LEEDS

GROUP PLC

REPORT & ACCOUNTS 1993

67863

RESULTS AT A GLANCE

	1993 £000	1992 £000
Turnover	47,094	41,256
Profit before tax	7,230	5,529
Profit after tax	5,255	3,935
Dividends	1,614	1,316
Capital expenditure in the year	3,817	2,344
Earnings per share after tax	28.5p	22.1p*
Adjusted earnings per share (see note 10)	26.9p	22.1p*
Rate of dividend per share	8.5p	7.33p*
Average number of shares in issue	18,468,999	17,824,620*

A final dividend of 5.75 pence per share is proposed, making in total 8.5 pence for the year. If approved the dividend will be paid on 26th January 1994.

The share price at 31st March 1982 for capital gains tax purposes was 32.6p*. Indexation allowance would increase the base cost, for capital gains purposes, of those shares purchased prior to 31st March 1982 to 58.2p* at 30th September 1993.

*Adjusted for scrip issue of one for two on 2nd February 1993.

GROUP INFORMATION

Leeds Group plc
Registered number 67863

Directors
Robert D. Wade,
Chairman
Tom W. G. Ashdown,
Managing Director
J. Neil Stevenson
Charles R. Hopwood
Jim Kidd
John A. Schofield

Non-executive Director
Donald C. Macpherson

Bankers
Barclays Bank plc,
28 Park Row,
Leeds LS1 1PA

Registrars
Barclays Registrars,
P.O. Box 34,
Octagon House,
Gadbrook Park,
Northwich,
Cheshire CW9 7RD

Secretary and Registered Office
John A. Schofield FCA,
Otley Lane,
Yeadon,
Leeds LS19 7JT

Solicitors
Dibb Lupton Broomhead,
117 The Headrow,
Leeds LS1 5JX

Auditors
KPMG Peat Marwick,
1 The Embankment,
Neville Street,
Leeds LS1 4DW

Brokers
NatWest Wood
Mackenzie & Co. Limited,
135 Bishopsgate,
London EC2M 3XT

Granville Davies Limited,
Mint House,
77 Mansell Street,
London E1 8AF

Non-executive Director
Donald Macpherson

Donald Macpherson was educated at Winchester College. After completing his National Service in the Black Watch he worked for four years at Thomson & Balfour, timber merchants and joinery manufacturers. In 1957 he joined Fielding, Newson-Smith & Co. where he became a Partner in 1962 and Senior Partner in 1985. In 1986 Fielding, Newson-Smith & Co. was acquired by County Bank Limited, the Merchant Banking arm of NatWest, which subsequently changed its name to County NatWest Limited. He is now Deputy Chairman of NatWest Markets Corporate Finance Limited and a Director of NatWest Markets Limited.

GROUP INFORMATION

CONTINUED

Trading Subsidiary Companies

Leeds Dyers Limited
Otley Lane,
Yeadon,
Leeds LS19 7JT

Directors
Robert D. Wade
Tom W. G. Ashdown
John A. Schofield
J. Neil Stevenson
Charles R. Hopwood
Eric Atkinson
J. Keith Myers
Jim Kidd
Keith D. Hendrie
Malcolm E. Reeves
Martin Bielderman

Leeds Leasing plc
Carter House,
Guiseley,
Leeds LS20 8NH

Directors
Robert D. Wade
John A. Schofield
Adrian C. Wardner

Brummen International BV
Mercuriusweg 1-3,
Postbus 90,
6970 AB Brummen,
The Netherlands

Directors
Robert D. Wade
Tom W. G. Ashdown
Martin Bielderman
Florian Kets de Vries

Branches

Scott & Rhodes
Banksfield Dyeworks,
Yeadon,
Leeds LS19 7XU

Branch Directors
Dennis Glover
David Slater

Leonard Ingham
Asquith Bottom Dyeworks,
Sowerby Bridge,
Halifax HX6 3BP

Branch Directors
Andrew Jackson
Neville R. Mulley
Tony M. Womersley

Walsden Printing
Ramsden Wood,
Todmorden OL14 7UJ

Branch Directors
Jim Barnes
David R. Edgar

Strines Textiles
Strines Printworks,
Strines,
Stockport SK12 3AQ

Branch Directors
Graham Cox
Barrie Dale
Maurice Cribb

Sharps Fabric Printers
Westfield Industrial Estate,
Kirk Lane,
Yeadon,
Leeds LS19 7LX

Branch Director
Michael D. Ingram

Colourflex
Riverside Mill,
Rawdon,
Leeds LS19 6JW

Branch Directors
Colin Small
Derek Wainfor
Robert Tankard

Langholm Dyeing
Waterside Mill,
Langholm,
Dumfriesshire DG13 0DG

Branch Directors
Jeffrey Z. Beardsley
Ian S. Martin
Tony W. McGill
Frank T. Steele
Bob Sim

CHAIRMAN'S STATEMENT

I have no difficulty in identifying the dominant characteristic of our 1993 financial year. For the first time in my business life, it was a year of minimal inflation.

As some of our markets tentatively emerged from recession, we were regularly obliged to accept increases in volume rather than in price. In our accounts, this volume increase is disguised by lower wool values and by the reduction in output at Walsden following the fire in November 1992. The same market pressures resulted in a price freeze on most of our supplies, even where these were sourced from countries whose currency had been revalued against the Pound.

Much of our 3% wage increase was offset by the improvements in productivity and efficiency that so often follow higher activity. These gains are, of course, hard won, and are an excellent testimony to the commitment of our entire workforce. I am delighted that this has in turn been rewarded by avoiding the need for redundancies.

For the first time, our accounts are presented using the new FRS3 format. You will note that £286,000 has been included from the insurance proceeds on plant transferred to capital account, and £553,000 has been incorporated for the first six months' trading of our new subsidiary in Holland. Excluding these items, the comparable profit emerges 16% higher than last year. Following an increase of 35% in 1992, I hope that you will agree that this is an excellent performance.

Omitting the material damage insurance, and after adjusting for the new shares issued, our earnings per share come out at 26.9p, which represents an increase of 21.7% on the 1992 figure.

All divisions of the group contributed to this increased profit, which is, of course, our target. The Directors' report on page 6 provides more detail about our various operations. In particular, I have referred to the fire at Walsden, which caused much anxiety and distraction to management.

