0276?C

ALLEN PLC

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29TH MARCH, 1992

Contents

LATHAM CROSSLEY & DAVIS
CHARTERED ACCOUNTANTS
MANCHESTER

1338B

ALLEN PLC

CHAIRMAN'S STATEMENT

As I anticipated in my last year's statement the intense competition in the industry has resulted in the ending of our twenty-three year profit growth record.

These trading conditions were the most difficult that I have experienced in over 30 years in the construction industry.

However, although our pre-tax profits fell by 38.6% from the previous year, considering the conditions experienced and compared with the results from most other construction companies I believe it to be a creditable performance.

Our pre-tax profits per share were 14.47p compared with 23.57p last year and earnings per share were 9.69p compared with 15.47p last year.

At the year end our balance sheet gearing was 36.7% of shareholders' funds whereas it was 25.0% at the previous year end. Net interest was covered 4.4 times by operating profit, whilst for the previous year this was 6.5 times. Although borrowings have increased, we are more than satisfied with our financial position.

We recommend to our shareholders that we pay a final dividend of 3.35p per share which together with the interim dividend of 1.65p per share will give a total of 5.0p net per share for the year. This is an increase of 2.04% and indicates our confidence in the future of our company. The dividend is covered 1.94 times by our earnings.

For the last two years I have reported to you that we were looking to expand by acquisition. Each following year I also reported that we had been unsuccessful.

Since my last Statement we have looked at a number of companies and with two, negotiations went to an advanced stage. In both cass we withdrew after detailed "due diligence" investigations gave us cause for concern. We are still having discussions with companies that are of interest to us, and whilst we would like to expand by acquisition we will continue to apply our normal caution.

In line with some of the recommendations of the "Cadbury" report on corporate governance we have:

(a) Formed an Audit Committee, the members being our two non-executive directors, both of whom are Chartered Accountants.

(b) Formed a Remuneration Committee comprising our two non-executive directors plus myself.

(c) In this report separated basic salaries and benefits-in-kind on the one hand and the performance related bonuses on the other hand of our Main Board Directors.

I do not yet detect any improvement in trading conditions but with further interest rate reductions and, more importantly, improvements in consumer confidence I expect a gradual upturn from late 1992.

I thank all of our directors and staff for their efforts in producing a good result in exceptionally difficult conditions.

Donald Greenhalgh
Chairman

ALLEN PLC

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 29th March, 1992.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activities of the group are those of building contracting, private house building, plant hire, and property development and investment.

A review of these activities during the year and the prospects of the group for the future are given in the Chairman's Statement which should be read as part of this report.

RESULTS AND DIVIDENDS

The consolidated profit for the year was £3213000 before providing for taxation of £1061000.

An interim dividend of 1.65 pence per share was paid during the year. The directors recommend a final dividend of 3.35 pence per share, making a total dividend distribution for the year of £1111000. The directors recommend that the balance of £1041000 be transferred to reserves.

FIXED ASSETS

Details of changes in fixed assets are given in notes 7 and 9 to the financial statements.

Land and buildings, excluding short leasehold properties, were revalued on 27th March, 1992 by Dunlop Heywood & Co Ltd Consultant Surveyors. This revaluation has been incorporated in the financial statements.

EMPLOYMENT OF DISABLED PERSONS

The group recognises its responsibilities towards disabled persons and gives full and fair consideration to applications from them for employment. It endeavours to place such applicants in positions suited to their own particular abilities where appropriate openings exist. Where employees become disabled in the course of their employment, every effort is made to provide them with continuing employment.

EQUAL OPPORTUNITIES

In the recruitment of staff and their subsequent career development, individuals are considered having regard to their aptitudes and abilities irrespective of race, sex, marital status or disability.

EMPLOYEE INVOLVEMENT

The group aims to achieve a shared commitment from all employees to the success of the business in which they are employed. As a result of the diversity of the group's constituent businesses and the devolution of responsibility to local management, the nature and form of the arrangements for achieving this objective vary considerably.

