Companies House
for the record

NOTICE OF ILLEGIBLE DOCUMENT

ON THE MICROFICE RECORD

Companies House regrets that the microfiche record for this company contain some documents which are illegible.

The poor quality has been noted, but unfortunately steps taken to improve them were unsuccessful.

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

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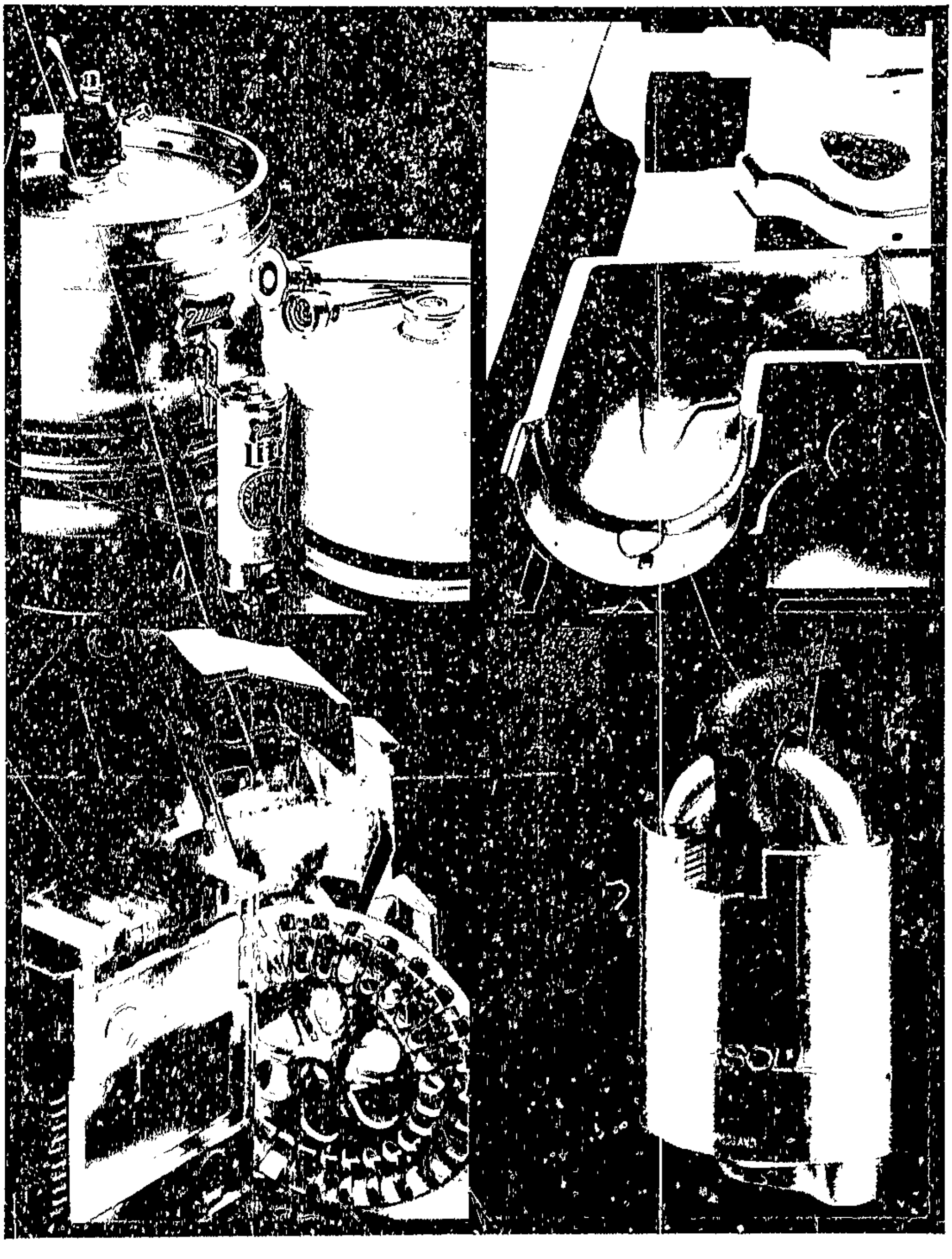


ANNUAL REPORT & ACCOUNTS

NINETEEN EIGHTY SIX

CONTENTS

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of The Alumasc Group plc will be held at the Connaught Rooms, Great Queen Street, London, WC2B 5DA, at 12.30 pm. on Wednesday 15 October, 1986, for the following purposes:

1. To receive the report of the directors and the accounts for the 52 weeks ended 29 June, 1986.
2. To re-elect as a director Mr. P. H. R. Gwyn.
3. To re-appoint Ernst & Whinney as auditors and to authorise the directors to fix their remuneration.
4. To consider and, if thought fit, to pass the following Resolution which will be proposed as an Ordinary Resolution:

   That the authority to allot relevant securities pursuant to Section 80 of the Companies Act 1985 set out in paragraph (6) of a Special Resolution of the Company passed on 14 May 1986 be and is hereby renewed, mutatis mutandis, for a further period expiring on the date referred to in sub-paragraph (ii) below, provided that:

   (i) the maximum nominal amount of relevant securities that may be allotted pursuant to the renewed authority shall be £1,030,960; and

   (ii) subject as provided in paragraph (6)(iv) of the said Special Resolution, the renewed authority shall expire on the day following the date of the next Annual General Meeting of the Company but may be previously revoked or varied by an ordinary resolution of the Company.

5. To consider and, if thought fit, to pass the following Resolution which will be proposed as a Special Resolution:

   That, subject to the passing of resolution number 4 set out in the Notice of Annual General Meeting of the Company convened for 15 October, 1986, the powers to allot relevant securities as if Section 89(1) of the Companies Act 1985 did not apply to the allotment set out in paragraphs (7)(i)(b) and (7)(i)(c) of a Special Resolution of the Company passed on 14 May 1986 be and are hereby extended, mutatis mutandis, for a further period expiring on the day following the next Annual General Meeting of the Company, subject to further extension in accordance with the provisions of paragraph (7)(ii) of the said Special Resolution.

By order of the Board
M. J. Morton
Secretary
22 September, 1986

A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote instead of him; a proxy need not be a member of the company. Details of transactions of directors and as far as can be ascertained, of their families, in the company's share capital and copies of the service contracts of the directors with the company will be available to members for inspection at the registered office during business hours and for fifteen minutes prior to and during the annual general meeting.

