

# CARRS MILLING INDUSTRIES PLC



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# **CARRS MILLING INDUSTRIES PLC**



## **BOARD OF DIRECTORS**

**Ian C. Carr**, Chairman  
**Alexander Matthew**, D.L.  
**Sydney P. Smith**, F.C.C.A., F.C.T.  
**J. R. Crawford**, M.A.  
**D. Brian Armstrong**, B.Sc.(Econ.)  
**John E. Tudor**

## **SECRETARY AND REGISTERED OFFICE**

**Sydney P. Smith**, F.C.C.A., F.C.T.  
Old Croft, Stanwix, Carlisle, CA3 9BA

## **AUDITORS**

**Deloitte Haskins & Sells**  
Chartered Accountants,  
Park House, 57/59 Well Street,  
Bradford. BD1 5NQ

## **SOLICITORS**

**Atkinson & North**  
15 Fisher Street, Carlisle, CA3 8RW

## **PRINCIPAL BANKERS**

**Clydesdale Bank PLC**  
12 Bank Street, Carlisle, CA3 8HD  
**Lloyds Bank Plc**  
21 Lowther Street, Carlisle, CA3 8ET

## **BROKERS**

**Scrimgeour, Kemp-Gee & Co.**  
20 Copthall Avenue, London, EC2R 7JS

## **MERCHANT BANKERS**

**Kleinwort Benson Ltd.**  
20 Fenchurch Street, London, EC3P 3DB



## Notice of Meeting

NOTICE is hereby given that the Seventy-fourth Annual General Meeting of this Company will be held at the CREST HOTEL, KINGSTOWN, CARLISLE (at Exit 44, M6 Motorway) on Monday, the Seventeenth day of January, 1983 at 11-30 a.m. for the following purposes:-

1. To receive and consider the Report of the Directors and Statement of Accounts for the period of 53 weeks ended 4th September 1982. (Resolution 1).
2. To declare a Dividend of 3.5p per share on the Ordinary Share Capital (Resolution 2).
3. To re-elect the following Directors who were appointed during the year:-  
D. Brian Armstrong (Resolution 3).  
John E. Tudor (Resolution 4).
4. To re-appoint Deloitte Haskins & Sells as Auditors and to authorise the Directors to fix their remuneration. (Resolution 5).

By Order of the Board,

SYDNEY P. SMITH,

Secretary.

Stanwix,  
Carlisle, CA3 9BA.  
24th December, 1982.

### NOTES:

1. This Notice is sent to Loan Stock Holders for information only. They are not entitled to attend the Meeting.
2. A Member entitled to attend and vote is entitled to appoint a proxy to attend and, on a poll, to vote instead of him, but a proxy for a Corporation may also vote on a show of hands. A proxy need not also be a Member of the Company.
3. Subject to approval of Resolution 2 the Dividend will be paid on the 28th January, 1983 to those registered as Shareholders on the 14th January, 1983.
4. The following documents are available for inspection at the Registered Office during business hours until the date of the Annual General Meeting:-
  - (a) A Statement of the transactions of Directors (and their family interests) in the Ordinary Shares of the Company and its Subsidiaries.
  - (b) Copies of Directors' Contracts of Service.  
These statements will also be available for inspection during the Annual General Meeting and for at least fifteen minutes before it begins.

# CARRS MILLING INDUSTRIES PLC



## Chairman's Review

of the period of 53 weeks to 4th September 1982

### THE GROUP RESULTS

The Group Profit of £992,000 before taxation was an all-time record representing an increase of 32% over the figure of £750,000 achieved last year. External sales were £39 million (1981 £35 million).

In a year which saw severe pressure on margins we took steps to increase our sales and this led to a better contribution from our animal feedingstuffs and farming activities together with a significant improvement in the position of Oliver & Snowdon Limited our major agricultural merchandising subsidiary.

It is the view of the Directors that the return to the shareholders should be increased and, accordingly, they will recommend to the members at the Annual General Meeting that a final dividend of 3.5p per share should be approved for the 53 weeks ended 4th September, 1982. This will make a total for the year of 5.25p per share (1981 4.25p per share).

### FLOUR MILLING

All flour millers' margins have been squeezed during the past year and ours have been no exception. Tougher conditions imposed upon our baker customers have been passed on to us and a measure of over capacity in the industry has kept competition fierce. The opportunity to use a greater proportion of excellent quality home grown wheat was taken and this helped us to trim our costs. In spite of this, however, the contribution from our flour milling activity fell although the tonnage sold was greater than in 1981.

### ANIMAL FEEDINGSTUFFS

As I predicted in my review of 1981 the record tonnage of Carrs Farm Foods sold last year has been shattered. For the first time sales of Carrs Farm Foods have topped 100,000 tonnes, thus putting the company firmly into the first division of the league of United Kingdom animal feedingstuffs manufacturers.