ALLEN PLC

REPORT OF THE DIRECTORS

TAXATION STATUS

At 29th March, 1992 the company was a close company within the provisions of the Income and Corporation Taxes Act 1988. There has been no change in this up to 8th June, 1992.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year and their interests in the 5p ordinary shares of the company were:

	Number held at			
	29th March, 1992		1st April, 1991	
	Beneficial	Non-beneficial	Beneficial	Non-beneficial
D. Greenhalgh (Chairman)	1412960	913960	1442960	975200
J.E. Brown	238400	160165	304400	165525
K. Fox	2142600	1055765	2253160	1076085
M.R. Greenough	16000	-	16000	-
I.J. Hilton	1236430	-	1248680	-
M.J. Morgan	174700	-	183700	-
C.R. Godwin (non executive)	5000	-	5000	-
M.C. Mowat (non executive)	7500	-	-	-

C.R. Godwin, is a chartered accountant, aged 58 years. He was with Price Waterhouse for 32 years until 1989, for the last thirteen of which he was the senior partner of their Manchester office. He is now a non executive director of a number of companies, including Britannia Building Society (Deputy Chairman), Readicut International Plc, NWF Limited (Chairman), W.W. Group Limited and Masons of Leek (Chairman).

M. C. Mowat FCA aged 52, was appointed a non executive director on 1st April, 1991. Formerly a director of, and now a consultant with, Barclays de Zoete Wedd Limited, he assisted the company with its flotation in 1989. He is a non-executive director of A.F. plc and Quality Care Homes Ltd.

At 8th June, 1992 the beneficial holdings of the following directors had changed to:

D. Greenhalgh	1412459
K. Fox	2142378
M.R. Greenough	10000

ALLEN PLC

REPORT OF THE DIRECTORS

AUDITORS

Latham Crossley & Davis offer themselves, and are recommended, for re-appointment under the provisions of Section 385 of the Compani s Act 1985.

By order of the Board,

Secretary

Date: 18th June, 1992

DIRECTORS AND THEIR INTERESTS (continued)

No director had any interest, either during or at the end of the year, in any disclosable contracts or arrangements with the company or any subsidiary other than a contract of service.

The directors retiring by rotation at the annual general meeting, being eligible, offer themselves and are recommended for re-election.

SUBSTANTIAL SHAREHOLDERS

On 8th June, 1992 the following were interested in 3% or more of the company's ordinary share capital.

		Number of 5p ordinary shares	%
3i Plc		3175200	14.3
K. Fox	- beneficial	2142378	9.6
	- non beneficial	1055765	4.8
D. Greenhalgh	- beneficial	1412459	6.4
	- non beneficial	913960	4.1
I.J. Hilton	- beneficial	1236430	5.6
M.A. Lobell		910680	4.1
Greenhalgh Investments Limited		870840	3.9
T.D. Greenhalgh		828500	3.7
A.J. Smith		820100	3.7

SPECIAL BUSINESS AT THE ANNUAL GENERAL MEETING

The Notice of the Annual General Meeting includes special business set out as Resolutions 6 and 7. Resolution 6 is to renew for the period ending on the earlier of the date of the Annual General Meeting in 1993 and 31st December, 1993 the authority to disapply the statutory pre-emption provisions in order to allow for rights issues or similar offers and small issues of shares for cash. Resolution 7 renews the directors' power to purchase up to 1,100,000 ordinary shares of the company in the price ranges set out in the resolution.

INSURANCE FOR DIRECTORS' AND OFFICERS' LIABILITIES

Pursuant to powers granted to the Directors at the Extraordinary General Meeting of the company held on 26th July, 1991, a policy of insurance has been effected covering Directors' and other officers' liabilities.

CHARITABLE DONATIONS

The group made charitable donations amounting to £2864 (1991 : £4004).

