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HEADLAM, SIMS & COGGINS PLC

Directors:
A. H. COGGINS *(Chairman)*
J. B. HARDING
R. J. HARD

Secretary:
A. PENNINGTON, F.C.A.

Registered Office:
CHAPEL HOUSE,
12A UPPER BERKELEY STREET, LONDON, W1H 7PE.

Auditors:
MILNE ROSS
Chartered Accountants
CHAPEL HOUSE,
12A UPPER BERKELEY STREET, LONDON, W1H 7PE.

Stockbrokers:
BUCKMASTER & MOORE,
THE STOCK EXCHANGE, LONDON, EC2P 2JT.

Registrar and Transfer Office:
CONNAUGHT ST. MICHAELS LIMITED
P.O. BOX 30, CRESTA HOUSE, ALMA STREET, LUTON, BEDFORDSHIRE, LU1 2PZ.

COMPANIES REGISTRATION OFFICE M 23 OCT 1984

HEADLAM, SIMS & COGGINS PLC

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Thirty-sixth Annual General Meeting of Members of Headlam, Sims & Coggins PLC will be held at CHAPEL HOUSE, 12A UPPER BERKELEY STREET, LONDON, W1H 7PE on Friday, 15th June, 1984 at 11.00 a.m. for the following purposes:

1. To receive and adopt the Directors' Report and audited Financial Statements for the year ended 31st January, 1984.
2. To declare a final dividend on the Ordinary Shares.
3. To re-elect a Director.
4. To re-appoint Messrs. Milne Ross as Auditors.
5. To authorise the Directors to fix the remuneration of the Auditors.
6. To transact any other business.

By Order of the Board.
A. PENNINGTON, F.C.A.
Secretary.

CHAPEL HOUSE,
12A UPPER BERKELEY STREET,
LONDON, W1H 7PE.

23rd May, 1984.

A Member entitled to attend and vote at the meeting is entitled to appoint one or more persons as proxies to attend and vote on his behalf, and such persons need not themselves be members.

There will be available for inspection at the Registered Office during usual hours on any weekday (Saturdays excluded), from the date of this Notice until the date of the Annual General Meeting, and at the place of the Annual General Meeting for at least fifteen minutes prior to and during the Meeting, copies of all Contracts of Service whereunder Directors of the Company are employed by the Company or any subsidiary of the Company at the date of the Notice convening the Annual General Meeting.

HEADLAM, SIMS & COGGINS PLC

CHAIRMAN'S STATEMENT

The results for the year show that turnover has fallen by £893,000 (16%), compared with the previous year's figures, due largely to a fall in demand for safety footwear which was experienced in the second and third quarters of the year. Since October 1983, demand for safety footwear has risen, enabling some ground to be recovered. The percentage of profit before tax in relation to turnover has improved from 6.3% to 6.5% reflecting the close controls that are being exercised on costs.

Since the year end a major acquisition has been made which will influence future trading results to a significant extent. This acquisition is dealt with in more detail later in this statement.

SUBSIDIARIES

R. Coggins & Sons Limited (Manufacturers of Industrial and Safety Footwear)

This company continues to be the largest contributor to profits and following the mid-term drop in demand, subsequent improvements continued until mid-April 1984. Since then the miners' strike has resulted in a temporary cutback in deliveries being made to the National Coal Board.

So long as the miners' strike is not too prolonged, it is expected that it will still be possible to show improved results for the ensuing half year.

Cotton Oxford Limited (Distributors of Sports Footwear and Leisure Goods)

The profits of Cotton Oxford were slightly above last year's level despite a 10% reduction in sales.

Further promotion of its own namesake brand has resulted in more forward orders being taken than at this time last year, and it is hoped that this will be reflected in improved results for the year ahead.

Centre Sports Limited (Retailer of Sports Goods)

This single shop operation proved to be a big disappointment over the Christmas period, and it is likely that a buyer may be sought for the premises. If this occurs, then plans for expanding into retailing in a significant way will be set aside and reviewed in the light of the Group's other commitments.