With a higher level of broiler trade helping to maintain tonnage during the critical summer months and an ever-increasing demand for Carrs top quality dairy foods over the feeding season the contribution made to Group profits by the animal feedingstuffs division was significantly higher than last year.

### AGRICULTURAL MERCHANTING

It is particularly gratifying for me to report a material upturn in all our agricultural merchandising activities. The farming community, hard hit by the economic recession over the past three years, have seen their situation improve and demand for our products has been stimulated. In particular Oliver & Snowdon Limited with their John Deere agencies covering the North of England and Southern Scotland have had a much better year and are well placed to make a material contribution to future Group profits.

A company already achieving this with another record year is James Reive & Sons Limited. Based at Moffat they are grain traders and animal feedingstuffs merchants with the capacity to manufacture a limited range of specialist top quality lines which are in great demand in their trading area.

Thos. Edmondson Limited, the Group's animal health and crop protection specialists, continue to do well. Their sales and profit are both better than last year whilst improvements to their premises have yet to be reflected in increased trade.

### LIVESTOCK

As efficient low cost egg producers Carrs Farms Limited are second to none and a reasonable level of selling prices for most of the year ensured that they made a handsome contribution to Group profits.



## Chairman's Review (*continued*)

### THE BAKERIES

The year was a difficult one for our bakery division. After a few years of relative stability, competition was intensified and this, together with greatly increased costs of distribution, resulted in a decline in profitability. However, demand for our bakery products has continued to increase and the note under "Current Trading" indicates the confidence that we have in this operation.

### THE DIRECTORS

I am delighted to welcome two new members to the Board of the Company.

Brian Armstrong, who was appointed General Manager of Robertsons (Bakers) Limited in 1979 becoming a Director of that Company in 1981, and John Tudor, who joined Carr's Flour Mills Limited in 1980 and has assumed overall responsibility for the flour division. Brian Armstrong, aged 41, joined the Group from a large national baking company. He has considerable management experience and an in-depth knowledge of the baking industry. John Tudor, 42 years old, has expertise both in the construction and the running of flour mills and was previously with a major miller in Yorkshire.

Both were appointed during the year and Resolutions 3 and 4 cover their proposed re-election at the forthcoming Annual General Meeting.

Sadly, ill health resulted in the resignation of Iain Robertson in March of this year although I am pleased to say that he will continue as a Director of Robertsons (Bakers) Limited.

### OUR STAFF

We are certainly one of the very few successful locally based companies and the encouraging financial result is largely due to the whole-hearted co-operation of our entire workforce in what has been a difficult year. Our people know that to compete with the giants in our industries we must be up to date technically, flexible in our outlook and at the same time use a frequently neglected asset, the personal touch. My thanks to them all.

### ASSOCIATED COMPANIES

Our associates, Melkinthorpe Egg Producers Limited and Barcombe Farm (Eggs) Limited, both engaged in egg production, had a good year.

In June we acquired a 50% holding in North Country Poultry Limited, a company operating a substantial fresh chicken processing plant at Garstang, Lancashire. Our partners in this venture are Lakeland Investments Limited of Penrith. Lakeland Investments Limited is part of the Earl of Lonsdale's Lowther Group with interests in farming, saw-milling, building and leisure industries. Both companies are major suppliers of broiler chickens to North Country Poultry Limited.

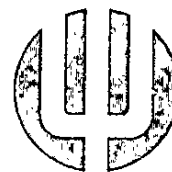
### CURRENT TRADING

The Group has traded profitably in the first three months of the current financial year and continues to do so.

Turnover is buoyant but the competitive pressures make profits hard to earn. Our marketing and sales policies are effective and we are now in a position to ensure that our costs are minimised by the use of the most modern plant. A major example is the installation of a Baker Perkins Simplex bread plant at the Carlisle premises of Robertsons (Bakers) Limited scheduled for completion by July of next year at a cost of £1 million.

This policy will be maintained and the confidence that the Board has in the future of our Group justified by the results.

# CARR'S MILLING INDUSTRIES PLC



## Report of the Directors

### GROUP ACTIVITIES

The principal activities during the year were flour milling, the manufacture of animal feedingstuffs, the production of bread and confectionery, and the business of agricultural merchants and engineers. All Group Companies and Associated Companies operate within the United Kingdom.

PROFIT	1982 £	1981 £
The profit attributable to the Group after all charges and taxation, amounted to .. .. .	728,039	610,369
Less Extraordinary items as shown in Consolidated Profit and Loss Account .. .. .	25,000	60,352
	<u>703,039</u>	<u>550,017</u>
Applied as follows:—		
Ordinary Dividend: Interim of 1.75p per share paid (1981 1.25p) .. ..	87,500	62,500
Final of 3.50p proposed (1981 3.00p) .. .. .	175,000	150,000
	<u>262,500</u>	<u>212,500</u>
Profit retained .. .. .	440,539	337,517
	<u>703,039</u>	<u>550,017</u>

### SHARE CAPITAL

With the following two exceptions the Directors are not aware of any substantial interest (5% or more) in the Ordinary Shares of the Company by any person or group.