REPORT OF THE AUDITORS

TO THE MEMBERS OF ALLEN PLC

We have audited the financial statements on pages 7 to 23 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 29th March, 1992 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Latham Crossley & Davis

Registered Auditor,
Chartered Accountants,
Manchester.

Date: 18th June, 1992

ALLEN PLC

STATEMENT OF ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain tangible fixed assets, and in accordance with applicable Accounting Standards.

BASIS OF CONSOLIDATION

The consolidated profit and loss account and balance sheet include the financial statements of the company and all of its subsidiaries made up to the balance sheet date. The results of subsidiary undertakings are included in the group financial statements from their effective date of acquisition or up to their effective date of disposal.

Goodwill arising on consolidation, representing the excess of consideration paid over the fair values of the net assets acquired, is written off against reserves in the year of acquisition.

A separate profit and loss account is not prepared for the company, as permitted by Section 230 of the Companies Act 1985.

TURNOVER

Turnover represents the value of work done and the invoiced amount of goods sold and hired less returns and allowances, exclusive of value added tax. Turnover on house sales represents amounts receivable on legal completion.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost or valuation less accumulated depreciation.

Depreciation is provided so as to write off the cost or valuation of the assets over their expected useful economic lives. The principal annual rates used, are:-

Short leasehold properties	-	over the period of the lease
Fixtures, fittings, plant and equipment	-	25% - 45% reducing balance
Motor vehicles	-	25% reducing balance
Accommodation units	-	straight line over 12 or 15 years
Scaffolding	-	10% reducing balance

No depreciation is provided on freehold and long leasehold land and buildings as it is the group's policy to maintain these properties to a high standard and the costs of maintenance are charged to profit and loss account. Consequently, the directors consider that the aggregate of their residual values is at least equal to the aggregate of their book values.

LEASING AND HIRE PURCHASE

Certain tangible fixed assets are held under financing arrangements. These assets are included in the balance sheet and are depreciated accordingly. The capital element of the corresponding financing commitments is included in the balance sheet. The finance element of instalments is charged to the profit and loss account in proportion to the reducing capital element outstanding.

All other leases held are operating leases and the rentals are charged to the profit and loss account as incurred.

ALLEN PLC

STATEMENT OF ACCOUNTING POLICIES

STOCKS AND WORK IN PROGRESS

Stocks are valued at the lower of cost and net realisable value. Cost includes an appropriate proportion of production overheads, where applicable.

Part exchange properties are valued at the lower of cost and net realisable value.

Profit on long term contracts is taken as the work is carried out, if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out by the year end by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenue derived from variations on contracts are recognised only when they have been accepted by the customers. Full provision is made for losses on all contracts in the year in which they are first foreseen.

DEFERRED TAXATION

Deferred taxation is provided under the liability method at the appropriate rate of tax in respect of timing differences between profits as computed for tax purposes and profits as stated in the financial statements to the extent that, in the opinion of the directors, those differences may give rise to tax liabilities in the foreseeable future.

INVESTMENT PROPERTIES

Investment properties are valued annually by a qualified chartered surveyor and trianually by external valuers on an open market value for existing use basis. Changes in value are taken directly to a revaluation reserve and any deficits on cost are taken directly to the profit and loss account. No amortisation is provided on investment properties.

PENSION COSTS

Pension costs are charged on a systematic basis over the period that the company benefits from the services of the employees concerned.

GOVERNMENT GRANTS

Government grants are recognised in the profit and loss account so as to match them with the related expenditure towards which they contribute. Grants received in respect of future accounting periods are included in the balance sheet as deferred income.

