

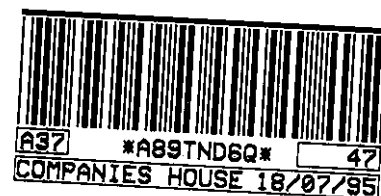
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# BRIDGEND GROUP

PLC

*Annual Report  
and Accounts*

**1994**



## **DIRECTORS AND OFFICERS**

### **DIRECTORS**

N.P. List (*Chairman*)  
M.A. Bretherton  
J.N. Ferguson  
F.C. Flood  
C.G. Stainforth

### **SECRETARY AND REGISTERED OFFICE**

F.C. Flood  
Thompson House  
20-22 Curtain Road  
London  
EC2A 3NQ  
Tel: 0171-377 6060

### **REGISTRARS**

Lloyds Bank Plc  
Registrar's Department  
The Causeway  
Goring-by-Sea  
Worthing  
West Sussex BN99 6DA  
Tel: 01903 502541

### **AUDITORS**

KPMG

### **FINANCIAL ADVISORS**

Guinness Mahon & Co. Limited

### **STOCKBROKERS**

UBS Limited

### **SOLICITORS**

Simmons & Simmons

### **BANKERS**

Lloyds Bank Plc

Royal Bank of Scotland Plc

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## ***FINANCIAL HIGHLIGHTS***

	1994 £'000	1993 £'000
Turnover of continuing operations	17,479	15,567
Profit before exceptional items and tax	86	111
Profit/(loss) before tax	28	(549)
Earnings per Ordinary share	0.1 p	(2.2)p
Earnings per Ordinary share adjusted to exclude exceptional items	0.3 p	0.2 p
Dividends per Ordinary share	0.2 p	0.2 p

The exceptional items referred to above relate to a settlement on an aborted capital project in 1994 and losses on sale of property in 1993.

## CHAIRMAN'S STATEMENT

### RESULTS

As previously reported in the announcement of the interim results in October last year, Stocks at Birmingham was sold for £1,360,000 with effect from 31 May 1994 and St Gery SA was disposed of in October for £600,000 plus a small continuing interest in achieved rentals. After allowing for discontinued operations, turnover from continuing operations for the year was £17,479,000 as compared with £15,567,000 for 1993 – an increase of 12.3%. The operating profit before interest was £514,000 as compared with £286,000 in the previous year. However, after allowing for the losses on discontinued operations of £107,000 (1993: profit £64,000) and losses on sale of property in 1993 of £660,000, the operating profit before interest was £407,000 as against a loss of £310,000 in 1993.

Though borrowings in 1994 were lower than those in 1993 and interest rates fell during the year under review, the charge for interest of £379,000 was much higher than that of £239,000 for the previous year. The reason is that, as Stocks Hotel & Country Club was formally opened on 1 March 1994, only two months of interest on its borrowings were capitalised whereas a whole year's interest was so treated in 1993. Consequently, profits after interest were reduced to £28,000 which compares with a loss of £549,000 in 1993. After charging tax of £15,000 (1993: £65,000), the profits available for distribution to shareholders were £13,000 (1993: loss £614,000). The Directors are recommending a final dividend of 0.1p per Ordinary share for 1994 making a total dividend of 0.2p (1993: 0.2p) per Ordinary share.

### REVIEW OF OPERATIONS

**WHOLESALE DISTRIBUTION:** Sales for this division increased by 9.4%. This improvement was almost entirely due to John Sydney which is one of the UK's leading distributors of bathroom and kitchen fittings. The success of its specifying division has been the major contributor to the enhanced result and the effort and investment made within the last two years should reap greater rewards in 1995. The market remains intensely competitive but the outlook for 1995 for this company is encouraging.

Brimley, the Group's other distribution business, a specialist supplier of electrical products to the shipping industry, has had a difficult year. It has had to cope with a decreasing number of ships calling at the ports

it serves as well as an aggressive market, which has affected margins. However, the cost base has been reduced to much more competitive levels and the company is now also benefiting from the investment made over the last few years to develop its general electrical wholesaling business and expand the product range in conjunction with a strengthening of sales teams at all branches.

Operating profits for this division increased from £532,000 in 1993 to £613,000. Operating profits expressed as a percentage of turnover improved from 4.67% to 4.92% in 1994. The management of both companies have been given incentives to improve both sales and margins in 1995, without allowing for real improvement in overall market conditions.

## **CHAIRMAN'S STATEMENT** *continued*

### **REVIEW OF OPERATIONS** *continued*

**LEISURE DIVISION:** The leisure division improved operating profits from £364,000 in 1993 to £396,000 in 1994, but there were variations in performance within the division. Stocks at Birmingham made a positive contribution for the first five months before being sold. Cloisters Wood Country Club made an operating loss of £46,000 for the year which compares with a small operating profit in 1993. Action has already been taken through specific cost reductions and controls that should return Cloisters Wood to profitability in 1995. The Imperial Hotel, located in

Cork, Ireland, increased its operating profits by 45% from £177,000 to £257,000, which is partly attributable to the additional car parking acquired for the hotel last year.

Our major investment in this division is in a high quality golf course development at Stocks Hotel & Country Club which, as predicted in my statement last year, made a positive contribution to operating profits amounting to £102,000. However, the operating performance of Stocks will continue to be constrained by further substantial investment in marketing in the current year.

### **OUTLOOK**

The sale of St Géry S.A., which was completed on 27 October 1994, will eliminate associated losses this year. Nevertheless, trading conditions in other divisions remain very difficult and further savings in overhead and personnel costs have been made.

Last year witnessed the successful sale, at satisfactory prices in the current market, of the

entire leisure portfolio with the exception of The Imperial and Stocks Hotel & Country Club.

The Board is examining various alternatives with a view to maximising the value of these investments and will be writing to shareholders with news of any developments.

Neil List

Chairman

20 June 1995

## **DIRECTORS' REPORT**

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

Bridgend Group PLC is a holding and management company. The Company has two operating divisions: Wholesale Distribution and Leisure.

The Wholesale Distribution division consists of companies engaged in the distribution, packing and assembly of bathroom and kitchen fittings, principally taps and showers, and in the distribution of electrical products.

The Leisure division consists of a sports and leisure club operation, a hotel and golf club and a commercial hotel in Cork.

Details of principal operating divisions and companies are given in Note 27 to the accounts.

A review of the Group's activities and future prospects is included in the Chairman's Statement on pages 3 and 4.

### **RESULTS AND DIVIDENDS**

The results for the year are shown in the Consolidated Profit and Loss Account on page 11.

An interim dividend of 0.1p per Ordinary share was paid on 4 January 1995. The Directors recommend the payment of a final dividend of 0.1p per Ordinary share on 28 July 1995 to members on the register at the close of business on 4 July 1995.