Heygate & Sons Ltd.	— 1,138,500 shares (22.77% of the issued capital)
Sun Alliance & London Insurance Group	— 467,500 shares ( 9.35% of the issued capital)

### FIXED ASSETS

The Directors are of the opinion that the present value of the Group's properties is substantially in excess of net book value. The properties are fully utilised in the business and there is no intention of making any major disposals.

### DIRECTORS

The Directors of the Company are as stated on Page 2. Apart from Messrs. D. Brian Armstrong and John E. Tudor all directors were in office throughout the year.

Messrs. D. Brian Armstrong and John E. Tudor were appointed during the year and offer themselves for re-election (Resolutions 3 and 4).

Col. A. Matthew retires in accordance with the Company's Articles of Association and does not offer himself for re-election. Mr. John S. Robertson resigned on 5th March 1982.

# CARR'S MILLING INDUSTRIES PLC



## Report of the Directors (continued)

With the exception of Service Contracts no Director had any material interest in any contract or arrangement with the Company or any of its subsidiaries.

The beneficial interests of the Directors and their families were as follows:—

	4th September, 1982		29th August, 1981	
	Ordinary (25p)	Loan Stock (£1)	Ordinary (25p)	Loan Stock (£1)
Ian C. Carr .. .. .	125,000	—	139,000	—
Alexander Matthew .. .. .	3,000	809	3,000	809
Sydney P. Smith .. .. .	10,000	—	10,000	—
J. R. Crawford .. .. .	13,500	—	13,500	—
D. Brian Armstrong .. .. .	134	—	—	—
John E. Tudor .. .. .	300	—	—	—
	<u>151,934</u>	<u>809</u>	<u>165,500</u>	<u>809</u>

No changes in the above holdings have taken place between 4th September, 1982 and 15th December, 1982.

### EMPLOYEES

The average number of employees in the Group was 701 (1981 697) and the aggregate remuneration was £4,562,000 (1981 £4,162,000).

The Group's attitude concerning the employment of disabled persons is precisely the same as that relating to all other staff in matters of recruitment, continuity of employment, training, development and promotion. Nevertheless, the Group is very conscious of the difficulties experienced by the disabled and takes account sympathetically of individual circumstances.

### POLITICAL AND CHARITABLE CONTRIBUTIONS

Charitable donations amounted to £2,552 (1981 £1,882). No political contributions were made.

### TAXATION MATTERS

The Company is not a Close Company. The Market Value of the Company's Ordinary Shares at 6th April, 1965 was 24.4p (after adjustment for subsequent issues).

### AUDITORS

In accordance with Section 14 of the Companies Act 1976, a resolution proposing the re-appointment of Deloitte Haskins & Sells will be put to the Annual General Meeting.

On behalf of the Board,  
IAN C. CARR,  
Chairman.

Stanwix,  
Carlisle, CA3 9BA.  
15th December, 1982.

# CARRS MILLING INDUSTRIES PLC



## Consolidated Profit and Loss Account

for the 53 weeks ended 4th September 1982

	1982		1981	
	£	£	£	£
TRADING PROFIT .. .. .		2,037,711		1,743,895
Surplus on Sale of Fixed Assets .. .. .		53,464		103,621
Investment Income (Note 2)		5,182		8,800
Proportion of Grants receivable .. .. .		31,303		32,764
		<u>2,127,660</u>		<u>1,889,080</u>
<i>Less</i> Directors' Emoluments (Note 3)	122,871		123,152	
Depreciation .. .. .	569,385		535,925	
Bank and Short Term Loan Interest	426,774		468,021	
Loan Stock Interest .. .. .	3,750		3,750	
Auditors' Remuneration .. .. .	30,000	1,152,780	27,500	1,158,348
PROFIT BEFORE TAXATION .. .. .		<u>974,880</u>		<u>730,732</u>
<i>Add</i> Associated Companies — share of profits .. .. .		16,800		19,000
		<u>991,680</u>		<u>749,732</u>
<i>Less</i> Taxation (Note 5)		263,210		138,491
		<u>728,470</u>		<u>611,241</u>
<i>Less</i> Net Profit of Subsidiary attributable to minority Shareholders .. .. .		431		872
PROFIT AFTER TAXATION .. .. .		<u>728,039</u>		<u>610,369</u>
<i>Less</i> Extraordinary Items (Note 6)		25,000		60,352
PROFIT AFTER EXTRAORDINARY ITEMS		<u>703,039</u>		<u>550,017</u>
<i>Less</i> Ordinary Dividends:—				
Interim of 1.75p per share .. .. .	87,500		62,500	
Proposed Final of 3.50p per share	175,000	262,500	150,000	212,500
PROFIT RETAINED .. .. .		<u>440,539</u>		<u>337,517</u>
<i>Add</i> Balance brought forward, from last year .. .. .		4,397,417		4,059,900
		<u>4,837,956</u>		<u>4,397,417</u>
BALANCE CARRIED FORWARD				
Holding Company .. .. .	2,167,211		1,802,883	
Subsidiary Companies .. .. .	2,606,733		2,544,459	
Associated Companies .. .. .	64,012		50,075	
		<u>4,837,956</u>		<u>4,397,417</u>
EARNINGS PER SHARE .. .. .		<u>14.6p</u>		<u>12.2p</u>

