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*The Park Lane Hotel*  
PICCADILLY



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A23 RECEIPT DATE: 27/05/94

ANNUAL REPORT 1993

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## DIRECTORS, REGISTERED OFFICE & ADVISERS

### DIRECTORS

Clive E B L Carr (Chairman and managing director)  
Richard C L Carr  
Frederick W Davis  
Carol Gault  
Paul H T Hanson  
Lady Bracewell Smith

### AUDITORS

Wm. Rothershaw & Myers  
Chartered Accountants  
York Buildings  
18 Cooke Street  
Keighley  
West Yorkshire BD21 3NP

### SECRETARY

G B Baker FSCA

### SOLICITORS

Radcliffes & Co.  
5 Great College Street  
Westminster  
London SW1P 3SJ

### REGISTERED OFFICE

49 Brick Street  
London W1Y 8EB

### REGISTERED NUMBER

158092

### REGISTRARS

Barclays Registrars Limited  
Bourne House  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU

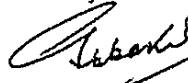
## NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the seventy-fifth annual general meeting of the company will be held at The Park Lane Hotel, Piccadilly, London W1Y 8BX, on 25th May 1994 at 12 30pm for the following purposes:

1. To receive and adopt the directors' report and financial statements for the year ended 31st December 1993.
2. To approve the payment of a dividend of 5.6 pence per share on the 5.6% cumulative preference shares.
3. To approve the payment of a dividend of 10.5 pence per share on the 10.5% second preference shares.
4. To approve the payment of a final dividend of 8 pence per share on the ordinary shares.
5. To re-elect Mrs C Gault, a director retiring by rotation.
6. To re-elect Mr F W Davis, a director retiring by rotation.
7. To re-appoint Wm. Robertshaw & Myers as auditors until the next annual general meeting and to authorise the directors to fix their remuneration.

49 Brick Street  
London W1Y 8EB  
27th April 1994

By order of the Board

 G B Baker  
Secretary

A member of the company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the company.

Financial statements are sent to all members of the company but only ordinary shareholders are entitled to attend and vote at this meeting.

## CHAIRMAN'S STATEMENT

### TRADING IN 1993

The year under review was extremely difficult in trading terms and despite greater activity than in 1992, our turnover decreased by £497,000 to £10,985,000. That this was our lowest sales figure since 1987 was due to several significant factors – the continuing worldwide economic situation, pressure on margins and the lower number of rooms available due to major refurbishment in the hotel.

To counteract this position, control of costs became even more essential and in this we achieved some success, considering the elements over which your management has no control.

Due to these measures, it was possible to produce a profit after tax of £623,000 of which £426,000 is being recommended for dividends and £197,000 for transfer to reserves.

### DIVIDENDS

An interim dividend of 2 pence per ordinary share was paid on 17th December 1993. The final dividend being recommended by your board is 8 pence per share which, together with the interim dividend, would make a total of 10 pence for the year.

### DEVELOPMENT

Our air conditioning scheme on 64 bedrooms in the west wing was completed. This was accompanied by a significant improvement in ambience and facilities and we have created some of the best hotel rooms available in London.

Such has been the success of these rooms that we are carrying out a similar project in the east wing involving 34 rooms on the 7th and 8th floors. Progress on this contract has been virtually as planned and all the rooms should be available from mid-June.

Competition amongst London hotels is very intense. Moreover new hotels coming on stream have resulted in even higher standards. However, our redesigned rooms have undoubtedly improved our product and in future years we intend to extend our plans to the remaining floors. Our aim is not just to maintain The Park Lane

Hotel's present standing in the industry but continually to improve it. Developments of this nature are expensive but I am delighted to report that we continue to fund these schemes from resources generated internally without recourse to shareholders or bank borrowing.

You may be interested to learn that The Park Lane Hotel was one of the five London hotels featured in the Great Britain Volume of the magnificent series of books "The Classic Hotels of The World", which has just been published. Further, the Hotel received the inaugural Best Banquet of the Year Award from The Epicurean World Master Chefs Society. I am sure you will wish to join me in congratulating all of our staff involved in the banqueting operation.