### **CORPORATE GOVERNANCE**

In December 1992, the Cadbury Committee issued its report on the financial aspects of corporate governance. The Board generally supports the principles contained in the Cadbury Committee's Code of Best Practice and save that the Company had only two Non-executive Directors between 19 July 1993 and 10 June 1994, neither of whom have formal fixed term contracts, the Board has complied with the current provisions of the Code.

A third Non-executive Director was appointed to the Board on 10 June 1994 for a two year term. All new Non-executive Directors will be appointed on formal fixed term contracts.

The Company has maintained a Remuneration Committee and an Audit Committee for many years, both of which are drawn from Non-executive Directors.

Final guidelines in respect of Internal Control were issued in December 1994 and these will be applicable for the financial year beginning on 1 January 1995.

The Directors believe that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

The Company's auditors, KPMG, have confirmed that, in their opinion with respect to the Directors' statement on going concern in the preceding paragraph, the Directors have provided the disclosures required by paragraph 4.6 of the Code (as supplemented by the related guidance for Directors) and the statement is not inconsistent with the information of which they are aware from their audit work on the financial statements; and that the Directors' statement on compliance with the Code appropriately reflects the Company's compliance with the other paragraphs of the Code in force specified by the Listing Rules for their review. They have carried out their review in accordance with the Bulletin issued by the Auditing Practices Board, which does not require them to perform any additional work necessary to express a separate opinion on the effectiveness of the Company's system of corporate governance procedures, or on the ability of the Group to continue in operational existence.

**DIRECTORS' REPORT**  
*continued*

**DIRECTORS AND THEIR INTERESTS**

The Directors who served during the year, together with their holdings in the Ordinary shares of the Company, were:

	31 December 1994	31 December 1993
	Ordinary Share Holdings	Ordinary Share Holdings
N.P. List	2,240,435	2,240,435
M.A. Bretherton	75,000	75,000
J.N. Ferguson (appointed 10 June 1994)	—	—
F.C. Flood	10,000	10,000
C.G. Stainforth	—	—

The holding of N.P. List in the Ordinary shares of the Company includes a non-beneficial interest in 360,000 shares held as trustee of a settlement for the benefit of the children of N.P. List.

All other interests are beneficial.

No right to subscribe for shares in or debentures of any Group company was granted to or extended by any Director or member of his immediate family during the year.

There have been no movements in the interests of the Directors in the shares of the Company between 31 December 1994 and the date of this report.

In addition, the interests of the Directors in the Deferred Convertible shares and options on Ordinary shares of the Company were:

	31 December 1994	31 December 1993	31 December 1994	31 December 1993
	Deferred Convertible Share Holdings	Deferred Convertible Share Holdings	Ordinary Share Options	Ordinary Share Options
N.P. List	1,000,000	1,000,000	500,000	500,000
M.A. Bretherton	500,000	500,000	250,000	250,000

Conversion rights attaching to the Deferred Convertible shares are detailed in Note 19 to the accounts.

The terms of the Bridgend Group PLC Executive Share Option Scheme 1985 state that to purchase Ordinary Shares of 10p each options are exercisable not later than ten years and normally not earlier than three years from the date of grant. Details of the Directors Ordinary Share options are as follows:

	Number of Ordinary Share Options 31 December 1994	31 December 1993	Option Price	Date of Grant
N.P. List	100,000	100,000	37p	07/12/87
	400,000	400,000	50p	29/03/90
M.A. Bretherton	100,000	100,000	40p	07/07/88
	150,000	150,000	50p	29/03/90

The market price of the Ordinary Shares at 31 December 1994 was 16p and the range during the year was 15½p to 28p.

M.A. Bretherton retires by rotation and being eligible offers himself for re-election. As an Executive Director he has a contract of service which can be terminated by either the Director or the Company giving to the other not less than three years' notice in writing.



## **DIRECTORS' REPORT** *continued*

### **DIRECTORS AND THEIR INTERESTS *continued***

No Director had any interest in contracts, other than contracts of service, with the Group during or at the end of the year.

The Company maintains insurance cover for Directors and Officers against any personal liabilities incurred in the course of their duties.

### **PROFILE OF THE DIRECTORS**

N.P. List B.A.; Chairman, aged 49

Neil List was appointed Chairman of the Company in September 1983. He became a Member of the Stock Exchange in 1972 and was previously a Partner in two member firms. Between 1978 and 1981, he was an Executive Director of R&W Hawthorne, Leslie & Co. Limited, a public company with interests in electrical wholesaling and engineering.

M.A. Bretherton B.A., A.C.A.; Finance Director, aged 39

Mike Bretherton joined the Company in January 1988 and was appointed to the Board in June of that year. He was formerly a Manager in the Corporate Financial Analysis and Planning Department of The Plessey Company PLC, having qualified as a Chartered Accountant with Price Waterhouse, London and held the position of Manager for two years with Price Waterhouse in the Middle East.

J.N. Ferguson M.A., B.Com., C.A.; Non-executive Director, aged 66

John Ferguson was previously Chairman and Managing Director of BSR Limited and was Non-executive Chairman of Associated Engineering Plc. Both of these Companies were engaged in the fields of engineering and electronics.

F.C. Flood C.A.; Non-executive Director, aged 55

Cyril Flood is a sole-practitioner Chartered Accountant. He has been Company Secretary since 1980 and joined the Board as a Non-executive Director in 1987.

C.G. Stainforth F.C.A.; Non-executive Director, aged 41

Christopher Stainforth is a Director of Corporate Finance at Guinness Mahon & Co. Limited and is also a Director of a number of public and private companies. He became a Member of the Stock Exchange in 1985.

### **SUBSTANTIAL SHAREHOLDINGS**

Up to 16 June 1995, the Company has been notified of the following material holdings of shares:

	Number of Ordinary shares	Percentage of Ordinary share capital
Co-operation Retirement Benefit Fund Limited	8,215,942	29.8%
N.P. List	2,240,435	8.1%
Clerical Medical and General Life Assurance Society	1,000,000	3.6%
Mars Security Limited	888,659	3.2%

### **FIXED ASSETS**

Changes in fixed assets during the year are given in Notes 11 and 12 to the accounts.

## **DIRECTORS' REPORT**

*continued*

### **SHARE CAPITAL**

Details of movements in the called-up share capital are set out in Note 19 to the accounts.

A resolution to replace the limited authority given to the Directors at the 1993 Annual General Meeting to allot the Company's unissued share capital in certain specified circumstances without first offering shares to existing shareholders will be put to shareholders. A resolution will also be put to shareholders to further renew the authority given to the Company at the Annual General Meeting on 4 May 1990 to purchase its own Ordinary shares. Such authority permits the Company to make market purchases of up to 2,933,083 Ordinary shares at a price per share of not less than 10p and not more than five per cent above the average middle market quotation for an Ordinary share for the ten business days prior to the date of purchase. The Company has to date purchased a total of 1,860,000 Ordinary shares pursuant to such an authority.

