for investment opportunities as they arise. No issue which would effectively alter the control of the company will be made without the prior approval of the company in general meeting. Resolution 6 part (b) in the notice of meeting empowers the board to allot the unissued shares, and this power extends for a period of five years from the date of passing this resolution.

Report of the directors

Section 89 of the Companies Act, 1985 provides, when shares are being issued for cash, that such shares must first be offered to existing shareholders, unless the board is given approval to allot them without regard to that requirement. Resolution 6 part (c) as set out in the notice of meeting, empowers the board to allot for cash shares of a nominal amount not exceeding £61,425. This amount represents 5% of the issued share capital and the authority to allot is subject to review at each annual general meeting. Any issue of shares for cash will be subject to the requirements of The Stock Exchange.

Directors and their interests

The composition of the board, at report date, is shown on page 1. During the year Dr. J.P. Bruderer retired from the board after 40 years service and he was replaced by Mr Luzius Hug. During this period there also occurred the sad and untimely death of Mr John Heddle.

The director to retire by rotation at this years annual general meeting is Dr. David Syz, who being eligible will offer himself for reappointment. Dr.Syz does not have a service agreement with the company.

The names of those who were directors during the year and their interest in the company's issued share capital, beneficial unless otherwise stated are shown below:-

	Interest in ordinary shares		
	1.1.89	31.12.89	15.3.90
David B. D'Eath	42,900	42,900	42,900
Patrick E. Stanborough	34,575	34,575	34,575
David L. Stent	2,000	2,000	2,000
James A. Johnston	16,560	16,560	16,560
Derek E. Davis	19,560	19,560	19,560
David Syz (non beneficial)	2,000	2,000	2,000
John H. Nixon	58,500	58,500	58,500
Luzius Hug (non-beneficial appointed 5.5.89)	-	2,000	2,000

Save for an interest in service agreements, none of which extends beyond a five year term, the directors have no material interest in any contract of significance which would have required disclosure under the continuing obligations of the International Stock Exchange Admission of Securities to Listing. Neither have they any interest in the issued share capital or debentures of the subsidiary companies.

Substantial shareholdings

The company has been advised of the following substantial interests in its issued ordinary share capital:-

	Number of Ordinary Shares	% of issued Ordinary Share Capital
Electrowatt Limited	5,223,960	53.15
Imperial Group Pension Trust Limited and another	900,000	9.16
D.S. Clarke Esq.	497,701	5.06

Fixed assets

The movements in tangible fixed assets during the year are set out in note 9 to the financial statements.

Development of the groups new headquarter building at 116/118 Walworth Road, London SE17 is progressing well. Demolition of the old building was completed in October 1989 and at report date the new structure has progressed to 1st floor slab level. The project is on schedule for completion and occupation by early 1991.

Report of the directors

In the opinion of the directors the current open market value of the groups interest in freehold land and buildings exceeds the book value by £500,000 and the estimated liability to taxation upon realisation would be approximately £145,000.

Close company status

The directors are of the opinion that the company is not a close company under the Income and Corporation Taxes Act, 1988.

Employee consultation

The group recognises the benefits of keeping employees informed of matters which are of concern to them and to ensure that they have a clear appreciation of the groups financial position.

Disabled employees

The group recognises its obligation towards employment of disabled persons and gives full consideration to suitable applicants in vacancies that arise. Opportunities also exist for employees of the group companies who become disabled to continue in their employment or to be trained for other positions within the group.

Donations

The group contributed £5,321 to charities during the year.

Stock Exchange/Capital Gains Tax

Members are advised that the companys shares are included on the (International) Stock Exchange Automated Quotations System (SEAQ) as a 'gamma' security. At 31st March 1982, (the rebasing date for capital gains tax purposes) the middle market price of T. Clarke PLC 10 pence ordinary shares was 20.5 pence per share.

Auditors

A resolution for the re-appointment of Moore Stephens as auditors to the company will be proposed at the annual general meeting.

By order of the board
M.B. MOSS
Secretary

94/104 Denmark Hill
London, SE5 8RN
15th March 1990

Report of the auditors

to the members of T. Clarke PLC

We have audited the financial statements on pages 8 to 19 in accordance with Auditing Standards.