### REPRESENTATION

We have consolidated our relationship with Occidental Hotels, which has proved a very meaningful partnership with particular benefits in the South American and Hispanic markets.

SRS continues as The Park Lane Hotel's main representative and our Head of Sales and Marketing, Patrick Stevenson, has been invited to join the SRS marketing committee and will represent not only The Park Lane Hotel but also the marketing needs of all the 100 English speaking SRS hoteliers.

### TRADING IN 1994

We have begun 1994 better than last year and our short-term forecast indicates that this improvement will continue. However, experience has shown how quickly domestic and worldwide events can influence the trading climate and we therefore continue to be cautious about predictions. The recent mortar attacks on Heathrow Airport clearly illustrate how precarious things can be. However, the response of guests to our new rooms tends to endorse our investment strategy and we believe that the competitive position of the hotel remains satisfactory for the foreseeable future.

The Brasserie on the Park has been re-established as a classic French Brasserie to include pavement seating whenever the weather permits.

#### SHAREHOLDERS' DISCOUNT

All Shareholders are honorary members of the increasingly successful Directors Club and, as such, have the opportunity of taking advantage of the various discounts and special room rates which apply

#### PERSONNEL

During the year our staff were faced not only by difficult trading conditions but also by working disruptions inevitably caused by the large capital expenditure programme on our rooms. They coped admirably with these difficulties and our thanks are due to them all. Our "Employees of the Year" for 1993 were:

Kate Spencer	- Staff Restaurant Manager
Pauline Berg	- Public Area Cleaner
David Brandhuber	- Sommelier

Clive E B L Carr  
Chairman

## DIRECTORS' REPORT

The directors present their annual report together with the financial statements of the company for the year ended 31st December 1993.

### RESULTS AND DIVIDENDS

The profit on ordinary activities before taxation for the year is £621,000 and details are contained in the profit and loss account on page 9. The retained profit for the year is £197,000.

The dividend on the 5.6% cumulative preference shares of £1 each was paid on 1st January 1994.

The directors recommend the payment of a dividend of 10.5 pence per share on the 10.5% second preference shares of £1 each.

An interim dividend of 2 pence per share on the ordinary 25 pence shares was paid on 17th December 1993. The directors recommend the payment of a final dividend of 8 pence per share making 10 pence per share for the year compared with 15 pence per share for 1992. This recommended dividend will, if approved, be paid on 1st July 1994 to shareholders registered on 3rd June 1994.

### STATE OF AFFAIRS

The directors consider that the state of the company's affairs is satisfactory.

### PRINCIPAL ACTIVITY

The principal activity of the company continues to be the operation of The Park Lane Hotel.

### BUSINESS REVIEW

A review of the company's business during the financial year, of the position at the end of the year and of future prospects, is given in the statement by the chairman on pages 4 and 5.

### MARKET VALUE OF LAND AND BUILDINGS

The directors are unable to express an opinion on the market value of the company's properties since this is dependent on factors outside their control.

### SIGNIFICANT CHANGES IN FIXED ASSETS

Additions to tangible fixed assets are £1,961,000 and further details are shown in note 6 on the financial statements.

### DIRECTORS

The names of the directors are shown on page 2.

Mrs C Gault and Mr F W Davis are the directors to

retire by rotation and being eligible, offer themselves for re-election.

The directors of the company who served during the year ended 31st December 1993 and their interests in the shares of the company are shown in note 7 on the financial statements.

During the year the company purchased insurance for certain of its directors and officers.

### DONATIONS

Donations to charitable organisations amounted to £2,862 (1992: £1,085). There were no political contributions during the year (1992: £nil).

### EMPLOYEES

In accordance with company policy all employees are kept as fully informed as practicable concerning the activities of the company. The company is an equal opportunities employer.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. All disabled employees are eligible for training and promotion and, within the limits of their disabilities are given equal consideration with other applicants.

The company recognises the high standards required to ensure the health, safety and welfare of its employees at work, its customers and the general public. Company policies in this regard are regularly reviewed with the objective of ensuring that these standards are achieved.

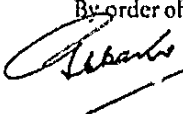
### CLOSE COMPANY STATUS

The close company provisions of the Income and Corporation Taxes Act 1988 apply to the company.