### **EXECUTIVE SHARE OPTION SCHEME**

During the year, 100,000 options were granted under the Bridgend Group PLC Executive Share Option Scheme 1985. No options were exercised but options over 75,000 shares previously granted were allowed to lapse, leaving 1,053,331 options outstanding at 31 December 1994 as follows:

Ordinary Shares	Option Prices	Exercisable
100,000	37.0p	1990/1997
100,000	40.0p	1991/1998
733,331	50.0p	1993/2000
20,000	31.5p	1993/2000
100,000	20.0p	1997/2004

The Board believe that the scheme is a most valuable means of securing an identity of interest between shareholders and employees. The scheme is an Inland Revenue Approved scheme.

### **EMPLOYMENT POLICIES**

The Group supports employment of disabled people wherever possible through recruitment, by retention of those who become disabled and generally through training, career development and promotion.

The Group is committed to keeping employees as fully-informed as possible with regard to the Group's performance and prospects and seeks their views, wherever possible, on matters which affect them as employees.

### **DONATIONS**

Charitable donations of £4,000 were made in the year (1993: £4,000). No political donations were made in the year (1993: Nil).

### **COMPANY STATUS**

So far as the Directors are aware, the Company was not during the year and is not a close company within the provisions of the Income and Corporation Taxes Act 1988.

### **AUDITORS**

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

**DIRECTORS' REPORT**  
*continued*

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are required by UK Company Law to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and the Group at the end of the financial year and of the profit or loss for the financial year.

In preparing the accounts, the Directors are required to select appropriate accounting policies and apply them consistently, to make reasonable and prudent judgements and estimates, and to state that all applicable accounting standards have been followed, save as disclosed and explained in the accounts. The Directors are also required to prepare the accounts on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors have responsibility for ensuring that the Group keeps accounting records which disclose with reasonable accuracy at any time the financial position of the Group and which enable them to ensure that the accounts comply with the Companies Act 1985. The Directors also have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Thompson House  
20-22 Curtain Road  
London  
EC2A 3NQ

By order of the Board



F.C. Flood  
Secretary

20 June 1995

## AUDITORS' REPORT

### KPMG

P.O. Box 695  
8 Salisbury Square  
London EC4Y 8BB

To the members of Bridgend Group PLC

We have audited the accounts set out on pages 11 to 29.

*Respective responsibilities of Directors and auditors*

As described on page 9, the Company's Directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.


*Basis of opinion*

We conducted our audit in accordance with the 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 accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, 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 consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 accounts.

*Opinion*

In our opinion the accounts give a true and fair view of the state of affairs of the Company and the Group as at 31 December 1994 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  
Chartered Accountants  
Registered Auditors

20 June 1995

# BRIDGEND GROUP

PLC

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year ended 31 December		1994		1993	
Notes		£'000	£'000	£'000	£'000
2	Turnover				
	Continuing operations		17,479		15,567
	Discontinued operations		45		64
			<u>17,524</u>		<u>15,631</u>
	Cost of sales				
	Continuing operations		(11,175)		(10,174)
	Gross profit		6,349		5,457
	Settlement regarding aborted capital project	(58)		—	
3	Other operating expenses	(5,884)		(5,107)	
	Net operating expenses		<u>(5,942)</u>		<u>(5,107)</u>
	Discontinued operations (loss)/profit				
	Income	45		64	
	Marketing expenses	(162)		(90)	
	Less 1991 provision	10		90	
		<u>(107)</u>		<u>64</u>	
	Continuing operations profit	514		286	
2	Operating profit		407		350
	Loss on sale of property in continuing operations		—		(660)
	Profit/(loss) before interest		<u>407</u>		<u>(310)</u>
4	Net interest payable		(379)		(239)
	Profit/(loss) on ordinary activities before taxation		<u>28</u>		<u>(549)</u>
8	Taxation on ordinary activities		(15)		(65)
5	Profit/(loss) for the financial year		<u>13</u>		<u>(614)</u>
9	Dividends		(55)		(55)
20	Retained loss transferred to reserves		<u>(42)</u>		<u>(669)</u>
10	Earnings per Ordinary share		0.1p		(2.2)p
	Adjustments				
	Settlement regarding aborted capital project		0.2p		—
	Loss on sale of property in continuing operations		—		2.4 p
	Adjusted earnings per Ordinary share		<u>0.3p</u>		<u>0.2 p</u>

The adjusted earnings per Ordinary share figures show the year on year comparison adjusted to exclude a settlement on an aborted capital project in 1994 and losses on sale of property in 1993.

# BRIDGEND GROUP

PLC

## BALANCE SHEETS

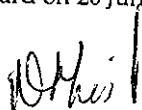
At 31 December  
Notes

		Group		Company	
		1994	1993	1994	1993
		£'000	£'000	£'000	£'000
Fixed Assets					
11	Tangible assets	13,700	14,629	25	21
12	Investments	383	383	16,121	16,181
		<u>14,083</u>	<u>15,012</u>	<u>16,146</u>	<u>16,202</u>
Current Assets					
13	Property for resale	—	562	—	—
14	Stocks	2,307	2,455	—	—
15	Debtors	2,452	2,341	505	323
	Cash at bank and in hand	424	2,234	212	2,250
		<u>5,183</u>	<u>7,592</u>	<u>717</u>	<u>2,573</u>
16	Creditors: amounts falling due within one year	(5,043)	(8,574)	(1,201)	(1,101)
	Net current assets/(liabilities)	<u>140</u>	<u>(982)</u>	<u>(484)</u>	<u>1,472</u>
	Total assets less current liabilities	<u>14,223</u>	<u>14,030</u>	<u>15,662</u>	<u>17,674</u>
17	Creditors: amounts falling due after more than one year	(2,947)	(2,760)	(5,486)	(7,727)
18	Provisions for liabilities and charges	(27)	(26)	—	—
	Net Assets	<u>11,249</u>	<u>11,244</u>	<u>10,176</u>	<u>9,947</u>
Capital and Reserves					
19	Called up share capital	2,769	2,769	2,769	2,769
20	Share premium account	69	69	69	69
20	Capital redemption reserve	186	186	186	186
20	Other reserves	5,700	5,700	5,543	5,543
20	Profit and loss account	2,525	2,520	1,609	1,380
	Shareholders' Funds	<u>11,249</u>	<u>11,244</u>	<u>10,176</u>	<u>9,947</u>

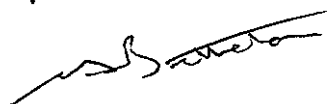
Included in the analysis of both the Group's and the Company's shareholders' funds above, is £15,000 (1993: £15,000) which relates to non-equity interest.