RECENT ACQUISITION

Carter Pocock Limited

On the 23rd February, 1984, your Company purchased the whole of the issued share capital of Carter Pocock Limited of Southwark Bridge Road, London, from Pocock Brothers Limited.

Carter Pocock is a wholesaler of sports and general footwear with a turnover in excess of £4,000,000. It has reported trading losses for some years and thus initial steps have already been taken to substantially reduce costs by relocating the main business in Northamptonshire. The cash and carry business will continue to trade at Southwark Bridge Road, London, and will be expanded.

It is inevitable that further trading losses will be incurred during the first half of the current financial period. However, these will be quickly brought under control during the second half year. Despite the re-organisation, it is considered unlikely that profits will be achieved in the first year, but this acquisition will materially improve Group results in future years

HEADLAM, SIMS & COGGINS PLC

CHAIRMAN'S STATEMENT *(continued)*

OUTLOOK

Once the re-organisation of Carter Pocock Limited is completed, then your Group will emerge stronger and more evenly spread over most facets of the footwear trade. The enlarged Group will achieve total sales in the region of £8,000,000 and this will be made up as follows:

Manufacturing	38%
Wholesaling	52%
Cash and Carry	9%
Retail	1%
	100%

It is anticipated that the Group profits for the year ending 31st January, 1985 will be in the region of £325,000. The outlook for 1985/86 is most encouraging as the full benefits of the relocation and re-organisation will then be realised and a significant increase in profits is anticipated.

DIVIDENDS

The final dividend being recommended by your directors is 1.6p per ordinary share, payable on the 16th June, 1984, making a "same again" total of 3.0p per ordinary share for the year.

Dividends for the year 1984/85 are expected to be not less than the amounts paid for the current financial year.

STAFF

Our employees are thanked for their continuing loyalty and hard work on which the success of our business depends.

A. H. COGGINS.

HEADLAM, SIMS & COGGINS PLC

DIRECTORS REPORT
FOR THE YEAR ENDED 31st JANUARY, 1984

The Directors present their annual Report together with the audited Financial Statements for the year ended 31st January, 1984.

Results, Dividends and Appropriations

The Group's results for the year are set out in the Profit and Loss Account on page 7.

Preference dividends have been paid of £2,800 *(1983 — £2,800)*.

An interim ordinary dividend of 1.4p per share *(1983 — 1.4p)* was paid on 9th December, 1983. The Directors recommend a final dividend of 1.6p per share *(1983 — 1.6p)*, making a total for the year of 3.0p *(1983 — 3.0p)*. The final dividend, if approved, is payable on 16th June, 1984 to shareholders whose names appear on the Register at the close of business on 31st May, 1984.

After dividends paid and proposed totalling £125,300 *(1983 — £125,300)*, retained profits for the year of £59,714 *(1983 — £74,473)* have been transferred to reserves.

Principal Activities and Review of Business Developments

The principal activities of the Group continue to be the manufacture and wholesale distribution of footwear. The Directors regard these activities as a single class of business.

A review of the Group's operations and the likely future developments of the Group's business is contained in the Chairman's Statement on pages 3 and 4 which is adopted as part of this report.

Fixed Assets

Significant movements are as set out in notes 7 and 8 of these Financial Statements.

In the opinion of the Directors, the market value of the land and buildings held at the financial year end did not differ materially from their book value.

Directors

The present Directors of the Company are shown on page 1 and all held office throughout the year under review. Mr. A. H. Coggins retires from the Board in accordance with the Articles of Association and offers himself for re-election. Mr. J. B. Harding and Mr. R. J. Hard have service agreements with the Company which expire on 30th June, 1986 and 1st February, 1988 respectively.

Mr. K. Elkington retired from the Board of Directors on 30th June, 1983.

Directors' beneficial interests in the share capital of the Company were as follows: —

	31st January, 1984		*31st January, 1983*	
	Ordinary Shares	*Preference Shares*	*Ordinary Shares*	*Preference Shares*
A. H. Coggins	258,682	2,000	*328,682*	*2,000*
K. Elkington			*28,910*	
J. B. Harding	54,500		*54,500*	
R. J. Hard	20,903		*20,903*	

There were no changes in the Directors interests between the end of the financial year and the date of this report.