### AUDITORS

Wm. Robertshaw & M/ers have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the annual general meeting for their re-appointment as auditors and also to authorise the directors to fix their remuneration.

49 Brick Street  
London W1Y 8EB  
27th April 1994

By order of the Board  
 G B Baker  
Secretary

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

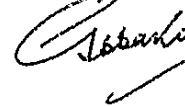
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare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

The directors confirm that the financial statements comply with the above requirements and that the company has maintained proper accounting records which disclose with reasonable accuracy at any time the financial position of the company which enables them to ensure that the financial statements comply with the requirements of the Companies Act 1985.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

49 Brick Street  
London W1Y 8EB  
27th April 1994

By order of the Board

 G B Baker  
Secretary

## REPORT OF THE AUDITORS

TO THE MEMBERS OF THE PARK LANE HOTEL PLC

We have audited the financial statements on pages 11 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 12.

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 7 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 company's circumstances, consistently applied and

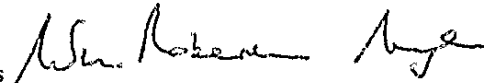
adequately disclosed.

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 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 the company's affairs as at 31st December 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

York Buildings  
18 Cooke Street  
Keighley  
West Yorkshire BD21 3NP  
27th April 1994



Wm. Robertshaw & Myers  
Chartered Accountants  
Registered Auditors

# PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1993

	<i>Note</i>	1993 £'000	1992 £'000
Turnover	1	10,985	11,482
Cost of sales		(8,367)	(8,435)
Gross profit		2,618	3,047
Administrative expenses		(2,120)	(2,125)
Operating profit	2	498	922
Other interest receivable and similar income	3	123	114
Profit on ordinary activities before taxation		621	1,036
Taxation on profit on ordinary activities	4	2	242
Profit on ordinary activities after taxation		623	1,278
Dividends	5	(426)	(626)
Retained profit for the financial year		197	652
Retained profit brought forward		13,458	12,806
Retained profit carried forward		13,655	13,458

The above activities relate to continuing operations.  
 There are no recognised gains or losses other than those  
 included in the profit and loss account.  
 The notes referred to above form part of these financial  
 statements.

## BALANCE SHEET

AT 31ST DECEMBER 1993

	Note	£'000	1993 £'000	1992 £'000
Fixed assets				
Tangible assets	6		13,438	12,881
Investments	7		21	21
			<u>13,519</u>	<u>12,878</u>
Current assets				
Stocks	8	606		736
Debtors	9	1,552		1,834
Short term deposits		980		1,550
Cash at bank and in hand		164		123
		<u>3,302</u>		<u>4,243</u>
Creditors				
Amounts falling due within one year	10	(1,846)		(2,343)
Net current assets			<u>1,456</u>	<u>1,900</u>
Net assets			<u>14,975</u>	<u>14,778</u>
Capital and reserves				
Called up share capital	12		1,320	1,320
Profit and loss account			13,655	13,458
Shareholders' funds	13		<u>14,975</u>	<u>14,778</u>

These financial statements were approved by the board of directors on 27th April 1994 and were signed on its behalf by:

C E B L Carr – director 

The notes referred to above form part of these financial statements.

THE PARK LANE HOTEL PLC

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 1993

	Note	1993 £'000	1992 £'000
Net cash inflow from operating activities	14	1,784	2,202
Returns on investments and servicing of finance			
Interest received		123	114
Dividends paid		(586)	(625)
Net cash outflow from returns on investments and servicing of finance		(463)	(512)
Taxation			
UK corporation tax refunded/(paid)		111	(199)
		1,432	1,491
Investing activities			
Purchase of tangible fixed assets		(1,961)	(984)
Proceeds on sale of tangible fixed assets		-	10
Net cash outflow from investing activities		(1,961)	(974)
(Decrease)/increase in cash and cash equivalents	15	(529)	517

The notes referred to above form part of these financial statements.

## ACCOUNTING POLICIES

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

### A. BASIS OF PREPARATION

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

### B. STOCKS

Stocks are stated at the lower of cost and net realisable value.

### C. FIXED ASSETS AND DEPRECIATION

For the years up to and including 31st December 1976 expenditure on tangible fixed assets was shown at original cost with renewals or replacements being charged to the profit and loss account.