# CARRS MILLING INDUSTRIES PLC



## Consolidated Balance Sheet

as at 4th September 1982

SOURCES OF FUNDS	1982		1981	
	Authorised £	Issued £	Authorised £	Issued £
<b>SHARE CAPITAL</b>				
Ordinary shares of 25p each, fully paid .. .. .	<u>1,300,000</u>	1,250,000	<u>1,300,000</u>	1,250,000
<b>RESERVES</b> (Note 7)				
		<u>5,401,426</u>		<u>4,960,887</u>
<b>SHAREHOLDERS' FUNDS</b>				
7½% Unsecured Loan Stock 2001/05 .. .. .		6,651,426		6,210,887
Minority Interests in Subsidiary .. .. .		50,000		50,000
Grants under the Industry Act 1972 .. .. .		20,774		20,774
		<u>473,448</u>		<u>457,691</u>
		<u>7,195,648</u>		<u>6,739,352</u>
<b>EMPLOYMENT OF FUNDS</b>				
<b>FIXED ASSETS</b> (Note 8)		<u>5,090,372</u>		<u>4,915,055</u>
<b>INVESTMENTS</b> (Note 9)		174,535		250,601
<b>CURRENT ASSETS</b>				
Stock (Note 10)	3,898,023		3,276,697	
Debtors .. .. .	4,346,409		3,871,607	
Grants Receivable .. .. .	81,256		45,388	
Taxation Recoverable .. .. .	4,454		5,404	
Cash in Hand and at Bank .. .. .	32,062		119,167	
	<u>8,362,204</u>		<u>7,318,263</u>	
<b>Less CURRENT LIABILITIES</b>				
Creditors .. .. .	3,215,403		3,018,822	
Current Taxation (Note 11) .. .. .	306,872		197,006	
Bank Overdraft and Loan .. .. .	2,734,188		2,378,739	
Proposed Final Ordinary Dividend .. .. .	175,000		150,000	
	<u>6,431,463</u>		<u>5,744,567</u>	
<b>NET CURRENT ASSETS</b> .. .. .		<u>1,930,741</u>		<u>1,573,696</u>
		<u>7,195,648</u>		<u>6,739,352</u>

# CARRS MILLING INDUSTRIES PLC



## Balance Sheet as at 4th September 1982

SOURCES OF FUNDS	1982		1981	
	Authorised £	Issued £	Authorised £	Issued £
SHARE CAPITAL				
Ordinary Shares of 25p each, fully paid .. .. .	1,300,000	1,250,000	1,300,000	1,250,000
RESERVES (Note 12)		2,386,227		2,021,899
		3,636,227		3,271,899
7½% Unsecured Loan Stock 2001/05		50,000		50,000
		<u>3,686,227</u>		<u>3,321,899</u>
EMPLOYMENT OF FUNDS				
INVESTMENTS (Note 13)		77,352		94,354
INTERESTS IN SUBSIDIARIES (Note 14)				
Shares at cost less amounts written off	1,007,112		791,362	
Due from Subsidiaries .. .. .	3,911,172	4,918,284	3,068,160	3,859,522
DEBTORS .. .. .		249		4,249
		<u>4,995,885</u>		<u>3,958,125</u>
Less CURRENT LIABILITIES				
Creditors .. .. .	6,964		12,082	
Current Taxation (Note 15)	112,500		150,000	
Bank Overdraft .. .. .	1,015,194		324,144	
Proposed Final Ordinary Dividend ..	175,000	1,309,658	150,000	636,226
		<u>3,686,227</u>		<u>3,321,899</u>

The accounts set out on pages 8 to 17 were approved by the Board on 15th December 1982 and are signed on its behalf by

IAN C. CARR

*Ian C. Carr*  
Directors

SYDNEY P. SMITH

*Sydney P. Smith*  
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## Accounting Policies

### 1. BASIS OF ACCOUNTING

The Accounts are prepared on the historical cost basis of accounting, with the exception of certain fixed assets which are included at a valuation made in 1949.