None of the Directors had a material beneficial interest in any contract to which the Company or any of its subsidiaries were a party during or at the end of the financial year.

Substantial Shareholders

The Directors have been notified that Hill Samuel Beech Street Trust hold 318,000 ordinary shares (7.79%) and Mr. A. H. Coggins, 258,682 ordinary shares (6.34%) in the Company. No other person has reported an interest of 5% or more in the ordinary shares.

HEADLAM, SIMS & COGGINS PLC

DIRECTORS REPORT *(Continued)*

Post Balance Sheet Events

On 23rd February 1984, the entire issued share capital of Carter Pocock Limited, footwear wholesalers, was acquired. Due to the significant re-organisation that is currently taking place, including the relocation of the business and the termination of certain distribution agencies the Directors are unable at this stage to quantify the effect of this acquisition on the trading results of the current financial period. The initial consideration amounted to £285,000 but further acquisition costs, which are unlikely to exceed £100,000, may become payable during the course of the next year conditional upon the extent of the total relocation and closures costs and future trading results.

Current Cost Accounts

The Board has decided that the preparation of current cost accounts does not materially enhance the information given in the Group's Financial Statements and, accordingly, have not incurred the expense of preparation and audit of current cost accounts.

Close Company Status

The Company is not a close company within the provisions of the Income and Corporation Taxes Act 1970.

Auditors

A resolution to re-appoint Messrs. Milne Ross, Chartered Accountants, as auditors of the Company will be put to the members at the Annual General Meeting.

By Order of the Board,

A. PENNINGTON, F.C.A.,
Secretary

CHAPEL HOUSE,
12A UPPER BERKELEY STREET,
London, W1H 7PE.

9th May, 1984.

REPORT OF THE AUDITORS
TO THE MEMBERS OF HEADLAM, SIMS & COGGINS P.L.C.

We have audited the Financial Statements on pages 7 to 15 in accordance with approved auditing standards.

In our opinion the Financial Statements which have been prepared under the historical cost convention as modified by the revaluation of land and buildings, give a true and fair view of the state of affairs of the Company and the Group at 31st January 1984 and of the profit and source and application of funds of the Group for the year then ended and comply with the Companies Acts 1948 to 1981.

The Financial Statements do not contain current cost accounts as required by Statement of Standard Accounting Practice Number 16.

CHAPEL HOUSE,
12A UPPER BERKELEY STREET
LONDON, W1H 7PE

MILNE ROSS,
Chartered Accountants.

9th May, 1984

HEADLAM, SIMS & COGGINS PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st JANUARY, 1984

	Notes	1984 £	*1983 £*
Turnover		4,702,822	*5,595,820*
Cost of Sales		(3,796,218)	*(4,521,770)*
Gross Profit		906,604	*1,074,050*
Selling and distribution costs		(39,140)	*(52,170)*
Administrative expenses		(589,894)	*(703,371)*
		277,570	*318,509*
Interest receivable		34,050	*41,615*
Interest payable		(5,621)	*(5,114)*
Profit on ordinary activities before taxation	1	305,999	*355,010*
Tax on profit on ordinary activities	3	120,985	*155,237*
Profit on ordinary activities after taxation attributable to members	4	185,014	*199,773*
Dividends	5	(125,300)	*(125,300)*
Profit for the year retained		59,714	*74,473*
Unappropriated Profits brought forward		1,743,157	*1,668,684*
Unappropriated Profits carried forward		£1,802,871	*£1,743,157*
Earnings per share	6	4.46p	*4.82p*