ALLEN PLC

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 29TH MARCH, 1992

	Note	1992 £'000	1991 £'000
TURNOVER	1	58903	67450
Cost of sales		(44613)	(51695)
Gross profit		14290	15755
Distribution costs		(1786)	(1828)
Administrative expenses		(6986)	(6797)
Other operating charges		(1933)	(1485)
Other operating income		572	566
OPERATING PROFIT	2	4157	6211
Interest payable (net)	3	(944)	(960)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1	3213	5251
Taxation	4	(1061)	(1804)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		2152	3447
Dividends	5	(1111)	(1089)
RETAINED PROFIT FOR THE FINANCIAL YEAR	14	1041	2358
		pence	pence
Profit on ordinary activities before taxation per share	6	14.47	23.57
Earnings per share - actual	6	9.69	15.47
Dividends per share	5	5.0	4.9

ALLEN PLC

GROUP BALANCE SHEET

AS AT 29TH MARCH, 1992

	Note	1992 £'000	1992 £'000	1991 £'000	1991 £'000
FIXED ASSETS					
Tangible assets	7		8570		9152
CURRENT ASSETS					
Stocks and work in progress	8	25066		21017	
Debtors	10	6422		7850	
		31488		28867	
CREDITORS: Amounts falling due within one year	11	(17829)		(18197)	
NET CURRENT ASSETS			13659		10670
TOTAL ASSETS LESS CURRENT LIABILITIES			22229		19822
CREDITORS: Amounts falling due after more than one year	11		(4226)		(2876)
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	12		(315)		(363)
			17688		16583
CAPITAL AND RESERVES					
Called up share capital	13		1111		1111
Share premium account	14		1981		1981
Capital redemption reserve	14		26		26
Revaluation reserve	14		967		853
Profit and loss account	14		13603		12612
			17688		16583

Approved by the board on 18th June, 1992

) Directors

ALLEN PLC

BALANCE SHEET

AS AT 29TH MARCH, 1992

	Note	1992		1991	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	7		425		451
Investments	9		14553		14473
			14978		14924
CURRENT ASSETS					
Debtors	10	2726		2819	
CREDITORS: Amounts falling due within one year	11	(10649)		(13902)	
NET CURRENT LIABILITIES			(7923)		(11083)
TOTAL ASSETS LESS CURRENT LIABILITIES			7055		3841
CREDITORS: Amounts falling due after more than one year			(2197)		-
			4858		3841
CAPITAL AND RESERVES					
Called up share capital	13		1111		1111
Share premium account	14		1981		1981
Capital redemption reserve	14		26		26
Revaluation reserve	14		221		246
Profit and loss account	14		1519		477
			4858		3841

Approved by the board on 18th June, 1992

)Directors
)
)

ALLEN PLC LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 29TH MARCH, 1992

	Note	1992 £'000	1992 £'000	1991 £'000	1991 £'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	A		1347		5242
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		299		6	
Interest paid		(806)		(415)	
Interest element of repayments under finance leases and hire purchase contracts		(437)		(551)	
Dividends paid		(1100)		(1071)	
Net cash outflow from returns on investments and servicing of finance			(2044)		(2031)
TAXATION					
Corporation tax paid			(1583)		(1752)
INVESTING ACTIVITIES					
Purchase of goodwill		-		(5)	
Purchase of tangible fixed assets		(116)		(668)	
Sale of tangible fixed assets		297		1057	
Net cash inflow from investing activities			181		384
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING			(2099)		1843
FINANCING					
Redemption of shares		-		(100)	
Capital element of repayments under finance leases and hire purchase contracts		(1304)		(702)	
Net cash outflow from financing	B		(1304)		(802)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	C		(3403)		1041

ALLEN PLC LIMITED

NOTES TO THE GROUP CASH FLOW STATEMENT

FOR THE YEAR ENDED 29TH MARCH, 1992

A. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1992 £'000	1991 £'000
Operating profit	4157	6211
Depreciation charges	841	950
Loss on sale of tangible fixed assets	26	13
Increase in stocks	(4049)	(1223)
Increase/(decrease) in debtors	1672	(449)
Decrease in creditors	(1300)	(84)
Release of revaluation reserve	-	(176)
	1347	5242

B. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

Obligations under finance leases and hire purchase contracts

	1992	1991
At 1st April, 1991	3950	2775
Cash outflow from financing	(1304)	(702)
Inception of finance leases and hire purchase contracts	402	1877
At 29th March, 1992	3048	3950

Redemption of shares

	Share capital £'000	Capital redemption reserve £'000	Profit and loss account £'000
At 2nd April, 1990	1117	20	10359
Profit for the year	-	-	2358
Redemption of shares	(6)	6	(100)
Goodwill on acquisition written off	-	-	(5)
At 31st March, 1991	1111	26	12612
Revaluation of tangible fixed assets	-	-	(50)
Profit for the year	-	-	1041
At 29th March, 1992	1111	26	13603

C. CASH AND CASH EQUIVALENTS

	Bank loans and overdrafts £'000
At 1st April, 1991	(34)
Change in year	(3403)
At 29th March, 1992	(3437)
At 2nd April, 1990	(1075)
Change in year	1041
At 31st March, 1991	(34)

ALLEN PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29TH MARCH, 1992

1. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES

Turnover and profit on ordinary activities are analysed by class of business as follows:-

	1992		1991	
	£'000	%	£'000	%
TURNOVER				
Contracting	32896	55.8	40239	59.7
Housebuilding (See note below)	16598	28.2	16851	25.0
Plant hire and sales	7805	13.3	8465	12.5
Property development and investment	1604	2.7	1895	2.8
	58903	100.0	67450	100.0
PROFIT ON ORDINARY ACTIVITIES				
Contracting	1401	31.7	1371	21.2
Housebuilding	2010	45.5	2671	41.3
Plant hire and sales	754	17.1	1665	25.8
Property development and investment	252	5.7	754	11.7
Operating profit before central overheads not recovered	4417	100.0	6461	100.0
Central overheads not recovered	(260)		(250)	
Operating profit before interest payable	4157		6211	
Interest payable (net)	(944)		(960)	
	3213		5251	

Central overheads which have not been recovered by recharges to individual sectors have been disclosed separately for the first time in the current year. Comparative figures have been restated accordingly.

All group activities are carried out in the United Kingdom.

Note : Housebuilding statistics include £1231000 (1991 : £842000) in respect of the sale of part exchange properties.

2. OPERATING PROFIT

This is stated after charging/(crediting):	1992 £'000	1991 £'000
a. Directors' emoluments		
Management remuneration (including pension contributions)		
- salaries, benefits in kind and pension contributions	476	438
- performance related bonus	135	193
	611	631
Emoluments (excluding pension contributions which in both years amounted to nil) of the chairman and highest paid director		
- salary and benefits in kind	95	94
- performance related bonus	60	96
	155	190

Other directors' emoluments (excluding pension contributions) fell within the following ranges:-	Number	Number
£0 - £5000	-	1
£5001 - £10000	2	-
£35001 - £40000	1	-
£55001 - £60000	1	1
£60001 - £65000	-	2
£70001 - £75000	1	-
£105001 - £110000	1	-
£110001 - £115000	-	2
£120001 - £125000	1	-

b. Staff costs

The average weekly number of employees during the year was:	Number	Number
Office and management	234	264
Plant hire and sales	117	127
Building and contracting	206	227
	557	618

ALLEN PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29TH MARCH, 1992

2. OPERATING PROFIT (CONTINUED)	1992	1991
Staff costs during the year (including directors) amounted to:	£'000	£'000
Wages and salaries	8761	9155
Social security costs	872	760
Other pension costs	68	75
	9701	9990

The company makes contributions to the personal pension schemes of certain employees. The pension costs represent the total contributions payable to the funds.

c. Other items	£'000	£'000
Depreciation		
- of owned tangible fixed assets	633	781
- of tangible fixed assets held under finance leases and hire purchase contracts	208	169
Operating lease rentals		
- plant and machinery	227	292
- other assets	421	224
Auditors' remuneration	65	61
Loss on sale of tangible fixed assets	26	13
Net rental income	(313)	(263)
Government grants	(222)	-