DIRECTORS AND ADVISERS

Directors
J. S. McCall, B.A.(Cantab) Chairman and Chief Executive
C. R. Inwood, F.C.C.A.
E. W. O'Loughlin, C.Eng., M.I.Struct.E., M.I.M.
M. J. Morton, A.C.I.S. Finance Director
W. K. Walden, C.Eng., M.I.Prod.E.
L. S. Allan*
P. H. R. Gwyn, M.A. (Cantab)*
**non-executive*

Secretary
M. J. Morton A.C.I.S.

Registered office
Burton Latimer, Kettering,
Northamptonshire NN15 5JP
Telephone 0536-722121
Telex 34686

Auditors
Ernst & Whinney, Chartered Accountants
65 Park Street, Luton LU1 3JX

Bankers
Barclays Bank PLC
P.O. Box 23,
St. Giles Square, Northampton NN1 1DB

Brokers
de Zoete & Bevan
25 Finsbury Circus, London EC2M 7EE

Solicitors
Herbert Smith
Watling House,
35 Cannon Street, London EC4M 5SD

Registrars
Barclays Bank PLC
Registration Department
Radbroke Hall,
Knutsford, Cheshire WA16 9EU

CHAIRMAN'S STATEMENT

I am pleased to report good results for the year to 29 June, 1986 with the Group profit before tax advancing from £2.38 million to £2.77 million (+ 16.2 per cent) and earnings per share from 10.5p to 15.8p (+ 50.5 per cent). These results exceeded the forecasts of £2.7 million and 14.5p respectively which were made at the time of the Offer for Sale. Group turnover was ahead by 20.4 per cent at £26.4 million. The operating margin remained firm overall at 11.4 per cent of sales (1985 12.2 per cent).

Brewery products showed the greatest profit growth, with Alumasc's dispensing equipment particularly ahead. Building products continued to advance and the introduction of new products is encouraging for the future. Our precision components activity, while making a valuable contribution, maintained the challenging process of developing new skills and services which are expected to yield greater rewards in future years. Ingersoll was held back by the costs of re-vitalising the business.

Cash generation was strong, benefiting from the tight control of working capital, and the level of Group borrowings was significantly reduced.

FLOTATION

In May this year, the Group was successful in obtaining a listing on The London Stock Exchange. The Group raised £1.44 million which, after paying for the expenses of the Issue, was used to repay loans. Our balance sheet is now extremely strong with shareholders' funds of £6.89 million and cash balances approximately equal to outstanding debt. This places the Group in an excellent position from which to pursue its plans for development.

DEVELOPMENT

We have a continuing programme of developing the Group's activities in each of its markets. There has been substantial investment in new plant and equipment and this is planned to grow further in the current year. Projects include new installations for the treatment and painting of aluminium products (the largest of its kind in the country); for the manufacture of Alurad radiators; and for automating the key production process at Ingersoll Locks. The fabrication of rainwater products will be upgraded by the introduction of computer controlled equipment and new melting facilities will aid quality, efficiency and energy conservation. The principal drive of such investment is to utilise new technology in our production processes in order to improve the services offered to customers. In some areas we are also seeking to expand capacity. Where we are planning to enter new territory in production or market terms, we are actively considering acquisition as the effective route.

KEG PLANT

The plan to construct a new plant dedicated to the manufacture of stainless steel kegs was discussed in the prospectus which accompanied the Offer for Sale. At a budgeted cost of around £2 million, this expansion project is designed to establish Alumasc as a major, low cost manufacturer of stainless steel containers for United Kingdom and overseas brewery companies. The commercial and technical appraisals are nearing completion and it is planned that construction will begin this Autumn with initial production by the end of 1987.

The Group's existing resources are sufficient to finance this investment as well as those referred to above.

MANAGEMENT AND EMPLOYEES

The introduction of executive and savings related option schemes during the year has enabled us to involve a wider cross-section of employees in a share of ownership of the Company. I view this involvement as an important foundation for the future, particularly in conjunction with the profit linked incentive scheme in which senior executives already participate.

Employee relations remain excellent throughout the Group and I must pay tribute to the contribution and commitment of our workforce in a year of pressure and change.

PROSPECTS

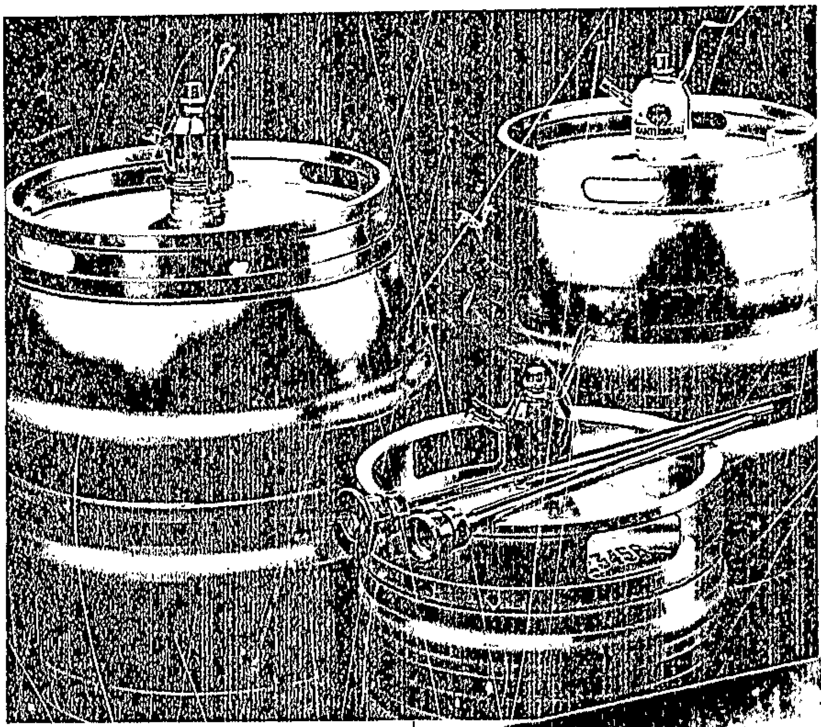
The current year has begun well with sales and orders at strong levels. We are embarked on several projects which will benefit the Group short and longer term. Our aim is to increase profits in each of our activities and to achieve another year of satisfactory progress.