There was little evidence during the year of increased consumer demand, but we did benefit from the effects of devaluation, and we have made further progress in both the dyeing and printing of non-apparel. Even though our sales prices were largely unchanged, our margins benefited both from better volume and efficiency.

The substantial increase in profit at West Yorkshire Insurance Company, to which I refer on page 6, is not included in our profit, nor reflected in the carrying value of this investment in our Balance Sheet. The Board of West Yorkshire is now considering the best way to release the accumulated value for the benefit of shareholders. For this reason, we felt it appropriate to move the investment from Fixed Assets to Current Assets.

Balance sheet

Difficult trading conditions demand stringent attention to control of stock and debtors. As a result, the Group had a strong cash flow, helped once again by the release of £255,000 from Leeds Leasing. At the year end, our cash balance was £2.9 million so the balance sheet is ungeared.

During the year, one million new shares were placed to finance our acquisition in Holland, and to reduce debt in that company.

CHAIRMAN'S STATEMENT

CONTINUED

Acquisitions

In April, we completed our first Continental acquisition of two companies under similar ownership in East Holland. Subsequently, these have been merged into a single company, Brummen International BV. Our aim was both the extension of our operations into transfer printing, and the development of market opportunities in Continental Europe. In the six months since acquisition, the Dutch company achieved an operating profit of £553,000, which I regard as an excellent result against the unprecedented recession that is now strangling European industry. Opportunities for synergy are already being exploited, and I am confident that we shall make further progress during 1994.

Your Board is continuously evaluating the opportunities for further acquisitions. As we are only interested in successful businesses, and we do not look for companies that are for sale, our research is inevitably painstaking and lengthy. We do believe, however, that we have established a formula that produces sound results, and we shall continue to pursue this.

Capital expenditure

Once again we pursued our policy of substantial capital investment and spent £3.4 million in addition to a considerable sum at Walsden, replacing damaged plant through insurance. In 1994, we again expect to spend a substantial amount, and some of our present plans already extend to the following year. Our depreciation charge will rise, but we have the resources to finance our growth, and believe that new opportunities will emerge as Europe rises from the slough of recession.

Board

In 1970, John Bates joined me in the early days of Colourflex, and much of the significant growth since that time is due to his management. His premature death at the age of 56 in August was a cruel shock to all of us, and his generous nature is still missed by his wide circle of friends in the Company.

Your Board has considered the recommendations of the Cadbury Committee carefully, and has already instigated a number of changes. Following Richard Holroyd's retirement in September, we are committed to the appointment of another Non-Executive Director, which we hope to complete by our AGM in January.

Dividend

The Company has increased its dividend to shareholders for the last 27 years, so this has become something of a commitment. Your Board is now recommending a final dividend of 5.75p, making a total of 8.5p; this compares with the equivalent of 7.33p last year, after adjusting for the Scrip Issue last February – an increase of 16%. In addition, we have decided once again to capitalise a proportion of our substantial reserves, and are proposing a further 1:2 Scrip Issue.

Prospects

As I write this during December, there is precious little evidence of the recovery that has been heralded so many times. Two major markets, Japan and Europe, are still depressed, and the UK retail demand is very inconsistent.

However, we have been able to make progress during the difficult conditions that have prevailed for the last two years, and it seems a long time since the wind was behind us! We have now learnt that profits can be improved without increasing prices, as long as we can gain volume and efficiency. This is clearly the challenge for 1994, and plans are in place throughout the Company to meet it. We have a strong Balance Sheet, a committed team and a certain momentum of growth, which may well prove a powerful enough combination to ensure further progress in 1994.

Robert Wade

Robert Wade
Chairman
30th December 1993

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30th September 1993.

Principal activities

The principal activities of the group are the dyeing and printing of textiles and the sale of yarn and fabric. Leeds Leasing plc writes small value finance leases.

Business Review

Leeds Dyers Limited is the group's principal trading subsidiary and operates through seven divisions, as detailed on page 3. These are divided into three business areas.

Fabric Dyeing

Scotland Rhodes increased sales of polyester/viscose, but the pressure on prices remains intense. The seasonal factors of the women's fashion business are balanced, to some extent, by our customers' export demand for wool and blended menswear fabrics. A new record level of profit was attained, entirely due to the substantial gain in volume.

Leonard Ingham concentrates on woollen fabrics for women's outerwear and furnishing fabrics. Although demand declined towards the end of the year, the company achieved increased sales and profit.

Yarn Dyeing

Both *Colourflex* and *Langholm Dyeing* produced excellent results, marginally lower than the record profit in 1992. Following new investment in small weight dyeing capacity and radio frequency dyeing, we plan to extend the range of yarns dyed and look for growth in the coming months.

Fabric Printing

Walsden Printing suffered an arson attack in November 1992, which caused considerable damage and disruption. Replacement plant was commissioned in the Spring, and by Autumn, Walsden was once again at full production. The proportion of printed curtain fabrics has continued to increase, and we have made plans for further significant growth in 1994, as the remaining effects of the fire are eliminated.

Although demand was inconsistent in some market areas, *Strines Textiles* benefited from the effects of devaluation of Sterling, gaining significant new business from Continental competitors. Pressure on prices intensified during the year, but higher sales resulted in increased profit.

Sharps produced a significant increase in volume, at an average price lower than the previous year. Longer runs and better efficiency offset the reduced margins to produce an increased profit.

Brummen International BV

Since the Dutch companies were acquired in April, they have experienced some of the worst European trading conditions for many years. Despite this, both the divisions have continued to make progress, and shift working was started in September.

We plan to install new plant at Sharps, to apply the printed transfer paper from Holland to fabric which will be sold in the UK. In the other direction, our UK companies are now starting to ship to the Continent, using the marketing strength of Brummen.

There is still much to be done if we are to extract the full potential of synergy, but the determination is clear and the prospects are exciting.

Leeds Leasing plc produced a record profit of £356,000 (1992: £286,000). Business written was some 10% higher than last year.

The result was achieved by a combination of improved debtor control and lower interest rates. It is our firm intention to increase sales in 1994, but this must be balanced by stringent credit vetting if we are to avoid the traumas that have eliminated much of our competition.