3. INTEREST PAYABLE - (NET)

	1992	1991
On bank loans, overdrafts and other loans:		
- repayable within five years	806	415
Hire purchase interest and finance lease charges	437	551
	1243	966
Less: Interest receivable	(299)	(6)
	944	960

4. TAXATION

	1992 £'000	1991 £'000
On the profit on ordinary activities for the year:		
Corporation tax at 33% (1991 - 34%)	1170	1690
Deferred taxation (credit)/charge	(44)	84
	1126	1774
Adjustments in respect of previous years		
- current	(29)	(9)
- deferred	(36)	39
	1061	1804

The taxation charge for the year has been increased by approximately £148000 (1991 : £30000) in respect of permanent timing differences and reduced by approximately £84000 in respect of deferred taxation not provided (1991 : £41000 in respect of the change in corporation tax rate on prior years deferred taxation).

5. DIVIDENDS

	1992 £'000	1991 £'000
1.65 pence (1991 : 1.6 pence) per share on 22211740 (1991: 22211740) shares paid	367	356
3.35 pence(1991 : 3.3 pence) per share on 22211740 (1991: 22211740) shares proposed	744	733
	1111	1089

6. PROFIT BEFORE TAX PER SHARE AND EARNINGS PER SHARE

Profit on ordinary activities before taxation per share is based on profit on ordinary activities before taxation and the average number of 5 pence ordinary shares in issue during the year of 22211740 (1991: 22277970).

The earnings per 5 pence ordinary share for each year is based on the profit after taxation of £2152000 (1991 : £3447000) and the average number of ordinary shares in issue during the year as noted above.

7. TANGIBLE FIXED ASSETS

a. Group	Land and buildings £'000	Fixtures, fittings, plant and equipment £'000	Motor vehicles £'000	Accommodation units and hire plant £'000	Total £'000
Cost or valuation					
At 1st April, 1991	3193	1051	1095	6322	11661
Additions	28	117	58	315	518
Disposals	-	(281)	(337)	(223)	(841)
Revaluation	54	-	-	-	54
At 29th March, 1992	3275	887	816	6414	11392
At valuation in 1992	3264	-	-	-	3264
At cost	11	887	816	6414	8128
	3275	887	816	6414	11392
Depreciation					
At 1st April, 1991	5	537	512	1455	2509
Charge for the year	7	200	130	504	841
Disposals	-	(229)	(167)	(122)	(518)
Revaluation	(10)	-	-	-	(10)
At 29th March, 1992	2	508	475	1837	2822
Net book value					
At 29th March, 1992	3273	379	341	4577	8570
At 31st March, 1991	3188	514	583	4867	9152

The net book value of tangible fixed assets includes an amount of £1757861 (1991 - £1418631) & Co. Limited in respect of assets held under financing arrangements.

7. TANGIBLE FIXED ASSETS

b. Company	Land and buildings £'000	Fixtures, fittings, plant and equipment £'000	Total £'000
Cost or valuation			
At 1st April, 1991	450	2	452
Revaluation	(25)	-	(25)
At 29th March, 1992	425	2	427
At valuation in 1992	425	-	425
At cost	-	2	2
	425	2	427
Depreciation			
At 1st April, 1991	-	1	1
Charge for the year	-	1	1
At 29th March, 1992	-	2	2
Net book value			
At 29th March, 1992	425	-	425
At 31st March, 1991	450	1	451

c. Land and Buildings

The net book value of land and buildings comprised:

	Group		Company	
	1992 £'000	1991 £'000	1992 £'000	1991 £'000
Freehold land and buildings	2111	2117	425	450
Long leasehold properties	908	873	-	-
Ground rents	245	187	-	-
Short leasehold properties	9	11	-	-
	3273	3188	425	450

Included in land and buildings are investment properties with a net book value of £2169500 (1991 - £2072082).