JSMcCall.

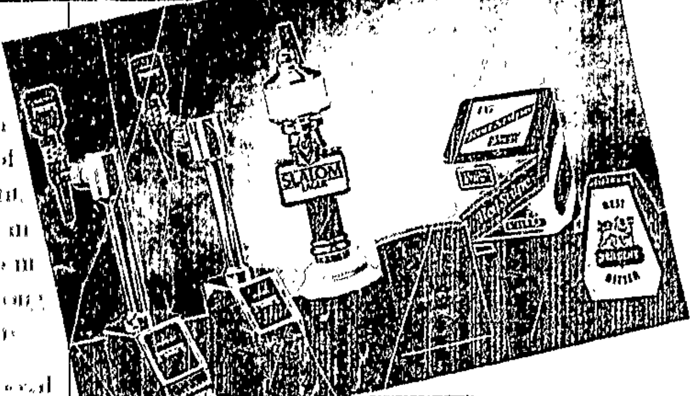
J. S. McCall
Chairman
15 September 1986

[illegible]
BREWERY PRODUCTS

Leading manufacturer of containers for UK brewing industry.



Alumasc beer dispensing equipment.



As the leading manufacturer of containers for the brewing industry in the United Kingdom and a major manufacturer of beer dispense equipment, Alumasc saw an improvement in [illegible] [illegible] 30 per cent [illegible] Division [illegible] strong [illegible] the full range of products.

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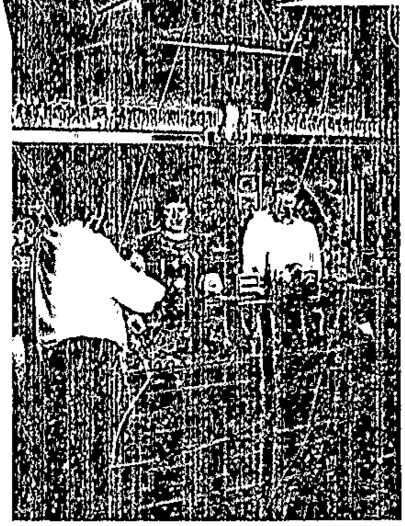
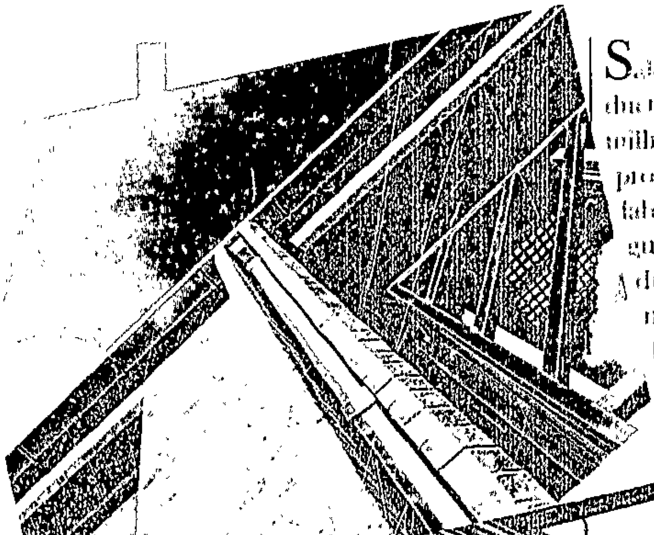
A [illegible]

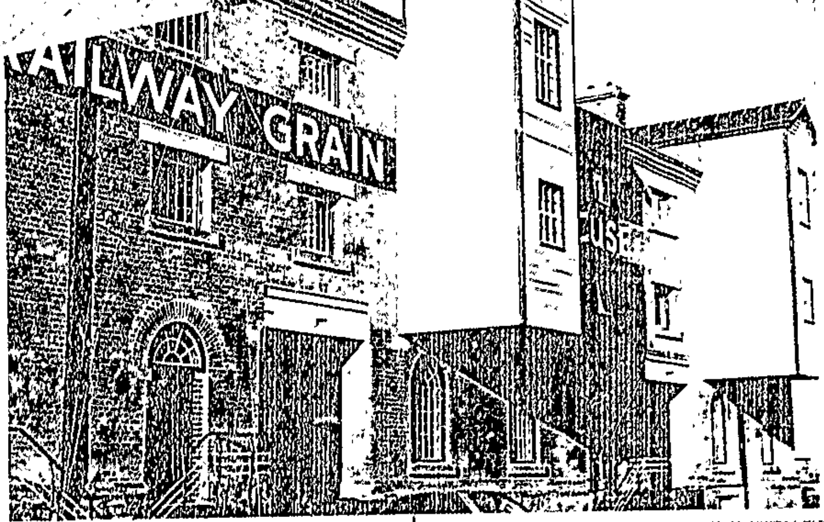


An outstanding feature of today's public house is the wide range of beers and lagers.

[illegible]
BUILDING PRODUCTS

Sales of Alumasc's building products [illegible] to [illegible] million in the year. The principal product range comprises cast and fabricated aluminium rainwater gutters and fittings. These products are [illegible] on old and new buildings where their special features suit the particular architectural requirements.