Following a loss in 1992, **West Yorkshire Insurance Company Limited** made a pre-tax profit of £685,000. The substantial increase in premium rates during the previous two years finally overtook higher claim costs. The profit will be distributed to shareholders as scrip rather than dividend, to support an increased level of business in the new year. Since an increasing proportion is now written at the higher rates, the prospect of further increase in profit is promising.

DIRECTORS' REPORT

CONTINUED

Directors and directors' interests

The directors who held office during the year were as follows:

R. D. Wade

T. W. G. Ashdown

J. A. Schofield (appointed 30th July 1993)

J. H. Bates (died 12th August 1993)

J. N. Stevenson

C. R. Hopwood

J. Kidd

R. C. Holroyd (retired 30th September 1993)

D. C. Macpherson

Mr R. C. Holroyd retired as an executive director on 31st October 1992, but continued as a non-executive director until 30th September 1993.

Mr J. A. Schofield, who was appointed a director since the last annual general meeting, retires in accordance with the Articles of Association and, being eligible, offers himself for re-election.

The directors retiring by rotation are Mr J. N. Stevenson and Mr J. Kidd who, being eligible, offer themselves for re-election.

Mr J. A Schofield and Mr J. Kidd have three years of their service contracts outstanding. Mr J. N. Stevenson does not have a service contract with Leeds Group plc.

The directors who held office at the end of the financial year had the following interests in the ordinary shares of the company:

	Number of shares			
	Interest at end of year		Interest at beginning of year or date of appointment	
	Beneficial	Non Beneficial	Beneficial	Non Beneficial
R. D. Wade	395,824	385,905	266,610	262,296
T. W. G. Ashdown	66,688	–	46,459	–
J. A. Schofield	30,000	–	30,000	–
J. N. Stevenson	4,950	–	3,300	–
C. R. Hopwood	–	–	–	–
J. Kidd	35,823	–	23,882	–
D. C. Macpherson	7,998	–	5,332	–

The cumulative outstanding options granted to directors in the ordinary shares of the company are as follows:

	Number of shares		
	At end of year	Granted during the year	At beginning of year or date of appointment
R. D. Wade	56,149	–	37,433
T. W. G. Ashdown	56,149	–	37,433
J. A. Schofield	41,149	–	41,149
J. N. Stevenson	30,000	–	20,000
C. R. Hopwood	38,149	–	25,433
J. Kidd	38,113	1,854	24,173
D. C. Macpherson	–	–	–

DIRECTORS' REPORT

CONTINUED

No options were exercised during the year. The movement in the year relates to the scrip issue. These options are exercisable between January 1994 and June 2001. The options granted to J. Kidd during the year are exercisable between July 1998 and December 1998 at £3.72.

In addition to the foregoing, options have been granted to various senior members of staff. All options have been granted at prices between £1.02 and £3.72.

No changes in the above directors' share interests have taken place between the end of the financial year and 1st December 1993.

No director had a material interest in any contract with the group during the financial year, other than as disclosed in note 6.

Major shareholdings

The company has received notification of the following shareholders other than the directors having 3% or more of the issued share capital at 1st December 1993.

	% of issued share capital
3i's Portfolio Management	6.14
Gartmore Investment Management Limited	6.05
Courtaulds CIF Nominees Limited	5.75
Mercury Asset Management Limited	5.05
Hill Samuel Investment Management Limited	4.53
Barclays de Zoete Wedd Investment Management	3.03

Close company status

The directors are advised that the company is not one to which the close company provisions of the Income and Corporation Taxes Act 1988 apply.

Political and charitable contributions

The group made no political contributions during the year. Donations to UK charities amounted to £3,212.

Liability insurance

The directors have purchased liability insurance during the year for certain officers of the group.

Employees

Regular contact between senior management and employee representatives is maintained in order to keep employees informed of the ongoing situation and future prospects. It is the group's policy to employ disabled persons if they are able to fill the relevant position satisfactorily and to continue to employ persons who become disabled while in the group's employment where possible. No discrimination is made in the training, career development and promotion of disabled people.

Special business and separate meetings

Shareholders will find enclosed with the report and financial statements a notice of special business to be proposed at the annual general meeting. The resolutions to be considered as special business are explained in detail in a letter from the Chairman attached to that notice.

Proposed dividend and transfer to reserves

The directors recommend that a final ordinary dividend of £1,092,000 (5.75p per share) be paid making, with the interim of £522,000 (2.75p per share), a total of £1,614,000 (8.5p per share) for the year.

After deducting the total ordinary dividends of £1,614,000, the profit for the year retained in the group is £3,641,000.

Significant changes in tangible fixed assets

Movements in tangible fixed assets are set out in note 11 to the accounts.

Market value of land and buildings

The directors are of the opinion that the group's interests in land and buildings may have a higher market value than the amounts at which they are included in the balance sheet, but that the difference is not significant in relation to the trading activities.

DIRECTORS' REPORT

CONTINUED

Statement by the directors on corporate governance

Your Board fully supports the spirit of the Cadbury Code and is taking steps towards complying with the detail of its requirements as far as is possible in a company of our size. In the following respects, however, we do not comply fully with the code.

1. Until 30th September, there were two non-executive directors. Mr R. C. Holroyd has now resigned and the Board is committed to a replacement. It is, however, the opinion of the Board that the present size of the company does not justify more than two non-executive directors.

2. The Audit Committee comprises the Chairman, Managing Director, non-executive Director and Company Secretary, who have discussions twice yearly with a senior partner and audit staff of our auditors. No formal terms of reference have been established at the present date, but these are in course of production.

3. The Remuneration Committee currently consists of the Chairman, Managing Director and non-executive Director. This committee has not yet had formal terms of reference, but on the appointment of a new non-executive Director it will be formally constituted.

4. The Board considers that existing procedures are sufficient to ensure that the direction of the Group is firmly controlled by the Board. A formal schedule of matters specifically reserved to it for decision is in the course of production.

The company already complies with the greater part of the Report on the Financial Aspects of Corporate Governance. Every aspect of the Code of Best Practice is being addressed and the directors expect to be able to report compliance, as far as we are able, in our 1994 Report and Accounts.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution for the reappointment of KPMG Peat Marwick as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

John Schofield
Secretary

Otley Lane,
Yeadon,
Leeds LS19 7JT

1st December 1993

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and group, and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company and group will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the group, and to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT

To the Members of Leeds Group plc

We have audited the financial statements on pages 12 to 30.