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

St. Paul's House,
Warwick Lane,
London, EC4P 4BN.
15th March 1990

MOORE STEPHENS
Chartered Accountants

Group profit and loss account

for the year ended 31st December 1989

	Notes	1989	1988
		£	£
Turnover	2	61,363,273	45,594,485
Cost of sales		54,506,726	40,219,435
Gross profit		6,856,547	5,375,050
Net operating expenses	3	3,028,383	2,850,557
Profit on ordinary activities before taxation	4	3,828,164	2,524,493
Taxation on profit on ordinary activities	6	1,387,244	948,500
Profit on ordinary activities after taxation		2,440,920	1,575,993
Dividends	7	589,680	491,400
Retained profit for the financial year	16	1,851,240	1,084,593
Earnings per share	8	24.84 pence	16.04 pence

Balance sheets

at 31st December 1989

	Notes	Group 1989	Group 1988	Company 1989	Company 1988
		£	£	£	£
Fixed assets					
Tangible assets	9	1,351,699	1,052,784	582,514	498,139
Investments	10	-	-	389,157	354,757
		1,351,699	1,052,784	971,671	852,896
Deferred taxation	14	58,000	22,000	58,000	22,000
Current assets					
Work in progress	11	1,971,953	5,242,513	1,248,748	4,802,563
Debtors	12	6,914,543	3,133,417	6,193,180	2,403,798
Cash at bank and in hand		11,513,462	6,897,076	10,326,886	6,184,857
		20,399,958	15,273,006	17,768,814	13,391,218
Creditors, amounts falling due within one year	13	(14,702,130)	(10,091,503)	(12,978,623)	(9,047,295)
Net current assets		5,697,828	5,181,503	4,790,191	4,343,923
Total assets less current liabilities		7,107,527	6,256,287	5,819,862	5,218,819
Creditors, amounts falling due after more than one year	13	-	(1,000,000)	-	(1,000,000)
		7,107,527	5,256,287	5,819,862	4,218,819
Capital and reserves					
Called up share capital	15	982,800	982,800	982,800	982,800
Reserves	16	6,124,727	4,273,487	4,837,062	3,236,019
Shareholders funds		7,107,527	5,256,287	5,819,862	4,218,819

These financial statements were approved by the board on 15th March 1990

D. B. D'Eath

D.B. D'EATH)
) Directors
P.E. STANBOROUGH)

Source and application of funds

for the year ended 31st December 1989

	1989		1988	
	£	£	£	£
Sources				
From operations				
Profit on ordinary activities after taxation		2,440,920		1,575,993
Adjustments for items not involving net liquid funds				
Depreciation including adjustments on disposal	350,359		276,701	
Deferred taxation	(36,000)	314,359	6,700	283,401
Items providing (absorbing) net liquid funds				
Work in progress	3,270,560		(1,331,267)	
Debtors	(3,781,126)		(304,537)	
Creditors excluding dividend	3,534,460	3,023,894	4,198,460	2,562,656
Net liquid funds from operations		5,779,173		4,422,050
Disposal of fixed assets		108,835		78,488
		5,888,008		4,500,538
Applications				
Expenditure on fixed assets	(758,109)		(467,786)	
Dividends paid	(513,513)	(1,271,622)	(325,307)	(793,093)
Increase in net liquid funds		4,616,386		3,707,445
Being:				
Increase in cash at bank and in hand		4,616,386		3,707,445

Notes to the financial statements

for the year ended 31st December 1989

Note 1 Accounting policies

(a) Basis of consolidation
These financial statements have been prepared under the historical cost convention and comprise the accounts of T. Clarke PLC and all its subsidiaries made up to 31st December 1989.

(b) Work in progress
Short term work in progress is valued at prime cost plus direct overheads. Full provision is made for losses to completion but no account is taken of claims receivable until agreed.

Long term work in progress is valued at prime cost plus direct overheads with an addition of a prudent proportion of the estimated profit attributable to work carried out to date. The earliest point at which profit has been taken that at which the outcome of the contract, based on an assessment by the officials of the company, can be reliably foreseen taking into account the circumstances of each contract. Full provision is made for losses to completion but no account is taken of claims receivable until agreed. In accordance with SSAP9 (revised) long term work in progress is included in debtors as amounts recoverable on contracts. Comparative figures have been adjusted.