Approved by the Board on 20 June 1995 and signed on its behalf by:

N.P. List  
Director



M.A. Bretherton  
Director



# BRIDGEND GROUP

PLC

## GROUP CASH FLOW STATEMENT

Year ended 31 December

	1994		1993
	£'000	£'000	£'000
Net cash (outflow)/inflow from operating activities (Note 21)		(103)	1,833
Returns on investments and servicing of finance			
Interest received	104		103
Interest paid	(437)		(545)
Interest on finance leases and hire purchase payments	(32)		(45)
Dividends paid	(55)		(110)
		(420)	(597)
Taxation			
UK Corporation tax refunded	31		32
Overseas tax paid	(70)		(71)
		(39)	(39)
Investing activities			
Purchase of tangible fixed assets	(719)		(2,224)
Sale of tangible fixed assets	1,376		1,104
Sale of subsidiary undertaking (Note 26)	600		—
		1,257	(1,120)
Net cash inflow before financing		695	77
Financing			
New secured loan	(1,463)		(1,000)
Redemption of loan stock	3,125		—
Repayment of bank loans	1,267		145
Capital element of finance lease and hire purchase payments	(33)		32
		2,896	(823)
(Decrease)/increase in cash and cash equivalents		(2,201)	900
		695	77

During the year, the Group had no major non-cash transactions. An analysis of changes in cash and cash equivalent balances and financing is shown in Note 22.

# BRIDGEND GROUP

PLC

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

<i>Year ended 31 December</i>	1994 £'000	1993 £'000
Profit/(loss) for the financial year	13	(614)
Exchange rate adjustments	47	(35)
Total recognised gains and losses relating to the year	<u>60</u>	<u>(649)</u>

## RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

<i>Year ended 31 December</i>	1994 £'000	1993 £'000
Profit/(loss) for the financial year	13	(614)
Dividends	(55)	(55)
	<u>(42)</u>	<u>(669)</u>
Other recognised gains and losses relating to the year	47	(35)
Net increase/(reduction) in shareholders' funds	<u>5</u>	<u>(704)</u>
Opening shareholders' funds	11,244	11,948
Closing shareholders' funds	<u>11,249</u>	<u>11,244</u>

The difference between reported and historical profits and losses is immaterial.



## **NOTES TO THE ACCOUNTS**

### **1. ACCOUNTING POLICIES**

**Basis of accounting:** The accounts are prepared under the historical cost convention as modified by the revaluation of certain land and buildings and comply with applicable accounting standards.

**Basis of consolidation:** The Group accounts include the accounts of Bridgend Group PLC and all its subsidiaries prepared to 31 December 1994. The results of any subsidiaries acquired or disposed of in the year are included in the consolidated profit and loss account for the period of Group ownership.

Goodwill arising on consolidation is written off directly to reserves. On disposal goodwill previously charged directly to reserves is included in determining the profit or loss on disposal.

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented.

**Tangible fixed assets:** Tangible assets are stated at cost or valuation less, if appropriate, accumulated depreciation.

No depreciation is provided in respect of freehold hotel and leisure properties. It is the Group's practice to maintain these assets to a standard such that the Directors consider that the lives of these assets are sufficiently long and residual values based on prices prevailing at the time of acquisition or subsequent valuation are sufficiently high that their depreciation is insignificant. Any permanent diminution in the value of such properties to below cost is charged to the profit and loss account.

Short leasehold leisure properties (unexpired term less than 50 years) are amortised over the unexpired period of the lease.

Where hotel and leisure properties are in the course of development, interest costs, together with all other outgoings less revenue incomes, are capitalised net of applicable tax relief, providing that such capitalisation does not increase the balance sheet carrying value of the property above net realisable value. Net realisable value is calculated as estimated sales value based on professional valuations less costs to completion.

Plant, equipment and motor vehicles are depreciated at rates of between 10% and 25% calculated to write off their cost over their estimated useful lives.

**Leases:** Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

**Investments:** Shares in and loans to subsidiaries are stated in the holding company's balance sheet at cost less any provision for permanent diminution in value.

**Government grants:** Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the asset. Grants towards revenue expenditure are released to the profit and loss account as the relevant expenditure is incurred.

**Stocks:** Stocks comprise raw materials and goods for resale and have been valued at the lower of cost and net realisable value.

**Deferred taxation:** Deferred taxation represents corporation tax, calculated on the liability basis, deferred by capital allowances and other timing differences to the extent that the Directors expect liabilities to arise in the foreseeable future.

## **NOTES TO THE ACCOUNTS** *continued*

### **1. ACCOUNTING POLICIES *continued***

**Pension costs:** The cost of providing pensions to employees is charged to the profit and loss account over the period benefiting from the employee's services. The difference between the charge to the profit and loss account and contributions paid is included as an asset or liability in the balance sheet.

**Foreign currency:** Assets and liabilities expressed in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the balance sheets. The trading results of foreign subsidiaries are translated into sterling at the average rate for the year. Differences arising on the restatement of net investments in foreign subsidiaries are dealt with as adjustments to reserves. All other differences are taken to the profit and loss account.

### **2. SEGMENTAL INFORMATION**

#### **Business Analysis**

	<i>Turnover</i>		<i>Operating Profit</i>		<i>Net Assets</i>	
	1994 £'000	1993 £'000	1994 £'000	1993 £'000	1994 £'000	1993 £'000
Continuing operations:						
Wholesale distribution	12,459	11,392	613	532	3,005	2,430
Leisure	5,020	4,175	396	364	12,441	13,036
Corporate and unallocated	—	—	(495)	(610)	(281)	(274)
	<u>17,479</u>	<u>15,567</u>	<u>514</u>	<u>286</u>	<u>15,165</u>	<u>15,192</u>
Discontinued operations:						
Property	45	64	(107)	64	—	570
	<u>17,524</u>	<u>15,631</u>	<u>407</u>	<u>350</u>	<u>15,165</u>	<u>15,762</u>
Net borrowings					<u>(3,916)</u>	<u>(4,518)</u>
					<u>11,249</u>	<u>11,244</u>

#### **Geographical Analysis**

The figures for each geographical area show the net operating assets owned by, and the turnover and profits made by, companies located in that area; export sales and related profits are included in the areas from which those sales were made. Turnover in each geographical market in which customers are located is not disclosed as there is no material difference between the two.