Respective responsibilities of directors and auditors

As described on page 10 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 30th September 1993 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick

KPMG Peat Marwick
Chartered Accountants
Registered Auditors

1 The Embankment,
Neville Street,
Leeds LS1 4DW

1st December 1993

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30th SEPTEMBER 1993

	Note	Continuing Operations Acquisitions 1993 £000	1993 £000	Total 1993 £000	Total 1992 £000
Turnover	1–2	4,242	42,852	47,094	41,256
Cost of sales		(3,012)	(30,607)	(33,619)	(29,728)
Gross profit		1,230	12,245	13,475	11,528
Distribution costs		(272)	(558)	(830)	(513)
Administrative expenses		(405)	(5,795)	(6,200)	(5,313)
Other operating income					
Business interruption insurance		—	572	572	—
Other		—	93	93	55
Other operating income		—	665	665	55
Operating profit	3	553	6,557	7,110	5,757
Material damage insurance	4			286	—
Profit on ordinary activities before interest				7,396	5,757
Other interest receivable and similar income	5			66	124
Interest payable and similar charges	5			(232)	(352)
Profit on ordinary activities before taxation	5			7,230	5,529
Tax on profit on ordinary activities	8			(1,975)	(1,594)
Profit on ordinary activities after taxation				5,255	3,935
Dividends paid and proposed	9			(1,614)	(1,316)
Retained profit for the financial year				3,641	2,619
Earnings per ordinary share	10			28.5p	22.1p
Adjustment	10			(1.6p)	—
Adjusted earnings per ordinary share	10			26.9p	22.1p

The group has no material recognised gains or losses other than the profit for the year above.
A reconciliation of movements in shareholders' funds is shown in note 23 to the financial statements.

BALANCE SHEETS

AT 30th SEPTEMBER 1993

	Note	Group 1993 £000	Group 1992 £000	Company 1993 £000	Company 1992 £000
Fixed assets					
Tangible assets	11	21,395	16,043	—	—
Investments	12	—	520	1,973	2,178
		21,395	16,563	1,973	2,178
Current assets					
Stocks	13	3,765	3,271	—	—
Debtors	14	8,491	6,076	15,332	12,820
Finance lease debtors	15	3,069	3,025	—	—
Investments	12	520	—	520	—
Cash at bank and in hand		2,899	2,492	—	—
		18,744	14,864	15,852	12,820
Creditors: amounts falling due within one year	16	(14,138)	(10,885)	(2,243)	(1,983)
Net current assets		4,606	3,979	13,609	10,837
Of which:					
due within one year		2,737	2,201	13,292	10,538
debtors due after more than one year		1,869	1,778	317	299
Total assets less current liabilities		26,001	20,542	15,582	13,015
Creditors: amounts falling due after more than one year	17	(603)	(2,250)	—	(2,000)
Provisions for liabilities and charges	19	(259)	—	—	
Accruals and deferred income	20	(707)	(694)	—	—
Net assets		24,432	17,598	15,582	11,015
Capital and reserves					
Called up share capital	21	4,746	2,994	4,746	2,994
Share premium account	22	1,487	1,412	1,487	1,412
Other reserves	22	—	—	925	—
Profit and loss account	22	18,199	13,192	8,424	6,609
		24,432	17,598	15,582	11,015

These financial statements were approved by the board of directors on 1st December, 1993 and were signed on its behalf by:

R. D. Wade

J. A. Schofield

Directors

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30th SEPTEMBER 1993

	Note	1993		1992	
		£000	£000	£000	£000
Net cash inflow from operating activities	27		8,604		5,111
Return on investments and servicing of finance					
Interest received		66		124	
Interest paid		(232)		(352)	
Dividends paid		(1,420)		(1,214)	
Net cash (outflow) from returns on investment and servicing of finance			(1,586)		(1,442)
Taxation					
UK corporation tax paid		(1,480)		(763)	
Overseas tax paid		(200)		–	
			(1,680)		(763)
Investing activities					
Purchase of tangible fixed assets		(3,817)		(2,344)	
Purchases of subsidiary undertakings (net of cash and cash equivalents acquired)	25	186		–	
Sale of tangible fixed assets		279		30	
Insurance proceeds on damaged machine	4	455		–	
Net cash (outflow) from investing activities			(2,897)		(2,314)
Net cash inflow before financing			2,441		592
Financing					
Issue of ordinary share capital	28	1,599		469	
Repayment of loan notes		(1,011)		(54)	
Repayment of bank loan		(1,000)		(1,000)	
Expenses paid in connection with share issues		(11)		–	
Repayment of Brummen bank loans		(1,857)		–	
Net cash (outflow) from financing			(2,280)		(585)
Increase in cash and cash equivalents	29		161		7

NOTES

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Basis of consolidation

The group accounts consolidate Leeds Group plc and all its subsidiary undertakings. These accounts are made up to 30th September 1993.

Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary and associated undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal. Goodwill arising on consolidation (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) is written off against reserves on acquisition. Any excess of the aggregate of the fair value of the separable net assets acquired over the fair value of the consideration given is credited direct to reserves.

In the company's accounts, investments in subsidiary and associated undertakings are stated at cost less amounts written off. Dividends received and receivable are credited to the company's profit and loss account to the extent that they represent a realised profit for the company.

In accordance with Section 230(4) of the Companies Act 1985 Leeds Group plc is exempt from the requirement to present its own profit and loss account.

The amount of the profit for the financial yea. dealt with in th: financial statements of Leeds Group plc is disclosed in r te 22 to these accounts.

Fixed assets and depreciation

Depreciation is provided by the group to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	*25 or 50 years*
Plant and machinery	*5 to 16 years*
Motor vehicles	*5 years*

No depreciation is provided on freehold land.

Government Grants

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to trading profit over the estimated useful economic lives of the assets to which they relate.

Leases

Amounts receivable under finance leases are recorded as debtors at the aggregate amount of the group's net investment in those leases after making appropriate provisions for bad and doubtful rentals receivable. Gross earnings under finance leases are allocated to accounting periods in order to give a constant rate of return on the group's net investment in those leases.

Rentals payable under operating leases are charged to the profit and loss account over the terms of the leases.