### 2. BASIS OF CONSOLIDATION

The Consolidated Profit and Loss Account and Balance Sheet include the Accounts of the Holding Company and all of its Subsidiary Companies.

### 3. ASSOCIATED COMPANIES

The Group's share of profits and losses of three Associated Companies are included in the Accounts.

The figures included are based on unaudited annual and interim Accounts for year-end dates varying from 4th September, 1982 to 31st March, 1983 and the Directors are satisfied as to their reliability.

### 4. FIXED ASSETS

Grants received in past years under the Industrial Development Act 1966 were added to Capital Reserve and have since remained therein. Grants receivable under the Industry Act 1972 are credited to a separate Account in the Balance Sheet. These are being credited to Profit and Loss Account on a basis which reflects the benefit over the expected useful lives of the assets concerned. Depreciation is calculated on a straight line basis by reference to cost (before grants) or to valuation using the rates shown below. A full year's depreciation is normally provided in the financial year of acquisition and none in the year of disposal.

Freehold Properties	..	..	..	..	2%
Long Leasehold Properties	..	..	..	..	Over the period of the lease
Plant, Equipment, and Motor Vehicles	..	..	..	..	5%—20%

### 5. STOCKS

Stocks are valued at the lower of cost and net realisable value. Cost of Group products consists of direct materials and labour together with appropriate production overheads.

### 6. DEFERRED TAXATION

Deferred taxation has not been provided as in the opinion of the Directors such tax will not become payable.

### 7. EARNINGS PER SHARE

The calculation of earnings per share is based on earnings of £728,039 (1981 £610,369) and on 5,000,000 Ordinary Shares in issue.

# CARRS MILLING INDUSTRIES PLC



## Notes on the Accounts

	1982	1981
	£	£
<b>1. GROUP TURNOVER</b>		
Sales .. .. .	45,849,000	40,208,000
<i>Less</i> Inter Company sales of products for re-processing .. ..	5,540,000	5,437,000
	<u>39,309,000</u>	<u>34,771,000</u>
<b>2. INVESTMENT INCOME</b>		
Listed .. .. .	303	309
Unlisted .. .. .	4,879	8,491
	<u>5,182</u>	<u>8,800</u>
<b>3. DIRECTORS' EMOLUMENTS</b>		
Managerial .. .. .	114,871	113,152
Fees .. .. .	8,000	10,000
	<u>122,871</u>	<u>123,152</u>
Excluding pension scheme contributions, emoluments were:-		
Chairman .. .. .	25,238	22,608
Other Directors: Under £5,000 .. .. .	2	—
£10,001—£15,000 .. .. .	1	—
£20,001—£25,000 .. .. .	3	4
<b>4. HIGHER PAID EMPLOYEES' EMOLUMENTS £20,001—£25,000 .. ..</b>	<b>1</b>	<b>—</b>
<b>5. TAXATION</b>		
Corporation Tax at 52% .. .. .	151,996	47,006
Advance Corporation Tax written off .. .. .	111,214	91,485
	<u>263,210</u>	<u>138,491</u>

Corporation Tax has been provided at the rate of 52% on profits unrelieved by losses.

Tax deferred at 4th September, 1982 by capital allowances was £1,975,000 (1981 £1,632,000).

# CARR'S MILLING INDUSTRIES PLC



## Notes on the Accounts

	1982	1981
	£	£
<b>6. EXTRAORDINARY ITEMS</b>		
Loss arising from sale of interests in associate .. .. .	—	60,352
Investment in associate written off .. .. .	25,000	—
	<hr/>	<hr/>
<b>7. RESERVES (Consolidated)</b>		
Share Premium .. .. .	162,650	162,650
	<hr/>	<hr/>
Capital .. .. .	400,820	400,820
	<hr/>	<hr/>
General:		
Profit and Loss Account .. .. .	4,837,956	4,397,417
	<hr/>	<hr/>
Total Reserves .. .. .	5,401,426	4,960,887
	<hr/>	<hr/>