The notes on pages 11 to 15 form part of these Financial Statements

HEADLAM, SIMS & COGGINS PLC

CONSOLIDATED BALANCE SHEET AS AT 31st JANUARY, 1984

	Notes	1984 £	1984 £	*1983* £	*1983* £
Fixed Assets					
Tangible assets	7		563,026		*583,502*
Intangible assets	8		21,676		*23,376*
			584,702		*606,878*
Current Assets					
Stocks	9	1,308,320		*1,318,579*	
Debtors	10	555,824		*673,058*	
Cash at bank and in hand		369,521		*267,065*	
		2,233,665		*2,258,702*	
Creditors, due within one year	12	(454,553)		*(559,488)*	
Net Current Assets			1,779,112		*1,699,214*
Total Assets less Current Liabilities			2,363,814		*2,306,092*
Provision for Liabilities and Charges					
Deferred taxation	13		(2,922)		*(4,914)*
			£2,360,892		*£2,301,178*
Capital and Reserves					
Called up share capital	15		254,167		*254,167*
Share premium account			15,349		*15,349*
Revaluation reserve			288,505		*288,505*
Profit and loss account			1,802,871		*1,743,157*
			£2,360,892		*£2,301,178*

Approved by the Directors at a Board Meeting held on 9th May, 1984.

A. H COGGINS }
J. B. HARDING } *Directors*

The notes on pages 11 to 15 form part of these Financial Statements.

HEADLAM, SIMS & COGGINS PLC

BALANCE SHEET AS AT 31st JANUARY, 1984

	Notes	1984 £	1984 £	1983 £	1983 £
Fixed Assets					
Tangible assets	7		56,000		*56,750*
Intangible assets	8		1		*1*
Investments in subsidiaries	11		106,100		*106,100*
			162,101		*162,851*
Current Assets					
Debtors	10	433,270		*407,302*	
Cash at bank and in hand		5,454		*8,228*	
		438,724		*415,530*	
Creditors, due within one year	12	(165,134)		*(133,544)*	
Net Current Assets			273,590		*281,986*
Total Assets less Current Liabilities			£435,691		*£444,837*

	Notes	1984 £	1983 £
Capital and Reserves			
Called up share capital	15	254,167	*254,167*
Share premium account		15,349	*15,349*
Revaluation reserve		12,151	*12,151*
Profit and loss account		154,024	*163,170*
		£435,691	*£444,837*

Approved by the Directors at a Board Meeting held on 9th May, 1984.

A.H. Coggins

A. H. COGGINS }
J. B. HARDING } *Directors*

The notes on pages 11 to 15 form part of these Financial Statements.

HEADLAM, SIMS & COGGINS PLC

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31st JANUARY, 1984

	1984		1983	
	£	£	£	£
SOURCE OF FUNDS				
Profit before taxation		305,999		*355,010*
Adjustments for items not involving the movement of funds				
Depreciation		60,754		*71,355*
Goodwill written off		1,700		*1,700*
Total Generated from Operations		368,453		*428,065*
Funds from Other Sources				
Tangible fixed assets sold—Net book value		6,176		*2,208*
		374,629		*430,273*
APPLICATION OF FUNDS				
Taxation paid	135,260		*196,136*	
Dividends paid	125,300		*125,300*	
Tangible fixed assets purchased	46,454		*55,546*	
		(307,014)		*(376,982)*
		67,615		*53,291*
Decrease/(Increase) in Working Capital				
Stocks	10,259		*(303,228)*	
Debtors	117,234		*(13,683)*	
Creditors falling due within one year	36,216		*(246,255)*	
		163,709		*(563,166)*
Movement in net liquid funds:				
Increase/(Decrease) in bank and cash balances		£231,324		*£(509,875)*

The notes on pages 11 to 15 form part of these Financial Statements

HEADLAM, SIMS & COGGINS PLC

NOTES TO THE FINANCIAL STATEMENT.

Accounting Policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Group's Financial Statements

The consolidated Financial Statements incorporate the audited accounts of the parent company and all its subsidiary companies made up to 31st January, 1984. No profit and loss account is presented for Headlam, Sims & Coggins P.L.C. as provided by Section 149(5) of the Companies Act 1948

Basis of Accounting

These Financial Statements have been prepared under the accounting rules set out in the Eighth Schedule to the Companies Act 1948 as amended. Freehold land and buildings are stated at revalued amounts and in other respects items are stated under the historical cost accounting rules

Turnover

Turnover represents the net amount invoiced to external customers, excluding value added tax