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

(c) Depreciation
Depreciation is calculated on a straight line basis using the following rates:-

Freehold buildings	2%
Plant and machinery	20%
Motor vehicles	25%

(d) Deferred taxation
Provision is made at current rates for taxation deferred by reason of accelerated tax allowances granted on fixed assets in excess of the corresponding depreciation charged in the financial statements and other short term timing differences.

(e) Turnover
Turnover represents the value of work done and goods invoiced during the year.

Note 2 Turnover and profit before taxation

	Turnover		Profit before taxation	
	1989 £	1988 £	1989 £	1988 £
Class of business				
Electrical contracting	58,636,516	43,570,081	3,435,101	2,297,776
Electrical suppliers	2,726,757	2,024,404	393,063	226,717
	61,363,273	45,594,485	3,828,164	2,524,493

Notes continued

for the year ended 31st December 1989

Note 3 Net operating expenses

	1989 £	1988 £
Administrative expenses	4,022,193	3,197,161
Less: interest receivable	993,810	346,604
	3,028,383	2,850,557

Note 4 Operating profit

Operating profit is stated after charging:-	1989 £	1988 £
Staff costs (note 5)	20,007,326	16,516,522
Depreciation of tangible fixed assets (including adjustments on disposal)	350,359	276,701
Auditors remuneration	35,000	34,000
Interest payable	127,815	104,715

Note 5 Directors and employees

Directors emoluments

Staff costs include the following emoluments in respect of directors of the company:-

	1989 £	1988 £
Fees	32,500	22,000
Other emoluments including pension contributions including £10,500 (1988 £ Nil) relating to previous year	267,309	203,858
	299,809	225,858

Directors emoluments excluding pension contributions are as follows:-

	1989	1988
The chairman including £1,000 (1988 £ Nil) relating to previous year	11,000	7,000
The highest paid director including £3,500 (1988 £ Nil) relating to previous year	64,500	45,000

The number of other directors whose emoluments were within the following ranges was:-

	Number	Number
£0 - £5,000	2	3
£5,001 - £10,000	2	-
£35,001 - £40,000	-	4
£45,001 - £50,000	4	-

Higher paid employees

During the year 23 (1988-3) employees received emoluments in the range £30,001-£35,000 and 3 (1988-Nil) received emoluments in the range £35,001-£40,000.

Notes continued

for the year ended 31st December 1989

Note 5 Directors and employees (continued)

	1989	1988	1989	1988
Staff costs	Numbers		£	£
Staff costs during the year were as follows:-				
Hourly paid	941	884	15,373,861	13,144,494
Office and administration	144	131	2,907,497	1,920,115
Wages and salaries			18,281,358	15,064,609
Social security cost			1,648,878	1,386,797
Other pension costs			77,090	65,116
	1,085	1,015	20,007,326	16,516,522

Note 6 Taxation on ordinary activities

	1989 £	1988 £
United Kingdom corporation tax based on the profit for the year as adjusted for taxation purposes at 35% (1988-35%)	1,430,700	938,722
Deferred taxation	(17,000)	6,700
	1,413,700	945,422
Prior year adjustments of which £19,000 (1988 £ NIL) relates to deferred taxation	(26,456)	3,078
	1,387,244	948,500

Note 7 Dividends

	1989 £	1988 £
On the ordinary shares:		
Paid-interim dividend of 1.1625p. per share (1.55p. gross per share)	114,251	92,138
Declared-second interim centenary dividend	-	98,280
Proposed-final dividend of 4.8375p. per share (6.45p. gross per share)	475,429	300,982
	589,680	491,400

Note 8 Earnings per share

The earnings per share represents the profit for the year on ordinary activities after taxation divided by the number of ordinary shares in issue.