On 27th March, 1992 land and buildings, excluding short leasehold properties, were valued at £3263500 on an open market value for existing use basis by Dunlop Heywood & Co. Ltd consultant surveyors.

7. TANGIBLE FIXED ASSETS (CONTINUED)

On an historical cost basis, land and buildings would be stated at:

	Group		Company	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Cost	2358	2345	206	206
Accumulated depreciation	(2)	(5)	(2)	(1)
Net book value	2356	2340	204	205

8. STOCKS AND WORK IN PROGRESS

Raw materials and consumables	149	174	-	-
Development land	10301	8584	-	-
Part exchange houses	748	945	-	-
Work in progress				
- building and contracting	2014	2086	-	-
- housebuilding	6992	5389	-	-
- property development	2147	1358	-	-
Plant, equipment and goods for resale	2615	2481	-	-
	25066	21017	-	-

9. INVESTMENTS IN SUBSIDIARIES

Cost of shares in subsidiaries	-	-	14553	14473

On 29th March, 1992 the parent company owned the entire called up ordinary share capital of the following companies, all registered and operating in England and Wales.

	Principal Activity
Allen Building Limited	Building contracting
Allen-Fox Construction Limited	Building contracting
Trencherfield Developments Limited	Purchase and development of construction related businesses
Allen Homes (North West) Limited	Housebuilding
Allen Homes Limited	Housebuilding
Allen Homes (Yorkshire) Limited	Housebuilding
Allen Homes (West Midlands) Limited	Housebuilding
Allen Homes (South Wales) Limited	Housebuilding
Beskab Limited	Plant hire and sales
Speedy Hire Centres Ltd.	Plant hire and sales
Speedy Scaffolding Ltd.	Plant hire
Allen Investments Limited	Property investment
Allen Commercial Developments Limited	Commercial property development
Allen Group Services Limited	Provision of group services
Allen Contracts Limited	Non-trading

The movement on investment in subsidiaries was as follows:-

	£'000
At 1st April, 1991	14473
Capitalisation of inter-company loans	80
At 29th March, 1992	14553

10. DEBTORS

	Group 1992 £'000	Group 1991 £'000	Company 1992 £'000	Company 1991 £'000
Trade debtors	4186	6110	-	-
Amounts owed by subsidiary undertakings	-	-	2222	2178
Other debtors	1707	1231	499	637
Prepayments	529	509	5	4
	6422	7850	2726	2819
Included in other debtors are the following amounts due more than one year after the balance sheet date:				
ACT recoverable	-	-	248	244

11. CREDITORS

a. Amounts falling due within one year

	Group 1992 £'000	Group 1991 £'000	Company 1992 £'000	Company 1991 £'000
Bank loans and overdrafts	1240	34	9340	12092
Progress payments in excess of contract value	363	541	-	-
Trade creditors	10207	11015	18	29
Amounts owed to subsidiary undertakings	-	-	143	624
Corporation tax	1216	1690	52	-
Other taxation and social security	1223	1482	264	365
Obligations under finance leases and hire purchase contracts	1222	1231	-	-
Other creditors	786	586	-	-
Accruals	828	885	88	59
Proposed dividends	744	733	744	733
	17829	18197	10649	13902

b. Amounts falling due after more than one year

	Group 1992 £'000	Group 1991 £'000	Company 1992 £'000	Company 1991 £'000
Bank loans and overdrafts	2197	-	2197	-
Obligations under finance leases and hire purchase contracts	1826	2719	-	-
Other creditors	203	157	-	-
	4226	2876	2197	-

11. CREDITORS (CONTINUED)

The bank overdrafts and loans are secured by cross guarantees and debentures given by all group companies in favour of Barclays Bank Plc.