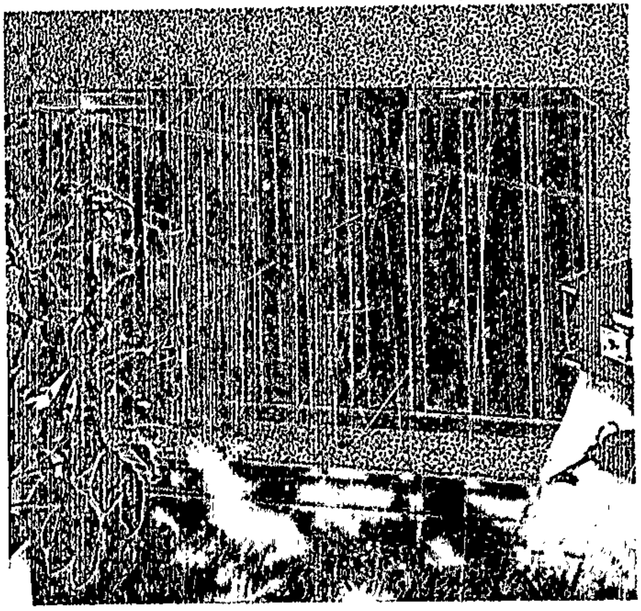




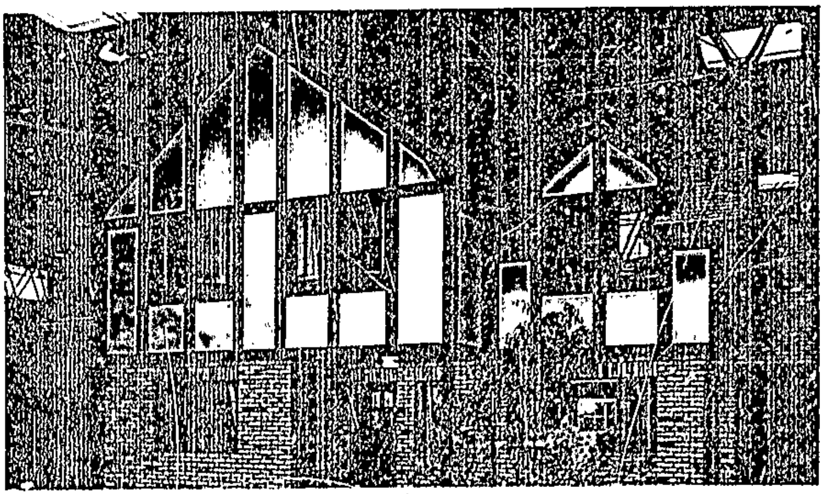
Principal product range comprises cast and fabricated aluminium rainwater gutters and fittings.

Alumasc recently introduced a range of lightweight aluminium [illegible] for distribution through the DIY trade and additional products for this sector are actively being [illegible]

An efficient, lightweight radiator is being test marketed under licence from British [illegible] It is hoped that the new product will [illegible] in the United Kingdom.



An efficient, lightweight radiator



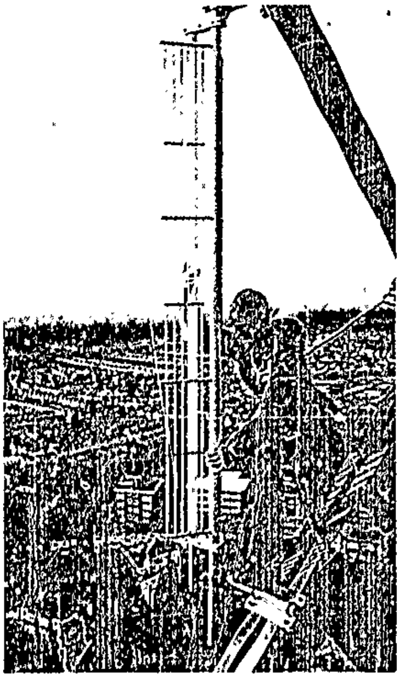
High security locks for domestic and commercial applications

Ingersoll specialises in high security locks for domestic and commercial applications. Sales increased by 72 per cent to £12.6 million in the year, which was also a period of rationalisation.

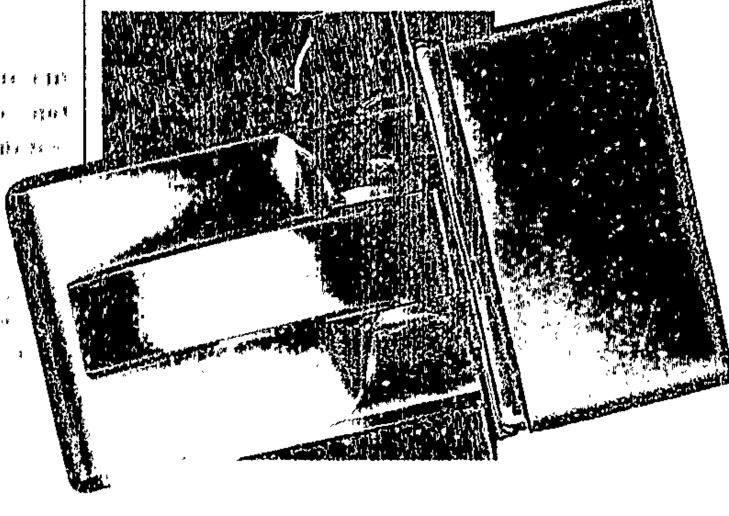
Effective security is a matter of growing concern and a model home at this year's Ideal Home Exhibition was fitted with a wide range of Ingersoll products.

There are many commercial and industrial situations where secure premises are essential and a recent extension to the Cellnet organisation has been protected with Ingersoll locks.

Ingersoll's activities are at present focused on the manufacture and sale of security locks and hinges. These are the classic 10 lever range of Rimlocks [illegible] now available with an electronic [illegible]

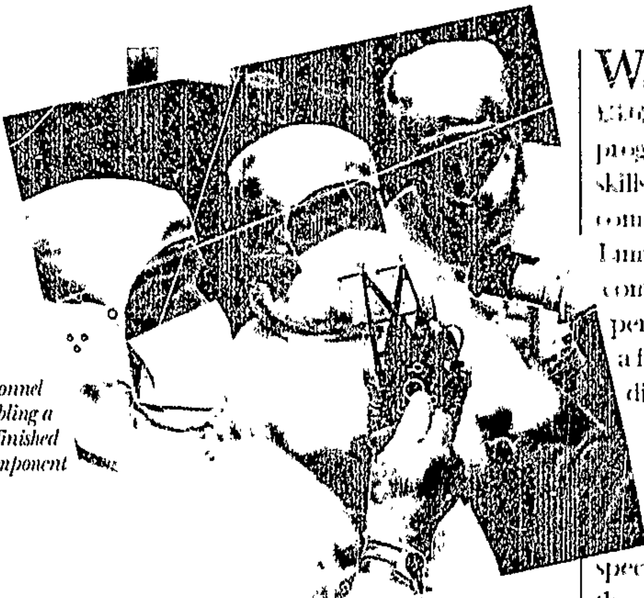


The Cellnet organisation has been protected with Ingersoll locks



The classic 10 lever range of Rimlocks is now available with an electronic release mechanism

COMPONENTS



IBM personnel seen assembling a finished component

While sales remained level at [illegible] million for the year, there was progress in developing Alumasc's skills in producing high precision components. IBM United Kingdom Limited is a major customer for such components and that company's personnel can be seen assembling a finished component into a new disc file.

