

Samuel Jones & Co Limited

Directors' report and financial statements

31 December 1995

Registered number 162828



Samuel Jones & Co Limited

Directors' report and financial statements

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Samuel Jones & Co Limited

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 1995.

Principal activities

The company is an integrated manufacturer and converter of laminated paper products for labelling and other packaging applications.

Review of activities

Turnover has increased by 8.4% to £70.9 million (1994: £65.4 million) and operating profits have moved forward by 28.2% to £5.0 million (1994: £3.9 million).

The company continued its progress during 1995 reporting strong growth particularly into mainland Europe. Margins were maintained despite competitive pressures and the enhancement in operating profits was mainly the result of improving production efficiencies and fixed cost control.

The company expects the business to grow in line with its market position and further increase profitability by capital investment led efficiencies and productivity.

Results and dividends

The retained profit for the financial year amounted to £727,000 (1994: £1,686,000). The directors recommend that this amount be transferred to reserves.

The directors recommend the payment of a final dividend of £3,000,000 (1994: £1,000,000).

Future developments

Future developments are likely to be in the same field.

Fixed assets

Movement in tangible fixed assets is set out in note 10.

Share capital changes

On 20 December 1995 the company passed resolutions to redesignate the "A" £1 ordinary shares, the "B" £1 ordinary shares and the Redeemable cumulative £1 preference share registered in the name of CI (Industrial) Limited as ordinary shares of £1 each.

On the same date, a resolution was passed to capitalise and issue by way of a bonus issue the £260,000 contained in the Capital Redemption Reserve.

Samuel Jones & Co Limited

Directors' report *(continued)*

Directors and directors' interests *(continued)*

The following directors held office during the year:

SD Boyd
K Lewis
AJ Boto (appointed 1 April 1995)
KJ Beamon (appointed 20 December 1995)
DG Crosby (resigned 31 May 1995)
RA Speight (resigned 25 April 1995)
PJ Underhill (resigned 31 December 1995)

None of the directors held any interest in the shares of the company.

Mr SD Boyd and Mr PJ Underhill are directors of Capital Industries PLC, the ultimate parent undertaking, and their interests in the shares of the company are set out in its financial statements.

The interests of the directors, who were directors at the end of the period, in the shares of Capital Industries PLC are as follows:

	Capital Industries PLC	
	Ordinary shares of 1p each	
	31 December 1995	31 December 1994
AJ Boto	1,300	1,300
KJ Beamon	675	-

AJ Boto and K Lewis had the following options over the ordinary shares of Capital Industries PLC.

From	Exercisable Until	Price (p)	Number of options on ordinary shares		
			1 January 1995	Issued in year	31 December 1995
AJ Boto					
11 July 1998	10 July 2005	140.5	-	10,000	10,000
K Lewis					
11 July 1998	10 July 2005	140.5	-	10,000	10,000

Donations

During the year the company made contributions amounting to £923 (1994: £530) to United Kingdom charitable organisations.

Samuel Jones & Co Limited

Directors' report *(continued)*

Directors and directors' interests *(continued)*

Employment of disabled persons

The company gives full and fair consideration to applications for employment from disabled persons, having regard to their aptitudes and abilities. The company makes every effort to continue the employment of any of its employees who become disabled, including providing additional facilities and training where appropriate. Disabled employees share in the opportunities for career development and promotion that are available to other employees.

Employee involvement

The company has in place a system of keeping employees informed on matters affecting them as employees and the financial and economic factors affecting the performance of the company. This is achieved through regular consultations with employee representatives, by issuing internal announcements and by making available copies of the audited financial statements and announcements made to the London Stock Exchange. Eligible employees may also take up options to purchase shares in Capital Industries PLC, the ultimate holding company under an Inland Revenue approved share scheme.

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 of the profit or loss for that period. 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.