Obligations under finance leases and hire purchase contracts were repayable as follows:

	Group		Company	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Within one year	1222	1231	-	-
Between one and five years inclusive	1826	2719	-	-
	3048	3950	-	-

12. DEFERRED TAXATION

a. Amount provided

	Group 1992 £'000	Group 1991 £'000	Company 1992 £'000	Company 1991 £'000
Accelerated capital allowances	563	607	-	-
Advance corporation tax	(248)	(244)	-	-
	315	363	-	-

The movement on the provision for deferred taxation was as follows:

	Group	Company
	£'000	£'000
At 1st April, 1991	363	-
Transfer to profit and loss account	(44)	-
Advance corporation tax movement	(4)	-
At 29th March, 1992	315	-

b. Full potential liability

	Group		Company	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Accelerated capital allowances	817	1247	-	-
Capital gains on revaluation surpluses	313	282	73	81
	1130	1529	73	81

Provision for capital gains tax on revaluation surpluses has not been made in the financial statements as there is no intention of disposing of the properties in the foreseeable future.

ALLEN PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29TH MARCH, 1992

13. SHARE CAPITAL

	1992 £'000	1991 £'000
Authorised		
28000000 ordinary shares of 5p each	1400	1400
Allotted, called up and fully paid		
22211740 ordinary shares of 5p each	1111	1111

14. RESERVES

a. Group	Share premium account £'000	Capital redemption reserve £'000	Revaluation reserve £'000	Profit and loss account £'000
At 1st April, 1991	1981	26	853	12612
Revaluation of tangible fixed assets	-	-	114	(50)
Profit for the year	-	-	-	1041
At 29th March, 1992	1981	26	967	13603

The retained profit for the year is dealt with in the financial statements of:	1992 £'000	1991 £'000
The company	1042	(235)
Subsidiary undertakings	(1)	2593
	1041	2358

ALLEN PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29TH MARCH, 1992

14. RESERVES (Continued)

b. Company	Share premium account £'000	Capital redemption reserve £'000	Revaluation reserve £'000	Profit and loss account £'000
At 1st April, 1991	1981	26	246	477
Revaluation of tangible fixed assets	-	-	(25)	-
Profit for the year	-	-	-	1042
At 29th March, 1992	1981	26	221	1519

15. CONTINGENT LIABILITIES

The group has given indemnities to local authorities and the National House Building Council on contracts in progress amounting to £1684176 (1991 : £949471).

16. FINANCIAL COMMITMENTS

At 29th March, 1992 the group had annual commitments under non-cancellable operating leases as follows:-

	Land and buildings		Other	
	1992 £'000	1991 £'000	1992 £'000	1991 £'000
Leases which expire				
- within one year	109	29	151	123
- between one and five years	131	204	484	424
	240	233	635	547

ALLEN PLC

DETAILED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 29TH MARCH, 1992

	1992		1991	
	£	£	£	£
GROSS PROFIT		-		-
Distribution and selling costs				
Advertising		(2397)		(1953)
Administrative expenses				
Legal and professional	60032		59315	
Audit and accountancy	37790		28163	
Bank charges	4786		1889	
Office salaries	219865		217889	
Postage, printing and stationery	3618		2892	
Motor expenses	15726		14139	
		(341817)		(324287)
Establishment overheads				
Rent and rates	22581		23257	
Repairs	876		11136	
Heat and light	420		131	
Insurance and pension schemes	2377		1097	
Telephone	1071		527	
Depreciation	91		23	
Subscriptions and donations	1370		1787	
Sundry expenses	8030		9077	
Loss on sale of fixed assets	-		1077	
		(36816)		(48112)
		(381030)		(374352)
Other operating income				
Dividends receivable	3530000		2230000	
Overheads recharged to subsidiaries	354595		300237	
Interest received	2588		6213	
		3887183		2536450
OPERATING PROFIT		3506153		2162098
Interest payable				
Group loan interest	1109341		1536184	
Bank interest	508263	(1617604)	400042	(1936226)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1888349		225872