Depreciation

Freehold land is not depreciated. All other fixed assets are written off on the straight line basis, over their expected useful lives, at the following annual rates

Freehold buildings	2%
Fixtures, fittings and equipment	10% to 33⅓%
Plant and machinery	20% to 33⅓%
Motor vehicles	30% and 33⅓%
Trademarks and patents	5%
Goodwill	6⅔%

Research and Development

All research and development expenditure is written off as it is incurred

Stock and Work in Progress

Stocks of finished goods and work in progress are valued at the lower of cost and net realisable value. Cost, to the distributing company, comprises the bought-in cost of goods purchased for re-sale, without any addition for overheads appropriate to location and condition. So far as the manufacturing company is concerned, cost comprises the direct cost of production and the attributable portion of all overheads appropriate to location and condition. Raw materials have been valued at the lower of cost and net realisable value. Book profit on movements of stock between members of the Group has been excluded from the consolidated financial statements.

Deferred Taxation

Provision is made for deferred taxation under the liability method at the current rate of Corporation Tax on all timing differences, except when the tax benefit can be expected with reasonable probability to be retained for the foreseeable future.

Recoverable Advance Corporation Tax is deducted from the deferred taxation balance

Pension Funding

Annual profits are charged with pension contributions at rates calculated by actuaries to cover retirement benefits based on projected final salaries. Accrued pension liabilities of the scheme, based on current salaries at 31st January, 1984 are fully funded.

HEADLAM, SIMS & COGGINS PLC

Note 1

Profit before Taxation

Profit before taxation is arrived at after charging

	1984 £	*1983 £*
Depreciation and amounts written off		
Tangible fixed assets	60,754	*71,355*
Intangible fixed assets	1,700	*1,700*
Auditors' remuneration	9,425	*8,950*
Hire of plant and machinery	47,323	*54,411*
Interest—bank and short-term	5,621	*5,114*
Directors' remuneration		
Fees	6,666	*8,000*
Other emoluments including pension contributions	135,528	*177,825*
Compensation for loss of office	39,038	*—*
	£181,232	*£185,825*
Emoluments of the chairman	£14,571	*£13,764*
Emoluments of the highest paid director	£36,483	*£45,288*

The emoluments of the other directors fell within the following ranges:

	1984	*1983*
£15,001—£20,000	1	—
£30,001—£35,000	—	*2*
£35,001—£40,000	1	—

Note 2

Staff Numbers and Costs

The average number of persons employed by the Group, including Directors, during the year was as follows:

	1984	*1983*
Management	7	*8*
Administration	13	*19*
Production	118	*122*
Selling	3	*6*
Total employees	141	*155*

The aggregate payroll costs of these persons were as follows:

	£	*£*
Wages and salaries	892,136	*1,017,998*
Social security costs	82,038	*106,551*
Other pension costs	119,914	*135,995*
	£1,094,088	*£1,260,544*

Note 3

Taxation

Based on the profits for the year at 50% *(1983—52%)*

	£	*£*
Corporation tax	123,658	*159,534*
Deferred taxation	(1,992)	*(2,867)*
Adjustment for previous years	(681)	*(1,430)*
	£120,985	*£155,237*

Note 4

Of the net profit attributable to shareholders £116,154 *(1983—£129,451)* has been dealt with in the accounts of Headlam Sims & Coggins P.L.C.

Note 5

Dividends

	1984 £	*1983 £*
On Preference shares at 5.6% paid	2,800	*2,800*
On Ordinary shares—Interim paid 1.4p *(1983—1.4p)*	57,167	*57,167*
—Final proposed 1.6p *(1983—1.6p)*	65,333	*65,333*
	£125,300	*£125,300*

HEADLAM, SIMS & COGGINS PLC

Note 6

Earnings per Share

	1984	*1983*
Earnings per ordinary share are based on Earnings after deducting preference dividends	£182,214	*£196,973*
Number of ordinary shares in issue during the year	4,083,332	*4,083,332*