Pension costs

The group operates three pension schemes which cover all full-time employees. The schemes funds are administered by trustees and are independent of the group's finances. The schemes are of the defined contribution t, ,e and the group's contributions are charged against profits in the year in which contributions are made.

Stocks

Stocks are stated at the lower of cost, including production overheads, and net realisable value.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise in the foreseeable future.

Turnover

The amount shown in the profit and loss account is the amount receivable by the group in the ordinary course of its business for goods or services rendered and excludes value added tax. The turnover figure for leasing represents gross earnings from finance leases.

Foreign currency

Assets, liabi... es and profits of overseas subsidiary undertakings have been translated into sterling at the rate of exchange ruling at 30th September 1993. Exchange differences arising from the retranslation of the opening net investment in subsidiary undertakings at the closing rate are dealt with through reserves.

Differences in exchange arising in the normal course of business are dealt with in the profit and loss account.

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and purchased goodwill is written off directly against reserves in the year of acquisition.

NOTES

CONTINUED

2. Turnover

The analysis of turnover by activity is as follows:

	1993 £000	1992 £000
Textiles		
United Kingdom	40,884	39,545
Europe	4,950	790
Australasia	279	73
Asia	85	-
Africa	9	-
North America	2	-
	46,209	40,408
Leasing	885	848
	47,094	41,256

Leasing rents receivable total £2,743,000 (1992: £2,972,000).

3. Operating profit

Other operating income of £572,000 relates to insurance compensation for business interruption as a result of the fire at Walsden in 1992. The total amount received was £1,000,000 and the balance will be included in the 1994 financial statements.

4. Material damage insurance

	1993 £000	1992 £000
Cost of new machine bought	455	-
Fire damaged machinery written off	(169)	-
	286	-

NOTES
CONTINUED

5. Profit on ordinary activities before taxation

The analysis of profit before taxation by activity is as follows:

	1993 £000	1992 £000
Parent company and subsidiary undertakings:		
Textiles	6,874	5,243
Leasing	356	286
	7,230	5,529

Profit on ordinary activities before taxation is stated after charging	1993 £000	1992 £000
Auditor's remuneration:		
Audit	79	50
Other services	47	20
Depreciation and other amounts written off tangible fixed assets:		
Owned	1,842	1,405
Operating leases		
– Hire of plant and machinery	67	70
– Land and buildings	15	13
Interest payable on bank loans and overdrafts	232	352
after crediting		
Amortisation of grants	37	39
Other interest receivable and similar income	66	124

6. Staff numbers and costs

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	1993	1992
Textiles		
– management and administration	53	47
– production	887	819
Leasing	14	14
	954	880

The aggregate payroll costs of these persons were as follows:	1993 £000	1992 £000
Wages and salaries	12,806	11,048
Social security costs	1,240	1,071
Other pension costs (see note 24)	472	398
	14,518	12,517

NOTES

CONTINUED

7. Remuneration of directors

	1993 £000	1992 £000
Directors' emoluments:		
Remuneration as executives	367	319
Performance related pay	50	44
Pension contributions	133	72
Amounts paid to third parties in respect of directors' services	68	63
	618	498
Pension to past directors and their dependants	12	12
Compensation for loss of office from subsidiary undertaking	–	13
	630	523

Mr J. N. Stevenson did not receive any remuneration for his services to the group directly from Leeds Group plc. Fees and expenses in respect of his services of £67,700 (1992: £62,600) were paid to Acorn Consultants Limited, a company outside the group, in accordance with a consultancy agreement.

Emoluments of the chairman, who is also the highest paid director, are as follows:

	Chairman 1993 £000	Chairman 1992 £000
Salaries and benefits	100	79
Performance related pay	24	20
Pension contributions	32	14
	156	113

Benefits in kind include car, fuel, telephone and medical benefits.

Performance related pay consists of a percentage of the profit of the company or branch above pre-determined thresholds.

The emoluments, excluding pension contributions, of the directors (including the chairman and highest paid director) were within the following ranges:

	No. of directors 1993	No. of directors 1992
£0 – £5,000	1	2
£10,001 – £15,000	1	–
£40,001 – £45,000	1	1
£50,001 – £55,000	–	3
£55,001 – £60,000	3	1
£60,001 – £65,000	1	–
£70,001 – £75,000	1	–
£95,001 – £100,000	–	1
£120,001 – £125,000	1	–

NOTES

CONTINUED

8. Taxation on profit on ordinary activities

	1993 £000	1992 £000
UK corporation tax at 33% (1992: 33%) on the profit for the year on ordinary activities	1,630	1,606
Overseas tax	81	–
Deferred taxation (see note 19)	409	223
Corporation tax adjustment relating to an earlier year	(145)	(235)
	1,975	1,594

The tax charge is reduced due to the non-provision of deferred taxation with respect to accelerated capital allowances on plant and machinery.

9. Dividends paid and proposed

	1993 £000	1992 £000
Ordinary shares:		
Interim paid: 2.75 pence per share (1992: 2.33 pence per share)	522	418
Final proposed: 5.75 pence per share (1992: 5.0 pence per share)	1,092	898
	1,614	1,316

The final dividend for 1993 is payable on 18,984,218 shares (1992: 11,977,518 shares). If approved the final dividend will be paid on 26th January 1994.

10. Earnings per ordinary share

The calculation of earnings per ordinary share is based on earnings of £5,255,000 (1992: £3,935,000) and an average of 18,468,999 ordinary shares of 25p in issue during the year (1992: 17,824,620). The earnings per share calculated on a fully diluted basis is not materially different from basic earnings per share.

A further calculation of earnings per share is presented in accordance with guidelines issued by the Institute of Investment Management and Research ("IIMR"). This aims to highlight the trend in maintainable earnings.

The calculation of the IIMR earnings per ordinary share is based on earnings of £4,969,000 (1992: £3,935,000) after adjusting earnings of £5,255,000 for the exceptional item of £286,000 on which no tax is payable.