Samuel Jones & Co Limited

Directors' report *(continued)*

Directors and directors' interests *(continued)*

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By order of the board



KJ Beamon
Director

Butterfly House
St Neots
Huntingdon
Cambridgeshire
PE19 4EE

31 July 1996



2 Cornwall Street
Birmingham B3 2DL

Auditors' report to the members of Samuel Jones & Co Limited

We have audited the financial statements on pages 6 to 21.

Respective responsibilities of directors and auditors

As described on pages 3 and 4 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 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 the company's affairs as at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG

Chartered Accountants

Registered Auditors

31 July 1996



Samuel Jones & Co Limited

Profit and loss account

for the year ended 31 December 1995

		Continuing activities	
	Note	1995 £'000	1994 £'000
Turnover	2	70,887	65,373
Cost of sales		(56,288)	(53,110)
Gross profit		14,599	12,263
Distribution costs		(5,960)	(5,356)
Administrative expenses		(3,592)	(3,009)
Operating profit		5,047	3,898
Profit on disposal of playing field	5	456	-
Profit on ordinary activities before interest		5,503	3,898
Interest receivable and similar income	6	207	9
Interest payable and similar charges	7	(781)	(710)
Profit on ordinary activities before taxation	3	4,929	3,197
Tax on profit on ordinary activities	8	(1,202)	(511)
Profit on ordinary activities after taxation		3,727	2,686
Dividends proposed	9	(3,000)	(1,000)
Retained profit for the financial year		727	1,686

A statement of movements on reserves is given in note 20.

There were no discontinued activities during the year.

Samuel Jones & Co Limited

Statement of total recognised gains and losses for the year ended 31 December 1995

	1995 £'000	1994 £'000
Profit on ordinary activities after taxation	3,727	2,686
Unrealised (gain)/loss on translation of year end debtors	(128)	11
Unrealised loss on translation of year end creditors	5	-
	<hr/>	<hr/>
Total recognised gains and losses	<u>3,604</u>	<u>2,697</u>

Note of historical cost profits and losses for the year ended 31 December 1995

	1995 £'000	1994 £'000
Reported profit on ordinary activities before tax	4,929	3,197
Difference between the historical cost depreciation charge and the actual depreciation charge on the revalued amount	279	294
	<hr/>	<hr/>
Historical cost profit on ordinary activities before tax	<u>5,208</u>	<u>3,491</u>

Reconciliation of movement in shareholders' funds for the year ended 31 December 1995

	1995 £'000	1994 £'000
Profit for the financial year	3,727	2,686
Dividends proposed on equity shares	(3,000)	(1,000)
	<hr/>	<hr/>
Net increase in shareholders' funds	727	1,686
Opening shareholders' funds	10,265	8,579
	<hr/>	<hr/>
Closing shareholders' funds	<u>10,992</u>	<u>10,265</u>

Samuel Jones & Co Limited

Balance sheet at 31 December 1995

	Note	1995 £'000	1994 £'000
Fixed assets			
Tangible assets	10	8,409	8,663
Investments	11	265	265
		<u>8,674</u>	<u>8,928</u>
Current assets			
Stocks	12	6,834	6,099
Debtors	13	22,884	17,041
Cash at bank and in hand		852	1,716
		<u>30,570</u>	<u>24,856</u>
Creditors: amounts falling due within one year	14	<u>(25,675)</u>	<u>(20,684)</u>
Net current assets		<u>4,895</u>	<u>4,172</u>
Total assets less current liabilities		<u>13,569</u>	<u>13,100</u>
Creditors: amounts falling due after more than one year	15	(2,040)	(2,266)
Provisions for liabilities and charges	16	(537)	(569)
Net assets		<u>10,992</u>	<u>10,265</u>
Capital and reserves			
Called up share capital	17	5,883	5,623
Revaluation reserve	18	2,565	2,894
Capital redemption reserve	19	-	260
Profit and loss account	20	2,544	1,488
		<u>10,992</u>	<u>10,265</u>
Shareholders' funds:			
Equity		10,992	9,682
Non-equity		-	583
		<u>10,992</u>	<u>10,265</u>