Note 7

Tangible Fixed Assets

Group	*Freehold Land and Buildings* £	*Improvements to Leasehold Premises* £	*Plant and Machinery* £	*Fixtures, Fittings and Equipment* £	*Motor Vehicles* £	*Total* £
Cost or valuation at 1st February, 1983	472,500	1,095	283,218	125,082	110,999	992,894
Additions			26,977	3,012	16,465	46,454
Disposals		(1,095)	-	—	(52,635)	(53,730)
Cost or valuation at 31st January, 1984	£472,500	£ -	£310,195	£128,094	£74,829	£985,618
Being						
Cost			310,195	128,094	74,829	513,118
Valuation at 31st January, 1979	290,000		—	—	—	290,000
Valuation at 31st January, 1982	182,500		—	—	—	182,500
	£472,500	£ -	£310,195	£128,094	£74,829	£985,618
Aggregate Depreciation at 1st February, 1983	24,750	1,094	232,127	68,130	83,291	409,392
Disposals		(1,094)	—	—	(46,460)	(47,554)
Provision for the year	8,750	—	24,124	13,597	14,283	60,754
Aggregate Depreciation at 31st January, 1984	£33,500	£ - -	£256,251	£81,727	£51,114	£422,592
Net Book Values at 31st January, 1984	£439,000	£	£53,944	£46,367	£23,715	£563,026
31st January, 1983	£447,750	£1	£51,091	£56,952	£27,708	£583,502

Company	*Freehold Land and Buildings* £
Valuation at 1st February, 1983 and 31st January, 1984	£57,500
Being	
Valuation at 31st January, 1982	£57,500
Aggregate Depreciation at 1st February 1983	750
Provision for the year	750
Aggregate Depreciation at 31st January, 1984	£1,500
Net Book Value at 31st January, 1984	£56,000
31st January, 1983	£56,750

The freehold properties of the Group were revalued at 31st January, 1979 and 31st January, 1982 (on an existing use basis) by various independent local valuers.

The original cost of freehold land and buildings amounts to £196,407 *(1983 - £196,407)*. The comparable charge for accumulated depreciation, thereon, if stated under historical cost rules, would be £42,976 *(1983 - £39,375)*.

HEADLAM, SIMS & COGGINS PLC

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

Note 8

Intangible Fixed Assets

Group

	Trade Marks and Patents	*Goodwill*	*Total*
	£	£	£
Cost at 1st February 1983 and 31st January, 1984	£6,684	£25,500	£32,184
Amortisation at 1st February, 1983	6,683	2,125	8,808
Provision for the year		1,700	1,700
Amortisation at 31st January, 1984	£6,683	£3,825	£10,508
Net Book Value at 31st January, 1984	£1	£21,675	£21,676
31st January 1983	£1	£23,375	£23,376

Company

Cost at 1st February, 1983 and 31st January, 1984	£6,684
Amortisation at 1st February, 1983	6,683
Amortisation at 31st January, 1984	£6,683
Net Book Value at 31st January, 1984	£1
31st January, 1983	£1

Note 9

Stocks

	COMPANY		*GROUP*	
	1984	*1983*	1984	*1983*
	£	*£*	£	*£*
Raw materials and consumables		-	708,937	*824,466*
Work in progress	-	-	182,498	*162,998*
Finished goods and goods for resale		-	416,885	*331,115*
	£NIL	*£NIL*	£1,308,320	*£1,318,579*

Note 10

Debtors

	COMPANY		*GROUP*	
	1984	*1983*	1984	*1983*
	£	*£*	£	*£*
Trade debtors		-	500,751	*615,094*
Amounts owed by subsidiary companies	303,567	*378,011*		
Other debtors	993		17,462	*14,500*
Prepayments and accrued income	28,710	*29,291*	37,611	*43,464*
	£333,270	*£407,302*	£555,824	*£673,058*

Note 11

Investments in Subsidiaries

Cost of shares in subsidiary companies	£106,100	*£106,100*

The following are the wholly owned operating subsidiary companies of Headlam, Sims & Coggins P.L.C. at 31st January, 1984. A list of all subsidiary companies will be filed with the next Annual Return to the Registrar of Companies.