Sophisticated metrology equipment and continuous inspection are essential to achieving the standards required and there has been major investment in this area during the year. The upgrading of the company's services benefits all customers, including those having Alumasc brand-name products.

The plastic injection moulding plant supplies components in specialist engineering plastics for Alumasc's own products as well as offering a comprehensive service to other manufacturers.

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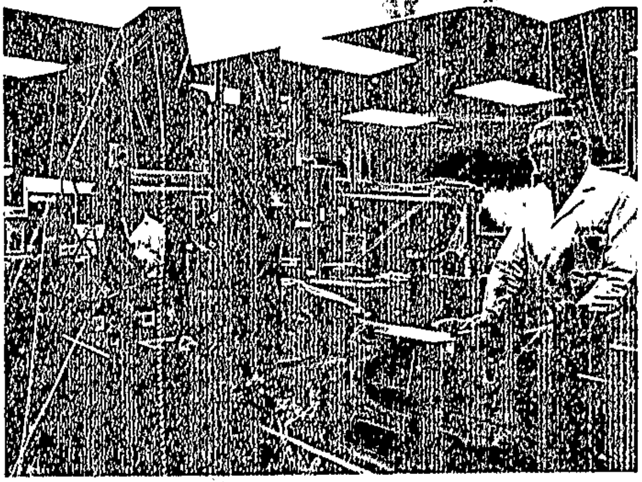

Rigorous quality control is essential to achieving the standards required

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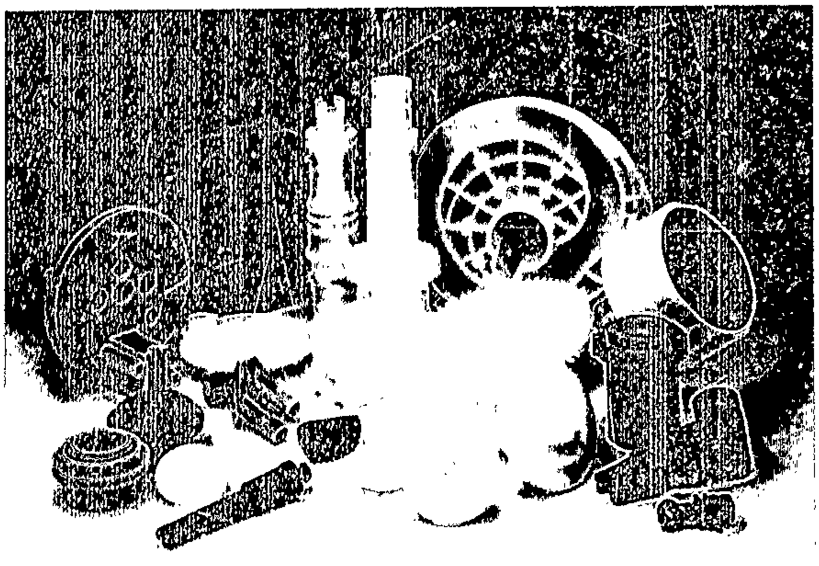

The plastic injection moulding plant supplies components in specialist engineering plastics

DIRECTORS' REPORT

The directors present their report and the accounts for 52 weeks ended 29 June 1986.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities and operations of the group are shown in the Operations Review on pages 6 to 9.

RESULTS AND DIVIDENDS

The group profit before tax for the year was £2,766,000 compared with £2,381,000 for the previous year, an increase of £385,000, and is dealt with as shown in the consolidated profit and loss account. No final dividend is recommended as intimated at the time of the Offer for Sale.

SHARE CAPITAL

On 18 April 1986 the company changed its name from Ingal Limited and was re-registered as a public limited company. On 14 May 1986 the share capital of the company was reorganised as shown in note 18.

A Special Resolution will be proposed at the Annual General Meeting to renew the directors' power to issue equity shares for cash by way of a rights issue or by way of other issues for cash up to an aggregate nominal value of £205,000, being 5% of the authorised share capital. This power will expire on the day following the next Annual General Meeting.

FIXED ASSETS

A professional revaluation of freehold property as at 29 December 1985 has been incorporated in the financial records. Movements in tangible fixed assets are shown in note 12. The company's investment in subsidiaries was revalued as at 29 December 1985 to reflect their post acquisition net worth as shown in note 23.

DIRECTORS

The present membership of the board is set out on page 3 and all the directors served throughout the year. Mr E. H. R. Gwyn retires by rotation and being eligible, offers himself for re-election to the board. Mr. Gwyn does not have a service contract with the company. None of the directors has had any material interest in any contract of significance with the group during the year.

EMPLOYMENT OF DISABLED PERSONS

It is the group's policy to give full and fair consideration to the employment of applicants who are disabled persons, to continue the employment of employees who become disabled persons and, as appropriate, to provide training for other positions.

EMPLOYEE INVOLVEMENT

The group companies continue to hold regular consultation meetings with employees at which there is discussion on the progress and current trading conditions of the company. To encourage further identification with the group, the company adopted a savings-related share option scheme and share option scheme during the year (see note 18).

CHARITABLE AND POLITICAL CONTRIBUTIONS

During the year the group has not made a political donation and charitable donations were nominal in amount.

CLOSE COMPANY STATUS

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

PRINCIPAL SHAREHOLDERS

At 31 August 1986, Barclays Industrial Investments Limited's holding of 800,000 shares was the only holding (other than directors) in excess of 5% of the issued share capital of the company.

AUDITORS

Ernst & Whinney have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be put at the annual general meeting.

By order of the Board
M. J. Morton
Secretary
15 September 1986

REPORT OF THE AUDITORS TO THE MEMBERS

We have examined the accounts of The Mumase Group plc set out on pages 13 to 21. These have been prepared under the historical cost convention as explained in note 1(a). Our audit has been carried out in accordance with approved auditing standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group, so far as concerns members of the company, at 29 June 1986 and of the profit, changes in retained profits, and source and application of funds of the group for the year then ended and comply with the Companies Act 1985.