Capital expenditure incurred after 1st January 1977 is shown as additions to tangible fixed assets. Depreciation is provided on a straight line basis to write off the cost of tangible fixed assets over their estimated useful lives as follows:

- Short leasehold land and buildings – within the unexpired term of the lease
- Plant and equipment – 4 to 25 years

No depreciation is provided on freehold property as it is the company's policy to maintain its property in good condition which prolongs its useful life and any depreciation involved would not be material.

Major refurbishments of the leasehold property are treated as additions to short leasehold land and buildings.

### D. DEFERRED TAXATION

Deferred taxation is provided using the liability method in respect of all material timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future.

### E. ADVANCE CORPORATION TAX

Advance corporation tax is carried forward only to the extent that it is considered to be recoverable in the foreseeable future.

### F. LEASING COMMITMENTS

Rentals paid under operating leases are charged against income as incurred

### G. REPAIRS

Repairs are charged against income as incurred

### H. PENSION COSTS

The company operates a defined benefit pension scheme administered by a trustee, the funds of which are separate from those of the company. Sufficient contributions are paid to the trustee on regular basis to secure the benefits provided under the rules of the scheme and to maintain at least 100% funding levels. Contributions are charged against income and are included in payroll costs.

The company also operates a non-contributory defined contribution scheme. Contributions are charged against income and are included in payroll costs.

### I. TURNOVER

Turnover represents the amount receivable for goods sold and services provided, in the ordinary course of business, net of value added tax.

### J. OVERSEAS CURRENCIES

Assets and liabilities have been translated at the rate of exchange ruling at the balance sheet date. All other exchange differences are dealt with through the profit and loss account.

### K. INVESTMENT INCOME

Income is credited to the profit and loss account on an accruals basis.

THE PARK LANE HOTEL PLC

# NOTES ON THE FINANCIAL STATEMENTS

## TURNOVER

Turnover arises from sales made within the United Kingdom.

	1993 £'000	1992 £'000
2 OPERATING PROFIT IS STATED AFTER CHARGING/(CREDITING)		
Depreciation of tangible fixed assets	1,320	1,194
Profit on sale of tangible fixed assets	—	(10)
Directors' emoluments (including pension contributions):		
As directors	56	46
As executives	359	328
Hire of plant and machinery	3	3
Operating lease costs:		
Ground rent	13	13
Plant and machinery	73	70
Auditors' remuneration:		
Audit	21	20
Other services	16	4
	<hr/>	<hr/>

## DIRECTORS

### Emoluments:

The emoluments, excluding pension contributions, of the chairman, who is also the highest paid director, were:

197	195
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The emoluments, excluding pension contributions, of the directors were within the following ranges:

	Number of directors	Number of directors
£0 — £5,000	—	2
£5,001 — £10,000	4	3
£20,001 — £25,000	1	1
£190,001 — £195,000	—	1
£195,001 — £200,000	1	—
	<hr/>	<hr/>
	£'000	£'000
	—	9
	<hr/>	<hr/>

One director waived fees amounting to

# THE PARK LANE HOTEL PLC

## 2 OPERATING PROFIT IS STATED AFTER CHARGING/(CREDITING) (CONTINUED)

### Directors' shareholdings

The interests of the directors, who served during the year, in the shares of the company were:

	31st December 1993			1st January 1993		
	Ordinary	Preference	Second Preference	Ordinary	Preference	Second Preference
C E B L Carr	166,902	17,990	3,427	155,158	17,602	2,573
R C L Carr	920,346	17,681	18,136	908,602	17,292	17,282
F W Davis	1,324,633	11,978	49,237	1,324,633	11,978	49,237
Mrs C Gault	168,278	152	2,699	164,884	152	2,699
P H T Hanson	447,325	7,203	30,921	447,325	7,203	30,921
Lady Bracewell Smith	747,257	17,292	15,285	747,257	17,292	15,285

Certain of the holdings include the same shares more than once in relation to non-beneficial holdings.