NOTES
CONTINUED

11. Tangible fixed assets

	Group		
	Land and buildings £000	Plant and machinery £000	Total £000
Cost:			
At beginning of year	8,280	21,236	29,516
Additions	155	3,662	3,817
On acquisition	2,064	3,523	5,587
Exchange differences	(12)	(17)	(29)
Disposals	–	(824)	(824)
At end of year	10,487	27,580	38,067
Depreciation and diminution in value:			
At beginning of year	1,496	11,977	13,473
Charge for year	246	1,596	1,842
On acquisition	352	1,398	1,750
Exchange differences	(3)	(10)	(13)
On disposals	–	(380)	(380)
At end of year	2,091	14,581	16,672
Net book value			
At 30th September 1993	**8,396**	**12,999**	**21,395**
At 30th September 1992	6,784	9,259	16,043

The net book value of land and buildings comprises:

	Group	
	1993 £000	1992 £000
Freehold	8,110	6,491
Long leasehold	286	293
	8,396	6,784

NOTES

CONTINUED

12. Fixed asset investments

	Group
	Investments other than loans
	£000
Cost	
At beginning of year	520
Reclassification as a current asset	(520)
At end of year	–

The above represents the company's shareholding of 23.1% in West Yorkshire Insurance Company Limited. The directors consider that they do not exercise significant influence over West Yorkshire Insurance Company and accordingly the shareholding is accounted for as an investment. The group intends to dispose of this shareholding in due course and consequently the investment has been reclassified as a current asset.

	Company		
	Shares in group undertakings	Investments other than loans	Total
	£000	£000	£000
Cost			
At beginning of year	1,658	579	2,237
Additions	376	–	376
Transfer to subsidiary	(61)	–	(61)
Reclassification as a current asset	–	(579)	(579)
At end of year	1,973	–	1,973
Provisions			
At beginning of year	–	59	59
Reclassification as a current asset	–	(59)	(59)
At end of year	–	–	–
Net book value			
At 30th September 1993	1,973	–	1,973
At 30th September 1992	1,658	520	2,178

Shares in group undertakings comprise £1,973,000 (1992: £1,658,000) in respect of shares held in subsidiary undertakings. All subsidiary undertakings have been included in the consolidation.

NOTES

CONTINUED

12. Fixed asset investments (continued)

On 2nd April 1993, the company acquired the whole of the issued share capital (comprising ordinary shares) of Tim Beheer BV and Itex Brummen BV, two companies incorporated and operating in Holland. These companies are engaged in the printing of textiles and sales of fabric. The cost of the investment in these companies comprised:

	Total £000
Nominal value of shares issued:	
Tim Beheer BV	92
Itex Brummen BV	61
Cash paid	113
Deferred consideration	110
	376

The value of the shares issued to acquire Itex Brummen BV on 2nd April 1993 was as follows:

	£000
Nominal value of shares issued	61
Premium on shares issued	925
	986

Following a reorganisation the shares in Itex Brummen BV were sold to Tim Beheer BV for £986,000 and Tim Beheer BV changed its name to Brummen International BV.

The gain on the disposal of the investment in Itex Brummen BV of £925,000 represents a non-distributable reserve in the company as shown in note 22.

The deferred consideration relates to the best estimate of amounts payable under the earnout agreements on the acquisition of Tim Beheer BV and Itex Brummen BV.

In addition, the Company owns the whole of the issued share capital (comprising ordinary shares) of the following companies which are incorporated and operate in Great Britain and are registered in England:

Leeds Dyers Limited	(engaged in the processing of textiles and sales of yarn and fabric)
Leeds Leasing plc	(engaged in the finance leasing of assets)

Dormant companies:

Colourflex Limited

Strines Textiles Limited

13. Stocks

	Group	
	1993 £000	1992 £000
Raw materials and consumables	2,332	2,387
Work in progress	903	884
Finished goods	530	—
	3,765	3,271

NOTES

CONTINUED

14. Debtors

	Group		Company	
	1993	1992	1993	1992
	£000	£000	£000	£000
Trade debtors	7,664	5,394	–	–
Amounts owed by group undertakings	–	–	15,015	12,521
Corporation tax recoverable	317	299	317	299
Other debtors	102	37	–	–
Prepayments and accrued income	408	346	–	–
	8,491	6,076	15,332	12,820

Included in corporation tax recoverable is an amount of £317,000 (1992: £299,000) in respect of advance corporation tax on the proposed dividend of £1,092,000 (1992: £898,000) which is due in more than one year.

15. Finance lease debtors

	1993	1992
	£000	£000
Net amounts receivable under finance leases	3,069	3,025

Included in net amounts receivable under finance leases is an amount of £1,552,000 (1992: £1,479,000) which falls due after more than one year.

During the year the group has acquired assets at a cost of £2,203,000 (1992: £2,013,000) for finance leasing.

16. Creditors: Amounts falling due within one year

	Group		Company	
	1993	1992	1993	1992
	£000	£000	£000	£000
Bank overdraft	246	–	–	–
Bank loans	419	–	–	–
Loan notes	559	570	559	570
Trade creditors	6,083	5,012	–	–
Other creditors including taxation and social security:				
Corporation tax	1,649	1,626	469	439
Other taxes	1,291	750	–	13
Social security	209	183	–	–
Other creditors	784	612	110	–
Accruals and deferred income	1,806	1,234	13	63
Dividend proposed	1,092	898	1,092	898
	14,138	10,885	2,243	1,983

Other creditors include a deferred tax asset in 1992 amounting to £63,000 (see note 19).

NOTES
CONTINUED

17. Creditors: Amounts falling due after more than one year

	Group		Company	
	1993	1992	1993	1992
	£000	£000	£000	£000
Bank loans	603	1,000	-	1,000
Loan notes	-	1,000	-	1,000
Other creditors	-	250	-	-
	603	2,250	-	2,000

18. Bank loans

Bank loans are repayable by instalments as follows:

	Group	
	1993	1992
	£000	£000
Within one year	419	-
Between one and two years	73	-
Between two and five years	219	1,000
More than five years	311	-
Total	1,022	1,000

The aggr-gate amount of loans which are repayable in instalments any of which fall due for payment after more than five years is £676,000. The final instalments on these loans are repayable between eight and thirteen years and bear interest of between 7⅞% and 8⅝%.

The loans are secured by a charge over the property in Holland and the assets · f Brummen International BV.