These financial statements were approved by the board of directors on 31 July 1996 and were signed on its behalf by:


SD Boyd
Director

Samuel Jones & Co Limited

Notes

(forming part of the financial statements)

1 Principal 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.

Basis of accounting

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

The cashflow statement has not been prepared as permitted by paragraph 8(c) of Financial Reporting Standard 1.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, less depreciation. Depreciation is calculated so as to write off the cost or valuation of the tangible fixed assets on a straight line basis to their estimated residual value over the expected economic lives of the assets concerned.

The principal annual rates used for this purpose are:

Plant, machinery and office equipment	- 10% and 6.25%
Computer equipment	- 20%
Motor vehicles	- 25%

Leased assets

Assets acquired under finance leases and hire purchase agreements are capitalised and depreciated in accordance with the company's depreciation policy. The capital element of future lease payments is included in the balance sheet as obligations under finance leases. The finance element of lease payments is charged to the profit and loss account.

Rentals under operating leases are charged to the profit and loss account as incurred over the lease term.

Stocks

Stocks are valued at the lower of cost and net realisable value. Where appropriate, cost includes an attributable proportion of direct labour and overhead expenses.

Deferred taxation

Deferred taxation is provided in respect of material timing difference to the extent that it is probable that an actual liability will crystallise.

Turnover

Turnover represents the value of goods and services invoiced to customers during the year, less any returns and rebates and excludes any value added tax thereon.

Samuel Jones & Co Limited

Notes (continued)

1 Principal accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward exchange contract. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date or, if appropriate, at the forward contract rate, and the gains and losses on translation are included in the profit and loss account.

Pensions

A defined benefit pension scheme for employees is operated with the scheme's assets being held separately from those of the company. Contributions are paid in accordance with the recommendations of an independent actuary. Regular pension contributions are chargeable to the profit and loss account so as to spread the cost over the service lives of the employees.

2 Turnover

	1995 £'000	1994 £'000
Turnover by destination is analysed below:-		
Europe including the UK	65,332	59,005
Rest of the world	5,555	6,368
	<u>70,887</u>	<u>65,373</u>

3 Profit on ordinary activities before taxation

	1995 £'000	1994 £'000
<i>Profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
Operating lease rentals:		
Hire of plant and machinery	256	259
Other	989	864
Auditors' remuneration:		
Audit work	32	36
Non audit work	19	5
Exchange (gains)/losses on foreign currency translation	(387)	89
Depreciation of owned assets	549	543
Depreciation of assets held under finance leases and hire purchase contracts	437	465

Samuel Jones & Co Limited

Notes (continued)

4 Directors and employees

The average weekly number of persons employed by the company during the year, including directors and those employed on a part-time basis was:

	1995 Number	1994 Number
Finance and administration	26	25
Sales and marketing	48	57
Production	297	304
	<u>371</u>	<u>386</u>

Staff costs during the year were as follows:

	£'000	£'000
Wages and salaries	8,692	8,783
Social security costs	694	725
Other pension costs	703	742
	<u>10,089</u>	<u>10,250</u>

Remuneration of directors for services to the company comprises:

	1995 £'000	1994 £'000
Salaries and benefits	310	439
Bonuses	90	-
Payment in lieu of dividend	37	72
Compensation for loss of office	76	88
Pension contributions	31	37
	<u>544</u>	<u>636</u>

The emoluments disclosed above (including pension contributions) include amounts paid to the Chairman until his resignation on 31 May 1995 and also as highest paid director in 1994 only of:

Salary and benefits	79	174
Payment in lieu of dividend	37	72
Pension contributions	8	16
	<u>124</u>	<u>262</u>

Samuel Jones & Co Limited

Notes (continued)