	1993	1992
NUMBER OF EMPLOYEES		
The average number of staff, including directors, employed by the company during the year was:	242	255
	£'000	£'000
The aggregate payroll costs of all employees were:		
Wages and salaries	3,720	3,714
Social security costs	336	332
Other pension costs	239	211
	4,295	4,257
3 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME		
Short term deposits	74	114
Interest on repayment of corporation tax	49	-
	123	114
4 TAXATION ON PROFIT ON ORDINARY ACTIVITIES		
UK corporation tax at 33% (1992: 33%)		
on the profit for the year	11	275
Deferred taxation	(11)	5
Corporation tax overprovided in earlier years	(2)	(522)
	(2)	(242)

The taxation charge is reduced by approximately £200,000 due to the Company not providing deferred taxation on accelerated capital allowances as the liability will not crystallise in the foreseeable future.

# THE PARK LANE HOTEL PLC

	1993 £'000	1992 £'000
5 DIVIDENDS		
5.6% cumulative preference – proposed	9	9
10.5% second preference – proposed	17	17
Ordinary – interim – paid	80	120
– final – proposed	320	480
	<u>426</u>	<u>626</u>

## 6 TANGIBLE FIXED ASSETS

	Land and buildings Freehold £'000	Short Leasehold £'000	Plant and Equipment £'000	Total £'000
Cost				
1st January 1993	34	9,877	12,555	22,466
Additions	--	470	1,491	1,961
	<u>34</u>	<u>10,347</u>	<u>14,046</u>	<u>24,427</u>
31st December 1993				
Depreciation				
1st January 1993	--	2,276	7,333	9,609
Charge for the year	--	336	984	1,320
	<u>--</u>	<u>2,612</u>	<u>8,317</u>	<u>10,929</u>
31st December 1993				
Net book amount				
31st December 1993	34	7,735	5,729	13,498
	<u>34</u>	<u>7,601</u>	<u>5,222</u>	<u>12,857</u>
31st December 1992				

# THE PARK LANE HOTEL PLC

7 INVESTMENTS	Listed £'000	Unlisted £'000	Total £'000
Cost			
1st January 1993 and 31st December 1993	1	95	96
Provision for diminution in value			
1st January 1993 and 31st December 1993	—	(75)	(75)
Net book amount at 31st December 1993 and 1992	<u>1</u>	<u>20</u>	<u>21</u>
	1993 £'000		1992 £'000
Valuation at 31st December 1993			
Listed – market value	8		7
Unlisted – directors' valuation	<u>20</u>		<u>20</u>
	<u>28</u>		<u>27</u>
The listed investments are quoted on The International Stock Exchange.			
At 31st December 1993 unlisted investments include a holding of 15.0% (1992: 15.0%) of the issued ordinary share capital of Daniele Ryman Limited, a company registered in England and Wales.			
8 STOCKS			
Raw materials and consumables	<u>606</u>		<u>736</u>
9 DEBTORS			
Trade debtors	886		757
Other debtors	87		91
Prepayments and accrued income	408		565
Deferred taxation (note 11)	10		59
Corporation tax recoverable	—		362
Advance corporation tax recoverable	<u>161</u>		<u>—</u>
	<u>1,552</u>		<u>1,834</u>

With the exception of deferred taxation all debtors fall due for payment within one year.

# THE PARK LANE HOTEL PLC

	1993 £'000	1992 £'000
<b>10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
Trade creditors	588	691
Advance corporation tax on proposed dividends	87	147
Advance corporation tax on dividend paid	23	40
Corporation tax	2	66
Other taxes and social security	397	440
Accruals and deferred income	403	453
Proposed dividends	346	506
	<u>1,846</u>	<u>2,343</u>
<b>11 PROVISIONS FOR LIABILITIES AND CHARGES</b>		
DEFERRED TAXATION		
Movement in provision:		
1st January 1993	(59)	(86)
Profit and loss account	(11)	5
Advance corporation tax	60	22
	<u>(10)</u>	<u>(59)</u>
31st December 1993 (note 9)		
The amount provided for deferred taxation and the amount unprovided at 33% (1992: 33%) are set out below:		
Provided:		
Short term timing difference	77	88
Advance corporation tax recoverable	(87)	(147)
	<u>(10)</u>	<u>(59)</u>
31st December 1993 (note 9)		
Unprovided:		
Capital allowances	2,566	2,366
	<u>2,566</u>	<u>2,366</u>
<b>12 CALLED UP SHARE CAPITAL</b>		
Authorised:		
160,000 5.6% cumulative preference shares of £1 each	160	160
160,000 10.5% second preference shares of £1 each	160	160
8,000,000 ordinary shares of 25 pence each	2,000	2,000
	<u>2,320</u>	<u>2,320</u>
Allotted, called up and fully paid:		
160,000 5.6% cumulative preference shares of £1 each	160	160
160,000 10.5% second preference shares of £1 each	160	160
4,000,000 ordinary shares of 25 pence each	1,000	1,000
	<u>1,320</u>	<u>1,320</u>