# CARRS MILLING INDUSTRIES PLC



## Notes on the Accounts

	Freehold Properties £	Long Leasehold Properties £	Plant, Equipment and Motor Vehicles £	Total £
<b>8. FIXED ASSETS</b>				
Valuation 1949 <i>less sales</i> to 29th August, 1981 .. ..	138,460	—	161,148	299,608
Cost to 29th August, 1981 .. ..	1,354,079	554,048	6,154,325	8,062,452
Additions in year .. ..	188,915	18,711	653,777	861,403
	<u>1,681,454</u>	<u>572,759</u>	<u>6,969,250</u>	<u>9,223,463</u>
Sales in year .. ..	1,200	46,800	208,644	256,644
Cost to 4th September, 1982 ..	<u>1,680,254</u>	<u>525,959</u>	<u>6,760,606</u>	<u>8,966,819</u>
Depreciation:—				
Provided at 29th August, 1981	354,657	173,800	2,918,548	3,447,005
Charged in year .. ..	49,612	9,359	510,414	569,385
	<u>404,269</u>	<u>183,159</u>	<u>3,428,962</u>	<u>4,016,390</u>
Eliminated on sales .. ..	408	—	139,535	139,943
Provided at 4th September, 1982	<u>403,861</u>	<u>183,159</u>	<u>3,289,427</u>	<u>3,876,447</u>
Net Book Value:				
4th September, 1982 .. ..	<u>1,276,393</u>	<u>342,800</u>	<u>3,471,179</u>	<u>5,090,372</u>
29th August, 1981 .. ..	<u>1,137,882</u>	<u>380,248</u>	<u>3,396,925</u>	<u>4,915,055</u>
Future Capital Expenditure: Orders placed .. ..			1982 124,000	1981 —
Authorised but not ordered			—	—

### 9. INVESTMENTS (Consolidated)

Listed at cost (Market Value £7,563, 1981 £6,340) .. ..	9,827	9,827
Unlisted: Equities at cost (less share of losses since acquisition)	75,370	76,424
Preference Shares at cost and loans .. ..	89,338	164,350
	<u>174,535</u>	<u>250,601</u>

Particulars of Unlisted Equities are set out in Note 13 on Page 15. There are contingent liabilities in respect of guarantees of certain Associated Companies' Bank Overdrafts up to a total of £108,000. (1981 £33,000).

# CARRS MILLING INDUSTRIES PLC



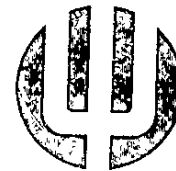
## Notes on the Accounts

	1982	1981
	£	£
<b>10. STOCK</b>		
The main categories of stock held were:-		
Raw materials and stores .. .. .	2,265,264	2,078,350
Finished products .. .. .	540,710	362,590
Goods purchased for re-sale .. .. .	1,092,049	835,757
	<u>3,898,023</u>	<u>3,276,697</u>
<b>11. CURRENT TAXATION</b>		
Represents unpaid Advance Corporation Tax on dividends paid and proposed .. .. .	112,500	150,000
Corporation Tax on profits at 52% .. .. .	194,372	47,006
	<u>306,872</u>	<u>197,006</u>
<b>12. RESERVES (Holding Company)</b>		
Share Premium .. .. .	162,650	162,650
Capital .. .. .	<u>56,366</u>	<u>56,366</u>
General:		
At 29th August, 1981 .. .. .	1,802,883	1,664,369
Transfer from Profit and Loss Account .. .. .	364,328	138,514
	<u>2,167,211</u>	<u>1,802,883</u>
Total Reserves .. .. .	<u>2,386,227</u>	<u>2,021,899</u>
<b>13. INVESTMENTS (Holding Company)</b>		
Listed at cost (Market Value £7,563, 1981 £6,340) .. .. .	9,827	9,827
*Unlisted Equities at cost .. .. .	12,525	29,527
Loans to Associated Companies .. .. .	55,000	55,000
	<u>77,352</u>	<u>94,354</u>

\*Includes the following Associated Companies:-

	<i>Registered in</i>	
Barcombe Farm (Eggs) Ltd.	England	42%
North Country Poultry Ltd.	"	50%
The Accounts of a Subsidiary include the following holdings in an Associated Company:-		
Melkintorpe Egg Producers Ltd.	England	33%

There are contingent liabilities in respect of guarantees of Associated Companies' Bank Overdrafts up to a total of £108,000 (1981 £33,000). The Company has also guaranteed the bank loans and overdrafts of certain Subsidiaries.



Notes on the Accounts

14. SUBSIDIARIES

Name	Proportion of shares held	
	Ordinary %	Preference %
HELD BY THE COMPANY:-		
B.R.B. Trust Ltd. .. .. .	100	100
Carrs Farm Foods Ltd. .. .. .	100	—
Carr's Flour Mills Ltd. .. .. .	100	100
Carrs Farms Ltd. .. .. .	100	100
Oliver & Snowdon Ltd. .. .. .	100	—
Robertsons (Bakers) Ltd. .. .. .	100	54
James Reive & Sons Ltd. .. .. .	100	—
John Stronach (Shipbrokers) Ltd. .. .. .	100	—
HELD BY A SUBSIDIARY:-		
Thos. Edmondson Ltd. .. .. .	100	—

Non-trading subsidiaries are not shown above.

With the exception of James Reive & Sons Ltd. (registered in Scotland) all the above companies are registered in England.

15. CURRENT TAXATION (Holding Company)

Represents unpaid Advance Corporation Tax on dividends paid and proposed.