	<i>Turnover</i>		<i>Operating Profit</i>		<i>Net Assets</i>	
	1994 £'000	1993 £'000	1994 £'000	1993 £'000	1994 £'000	1993 £'000
Continuing operations:						
United Kingdom	14,789	13,117	257	109	11,829	11,967
Ireland	2,690	2,450	257	177	3,336	3,225
	<u>17,479</u>	<u>15,567</u>	<u>514</u>	<u>286</u>	<u>15,165</u>	<u>15,192</u>
Discontinued operations:						
Belgium	45	64	(107)	64	—	570
	<u>17,524</u>	<u>15,631</u>	<u>407</u>	<u>350</u>	<u>15,165</u>	<u>15,762</u>
Net borrowings					<u>(3,916)</u>	<u>(4,518)</u>
					<u>11,249</u>	<u>11,244</u>

BRIDGEND GROUP  
PLCNOTES TO THE ACCOUNTS  
continued

### 3. OPERATING EXPENSES

	1994 f'000	1993 f'000
Distribution costs	1,499	1,301
Selling and administration	4,385	3,806
	<u>5,884</u>	<u>5,107</u>

#### 4. NET INTEREST

	1994 £'000	1993 £'000
Interest receivable	104	101
Less: payable on bank loans and overdrafts repayable within five years	(466)	(518)
Less: payable on bank loans repayable after five years	(37)	(50)
Less: finance lease and hire purchase interest charges	(32)	(45)
	<hr/>	<hr/>
	(431)	(512)
Interest capitalised	52	273
	<hr/>	<hr/>
	(379)	(239)

## 5. PROFIT/(LOSS) FOR THE FINANCIAL YEAR

	1994 £'000	1993 £'000
The profit/(loss) for the financial year is stated after charging/(crediting):		
Depreciation	461	566
Auditors' remuneration – as auditors	55	59
– non-audit fees	24	19
Hire of equipment	33	20
Other operating lease rentals	198	244
Exchange rate adjustments	(113)	(82)
	<hr/>	<hr/>
The consolidated profit/(loss) for the financial year is dealt with as follows:		
Company	284	(80)
Subsidiaries	(271)	(534)
	<hr/>	<hr/>
	13	(614)

**NOTES TO THE ACCOUNTS**  
*continued*

**6. EMPLOYEE COSTS**

	1994 £'000	1993 £'000
Wages and salaries	3,446	3,453
Social security	335	372
Other pension costs	138	117
	<hr/> 3,919	<hr/> 3,942

The average weekly number of persons employed by the Group during the year was as follows:

	1994 Number	1993 Number
Operations	227	243
Administration	75	75
	<hr/> 302	<hr/> 318

**7. DIRECTORS' EMOLUMENTS**

	1994 £'000	1993 £'000
Directors' emoluments, included in employee costs above, were as follows:		
Non-executives' fees	32	46
Remuneration as executives, excluding pension contributions	191	191
Executives' pension contributions	30	30
	<hr/> 253	<hr/> 267
Chairman and highest paid Director, excluding pension contributions	<hr/> 115	<hr/> 115

The Company provided pension contributions on behalf of the Chairman of £20,000 (1993: £20,000).

Full details of the Directors' Ordinary share options are given in the Directors' Report on pages 5 to 9.

Directors' emoluments, excluding pension contributions:

The number of Directors, including the Chairman and highest paid Director, whose emoluments fell within the relevant bands, were as follows:

	1994 Number	1993 Number
£5,001 – £10,000	1	2
£10,001 – £15,000	2	1
£20,001 – £25,000	—	1
£75,001 – £80,000	1	1
£110,001 – £115,000	1	1
	<hr/>	<hr/>

**NOTES TO THE ACCOUNTS**  
*continued*

**8. TAXATION**

	1994 £'000	1993 £'000
Taxation charge:		
United Kingdom		
Adjustment relating to prior years	(45)	(21)
Advance corporation tax written off	14	21
	(31)	—
Overseas		
Current taxation on profits	46	71
Deferred taxation	—	(6)
	46	65
Taxation on ordinary activities	15	65

The aggregate Group taxation losses carried forward at 31 December 1994 were approximately £700,000 (1993: £700,000).

**9. DIVIDENDS**

	1994 £'000	1993 £'000
Ordinary shares – interim dividend of 0.1p (1993: 0.1p) per share	28	28
– final dividend of 0.1p (1993: 0.1p) per share	27	27
	55	55

**10. EARNINGS PER SHARE**

Earnings per share is based on the profit on ordinary activities after taxation of £13,000 (1993: loss £614,000) related to the weighted average number of shares in issue during the year of 27,543,631 (1993: 27,543,437).

**NOTES TO THE ACCOUNTS**  
*continued*

**11. TANGIBLE FIXED ASSETS**

The Group

	<i>Freehold land and buildings £'000</i>	<i>Short leasehold land and buildings £'000</i>	<i>Plant equipment and motor vehicles £'000</i>	<i>Total £'000</i>
Cost or valuation				
At 1 January 1994	12,132	1,640	2,837	16,609
Additions	302	38	431	771
Disposals	—	(1,593)	(639)	(2,232)
Exchange rate adjustments	117	—	64	181
At 31 December 1994	12,551	85	2,693	15,329
At valuation	3,217	—	—	3,217
At cost	9,334	85	2,693	12,112
	12,551	85	2,693	15,329
Depreciation				
At 1 January 1994	32	388	1,560	1,980
Provision in year	3	41	417	461
Disposals	—	(410)	(446)	(856)
Exchange rate adjustments	—	—	44	44
At 31 December 1994	35	19	1,575	1,629
Net book amount				
At 31 December 1994	12,516	66	1,118	13,700
At 31 December 1993	12,100	1,252	1,277	14,629

A hotel property, which includes fixtures and equipment, was professionally valued at 10 November 1994 in accordance with the RICS Statements of Asset Valuation Practice and Guidance Notes, at open market value for existing use basis, at Irish Pounds 4.35 million, equivalent to £4,303,000 by John D Wood, Surveyors and Valuers. Notwithstanding this, the Directors, after having taken into account all relevant circumstances, decided to carry this hotel property at a 31 December 1994 value of Irish Pounds 3.7 million equivalent to £3,658,000.

All other freehold land and buildings are held at cost.

Freehold land and buildings include capitalised interest, net of applicable tax relief, of £692,500 (1993: £640,500) relating to the development of a hotel and leisure property.

**NOTES TO THE ACCOUNTS**  
*continued*

**11. TANGIBLE FIXED ASSETS** *continued*

If land and buildings had not been revalued they would have been included at the following amounts:

	1994 £'000	1993 £'000
Cost	13,727	15,084
Depreciation	(54)	(420)
Net book amount	<u>13,673</u>	<u>14,664</u>
The Company		<i>Plant, equipment and motor vehicles</i> £'000
Cost		
At 1 January 1994		143
Additions		17
Disposals		(12)
At 31 December 1994		<u>148</u>
Depreciation		
At 1 January 1994		122
Provision in year		13
Disposals		(12)
At 31 December 1994		<u>123</u>
Net book amount		
At 31 December 1994		<u>25</u>
At 31 December 1993		<u>21</u>

Tangible fixed assets include assets acquired under finance leases and hire purchase agreements as follows:

	<i>Group</i>		<i>Company</i>	
	1994 £'000	1993 £'000	1994 £'000	1993 £'000
Net book amount	352	425	15	—
Depreciation charge for year	<u>142</u>	<u>133</u>	<u>2</u>	<u>—</u>

**NOTES TO THE ACCOUNTS**  
*continued*

**12. FIXED ASSETS - INVESTMENTS**

	<i>Group</i>		<i>Company</i>	
	1994	1993	1994	1993
	£'000	£'000	£'000	£'000
Subsidiaries	—	—	16,121	15,798
Unlisted	383	383	—	383
	<u>383</u>	<u>383</u>	<u>16,121</u>	<u>16,181</u>

The principal trading subsidiaries are set out in Note 27.