Ernst Whinney

Ernst & Whinney
Luton
15 September 1986

CONSOLIDATED PROFIT AND LOSS ACCOUNT

[illegible]

	Note	*1986* *£'000*	*1985* *£'000*
Turnover	*2*	26,366	21,896
Cost of sales		(19,482)	(15,885)
Gross Profit		6,884	6,011
Selling and distribution costs		(2,208)	(1,921)
Administrative expenses		(1,659)	(1,411)
Operating Profit	*4*	3,017	2,679
Interest payable	*8*	(364)	(390)
Interest receivable		113	92
Profit on Ordinary Activities Before Taxation		2,766	2,381
Taxation	*9*	(968)	(1,047)
Profit on Ordinary Activities After Taxation		1,798	1,334
Purchase of own shares		–	(258)
Dividend	*10*	(177)	(189)
Retained Profit for the Financial Period		1,621	887
Earnings per ordinary share	*11*	15.8p	10.5p
Statement of Retained Profits			
Balance at 30 June 1985		1,028	51
Retained profit for the period		1,621	887
Capital reserve		–	90
Balance at 29 June 1986		2,649	1,028

CONSOLIDATED BALANCE SHEET

28 JUNE 1986

	Note	1986 £'000	1985 £'000
Fixed Assets			
Tangible assets	*12*	5,027	2,265
Current Assets			
Stocks	*13*	3,760	3,436
Debtors	*14*	4,892	4,884
Cash at bank and in hand		814	733
		9,466	9,053
Creditors – amounts falling due within one year			
Bank loan		300	300
Trade and other creditors	*15*	4,441	4,326
Taxation		1,098	1,004
Proposed dividend		–	189
		5,839	5,819
Net Current Assets		3,627	3,234
Total Assets Less Current Liabilities		8,654	5,499
Creditors – amounts falling due after more than one year			
Long term loans	*16*	600	2,400
Corporation tax		1,061	1,032
		1,661	3,432
Provision for Liabilities and Charges			
Deferred taxation	*17*	105	192
Capital and Reserves			
Called up share capital	*18*	3,069	706
Share premium account	*19*	740	47
Capital redemption reserve	*20*	–	94
Profit and loss account	*21*	2,649	1,028
Revaluation reserve	*22*	430	–
		6,888	1,875
		8,654	5,499

J. S. McCall
M. J. Morton *Directors*
15 September 1986

BALANCE SHEET

29 JUNE 1986

	Note	*1986* *£'000*	*1985* *£'000*
Fixed Assets			
Investments	*23*	8,942	4,770
Current Assets			
Debtors	*14*	22	5
Amounts owed by group companies		414	70
Cash at bank		783	640
Dividends receivable		–	650
		1,219	1,365
Creditors – amounts falling due within one year			
Bank loan		300	300
Trade and other creditors	*15*	297	116
Taxation		–	60
Amounts owed to group companies		2,801	2,160
Proposed dividend		–	189
		3,398	2,825
Net Current Liabilities		(2,179)	(1,460)
Total Assets Less Current Liabilities		6,763	3,310
Creditors – amounts falling due after more than one year			
Long term loans	*16*	600	2,400
Capital and Reserves			
Called up share capital	*18*	3,069	706
Share premium account	*19*	740	47
Capital redemption reserve	*20*	–	94
Profit and loss account	*21*	159	63
Revaluation reserve	*22*	2,195	–
		6,163	910
		6,763	3,310

J. S. McCall
M J. Morton *Directors*
15 September 1986

JSMcCall
MJMorton

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR 52 WEEKS ENDED 29TH JUNE 1986

	1986 *£'000*	*1985* *£'000*
SOURCES OF FUNDS		
From Operations		
Profit on ordinary activities before taxation	2,766	2,381
Items not involving the movement of funds:		
Depreciation of tangible fixed assets	460	390
Profit on sale of tangible fixed assets	(6)	(17)
Total generated from operations	3,220	2,754
Other Sources		
Net proceeds of share issue	985	–
Proceeds of sale of tangible fixed assets	67	43
	4,272	2,797
Funds Applied		
Purchase of own shares	–	258
Purchase of tangible fixed assets	876	636
Repayments of long term loans	1,800	300
Dividend paid	366	–
Taxation paid	1,004	256
	4,046	1,450
Increase in Working Capital	226	1,347
Arising from movements in:		
Stocks	324	278
Debtors	(64)	852
Trade and other creditors	(115)	(1,078)
Liquid funds	81	1,295
	226	1,347

NOTES TO THE ACCOUNTS

29 JUNE 1986

1 ACCOUNTING POLICIES

(a) Accounting convention

The accounts are prepared under the historical cost convention modified in the consolidated balance sheet by the revaluation of freehold property and in the company balance sheet by the revaluation of investments in subsidiaries.

(b) Basis of consolidation

The consolidated accounts incorporate the accounts of the company and each of its subsidiaries for 52 weeks ended 29 June 1986.

(c) Depreciation of tangible fixed assets

Freehold land is not depreciated. The cost (after deducting investment and other Government grants) or valuation of other tangible fixed assets is written off by equal monthly instalments over their expected useful lives as follows:

Freehold buildings	25 years
Short leasehold property	5 years
Plant and equipment	5 to 10 years
Motor vehicles	4 to 5 years

(d) Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items. In the case of finished goods and work in progress, cost comprises direct material, direct labour and an appropriate proportion of manufacturing fixed and variable overheads. The allocation of manufacturing fixed overheads has regard to budgeted normal production.

(e) Research and development

Expenditure on research and development is written off in the year in which it is incurred.

(f) Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that the liability will crystalise.

(g) Pension benefits

Pension benefits are funded over the employees' periods of service. The respective subsidiary companies' contributions are based on the most recent triennial actuarial valuation of the funds involved.

(h) Foreign currencies

Assets, liabilities, revenues and costs denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions; monetary assets and liabilities at the balance sheet are translated at year end rates of exchange. All exchange differences thus arising are reported as part of the profit for the year.

(i) Leased assets

The rental charges in respect of operating leases are charged to the profit and loss account as incurred.

2 TURNOVER

Turnover comprises the invoice value of goods and services supplied by the group exclusive of VAT and intra-group transactions.