4 Directors' and employees (continued)

	1995 £'000	1994 £'000
The emoluments disclosed above (including pension contributions) include amounts paid to the highest paid director in 1995 only of:		
Salary and benefits	100	-
Bonus	50	-
Pension contributions	10	-
	<u>160</u>	<u>-</u>

The number of directors who received emoluments (excluding pension contributions) in the following ranges were:

	1995 Number	1994 Number
£0 - £5,000	2	1
£15,001 - £20,000	-	1
£40,001 - £45,000	1	-
£45,001 - £50,000	-	1
£50,001 - £55,000	1	-
£55,001 - £60,000	-	2
£60,001 - £65,000	1	-
£80,001 - £85,000	-	1
£115,001 - £120,000	1	-
£145,001 - £150,000	1	-
£245,001 - 250,000	-	1
	<u>-</u>	<u>1</u>

5 Profit on disposal of playing field

	1995 £'000	1994 £'000
Profit on disposal of playing field	<u>456</u>	<u>-</u>

This profit arose as a result of a receipt of deferred consideration for the land known as the playing field. This contract was entered into in February 1990 by the company, with part of the consideration being contingent upon the satisfaction of a number of planning consents and other matters. Tax losses brought forward have been used to offset any tax charges arising on this profit.

Samuel Jones & Co Limited

Notes (continued)

6 Interest receivable and similar income

	1995 £'000	1994 £'000
Bank interest receivable	72	9
Interest received from group companies	135	-
	<u>207</u>	<u>9</u>

7 Interest payable and similar charges

	1995 £'000	1994 £'000
On overdrafts	736	639
On finance leases repayable within 5 years	45	71
	<u>781</u>	<u>710</u>

8 Tax on profit on ordinary activities

Tax is based on the profit for the year at 33% (1994: 33%) and comprises:

	1995 £'000	1994 £'000
UK corporation tax	1,211	-
Deferred taxation	(32)	569
Reinstatement of ACT recoverable previously written off	-	(58)
Prior year corporation tax	23	-
	<u>1,202</u>	<u>511</u>

The tax charge has been reduced due to the utilisation of trading losses brought forward.

9 Dividends proposed

	1995 £'000	1994 £'000
Equity shares		
Final dividend	3,000	1,000
	<u>3,000</u>	<u>1,000</u>

Samuel Jones & Co Limited

Notes (continued)

10 Tangible fixed assets

	Plant, machinery and equipment £'000	Motor vehicles £'000	Total £'000
Cost and valuation			
At 1 January 1995	13,484	201	13,685
Additions	732	10	742
Disposals	(257)	(187)	(444)
Intra-group additions	-	17	17
	<hr/>	<hr/>	<hr/>
At 31 December 1995	13,959	41	14,000
	<hr/>	<hr/>	<hr/>
At valuation	9,854	-	9,854
At cost	4,105	41	4,146
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 1995	4,836	186	5,022
Charge for year	979	7	986
Disposals	(246)	(178)	(424)
Intra-group additions	-	7	7
	<hr/>	<hr/>	<hr/>
At 31 December 1995	5,569	22	5,591
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 1995	8,390	19	8,409
	<hr/>	<hr/>	<hr/>
At 31 December 1994	8,611	52	8,663
	<hr/>	<hr/>	<hr/>

The plant, machinery and equipment was revalued during 1992 by Dacre, Son & Hartley, a firm of valuation surveyors, on the basis of its market value for existing use. The revaluation surplus of £277,000 has been incorporated in the financial statements.

The net book value of plant, machinery and equipment of the company prior to any revaluations would have been £5,844,000 (1994: £5,792,000). The depreciation charge on a historical cost basis would have been £707,400 (1994: £718,000).

The net book value of plant, machinery and equipment for the company includes an amount of £4,014,049 (1994: £4,657,603) in respect of assets held under finance leases.