NOTES

CONTINUED

19. Provisions for liabilities and charges

The amounts provided for deferred taxation and the full potential liability, calculated on the liability method at a rate of 33% are set out below:

	1993		1992	
	Amount provided in the accounts £000	Full potential liability £000	Amount provided in the accounts £000	Full potential liability £000
Accelerated capital allowances	**314**	**1,991**	202	1,535
Other timing differences	**(55)**	**(55)**	(265)	(265)
	259	**1,936**	(63)	1,270

The movement in the provision for the year comprises:

	£000
At 1st October 1992	(63)
On acquisition	(87)
Deferred tax charge	409
At 30th September 1993	**259**

20. Accruals and deferred income

Government Grants	Group		
	Buildings £000	Plant and machinery £000	Total £000
Received:			
At 1st October 1992	972	467	1,439
On acquisition	66	80	146
Exchange difference	(1)	(1)	(2)
	1,037	546	1,583
Amortisation:			
At 1st October 1992	327	418	745
On acquisition	16	79	95
Credited for year	27	10	37
Exchange difference	-	(1)	(1)
At 30th September 1993	**370**	**506**	**876**
Net amount:			
At 30th September 1993	**667**	**40**	**707**
At 30th September 1992	645	4[illegible]	694

NOTES

CONTINUED

21. Called up share capital

	1993 £000	1992 £000
Authorised:		
20,000,000 (1992: 20,000,000) ordinary shares of 25p each	5,000	5,000
Allotted, called up and fully paid:		
18,984,218 (1992: 11,977,518) ordinary shares of 25p each	4,746	2,994

On 15th January and 8th March 1993 respectively 10,000 and 2,940 shares were issued for a total consideration of £33,527 under the share option scheme.

On 2nd February 1993, 5,993,760 shares were issued on a one for two share capitalisation.

On 2nd April 1993, 583,901 shares were issued at £4.05 per share and 29,727 shares were issued at £4.187 per share as part of the consideration for the purchase of Tim Beheer BV and Itex Brummen BV. On the same day 386,372 shares were issued at £4.05 per share to reduce borrowings.

22. Share premium and reserves

	Group		
	Profit and loss account £000	Merger reserve £000	Share premium account £000
At beginning of year	13,192	–	1,412
Retained profit for the financial year	3,641	–	–
Share capitalisation	(86)	–	(1,412)
Arising on shares issued during the year	–	2,336	1,498
Share issue costs	–	–	(11)
Goodwill written off on previous acquisition transferred from profit and loss reserves	1,452	(1,452)	–
Goodwill written off on acquisition of subsidiary undertaking	–	(884)	–
At end of year	18,199	–	1,487

The merger reserve arising during the year is in respect of the shares issued as part of the consideration for the purchase of Tim Beheer BV and Itex Brummen BV.

NOTES

CONTINUED

22. Share premium and reserves (continued)

	Company		
	Profit and loss account	Other reserves	Share premium account
	£000	£000	£000
At beginning of year	6,609	-	1,412
Retained profit for the financial year	1,901	-	-
Share capitalisation	(86)	-	(1,412)
Arising on shares issued during the year	-	-	1,498
Arising on the sale of Itex Brummen BV	-	925	-
Share issue costs	-	-	(11)
At end of year	**8,424**	**925**	**1,487**

The other reserve of £925,000 represents the non-distributable gain on the sale of Itex Brummen BV to Tim Beheer BV as detailed in note 12.

The cumulative amount of goodwill resulting from acquisitions which has been written off against reserves is £9,788,000 (1992: £8,904,000).

The profit for the financial year includes an amount of £3,515,000 (1992: £2,230,000) dealt with in the accounts of the parent company.

23. Reconciliation of movements in shareholders' funds

	Group		Company	
	1993	1992	**1993**	1992
	£000	£000	**£000**	£000
Profit for the financial year	**5,255**	3,935	**3,515**	2,230
Dividends	**(1,614)**	(1,316)	**(1,614)**	(1,316)
Retained profit for the financial year	**3,641**	2,619	**1,901**	914
New share capital issued net of expenses	**1,741**	469	**1,741**	469
Merger reserve	**2,336**	-	-	-
Other reserves	-	-	**925**	-
Goodwill on acquisitions	**(884)**	-	-	-
Net additions to shareholders' funds	**6,834**	3,088	**4,567**	1,383
Shareholders' funds at beginning of year	**17,598**	14,510	**11,015**	9,632
Shareholders' funds at end of year	**24,432**	17,598	**15,582**	11,015

24. Pension schemes

The group operates three defined contribution pension schemes. The pension cost charge for the period represents contributions payable by the group to the funds and amounted to £472,000 (1992: £398,000).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

NOTES

CONTINUED

25. Acquisition of businesses

The whole of the issued share capital of Tim Beheer BV and Itex Brummen BV was acquired on 2nd April 1993. The book and fair values of the assets and liabilities acquired are summarised in the following table:

	Book value	Fixed asset revaluation	Accounting policy adjustments	Other provisions	Fair values
	£000	£000	£000	£000	£000
Tangible fixed assets	2,117	1,720	–	–	3,837
Stocks	640	–	(67)	–	573
Debtors	1,107	–	–	(50)	1,057
Cash	994	–	–	–	994
Creditors	(815)	–	–	(61)	(876)
Bank loans	(1,782)	–	–	–	(1,782)
Overdraft	(695)	–	–	–	(695)
Other loan	(1,097)	–	–	–	(1,097)
Taxation	(183)	–	–	–	(183)
	286	1,720	(67)	(111)	1,828
Goodwill					884
Consideration					2,712
Discharged by:					
Shares issued					2,489
Cash paid					113
Deferred consideration					110
					2,712

The accounting policy adjustment arises as a result of aligning the stock valuation policy with that of the group. Other provisions relate to the costs of reorganisation and integration of the business acquired. Accounting policy adjustments and other provisions are stated net of the related tax.