3 ANALYSIS OF TURNOVER AND PROFITS BETWEEN ACTIVITIES AND MARKETS

The amount of turnover and the extent of the profit on ordinary activities before taxation attributable to each of the classes of activity of the group are as follows:

	Turnover		*Profit on ordinary activities before taxation*	
	1986	*1985*	*1986*	*1985*
	£'000	*£'000*	*£'000*	*£'000*
Kegs and casks	11,244	7,944	1,010	931
Kegs and cask repairs	1,116	1,040	124	44
Dispensing equipment	3,528	3,146	515	259
Building products	4,200	3,638	885	760
Components	3,619	3,647	359	501
Security products	2,659	2,181	124	184
	26,366	21,896	3,017	2,679
Net interest			(251)	(298)
			2,766	2,381
United Kingdom	24,915	19,325		
Europe	1,324	2,248		
USA	65	156		
Other	62	167		
	26,366	21,896		

4 OPERATING PROFIT is stated after charging:

	1986	*1985*
	£'000	*£'000*
Depreciation of tangible fixed assets	460	390
Operating lease rentals		
—hire of plant and equipment	19	38
—other operating leases	107	90
Auditors' remuneration	53	24

5 STAFF COSTS

	1986	*1985*
	£'000	*£'000*
Wages and salaries	7,305	6,344
Social security costs	610	510
Other pension costs	633	606
	8,548	7,460

6 EMOLUMENTS OF DIRECTORS

	1986	*1985*
	£'000	*£'000*
Fees	7	8
Remuneration, including pension contributions	399	369
	406	377
Paid by:		
The company	170	148
Subsidiaries	236	229
	406	377

NOTES TO THE ACCOUNTS

29 JUNE 1986

6 EMOLUMENTS OF DIRECTORS continued

The emoluments, excluding pension contributions, of directors of the company are as follows:

	1986 *£'000*	*1985* *£'000*
Chairman	72	62
Highest paid director	72	67

Other directors in scale	*Number of directors* *1986*	 *1985*
Not more than £5,000	1	2
£5,001 to £10,000	1	1
£45,001 to £50,000	–	2
£55,001 to £60,000	2	–
£60,001 to £65,000	–	1
£65,001 to £70,000	1	–

7 DIRECTORS' INTERESTS

According to the register maintained as required under the Companies Act 1985 the directors' interests in the share capital of the company were as follows:

	As at 29 June 1986 *Ordinary shares of 25p*	 *Options on Ordinary shares of 25p*	*As at 1 July 1985* *Ordinary shares of £1*
J. S. McCall	2,592,160	–	135,010
C. R. Inwood	840,000	8,000	70,000
E. W. O'Loughlin	840,000	8,000	70,000
M. J. Morton	360,000	8,000	30,000
W. K. Walden	360,000	8,000	30,000
P. H. R. Gwyn	1,504,000	–	94,000

The above interests are beneficial, with the exception of 240,000 shares in which J. S. McCall has a non-beneficial interest. There were no share options at 1 July 1985.

There has been no change in directors' interests between 29 June and 31 August 1986.

8 INTEREST PAYABLE

	1986 *£'000*	*1985* *£'000*
Overdraft – repayable within 5 years	–	6
Loans – repayable after 5 years	361	384
	361	390

9 TAXATION

The charge based on the profit for the period comprises:

	1986 *£'000*	*1985* *£'000*
UK corporation tax at 38.75% (1985 – 43.75%)	1,061	1,033
Adjustments relating to prior years	(6)	–
Deferred taxation	(87)	14
	968	1,047

10 DIVIDEND

	1986 *£'000*	*1985* *£'000*
Interim dividend	177	189

On 30 April 1986 an interim dividend of 1.55p (1985 26.8p) per ordinary and preferred ordinary share was paid.

11 EARNINGS PER SHARE

The weighted average of ordinary shares in issue during the 52 weeks ending 29 June 1986 was 11,379,175 (1985 equivalent after restating for share capital reorganisation 12,729,956).

NOTES TO THE ACCOUNTS

29 JUNE 1986

12 TANGIBLE FIXED ASSETS

Group

	Payments on account, equipment £'000	*Freehold land and buildings £'000*	*Short leasehold property £'000*	*Plant, equipment and motor vehicles £'000*	*Total £'000*
Cost					
At 30 June 1985	101	1,321	110	4,986	6,518
Revaluation	–	1,832	–	–	1,832
Additions	–	–	11	865	876
Cost of disposals	–	–	–	(269)	(269)
Transfer	(101)	–	–	101	–
At 29 June 1986	–	3,153	121	5,683	8,957
Depreciation					
At 30 June 1985	–	553	81	3,619	4,253
Released on revaluation	–	(575)	–	–	(575)
Charge for period	–	73	9	378	460
On disposals	–	–	–	(208)	(208)
At 29 June 1986	–	51	90	3,789	3,930
Net book amounts at 29 June 1986	–	3,102	31	1,894	5,027
Net book amounts at 30 June 1985	101	768	29	1,367	2,265

A subsidiary company's freehold land and buildings were valued as at 29 December 1985 by J. S. Theobald, FRICS of Howkins Commercial on the basis of continuing use at £3,152,000 and have been included in the accounts at this amount. If the property had not been revalued it would have been carried in the balance sheet at:

	£'000
Cost	1,321
Accumulated depreciation	600
Net book amount	721

The company has no tangible fixed assets.

13 STOCKS

	Group	
	1986 £'000	*1985 £'000*
Raw materials	1,049	614
Work in progress	2,127	2,037
Finished goods	584	785
	3,760	3,436

14 DEBTORS

	Group		*Company*	
	1986 £'000	*1985 £'000*	*1986 £'000*	*1985 £'000*
Trade debtors	4,411	4,526	–	–
Other debtors	2	1	–	
Prepayments and accrued income	265	215	22	5
Recoverable advance corporation tax	214	142	–	–
	4,892	4,884	22	5

Advance corporation tax of £154,000 (1985 £142,000) will not be recovered until after more than one year

15 TRADE AND OTHER CREDITORS

	Group		*Company*	
	1986 *£'000*	*1985* *£'000*	*1986* *£'000*	*1985* *£'000*
Trade creditors	2,435	2,272	–	–
Other taxation and social security	352	511	16	2
Other creditors	5	3	–	–
Accruals	1,649	1,510	281	114
	4,441	4,326	297	116

Trade creditors include £736,000 (1985–£723,000) in respect of the group owing to suppliers who include reservation of ownership clauses in their conditions of sale.