16. COMPANIES ACT 1981

The Company is not yet required to comply with the accounting and disclosure provisions of the Companies Act 1981. These accounts are drawn up in accordance with S149A of, and Schedule 8A to, the Companies Act 1948.

Report of the Auditors  
to the Members

We have audited the accounts on pages 8 to 17 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 and the Group at 4th September, 1982, and of the profit and source and application of funds for the year ended on that date and comply with the Companies Acts 1948 to 1981.

In our opinion the abridged supplementary current cost accounts on pages 18 and 19 have been properly prepared, in accordance with the policies and methods described on those pages, to give the information required by Statement of Standard Accounting Practice No. 16.

DELOITTE HASKINS & SELLS,  
Chartered Accountants.

Bradford.  
15th December, 1982.

# CARRS MILLING INDUSTRIES PLC



## Statement of Source and Application of Funds

	1982		1981	
	£000	£000	£000	£000
<b>SOURCES OF FUNDS</b>				
<b>GENERATED FROM OPERATIONS</b>				
Profit before tax and extraordinary items	992		750	
Extraordinary items .. .. .	(25)		(60)	
Adjustments for items not involving the movements of funds:—				
Depreciation .. .. .	569		535	
Losses (Profits) of Associated Companies	8		(19)	
Grants credited in Accounts .. ..	(31)	1,513	(33)	1,173
	<u>          </u>		<u>          </u>	
<b>FROM OTHER SOURCES</b>				
Disposals of fixed assets .. .. .	117		140	
Grants received under the Industry Act 1972	11		204	
Reduction in investments and loans ..	68	196	—	344
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL FUNDS RECEIVED .. .. .</b>		<b>1,709</b>		<b>1,517</b>
<b>APPLICATION OF FUNDS RECEIVED</b>				
Dividends paid .. .. .	238		200	
Tax paid .. .. .	152		86	
Purchase of fixed assets .. .. .	861		518	
Additional investments and loans .. ..	—	1,251	7	811
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>INCREASE IN WORKING CAPITAL .. ..</b>		<b>458</b>		<b>706</b>
		<u>          </u>		<u>          </u>
<b>DETAILS OF INCREASE IN WORKING CAPITAL</b>				
Increase (Decrease) in stocks .. ..		621		(611)
Increase in debtors .. .. .		475		847
(Increase) in Creditors .. .. .		(196)		(396)
Movements in liquid funds:—				
(Increase) Decrease in bank overdraft less cash balances .. .. .		(442)		866
		<u>          </u>		<u>          </u>
		<b>458</b>		<b>706</b>
		<u>          </u>		<u>          </u>

# CARRS MILLING INDUSTRIES PLC



## Consolidated Current Cost Accounts

### CURRENT COST PROFIT AND LOSS ACCOUNT PERIOD ENDED 4th SEPTEMBER 1982

	Note	1982 £	1981 £
Turnover .. .. .		45,849,000	40,208,000
Historic cost operating profit .. .. .		1,405,404	1,202,503
Current cost adjustments .. .. .	2	1,253,917	1,354,046
Current cost operating profit (loss) .. .. .		151,487	(151,543)
Associated Companies — share of profits .. .. .		16,800	19,000
		168,287	(132,543)
Gearing adjustment .. .. .	3	13,234	12,759
		181,521	(119,784)
Interest on net borrowing .. .. .		3,750	3,750
Current cost profit (loss) before taxation .. .. .		177,771	(123,534)
Taxation .. .. .		263,210	138,491
Current cost loss after taxation .. .. .		85,439	262,025
Minority interests .. .. .		431	872
		85,870	262,897
Extraordinary items .. .. .		25,000	60,352
		110,870	323,249
Dividends .. .. .		262,500	212,500
Retained current cost loss .. .. .		373,370	535,749

### CURRENT COST BALANCE SHEET AS AT 4th SEPTEMBER 1982

Fixed assets .. .. .	4	13,609,837	11,859,757
Investments .. .. .		174,535	250,601
		13,784,372	12,110,358
Net current assets .. .. .		1,929,194	1,588,476
		15,713,566	13,698,834
Financed by:—			
Share capital .. .. .		1,250,000	1,250,000
Current cost reserve .. .. .	5	10,205,093	7,832,748
Other reserves .. .. .		3,714,251	4,087,621
		15,169,344	13,170,369
Minority interests .. .. .		20,774	20,774
7½% unsecured loan stock 2001/05 .. .. .		50,000	50,000
Grants under the Industry Act 1972 .. .. .		473,448	457,691
		15,713,566	13,698,834



## Notes on the Current Cost Accounts

### 1. BASIS OF PREPARATION

The current cost accounts have been prepared on the basis of the Statement of Standard Accounting Practice No. 16.