	1993
	£000
Analysis of the net cash outflow/(inflow):	
Cash consideration	113
Cash in acquired subsidiary undertaking	(994)
Overdraft in acquired subsidiary undertaking	695
	(186)

On the acquisition of Strines Textiles, Tim Beheer and Itex Brummen, a number of provisions were created in relation to accounting policy adjustments and the reorganisation and integration of the businesses acquired. The movements on these provisions, net of related tax, were as follows:

	Strines Textiles	Tim Beheer and Itex Brummen	Total
	£000	£000	£000
At 30th September 1992	538	–	538
On acquisition	–	178	178
Amounts utilised – gross	(390)	(182)	(572)
– tax	129	60	189
At 30th September 1993	277	56	333

NOTES

CONTINUED

26. Commitments

(i) Capital commitments at the end of the financial year for which no provision has been made in these accounts, were as follows:

	Group		Company	
	1993	1992	1993	1992
	£000	£000	£000	£000
Contracted	902	705	–	–
Authorised but not contracted	244	115	–	–

(ii) Annual commitments under non-cancellable operating leases are as follows:

	Group			
	1993		1992	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire:				
Within one year	–	10	–	18
In the second to fifth years inclusive	15	35	13	44
Greater than five years	–	8	–	–
	15	53	13	62

27. Reconciliation of operating profit to net cash inflow from operating activities

	1993	1992
	£000	£000
Operating profit	7,110	5,757
Depreciation charge net of amortisation of grants	1,805	1,366
(Profit)/loss on sale of tangible fixed assets	(4)	2
Decrease/(Increase) in stocks	146	(664)
(Increase) in debtors	(1,290)	(205)
Increase/(decrease) in creditors	860	(1,603)
(Increase)/decrease in finance leases receivable	(44)	458
Exchange differences	15	–
Net cash inflow from operating activities	8,604	5,1[illegible]1

NOTES

CONTINUED

28. Analysis of changes in financing during the year

	Share capital and share premium		Bank loan and loan notes	
	1993	1992	1993	1992
	£000	£000	£000	£000
Balance at beginning of year	4,406	3,937	2,570	3,624
Shares issued in consideration of subsidiary undertaking acquired	2,489	–	–	–
Cash inflow from shares issued	1,599	469	–	–
Profit and loss account capitalised	86	–	–	–
Transfer to merger reserve	(2,336)	–	–	–
Share issue costs on acquisition	(11)	–	–	–
Loans taken over on acquisition of Brummen	–	–	2,879	–
Repayment of loan notes	–	–	(1,011)	(54)
Repayment of bank loans	–	–	(2,857)	(1,000)
Balance at end of year	6,233	4,406	1,581	2,570

29. Analysis of changes in cash and cash equivalents

	1993	1992	Change in year
	£000	£000	£000
Cash at bank and in hand	2,899	2,492	407
Bank overdrafts	(246)	–	(246)
	2,653	2,492	161

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the ninety-third annual general meeting of the company will be held at the Forte Crest Hotel, Bramhope, Leeds LS16 9JJ on 25th January 1994, at 12 noon for the following purposes:

1. To receive the report of the directors, the statement of accounts for the year ended 30th September 1993 and the report of the auditors thereon.

2. To approve a final dividend.

3. To elect directors.

4. To appoint auditors and to authorise the directors to fix their remuneration.

5. To transact any other ordinary business.

6. As special business, to consider and, if thought fit, pass the resolutions set out in the letter from the Chairman dated 30th December 1993.

By order of the board
John Schofield
Secretary

Otley Lane
Yeadon
LEEDS
LS19 7JT

30th December 1993

Notes

1. *A member entitled to attend and vote may appoint a proxy and, on a poll, to vote in his stead. A proxy need not be a member of the company.*
2. *To be valid, the form of proxy must be completed and lodged at the Registrars of the Company, Barclays Registrars, Octagon House, Gadbrook Park, Northwich, Cheshire CW9 7RD not later than 48 hours before the time of the meeting.*
3. *The following documents will be available for inspection at the registered office of the company, Otley Lane, Yeadon, Leeds, LS19 7JT, during the usual business hours on any weekday (Saturdays and Bank Holidays excluded) from the date of this notice until the annual general meeting:*
   - *(i) Statement of transactions of directors (and of their family interests) in the equity share capital of the company.*
   - *(ii) The service contracts of directors of the company.*
   - *(iii) The articles of association of the company.*
   - *(iv) A copy of the existing rules of the Leeds Group plc Executive Share Option Scheme and the Leeds Group plc Savings Related Share Option Scheme.*

   These documents will also be available for inspection at the place of the annual general meeting for at least 15 minutes prior to and during the meeting.

TEN-YEAR COMPARISON OF RESULTS AND CAPITAL EMPLOYED

YEARS ENDED 30th SEPTEMBER 1993

	1984† £000	1985 £000	1986 £000	1987 £000	1988 £000	1989 £000	1990 £000	1991 £000	1992 £000	**1993 £000**
Profit before depreciation	836	2,493	2,849	4,091	5,537	4,208	4,985	5,199	6,934	**9,072**
Depreciation	(456)	(488)	(475)	(546)	(731)	(806)	(974)	(1,090)	(1,405)	**(1,842)**
Profit before tax	380	2,005	2,374	3,545	4,806	3,402	4,011	4,109	5,529	**7,230**
Taxation	(1,501)	(859)	(902)	(1,266)	(1,702)	(1,135)	(1,370)	(1,304)	(1,594)	**(1,975)**
Profit after tax	(1,121)	1,146	1,472	2,279	3,104	2,267	2,641	2,805	3,935	**5,255**
Distributions:										
Ordinary dividends	(307)	(389)	(467)	(589)	(796)	(856)	(1,003)	(1,150)	(1,316)	**(1,614)**
Retained in the business	(1,428)	757	1,005	1,690	2,308	1,411	1,638	1,655	2,619	**3,641**
Capital employed:										
Ordinary shares	1,556	1,556	1,867	2,385	2,483	2,509	2,672	2,950	2,994	**4,746**
Reserves	4,070	4,827	5,521	3,889	6,540	9,476	8,600	11,560	14,604	**19,686**
Loan stock	–	–	–	430	256	368	1,794	1,624	1,570	**559**
Government grants	1,023	966	908	918	868	821	776	733	694	**707**
	6,649	7,349	8,296	7,622	10,147	13,174	13,842	16,867	19,862	**25,698**
Earnings per ordinary share (pence)*	(8.3)†	8.5	10.9	16.5	21.2	15.1	16.8	16.7	22.1	**28.5**
Dividend per ordinary share (pence)*	2.3	2.9	3.5	4.2	5.3	5.7	6.2	6.5	7.3	**8.5**

* Adjusted for scrip issue of one for two on 2nd February 1993 excluding the 1993 figures.
† Restated in accordance with Financial Reporting Standard 3.

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