The unlisted investment is stated at cost and comprises 25,000 Convertible Cumulative Redeemable 1% Participating Preference shares of £1 each issued by Heatons Transport (St Helens) Limited which if converted into Ordinary shares would represent a 20% interest. The holding includes 8,824 shares allotted by Heatons in settlement of the consideration due under a conditional agreement for the sale of leasehold premises in Wigan. Although the relevant conditions had been satisfied, Heatons failed to complete and accordingly they have been served a notice of rescission. Notwithstanding these circumstances, the Directors consider that there has been no permanent diminution in the value of this investment.

	<i>Shares</i>	<i>Loans</i>	<i>Total</i>
	£'000	£'000	£'000
Details of investments in subsidiaries are as follows:			
Cost			
At 1 January 1994	11,797	8,461	20,258
Additions	—	384	384
At 31 December 1994	<u>11,797</u>	<u>8,845</u>	<u>20,642</u>
Provisions			
At 1 January 1994	(1,968)	(2,492)	(4,460)
Increase in year	—	(61)	(61)
At 31 December 1994	<u>(1,968)</u>	<u>(2,553)</u>	<u>(4,521)</u>
Net book amount			
At 31 December 1994	<u>9,829</u>	<u>6,292</u>	<u>16,121</u>
At 31 December 1993	<u>9,829</u>	<u>5,969</u>	<u>15,798</u>

**13. PROPERTY FOR RESALE**

	<i>Group</i>	
	1994	1993
	£'000	£'000
Long leasehold land and buildings at estimated net realisable value	<u>—</u>	<u>562</u>



**NOTES TO THE ACCOUNTS**  
*continued*

**14. STOCKS**

	<i>Group</i>	
	1994	1993
	£'000	£'000
Raw materials	216	200
Finished goods and goods for resale	2,091	2,255
	<u>2,307</u>	<u>2,455</u>

**15. DEBTORS**

	<i>Group</i>		<i>Company</i>	
	1994	1993	1994	1993
	£'000	£'000	£'000	£'000
Trade debtors	2,160	1,930	—	—
Amounts owed by subsidiaries	—	—	350	297
Taxation recoverable	18	18	18	7
Other debtors	5	75	—	—
Prepayments and accrued income	269	318	137	19
	<u>2,452</u>	<u>2,341</u>	<u>505</u>	<u>323</u>

**16. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<i>Group</i>		<i>Company</i>	
	1994	1993	1994	1993
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	1,292	940	806	723
8% Convertible Loan Stock	—	3,053	—	—
Finance leases and hire purchase	161	130	5	—
Trade creditors	1,747	2,332	18	23
Corporation tax	387	343	133	119
Other taxes and social security	363	416	16	18
Other creditors	128	166	36	32
Accruals and deferred income	910	1,139	132	131
Proposed dividends	55	55	55	55
	<u>5,043</u>	<u>8,574</u>	<u>1,201</u>	<u>1,101</u>

Bank overdrafts are repayable on demand. Bridgend Group PLC has given its bankers the authority to combine or offset its own and certain of its subsidiaries' bank accounts. Details in respect of the bank loans are given in Note 17.

**NOTES TO THE ACCOUNTS**  
*continued*

**17. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<i>Group</i>		<i>Company</i>	
	1994	1993	1994	1993
	£'000	£'000	£'000	£'000
Bank loans	2,809	2,553	—	—
Finance leases and hire pur-	78	76	8	—
Amount owed to subsidiaries	—	—	5,478	7,727
Other creditors	60	131	—	—
	<u>2,947</u>	<u>2,760</u>	<u>5,486</u>	<u>7,727</u>

The total amount of bank loans and overdrafts was as follows:

	<i>Group</i>		<i>Company</i>	
	1994	1993	1994	1993
	£'000	£'000	£'000	£'000
Falling due within one year:				
Bank overdrafts	1,040	649	806	723
Bank loans	252	291	—	—
	<u>1,292</u>	<u>940</u>	<u>806</u>	<u>723</u>
Falling due after more than one year:				
Bank Loans - repayable between one and two years	439	200	—	—
- repayable between two and five years	1,521	2,003	—	—
- repayable after five years	849	350	—	—
	<u>2,809</u>	<u>2,553</u>	<u>—</u>	<u>—</u>
Total bank borrowings	<u>4,101</u>	<u>3,493</u>	<u>806</u>	<u>723</u>

All of the bank loans are secured on specific fixed assets and comprise £1,000,000 in respect of a sterling property loan which carries interest at a rate of 2¼% above Lloyds Bank Plc base rate and will be repaid in 60 monthly instalments commencing 1 October 1995, £577,000 in respect of further sterling property loans which carry interest at a rate of 2¼% above Lloyds Bank Plc base rate and are being repaid in 4 monthly instalments of £25,500 and subsequent monthly instalments of £12,500 and £1,484,000 in respect of an Irish pound loan which carries interest at a rate of 1¾% above the Dublin Inter-Bank base rate and will be repaid on an amortised basis over eight and a half years with the first repayment on 1 August 1996.

**NOTES TO THE ACCOUNTS**  
*continued*

**18. PROVISIONS FOR LIABILITIES AND CHARGES**

	<i>Group</i> 1994 £'000
Deferred taxation	
The deferred taxation movement in the year was as follows:	
At 1 January 1994	26
Exchange rate adjustments	1
	<hr/> 27
At 31 December 1994	27
Deferred taxation provided in the Group accounts and unprovided timing differences and potential capital gains were as follows:	

	<i>Provided</i>		<i>Unprovided</i>	
	1994	1993	1994	1993
	£'000	£'000	£'000	£'000
Accelerated capital allowances	27	26	415	404
Deferred capital gains	—	—	1,203	1,286
	<hr/> 27	<hr/> 26	<hr/> 1,618	<hr/> 1,690

**19. SHARE CAPITAL**

	1994 £'000	1993 £'000
Authorised:		
43,050,000 Ordinary shares of 10p each (1993: 43,050,000)	4,305	4,305
19,500,000 Deferred Convertible shares of 1p each (1993: 19,500,000)	195	195
	<hr/> 4,500	<hr/> 4,500
Allotted, called up and fully paid:		
27,544,092 Ordinary shares of 10p each (1993: 27,543,477)	2,754	2,754
1,500,000 Deferred Convertible shares of 1p each (1993: 1,500,000)	15	15
	<hr/> 2,769	<hr/> 2,769

Ordinary shares

The Company allotted 615 shares in October 1994 on conversion of Irish Pounds 683 of the 8% Convertible Loan Stock 1994, which has subsequently been redeemed.

At 31 December 1994 there were 1,053,331 options outstanding on Ordinary shares granted under the Bridgend Group PLC Executive Share Option Scheme 1985 as detailed in the Directors' Report on pages 5 to 9.