Samuel Jones & Co Limited

Notes (continued)

11 Investments

The amounts stated in the company balance sheet at 31 December 1995 represent ordinary shares held in its wholly owned subsidiary undertaking:

	1995 £'000	1994 £'000	% holding	Country of incorporation and operation	Nature of business
Samuel Jones SARL	<u>265</u>	<u>265</u>	100%	France	Sales office

Consolidated financial statements have not been prepared as the company is a wholly owned subsidiary of a company registered in England and Wales.

In the opinion of the directors, the aggregate value of the investments in the company's subsidiary undertakings is not less than the aggregate amount at which these investments are stated in the balance sheet.

12 Stocks

	1995 £'000	1994 £'000
Raw materials and consumables	1,820	1,479
Work in progress	1,437	1,331
Finished goods and goods for resale	<u>3,577</u>	<u>3,289</u>
	<u>6,834</u>	<u>6,099</u>

13 Debtors

	1995 £'000	1994 £'000
Trade debtors (note 23)	17,460	14,456
Amounts owed by group undertakings	4,555	1,990
Other debtors	389	167
ACT recoverable	-	58
Prepayments and accrued income	<u>480</u>	<u>370</u>
	<u>22,884</u>	<u>17,041</u>

Samuel Jones & Co Limited

Notes (continued)

14	Creditors: amounts falling due within one year		
		1995	1994
		£'000	£'000
	Obligations under finance leases and hire purchase contracts	226	197
	Debt financing obligations	5,941	7,966
	Trade creditors	11,004	8,175
	Amounts owed to group undertakings	2,635	1,760
	Corporation tax	490	-
	Other taxes and social security	273	272
	Other creditors	412	194
	Dividends	3,000	1,000
	Accruals and deferred income	1,694	1,120
		<u>25,675</u>	<u>20,684</u>

The debt financing obligations are secured by a charge over the book debts of the company.

15	Creditors: amounts falling due after more than one year		
		1995	1994
		£'000	£'000
	Other loans	2,000	2,000
	Obligations under finance leases and hire purchase contracts	40	266
		<u>2,040</u>	<u>2,266</u>
	The maturing of obligations under finance leases due in more than one year is:		
	One to two years	40	223
	Two to five years	-	43
		<u>40</u>	<u>266</u>

The company has negotiated a medium term loan of £2.0 million secured on its United Kingdom debtor book. This loan is repayable on 15 January 1997 and attracts interest at a rate that is linked to the Base Rate of the lending bank.

The assets of the company are secured under the terms of a debenture in favour of its bankers.

Samuel Jones & Co Limited

Notes (continued)

16 Provisions for liabilities and charges

The movements for the year on the deferred taxation provision are as follows:

	1995 £'000	1994 £'000
At 1 January	569	-
Transfer (to)/from profit and loss account	(32)	569
At 31 December	<u>537</u>	<u>569</u>

The amounts provided and the amounts unprovided at 31 December are made up as follows:

	Unprovided		Provided	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
Tax effect of timing differences due to:				
Excess of tax allowances over depreciation	495	-	653	1,248
Other short term timing differences	-	-	(116)	(76)
	<u>495</u>	<u>-</u>	<u>537</u>	<u>1,172</u>
Less:				
Tax losses available for offset	-	-	-	(603)
	<u>495</u>	<u>-</u>	<u>537</u>	<u>569</u>

The company provides for deferred taxation on the liability method and capital expenditure forecasts indicate that the accelerated capital allowances are unlikely to fully reverse in the foreseeable future.

Samuel Jones & Co Limited

Notes (continued)

17 Called up share capital

	1995 £'000	1994 £'000
<i>Authorised:</i>		
"A" £1 ordinary shares	-	5,000
"B" £1 ordinary shares	-	40
Undesignated shares	-	453
Redeemable cumulative £1 preference shares (non-equity)	-	583
£1 ordinary shares	<u>6,076</u>	<u>-</u>
	<u>6,076</u>	<u>6,076</u>
<i>Allotted and fully paid:</i>		
"A" £1 ordinary shares	-	5,000
"B" £1 ordinary shares	-	40
Redeemable cumulative £1 preference shares (non-equity)	-	583
£1 ordinary shares	<u>5,883</u>	<u>-</u>
	<u>5,883</u>	<u>5,623</u>

On 20 December 1995 the company redesignated the 5,000,000 "A" £1 ordinary shares and the 40,000 "B" £1 ordinary shares registered in the name of CI (Industrial) Limited as ordinary shares of £1 each having the rights but subject to the restrictions set out in the Articles.