# THE PARK LANE HOTEL PLC

	1993 £'000	1992 £'000
<b>13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>		
Profit for the year after taxation	623	1,278
Dividends	(426)	(626)
Net addition to shareholders' funds	197	652
Opening shareholders' funds	14,778	14,126
Closing shareholders' funds	14,975	14,778
<b>14 RECONCILIATION OF OPERATING PROFIT TO CASH FLOW FROM OPERATING ACTIVITIES</b>		
Operating profit	498	922
Depreciation	1,320	1,194
Profit on sale of tangible fixed assets	—	(10)
Decrease/(increase) in stocks	130	(34)
Decrease in debtors	32	68
(Decrease)/increase in creditors	(196)	62
Net cash inflow from operating activities	1,784	2,202
<b>15 RECONCILIATION OF MOVEMENTS IN CASH AND CASH EQUIVALENTS WITH BALANCE SHEET ITEMS</b>		
Cash and cash equivalents at 31st December 1992	1,673	1,156
Net cash (outflow)/inflow	(529)	517
Cash and cash equivalents at 31st December 1993	1,144	1,673
	Change in year £'000	
Cash at bank and in hand	41	123
Short term deposits	(570)	1,550
Cash and cash equivalents	(529)	1,673

# THE PARK LANE HOTEL PLC

	1993 £'000	1992 £'000
<b>16 CAPITAL COMMITMENTS</b>		
Capital commitments at the end of the financial year, for which no provision has been made, are as follows:		
Contracted	102	199
Authorised but not contracted	1,199	1,625
	<u>1,301</u>	<u>1,824</u>
<b>17 OPERATING LEASE COMMITMENTS</b>		
Annual commitments payable under leases expiring:		
Plant and machinery in two to five years	56	56
Land and buildings after five years	13	13

## 18 PENSIONS

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with an insurance company. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. Contributions to the scheme are determined by an actuary on the basis of triennial valuations whereby the future expected income and outgoings are projected over 20 years. The most recent valuation of the scheme was carried out on 1st December 1992. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment return would be 9.0% per annum, salaries would increase by 7.5% per annum and pensions would increase by 3.0% per annum.

The most recent actuarial valuation of the asset was £1,483,000 which represented 132% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The pension charge for the year was £77,000 (1992: £78,000) and the contributions of the company and employees were approximately 7.9% and 5% of earnings respectively. Included in debtors is an amount prepaid of £102,000 (1992: £97,000) in respect of these contributions.

The company also operates a non-contributory defined contribution scheme for one of its directors. The assets of the scheme are held separately from those of the company, being invested with an insurance company. The pension charge for the year was £162,000 (1992: £133,000). Included in debtors is an amount prepaid of £119,000 (1992: £151,000) in respect of this contribution.

# TEN YEAR STATISTICS

(£'000)

	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984
Turnover	10,985	11,482	11,226	13,671	13,717	11,651	10,961	9,127	10,280	8,323
Profit before tax	621	1,036	1,380	2,645	3,068	2,280	2,268	1,803	2,600	1
Dividends	426	626	646	1,046	1,026	716	666	546	510	
Shareholders' funds	14,975	14,778	14,126	13,763	12,540	11,433	10,667	9,859	9,186	7,030
Earnings per ordinary share (pence)	14.9	31.3	24.6	43.3	52.7	36.4	36.2	29.8	43.4	39.2
Dividends per ordinary share (pence)	10.0	15.0	15.5	25.5	25.0	17.3	16.0	13.0	12.3	7.5