	1982 £	1981 £
<b>2. CURRENT COST ADJUSTMENTS</b>		
Additional Depreciation .. .. .	674,071	540,511
Asset Disposal Adjustment .. .. .	27,542	153,974
Cost of Sales .. .. .	217,709	295,314
Monetary Working Capital .. .. .	(92,179)	(103,774)
	<u>827,143</u>	<u>886,025</u>
Interest on Items included in Monetary Working Capital .. ..	426,774	468,021
	<u>1,253,917</u>	<u>1,354,046</u>

- (a) Additional depreciation represents the difference between depreciation calculated on the current cost of fixed assets and that charged in the historical cost accounts.
- (b) Asset disposal adjustment is the difference, at disposal date, between the value to the business and the historical cost net book value of assets sold during the year.
- (c) Cost of sales adjustment is the difference at the date of sale between the estimated replacement cost of goods sold and the actual cost of these goods.
- (d) Monetary working capital adjustment represents the amount of reduced finance needed as a result of changes in the input prices of goods and services used and financed by the Group.
- All the above adjustments have been based on price indices published by the Department of Industry.

### 3. GEARING ADJUSTMENT

The gearing adjustment has been arrived at using the basis recommended by SSAP 16.

	Gross £	Depreciation £	1982 Net £	1981 Net £
<b>4. FIXED ASSETS</b>				
Land and Buildings .. .. .	5,513,964	1,490,249	4,023,715	3,591,628
Plant and Machinery .. .. .	21,374,873	11,788,751	9,586,122	8,268,129
	<u>26,888,837</u>	<u>13,279,000</u>	<u>13,609,837</u>	<u>11,859,757</u>

Land and Buildings are based on professional valuations, adjusted for subsequent disposals and additions, and updated by the Group's internal indices. Price indices published by the Department of Industry have been applied to Plant, Equipment and Vehicles.

	1982 £	1981 £
<b>5. CURRENT COST RESERVE</b>		
Balance at 29th August 1981 .. .. .	7,832,748	5,725,123
Revaluation Surpluses:-		
Fixed Assets .. .. .	1,574,763	1,271,208
Stocks .. .. .	(16,327)	(36,849)
Current Cost Adjustments .. .. .	827,143	886,025
Gearing Adjustment .. .. .	(13,234)	(12,759)
	<u>10,205,093</u>	<u>7,832,748</u>
Balance at 4th September 1982 .. .. .		

## CARRS MILLING INDUSTRIES PLC



## Five Year Statement

	1978	1979	1980	1981	1982
					(53 weeks)
GROUP TURNOVER	£000	£000	£000	£000	£000
Sales .. .. .	28,912	37,263	38,166	40,208	45,849
Less: Inter Company Sales of products for Re- Processing .. .. .	2,815	3,724	3,081	5,437	6,540
Sales to External Customers ..	<u>26,097</u>	<u>33,539</u>	<u>35,085</u>	<u>34,771</u>	<u>39,309</u>
PROFITS					
Profits before Taxation .. ..	938	813	874	731	975
Associated Companies:- Share of Profits .. .. .	(6)	(6)	18	19	17
	<u>932</u>	<u>807</u>	<u>892</u>	<u>750</u>	<u>992</u>
Taxation (Adjusted) .. .. .	(15)	—	346	138	263
	<u>947</u>	<u>807</u>	<u>546</u>	<u>612</u>	<u>729</u>
Net Profit Attributable to Minority Shareholders .. .. .	1	1	1	1	1
	<u>946</u>	<u>806</u>	<u>545</u>	<u>611</u>	<u>728</u>
Extraordinary Items .. .. .	35	436	59	60	25
	<u>911</u>	<u>370</u>	<u>486</u>	<u>551</u>	<u>703</u>
Ordinary Dividend .. .. .	146	175	200	213	262
Profit Retained .. .. .	<u>765</u>	<u>195</u>	<u>286</u>	<u>338</u>	<u>441</u>
FUNDS EMPLOYED					
Fixed Assets .. .. .	4,067	4,253	5,069	4,915	5,090
Investments Including Associated Companies .. .. .	194	261	228	250	174
Net Current Assets .. .. .	1,551	1,541	1,110	1,574	1,931
	<u>5,812</u>	<u>6,055</u>	<u>6,407</u>	<u>6,739</u>	<u>7,195</u>
Earnings per Ordinary Share of 25p .. .. .	18.9p	16.1p	10.9p	12.2p	14.6p
Dividend per Ordinary Share of 25p .. .. .	2.9p	3.5p	4.0p	4.3p	5.2p
Profit as a Percentage of External Sales .. .. .	3.6%	2.4%	2.5%	2.1%	2.5%
Profit as a Percentage of Funds Employed .. .. .	16.0%	13.3%	15.9%	11.1%	13.8%