On 20 December 1995 the company passed a resolution in order that the 583,469 authorised and issued Redeemable Cumulative Preference Shares of £1 each registered in the name of CI (Industrial) Limited each be redesignated as ordinary shares of £1 each having the rights but subject to the restrictions set out in the Articles.

18 Revaluation reserve

	1995 £'000	1994 £'000
At 1 January	2,894	3,188
Transferred to profit and loss account	<u>(329)</u>	<u>(294)</u>
At 31 December	<u>2,565</u>	<u>2,894</u>

Samuel Jones & Co Limited

Notes (continued)

19 Capital redemption reserve

	1995 £'000	1994 £'000
At 1 January	260	260
Bonus issue	(260)	-
	<hr/>	<hr/>
At 31 December	-	260
	<hr/>	<hr/>

On 20 December 1995 the company passed a resolution in order that the £260,000 contained in the capital redemption reserve be capitalised and issued by way of a bonus issue to CI (Industrial) Limited in accordance with Article 110(a) of Table A as 260,000 fully paid up ordinary shares of £1 each.

20 Profit and loss account

	1995 £'000	1994 £'000
At 1 January	1,488	(492)
Retained profit for financial year	727	1,686
Transfer from revaluation reserve	329	294
	<hr/>	<hr/>
At 31 December	2,544	1,488
	<hr/>	<hr/>

21 Capital commitments

At 31 December, the company had the following capital commitments:

	1995 £'000	1994 £'000
Contracted for, but not provided	302	202
	<hr/>	<hr/>
Authorised, but not contracted for	811	86
	<hr/>	<hr/>

Samuel Jones & Co Limited

Notes (continued)

22 Other financial commitments

The company has the following annual commitments under non-cancellable operating leases which expire:

	1995 £'000	1994 £'000
Land and buildings		
Within one year	108	108
Two to five years	16	9
Over five years	550	550
	<hr/>	<hr/>
	674	667
	<hr/>	<hr/>
Other		
Within one year	257	368
Two to five years	332	303
Over five years	8	8
	<hr/>	<hr/>
	597	679
	<hr/>	<hr/>

23 Trade debtors

The company has entered into separate Debt Financing agreements for both its United Kingdom debtors and overseas debtors. The agreements are with two different third parties and under the terms of the agreements the third parties have a right to require the company to repurchase any of these debtors if the debt is not settled. This financing company is secured over the book debts of the company.

24 Pension schemes

The company operates a pension scheme covering the majority of employees. The Scheme is a funded defined benefit scheme with assets held in separate trustee administered funds.

The pension cost for the company was £703,000 (1994: £742,000).

The pension expense was determined following an actuarial valuation of the Samuel Jones Pension Scheme by Punter Southall & Co, consulting actuaries, as at 6 April 1993 using the projected unit method. The principal actuarial assumptions adopted for the purpose of SSAP 24 in the valuation were a long term rate of return on investments of 10% per annum, salary increases of 7% per annum, dividend growth of 5.75% per annum and an allowance for increases in pensions at the rate of 5% per annum (or the increase in the Retail Price Index if lower).

At the valuation date, the actuarial value of the assets on this basis was sufficient to cover 91% of the benefits that had accrued to members in the Scheme. The market value of the Scheme's assets at 6 April 1995 amounted to £14.8 million.

The Scheme was not fully funded at 1 February 1995, however, the company pays additional contributions in accordance with the recommendations of the actuaries to return the fund to a fully funded position.