16 LONG TERM LOANS

	Group & Company	
	1986 *£'000*	*1985* *£'000*
BARCLAYS BANK PLC Long term portion of a medium term loan repayable by six half yearly instalments of £150,000 and thereafter eight half yearly instalments of £75,000 commencing 21 December 1984 at a current rate of interest of 2⅛% above LIBOR	600	900
BARCLAYS DEVELOPMENT CAPITAL LIMITED Basis loan repayable by 8 half-yearly instalments of £75,000 and thereafter 6 half-yearly instalments of £150,000 commencing 21 December 1987 at a rate of interest of 3¼% above LIBOR	–	1,500
	600	2,400

The outstanding loan is secured by cross guarantees between the company and its subsidiaries.

The above bank borrowings are repayable in the following periods:

	1986 *£'000*	*1985* *£'000*
1–2 years	150	300
2–5 years	450	900
After 5 years	–	1,200
	600	2,400

17 DEFERRED TAXATION

	Group	
	1986 *£'000*	*1985* *£'000*
At 30 June 1985	192	178
Profit and loss account	(87)	14
At 29 June 1986	105	192

The components of the provision for deferred taxation and the amounts provided are as follows:

	Provided		*Not provided*	
	1986 *£'000*	*1985* *£'000*	*1986* *£'000*	*1985* *£'000*
Group				
Accelerated capital allowances	394	187	104	–
Other timing differences	(289)	(295)	–	–
Valuation of freehold lands and buildings	–	–	380	–
	105	192	484	–

There are no timing differences arising in the company.

18 CALLED UP SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	1986	*1985*	*1986*	*1985*
	£'000	*£'000*	*£'000*	*£'000*
Ordinary shares of 25p each	4,100	–	3,069	–
Ordinary shares of £1 each	–	600	–	506
Preferred ordinary shares of £1 each	–	200	–	200
	4,100	800	3,069	706

On 14 May 1986 prior to the company seeking a listing on The Stock Exchange, London, the share capital of the company was reorganised as follows:

(a) the preferred ordinary shares of £1 each were converted into ordinary shares of £1 each;
(b) each ordinary share of £1 was subdivided into 4 ordinary shares of 25p each;
(c) the authorised share capital was increased to £4,100,000 and
(d) a capitalisation issue of 8,172,000 ordinary shares of 25p each was made on the basis of 12 ordinary shares of 25p each for 1 existing share of £1 by the capitalisation of share premium account, capital redemption reserve and part of the revaluation reserve.

On 28 March 1986 the company adopted a savings-related share option scheme for the benefit of its employees. At 29 June 1986 the company had granted options for 198,052 ordinary shares at £1.35 per share. These options are exercisable between July 1991 and January 1992 but may be exercisable earlier in certain circumstances.

Also on 28 March 1986 the company adopted an executive share option scheme. At 29 June 1986 the company had granted options for 190,384 ordinary shares at £1.25 per share. These options can be exercised between 9 May 1989 and 9 May 1996.

On 30 May 1986 the company allotted 980,160 new ordinary shares of 25p each to applicants for the Offer for Sale. The company received £1,440,835 in cash after deducting underwriting commission for shares with a nominal value of £245,040.

19 SHARE PREMIUM ACCOUNT

	1986	*1985*
	£'000	*£'000*
Balance at 30 June 1985	47	47
Reduction arising on bonus issue	(47)	–
Premium arising on issue of shares	1,225	–
Issue expenses	(485)	–
Balance at 29 June 1986	740	47

20 CAPITAL REDEMPTION RESERVE

	1986	*1985*
	£'000	*£'000*
Balance at 30 June 1985	94	94
Reduction arising on bonus issue	(94)	–
Balance at 29 June 1986	—	94

21 PROFIT AND LOSS ACCOUNT

	Group	*Company*
	1986	*1985*
	£'000	*£'000*
Balance at 30 June 1985	1,028	63
Retained profit for the financial period	1,621	96
Balance at 29 June 1986	2,619	159

The company has not presented its own profit and loss account in accordance with the exemptions allowed by Section 228(7) of the Companies Act 1985.

22 REVALUATION RESERVE

Group	*1986* *£'000*	*1985* *£'000*
Balance at 30 June 1985	–	–
Surplus on revaluation of freehold property	2,407	–
Reduction arising on bonus share issue	(1,977)	–
Balance at 29 June 1986	430	–
Company		
Balance at 30 June 1985	–	–
Surplus on revaluation of investments	4,172	–
Reduction arising on bonus share issue	(1,977)	–
Balance at 29 June 1986	2,195	–

23 INVESTMENTS

	1986 *£'000*	*1985* *£'000*
Unlisted shares at cost – 30 June 1985	4,770	4,770
Revaluation as at 29 December 1985	4,172	–
Balance at 29 June 1986	8,942	4,770

On 29 December 1985 the company's investment in its subsidiary companies was revalued by the directors to an amount equal to the subsidiaries' net assets at that date.

The subsidiaries of the group at 29 June 1986, which are all wholly owned are as follows:

Company	*Principal country of operation*	*Nature of business*
Alumasc Limited	England	Manufacture, distribution and sale of kegs, casks, dispensing equipment, building products and components.
Ingersoll Locks Limited	England	Manufacture, distribution and sale of security products.

24 STAFF NUMBERS

The average number of persons employed by the group including directors during the period was as follows:

	1986 *Number*	*1985* *Number*
Works personnel	622	579
Executive and staff	189	187
	811	766

25 COMMITMENTS

Group

(a) Capital

At 29 June 1986 the following future capital expenditure had been authorised:

	1986 *£'000*	*1985* *£'000*
Contracted	111	101
Not contracted	–	–
	111	101

(b) Financial

At 29 June 1986 the group had annual operating lease commitments as follows:

	Other operating leases		*Land and buildings*	
	1986 *£000*	*1985* *£'000*	*1986* *£'000*	*1985* *£'000*
Operating leases which expire:				
within 1 year	11	–	–	–
2-5 years	47	–	–	–
over 5 years	25	–	90	90
	83	–	90	90

The company has no capital or financial commitments.

26 CONTINGENT LIABILITIES

A subsidiary company has sold forward currency equivalent to £46,000 (30 June 1985 – £794,000). A contingent liability exists in respect of these forward sales if anticipated receipts are not received when due and purchases of foreign currency have to be made in the spot market to meet forward commitments.