	Activity
R. Coggins & Sons Limited	Manufacture of industrial and safety footwear
Cotton Oxford Limited (formerly Simlam Limited)	Distribution of sports and leisure footwear
Centre Sports Limited	Retail distribution of sports and leisure clothing and equipment

All of the above companies were incorporated in England.

Note 12

Creditors due within one year

	COMPANY		GROUP	
	1984	*1983*	1984	*1983*
	£	*£*	£	*£*
Bank overdrafts			56,535	*185,403*
Trade creditors			152,104	*70,354*
Amounts owed to subsidiary companies	34,629	*16,932*		
Proposed dividend	65,333	*65,333*	65,333	*65,333*
Social security and taxation	51,260	*36,757*	125,739	*157,128*
Other creditors	4,871	*4,193*	6,956	*16,008*
Accruals and deferred income	9,041	*10,329*	47,886	*65,262*
	£165,134	*£133,544*	£454,553	*£559,488*

Note 13

Deferred Taxation

The provision for deferred taxation calculated on the liability method is set out below

	1984		*1983*	
	Full potential liability	Amount provided	*Full potential liability*	*Amount provided*
	£	£	*£*	*£*
Difference between accumulated depreciation and capital allowances	30,922	30,922	*32,914*	*32,914*
Stock increase relief		–	*531,459*	*—*
Advance corporation tax recoverable	(28,000)	(28,000)	*(28,000)*	*(28,000)*
	£2,922	£2,922	*£536,373*	*£4,914*

No provision for deferred taxation is required in the Financial Statements of the holding company.

No provision for deferred taxation is made in relation to the revaluation of freehold land and buildings. If the Group's interest in freehold land and buildings was disposed of at its balance sheet amount, it is estimated that the tax liability would amount to approximately £64,000 (*1983 £64,000*).

Note 14

Contingent Liabilities

A subsidiary company had contingent liabilities at 31st January 1984 in respect of

(a) leased machinery (in accordance with normal industrial practice guaranteed in part by the Principal Company)

(b) documentary credits in the sum of £59,751 (*1983 £20,145*)

Note 15

Called up Share Capital

	1984	*1983*
Authorised	£	*£*
50,000 5.6% Preference Shares of £1 each	50,000	*50,000*
5,000,000 Ordinary Shares of 5p each	250,000	*250,000*
	£300,000	*£300,000*

	1984	*1983*
Issued and Fully Paid	£	*£*
50,000 5.6% Preference Shares of £1 each	50,000	*50,000*
4,083,332 Ordinary Shares of 5p each	204,167	*204,167*
	£254,167	*£254,167*

HEADLAM, SIMS & COGGINS PLC

GROUP FINANCIAL RECORD

	Notes	1984 £	1983 £	1982 £	1981 £	1980 £	1979 £	1978 £	1977 £	1976 £	1975 £
Group turnover		4,702,822	5,595,820	[illegible]40,764	4,464,096	4,387,223	4,65[illegible],325	3,917,17	3,101,441	2,415,252	2,126,158
Profit before taxation		305,999	355,010	[illegible]73,909	300,175	389,110	427,833	319,862	213,414	138,100	12[illegible],523
Taxation		120,985	155,237	184,761	(1[illegible],490)	187,284	160,212	61,362	39,386	[illegible]3,984	69,339
Profit after taxation		185,014	199,773	289,148	422,665	201,826	267,621	258,500	174,028	64,116	58,184
Extraordinary items		—	—	—	—	44,6[illegible]8		—	—	—	—
		185,014	199,773	289,148	422,665	246,494	267,621	258,500	174,028	64,116	58,184
Dividends											
Preference—net		2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,525	2,025	2,100
Ordinary—net		122,500	122,500	106,166	69,125	63,100	39,887	24,592	22,356	20,324	13,857
		£59,714	£74,473	£180,182	£350,740	£1[illegible]94	£224,934	£231,10[illegible]	£149,147	£41,767	£42,227
Earnings per ordinary share	(1)	4.46p	4.82p	7.01p	10.28p	4.87p	7.08p	7.10p	4.76p	1.87p	2.07p
Ordinary dividend (gross equivalent) per share	(2)	4.29p	4.29p	3.71p	2.42p	2.21p	1.45p	1.04p	0.94p	0.87p	0.79p

Notes

(1) The policy for accounting for deferred taxation was changed in 1978, and the results for 1977 have been adjusted for this change, but not those for earlier years.