Deferred Convertible shares

On both 29 March 1990 and 3 December 1992, 500,000 Deferred Convertible shares were allotted to N.P. List and 250,000 Deferred Convertible shares were allotted to M.A. Bretherton. The total of 1,500,000 Deferred Convertible shares allotted to the Executive Directors of the Company were for a subscription price of 1p per share.

## **NOTES TO THE ACCOUNTS** *continued*

### **19. SHARE CAPITAL *continued***

Each Deferred Convertible share carries the right to convert into one Ordinary share of 10p at any time between the third and tenth anniversary of the date on which they were allotted, provided that earnings per Ordinary share, as shown by the Company's most recently available report and accounts, are on average at least 14% compound per annum above the corresponding earnings per share figure at the date of allotment of the Deferred Convertible share. The conversion price is calculated by reference to the average middle market quotation of the Ordinary shares for the ten days immediately preceding the date of allotment of the Deferred Convertible shares. The Deferred Convertible shares would be redeemed by the Company, at their nominal value, if they remain unconverted on the tenth anniversary of allotment or if the person to whom they are allotted ceases to be an employee of the Group. The Deferred Convertible shares are not listed on any Stock Exchange. The average middle market quotations of the Ordinary shares for the ten days immediately preceding the dates of allotment to N.P. List and M.A. Bretherton on 29 March 1990 and 3 December 1992 were 48.5p and 12.7p respectively.

### **20. RESERVES**

	Share premium account £'000	Capital redemption reserve £'000	Other reserves £'000	Profit and loss account £'000
The Group				
At 1 January 1994	69	186	5,700	2,520
Retained loss	—	—	—	(42)
Exchange rate adjustments	—	—	—	47
At 31 December 1994	69	186	5,700	2,525

The cumulative net capital reserve arising on consolidation which has been taken directly to reserves amounts to £157,000 at 31 December 1994.

	Share premium account £'000	Capital redemption reserve £'000	Other reserves £'000	Profit and loss account £'000
The Company				
At 1 January 1994	69	186	5,543	1,380
Retained profit	—	—	—	229
At 31 December 1994	69	186	5,543	1,609

### **21. NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	1994 £'000	1993 £'000
Operating profit	407	350
Depreciation	461	566
Net loss on sale of tangible fixed assets	—	23
Decrease in stock	148	372
Increase in debtors	(105)	(126)
(Decrease)/increase in creditors	(1,010)	654
Net cash (outflow)/inflow from continuing operating activities	(99)	1,839
Net cash outflow in respect of discontinued activities and reorganisation costs	(4)	(6)
Net cash (outflow)/inflow from operating activities	(103)	1,833

**NOTES TO THE ACCOUNTS**  
*continued*

**22. CHANGES IN CASH AND CASH EQUIVALENT BALANCES AND FINANCING**

	At 1 January 1994 £'000	Exchange rate adjustments £'000	Cash and other movements £'000	At 31 December 1994 £'000
Cash	2,234	—	(1,810)	424
Overdrafts	(649)	—	(391)	(1,040)
Net cash and cash equivalents	1,585	—	(2,201)	(616)
Bank loans	(2,844)	(21)	(196)	(3,061)
8% Convertible Loan Stock	(3,053)	(72)	3,125	—
Finance leases and hire purchase	(206)	—	(33)	(239)
Net borrowings	(4,518)	(93)	695	(3,916)
Share capital (including share premium and capital redemption reserve)	(3,024)	—	—	(3,024)
	(7,542)	(93)	695	(6,940)

**23. FINANCIAL COMMITMENTS**

Finance leases and hire purchase

Net obligations under finance leases and hire purchase at 31 December were payable as follows:

	Group		Company	
	1994 £'000	1993 £'000	1994 £'000	1993 £'000
Finance lease and hire purchase obligations falling due:				
Within one year	161	130	5	—
Over one year and under two years	78	67	8	—
From two to five years	—	9	—	—
	239	206	13	—

Operating leases

At 31 December the Group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	1994 £'000	1993 £'000	1994 £'000	1993 £'000
Operating leases which expire:				
Within one year	—	—	1	—
In the second to fifth years inclusive	—	—	17	14
Over five years	211	252	—	4
	211	252	18	18

Forward currency

At 31 December 1994 the sterling equivalent of forward foreign exchange commitments entered into by Group subsidiaries in the normal course of business amounted to £1,285,000 (1993: £606,000).

**NOTES TO THE ACCOUNTS**  
*continued*

**24. CAPITAL COMMITMENTS**

The Group

Capital commitments of the Group at 31 December comprised:

	1994 £'000	1993 £'000
Expenditure authorised but not contracted for	59	57
Expenditure contracted for	—	75
	<u>59</u>	<u>132</u>

The Company

The Company had no capital commitments at the year end (1993: Nil).

**25. PENSION SCHEMES**

The Company and a number of its trading subsidiaries operate various defined contribution pension schemes for employees under which the relevant company pension commitments are limited to making pension contributions at fixed rates in accordance with the benefit terms of the pension schemes.

Brimley & Co. Limited currently also operates a defined contribution pension scheme for employees. The company had previously operated a defined benefits pension scheme up until 30 April 1992 and a number of its present and former employees remain entitled to a preserved pension under this defined benefits scheme. The assets of this defined benefits scheme are held in a separate fund administered by an insurance company and a full actuarial valuation of the fund was undertaken in 1994. The valuation indicates that the past service liabilities of the scheme are approximately £72,000 in excess of the value of the assets and in view of the age profile of the scheme it has been recommended that this deficit be funded over a 14 year term by way of equal annual contributions of £9,700. Accordingly a pension contribution of £9,700 payable by the company has been included in the 1994 Group pension charge disclosed in Note 6.

**26. SALE OF SUBSIDIARY UNDERTAKING**

Saint G ry S.A. was sold under a contract dated 30 August 1994 for completion on 27 October 1994 and the impact on the consolidated cash flow statement was as follows:

	£'000
Net assets disposed of	
Fixed assets	13
Current asset property	600
	<u>613</u>
Loss on disposal	(13)
	<u>600</u>
Cash proceeds	600

The total repayment of £1,267,000 in loans during the year, as disclosed in the Group Cash Flow Statement on page 13, includes £1,078,000 in respect of this subsidiary.

**NOTES TO THE ACCOUNTS**  
*continued*

**27. PRINCIPAL TRADING SUBSIDIARIES**

The Group's principal trading subsidiaries at 31 December 1994 were as follows:

Wholesale distribution:

Brimley & Co. Limited\*

187-189 Cleveland Street, Birkenhead, Merseyside, L41 3QN

Tel: 0151 650 0022

Electrical wholesaling

John Sydney Limited\*

3-4 Denbigh Hall, Bletchley, Milton Keynes, Bucks, MK3 7QT

Tel: 01908 274111

Bathroom and kitchen fittings

Leisure:

The Imperial Hotel (Cork) Limited (Ireland)

South Mall, Cork, Ireland

Tel: 00 353 21 274040

Commercial hotel

Stocks Hotel & Country Club Limited

Stocks Road, Aldbury, Nr. Tring, Herts, HP23 5RX

Tel: 0144 2851 341

Hotel and golf club

Stocks at Birmingham Limited

Trading as:

Cloisters Wood Country Club

Wood Lane, Stanmore, Middx, HA7 4LF

Tel: 0181 954 7699

Sports and leisure club

Notes:

1. The issued Ordinary share capital of each company listed above is wholly owned by Bridgend Group PLC, as indicated\*, or one of its wholly owned subsidiaries.
2. Except where indicated in the name or otherwise, the companies are all registered in England and Wales and operate wholly or mainly in the country of registration.