Notes continued

for the year ended 31st December 1989

Note 9 Tangible fixed assets

	Freehold properties £	Short leasehold properties £	Plant, machinery and vehicles £	Total £
Group				
Cost or valuation				
At 1st January 1989	443,136	65,831	2,096,263	2,605,230
Additions	180,558	-	577,551	758,109
Disposals	-	-	(266,170)	(266,170)
At 31st December 1989	623,694	65,831	2,407,644	3,097,169
Depreciation				
At 1st January 1989	67,089	65,831	1,419,526	1,552,446
Charge for the year	8,132	-	374,863	382,995
Disposals	-	-	(189,971)	(189,971)
At 31st December 1989	75,221	65,831	1,604,418	1,745,470
Net book value At 31st December 1989	548,473	-	803,226	1,351,699
Net book value At 31st December 1988	376,047	-	676,737	1,052,784
Cost or valuation at 31st December 1989 is represented by:-				
At cost	523,694	65,831	2,407,644	2,997,169
At valuation 1981	100,000	-	-	100,000
	623,694	65,831	2,407,644	3,097,169
Company				
Cost				
At 1st January 1989	-	62,225	1,607,517	1,669,742
Additions	-	-	386,716	386,716
Disposals	-	-	(129,694)	(129,694)
At 31st December 1989	-	62,225	1,864,539	1,926,764
Depreciation				
At 1st January 1989	-	62,225	1,109,378	1,171,603
Charge for the year	-	-	270,504	270,504
Disposals	-	-	(97,857)	(97,857)
At 31st December 1989	-	62,225	1,282,025	1,344,250
Net book value At 31st December 1989	-	-	582,514	582,514
Net book value At 31st December 1988	-	-	498,139	498,139

Notes continued

for the year ended 31st December 1989

Note 9 Tangible fixed assets (continued)

	Group	
If freehold properties had not been revalued they would have been included at the following amounts:-	1989	1988
	£	£
Cost	557,688	377,130
Accumulated depreciation	62,400	56,528
	495,288	320,602

Note 10 Fixed asset investments

	Company	
Investments in subsidiaries comprise:-		
	1989	1988
	£	£
Cost		
At 1st January 1989 and 31st December 1989	533,525	533,525
Amounts written off		
At 1st January 1989	178,768	173,009
Written back in year	(34,400)	5,759
At 31st December 1989	144,368	178,768
Net book value		
At 31st December 1989	389,157	354,757

Note 11 Work in progress

	Group		Company	
	1989	1988	1989	1988
	£	£	£	£
Contract work in progress comprises.-				
Cost plus attributable overheads less provision for losses	6,340,355	16,076,962	4,809,925	14,050,094
Less: payments on account	4,745,581	11,215,829	3,607,036	9,319,106
	1,594,774	4,861,133	1,202,889	4,730,988
Stocks	377,179	381,380	45,859	71,575
	1,971,953	5,242,513	1,248,748	4,802,563

Notes continued

for the year ended 31st December 1989

Note 12 Debtors

	Amounts falling due within one year		Amounts falling due after more than one year	
	1989	1988	1989	1988
	£	£	£	£
Group				
Amounts recoverable on contracts	3,694,687	218,892	-	-
Advance corporation tax	158,476	133,087	-	-
Trade debtors	2,921,125	2,483,358	-	-
Other debtors	30,040	201,727	-	-
Prepayments and accrued income	110,215	96,353	-	-
	6,914,543	3,133,417	-	-
Company				
Amounts recoverable on contracts	3,674,887	42,384	-	-
Advance corporation tax	158,476	133,087	-	-
Trade debtors	1,705,655	1,572,389	-	-
Owed by group companies	240,942	87,045	300,000	300,000
Other debtors	26,920	196,327	-	-
Prepayments and accrued income	86,300	72,566	-	-
	5,893,180	2,103,798	300,000	300,000

Note 13 Creditors

	Amounts falling due within one year		Amounts falling due after more than one year	
	1989	1988	1989	1988
	£	£	£	£
Group				
Payments received on account	339,894	167,361	-	-
Loan	1,000,000	-	-	1,000,000
Trade creditors	8,263,883	6,595,690	-	-
Dividends payable	475,429	399,262	-	-
Corporation tax	1,557,820	1,425,339	-	-
Other taxation and social security payable	1,476,866	668,857	-	-
Accruals and deferred income	1,588,238	834,994	-	-
	14,702,130	10,091,503	-	1,000,000

The loan, which is from the immediate holding company, was for a period of two years from the 28th February 1988 at an interest rate of 10 [illegible]% for the year ended 27th February 1989 and 13 [illegible]% for the year ended 27th February 1990.