(2) Adjusted for capitalisation and rights issues during the period.

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J. B. Harding
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UNAUDITED HISTORICAL COST RESULTS OF THE GROUP FOR THE HALF YEAR TO 31ST JULY 1984

	1984/85 First half-year	1983/84 First Half-year	1983/84 Full year
Group Sales	£3,984,000	£2,426,000	£4,703,000
Profit of the Group before Taxation	92,000	152,000	306,000
Taxation:			
—Estimated provision for the half-year	—	59,000	--
—Charge for the year	—	—	121,000
	92,000	93,000	185,000
Preference Dividend	1,400	1,400	2,800
	£90,600	£91,600	£182,200
Net Earnings per Ordinary Share	2.22p	2.24p	4.46p

CHAIRMAN'S STATEMENT

The results for the half-year have been adversely affected by the losses incurred by our recent acquisition, Carter Pocock Limited, as anticipated in my report for the last financial year.

SUBSIDIARIES

R. Coggins & Sons Limited—Manufacturers of Industrial and Sports Footwear

Sales and profits have improved most encouragingly despite the industrial troubles of the mining industry and it is anticipated that results for the full year will be equally satisfactory.

Cotton Oxford Limited—Distributors of Sports Footwear and Leisure Goods

Turnover for the period has fallen due to the financial failure of an overseas supplier and the impossibility of finding an alternative source of supply in time to meet market needs. However, despite this setback, profits have held up well.

The second half of the year is traditionally the weaker half and only modest profits will be earned.

Centre Sports Limited—Retailer of Sports Goods

This small retail outlet continues to disappoint and will be closed in January 1985.

Carter Pocock Limited—Wholesale/Cash and Carry in General Footwear

As previously reported, this company was acquired by your Group on 23rd February 1984 with a history of making losses over several years.

The business has now been relocated to Finedon, Northamptonshire and the removal, although beneficial in cost saving, has affected sales during the first half year which has continued into the second half. Strenuous efforts are now being made to recover sales lost due to the move. You will be pleased to hear that the action taken so far in reducing overhead costs has resulted in savings of 35% at an annual rate and further cost cutting exercises are still taking place.

The company was purchased for a consideration involving the payment of £11,000 for the Share Capital, repaying company borrowings of £274,000 and paying up to £134,000 for net assets subject to allowances for removals and closure costs, etc. The Directors take the view that, based upon the costs already incurred in the half year and other claims under warranties, the total cost of this acquisition will not exceed the above stated amount of £285,000.

The goodwill arising on the consolidation of this subsidiary of £400,000 will be written off in this current financial year out of the Group Reserves which at the end of the previous financial year stood at £2,090,000.

COMPANIES REGISTRATION M 28 NOV 1984 OFFICE

OUTLOOK

The future for R. Cogg'.s & Sons Limited and Cotton Oxford Limited is promising, but it will take longer than the twelve months first envisaged to bring Carter Pocock Limited back into profit.

DIVIDENDS

Due to the effect of Carter Pocock Limited on the Group's results, your Directors consider it prudent to declare an interim dividend on the ordinary shares of 1.0p (1983—1.4p) per share to the holders listed on the Register on 22nd November 1984, the payment of which will be made on 7th December 1984.

The level of the final dividend for the year to 31st January 1985 will be reviewed when the results for the full year are to hand.

A. H. COGGINS
Chairman

16th November 1984.

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NOTICE OF ILLEGIBLE DOCUMENTS

Companies House regrets that documents in this company's microfiche record have pages which are illegible.

This has been noted but unfortunately steps taken to rectify this were unsuccessful.

Companies House would like to apologise for any inconvenience this may cause.

COMPANY INFORMATION SUPPLIED BY COMPANIES HOUSE