# BRIDGEND GROUP

PLC

## FIVE YEAR FINANCIAL SUMMARY

### SUMMARY CONSOLIDATED PROFIT AND LOSS ACCOUNTS

Year ended 31 December	1994 £'000	1993 £'000	1992 £'000	1991 £'000	1990 £'000
Turnover					
Continuing operations	17,479	15,567	15,728	17,373	6,764
Discontinued operations	45	64	25	156	1,090
	<u>17,524</u>	<u>15,631</u>	<u>15,753</u>	<u>17,529</u>	<u>7,854</u>
Operating profit/(loss)	407	350	(2,905)	908	236
Loss on sale of property in continuing operations	—	(660)	—	—	—
Provision for loss on discontinued operations	—	—	(525)	(877)	—
Profit/(loss) before interest	407	(310)	(3,430)	31	236
Net interest	(379)	(239)	(179)	22	819
Profit/(loss) on ordinary activities before taxation	28	(549)	(3,609)	53	1,055
Taxation on ordinary activities	(15)	(65)	(105)	(30)	(170)
Profit/(loss) for the financial year	13	(614)	(3,714)	23	885
Dividends	(55)	(55)	(110)	(336)	(348)
Retained (loss)/profit	(42)	(669)	(3,824)	(313)	537
Earnings per Ordinary share	0.1p	(2.2)p	(13.4)p	0.1p	3.5p
Earnings per Ordinary share adjusted to exclude exceptional items	0.3p	0.2p	0.7p	2.4p	3.5p
Dividends per Ordinary share	0.2p	0.2p	0.4p	1.2p	1.2p

### SUMMARY GROUP BALANCE SHEETS

At 31 December	1994 £'000	1993 £'000	1992 £'000	1991 £'000	1990 £'000
Fixed Assets	14,083	15,012	16,087	17,889	17,819
Current Assets	5,183	7,592	7,176	10,361	11,278
Creditors: amounts falling due within one year	(5,043)	(8,574)	(5,913)	(7,424)	(7,627)
Net current assets/(liabilities)	140	(982)	1,263	2,937	3,651
Creditors: amounts falling due after more than one year	(2,947)	(2,760)	(5,367)	(4,999)	(5,109)
Provisions for liabilities and charges	(27)	(26)	(35)	(48)	(319)
	<u>11,249</u>	<u>11,244</u>	<u>11,948</u>	<u>15,779</u>	<u>16,042</u>
Share capital	2,769	2,769	2,769	2,900	2,898
Reserves	8,480	8,475	9,179	12,879	13,144
	<u>11,249</u>	<u>11,244</u>	<u>11,948</u>	<u>15,779</u>	<u>16,042</u>

The profit and loss figures for 1990 to 1992 have been restated to reflect subsequent changes in accounting presentation.



## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of Bridgend Group PLC will be held at Cloisters Wood Country Club, Wood Lane, Stanmore, Middlesex on 21 July 1995 at 10.30 am. Directions to Cloisters Wood Country Club are available by telephone request on 0171-377 6060.

The Annual General Meeting will be held for the following purposes:

### **ORDINARY BUSINESS**

1. To receive and adopt the Directors' Report and the audited accounts for the year ended 31 December 1994.
2. To declare a final dividend of 0.1p per Ordinary share.
3. To re-elect Mr M. A. Bretherton as a Director.
4. To re-appoint KMPG as Auditors of the Company and authorise the Directors to fix their remuneration.

### **SPECIAL BUSINESS**

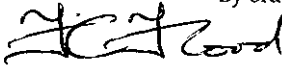
5. To consider and, if thought fit, pass the following resolution which will be proposed as a special resolution:

That:

- (a) The Directors be empowered during the period expiring on the date of the Company's Annual General Meeting next following the date of the passing of this resolution to allot equity securities of the Company, as if Section 89(1) of the Companies Act 1985 did not apply to any such allotment, provided that such power shall be limited to the allotment of equity securities:
    - (i) in connection with a rights issue in favour of Ordinary shareholders and the holders of any other shares or securities of the Company that by their terms are entitled to participate in such rights issue where the equity securities respectively attributable to the interest of all such holders are proportionate (as nearly as may be) to the respective number of Ordinary shares held by them or into which their shares or securities are to be deemed converted in calculating the extent of their participation but subject to such exclusions, variations or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems arising under the laws of any territory or the requirements of any regulatory body or any stock exchange in any territory,
    - (ii) (otherwise than under sub-paragraph (a)(i) above) having an aggregate nominal value of £137,700,
  - (b) such power shall permit and enable the Directors to make an offer or agreement, before the expiry of such power, which would or might require equity securities to be allotted after such expiry,
  - (c) words and expressions defined in or for the purposes of Part IV of the Companies Act 1985 shall bear the same meanings in this resolution.
6. To consider and, if thought fit, pass the following resolution which will be proposed as a special resolution:

That the authority conferred on the Company by Special Resolution of the Company dated 4 May 1990 and renewed and extended by Special Resolutions of the Company dated 23 May 1991, 28 May 1992, 19 July 1993 and 14 July 1994 to make market purchases of its own Ordinary shares be and is hereby further renewed and extended to the extent it has not previously been utilised for a further period commencing on the date hereof and expiring on the conclusion of the Annual General Meeting for 1996

Thompson House  
20-22 Curtain Road  
London  
EC2A 3NQ  
20 June 1995

By order of the Board  
  
F.C. Flood  
Secretary

### **Notes**

A member of the Company entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote on a poll instead of him. A proxy need not be a member of the Company.

The following will be available for inspection at Thompson House, 20-22 Curtain Road, London EC2A 3NQ, during normal business hours every weekday (Saturdays and public holidays excluded) from the above date to the date of the Annual General Meeting and at Cloisters Wood Country Club during and for 15 minutes immediately prior to the Annual General Meeting.

- (i) A register showing the transactions of each Director and, so far as he is aware, the transactions of his family in the Company's shares.
- (ii) Contracts of service in respect of Mr N.P. List and Mr M.A. Bretherton, which can be terminated by either the Director or the Company giving to the other not less than three years' notice in writing together with the contract of service in respect of Mr J.N. Ferguson which is for a fixed period of two years from the date of his appointment. No other Director has a contract of service with the Company.