Notes continued

for the year ended 31st December 1989

Note 13 Creditors (continued)

	Amounts falling due within one year		Amounts falling due after more than one year	
	1989	1988	1989	1988
	£	£	£	£
Company				
Payments received on account	310,317	129,726	-	-
Loan	1,000,000	-	-	1,000,000
Trade creditors	7,161,313	5,719,131	-	-
Owed to group companies	311,733	584,599	-	-
Dividends payable	475,429	399,262	-	-
Corporation tax	994,119	1,020,976	-	-
Other taxation and social security payable	1,345,395	448,081	-	-
Accruals and deferred income	1,380,317	745,520	-	-
	12,978,623	9,047,295	-	1,000,000

Note 14 Deferred taxation

	Group		Company	
	1989	1988	1989	1988
	£	£	£	£
Provision at 1st January 1989	22,000	28,700	22,000	30,000
Transfers from profit and loss account	36,000	(6,700)	36,000	(8,000)
Provision at 31st December 1989	58,000	22,000	58,000	22,000

Note 15 Called up share capital

	1989	1988
	£	£
Authorised: 13,000,000 ordinary shares of 10 pence each	1,300,000	1,300,000
Allotted called up and fully paid: 9,828,000 ordinary shares of 10 pence each	982,800	982,800

Notes continued

for the year ended 31st December 1989

Note 16 Reserves

	1989	
	Group	Company
	£	£
Profit and loss account		
At 1st January 1989	4,217,537	3,236,019
Transfers from revaluation reserve	1,332	-
Profit for year	1,851,240	1,601,043
At 31st December 1989	6,070,109	4,837,062
Revaluation reserve		
At 1st January 1989	55,950	-
Transfers to profit and loss account	(1,332)	-
At 31st December 1989	54,618	-
Total reserves	6,124,727	4,837,062

The company has taken advantage of the exemption from presenting its own profit and loss account. Profit after taxation amounting to £2,190,723 (1988 - £1,383,941) has been dealt with in the financial statements of the holding company.

Note 17 Capital commitments

At 31st December 1989 there were capital commitments contracted for of £2,135,864 (1988 Nil).

Note 18 Pension commitments

The company operates a pension scheme providing benefits based on final pensionable salary. The assets of the Scheme are held separately from those of the company, being mainly invested in an insurance contract. Contributions to the Scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by an actuary on the basis of triennial valuations using the projected unit method with a 15 year control period. The most recent valuation was at 1st January 1989. 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 rates of increase in salaries and pensions. It was assumed that the investment returns would be 9% per annum in deferment and 8% per annum in payment, that salary increases would average 7.5% per annum and that present and future pensions would increase at statutory rates only.

The most recent actuarial valuation showed that the market value of the Scheme's assets was £2,175,000 and that the actuarial value of these assets represented 109% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The contributions will remain at 5.6% of pensionable salaries plus the cost of insuring the lump sum death in service benefit.

Notes continued

for the year ended 31st December 1989

Note 19 Contingent liabilities

The company is guarantor in respect of banking facilities granted to certain of its subsidiary companies. The extent to which these facilities were utilised at the balance sheet date amounted to £Nil (1988 £Nil).
The company and group have contingent liabilities in respect of guarantees given for commitments in the normal course of trade.

Note 20 Ultimate holding company

The directors regard Credit Suisse a company incorporated in Switzerland as the ultimate holding company.

Note 21 Subsidiary companies

The wholly owned subsidiaries are with the exception of J Barker (Electrical Contractors) Limited directly held by T. Clarke PLC. The trading subsidiaries all operate within the United Kingdom.

Electrical contractors

T. Clarke (Northern) Limited *
T. Clarke (Midlands) Limited
Veale-Nixon Limited
T. Clarke Electrical Contractors Limited *
J. Barker (Electrical Contractors) Limited *

Electrical supplies

Eastgate Electrical Supplies Limited
Ventel Limited

Property holding company

Weylex Properties Limited

* non trading companies