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HESTAIR SPECIALIST VEHICLES LIMITED
(formerly Dennis Specialist Vehicles Limited)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the year ended
31 JANUARY 1986



Binder Hamlyn 
CHARTERED ACCOUNTANTS

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HESTAIR SPECIALIST VEHICLES LIMITED
(formerly Dennis Specialist Vehicles Limited)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the year ended
31 JANUARY 1986

HESTAIR SPECIALIST VEHICLES LIMITEDREPORT OF THE DIRECTORS
for the year ended 31 JANUARY 1986

The directors submit their report and financial statements for the year ended 31 January 1986.

CHANGE OF NAME

The name of the company was changed by special resolutions on 15 August 1985 to Dennis Specialist Vehicles Limited, and on 21 January 1986 to Hestair Specialist Vehicles Limited.

RESULTS AND DIVIDENDS

The profit for the year, after taxation and extraordinary items, amounted to £25,445. The directors do not recommend the payment of a final ordinary dividend.

REVIEW OF THE BUSINESS

The principal activity of the company continues to be the manufacture of specialist vehicles.

On 1 February 1985 the company acquired the business and net assets of Dennis Eagle Limited (formerly Hestair Eagle Limited), a fellow subsidiary, at their net book value. The principal activity of this business was also manufacture of specialist vehicles.

The freehold factory premises at Guildford were sold and production has been reorganised within the existing leasehold premises at Guildford and the new freehold factory at Warwick.

Trading was adversely affected during the reorganisation, which is now complete, and by the depressed market for buses in the UK.

The company is reliant upon the financial support of the parent company Hestair plc.

RESEARCH AND DEVELOPMENT

The company is continually developing all of its major product lines, namely fire appliances, refuse vehicles and buses.

FIXED ASSETS

The movements in fixed assets are set out in note 8 on page 13. In particular the company has sold its freehold site at Guildford for £10,051,500 realising a surplus over historical cost of £7,429,000 which has been dealt with as an extraordinary item.

HESTAIR SPECIALIST VEHICLES LIMITED

REPORT OF THE DIRECTORS
for the year ended 31 JANUARY 1986
(continued)

DIRECTORS AND THEIR INTERESTS

The directors who have served during the year were:

D. Hargreaves
R. Raworth
G.H. Hollyhead
S.L. Burton
D.C. Plumley
N. Ward

In addition M.B. Bannister, B.E. Mealing and R.T. Owen served until 31 December 1985, when they resigned. J.W. Callow, T.Grove, J.M. Stoke, P.B. Geary and G.R. Greensall were appointed on 1 February 1986.

D. Hargreaves, R. Raworth and G.H. Hollyhead are directors of Hestair plc.

The beneficial and only interests of the remaining directors and their families in the shares and debentures of any company in the Hestair Group requiring disclosure in these accounts were:

	Number of ordinary shares in Hestair plc		Options on ordinary shares in Hestair plc	
	31 January 1986	31 January 1985	31 January 1986	31 January 1985
S.L. Burton	-	-	30,000	22,000
D.C. Plumley	-	-	2,897	-
N. Ward	-	-	11,897	-

No director had any interest during the year in any contract with the company or other group companies other than a contract of service.

DISABLED EMPLOYEES

The company gives every consideration to applications for employment from disabled persons where the requirements of the job may be adequately covered by a handicapped or disabled person.

With regard to existing disabled employees and those who have become disabled during the year, the company has continued to examine ways and means of providing continuing employment under normal terms and conditions and provide training and career development and promotions wherever appropriate.

EMPLOYEE INVOLVEMENT

During the year, the policy of providing employees with information about the company has been continued and employees have also been encouraged to present their suggestions and views on the company's performance.

In October 1985, invitations to participate in the Hestair savings-related share option scheme were made to all U.K. employees with at least one year's service and options on Hestair plc ordinary shares were granted to 30 employees.

HESTAIR SPECIALIST VEHICLES LIMITED

REPORT OF THE DIRECTORS
for the year ended 31 JANUARY 1986
(continued)

POLITICAL AND CHARITABLE CONTRIBUTIONS

No political or charitable contributions were made during the year.

CLOSE COMPANY

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

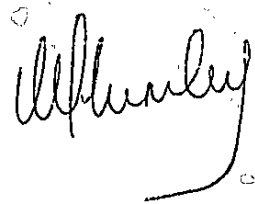
AUDITORS

A resolution to reappoint Binder Hamlyn as auditors will be put to the members at the annual general meeting.

By Order of the Board,


Director.

27 May 1986.



REPORT OF THE AUDITORS TO THE MEMBERS OF
HESTAIR SPECIALIST VEHICLES LIMITED

We have audited the financial statements on pages 5 to 18 in accordance with approved Auditing Standards.

In our opinion, the financial statements, which have been prepared on the basis of the accounting policies set out on page 9, give a true and fair view of the state of the company's affairs at 31 January 1986 and of its profit and source and application of funds for the year then ended and comply with the Companies Act 1985.

Binder Hamlyn

27 May 1986.

Chartered Accountants.

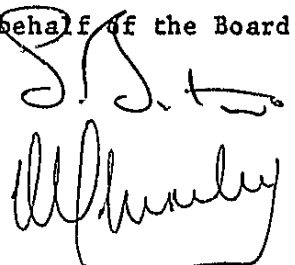
HESTAIR SPECIALIST VEHICLES LIMITEDPROFIT AND LOSS ACCOUNT
for the year ended 31 JANUARY 1986

	<u>Notes</u>	<u>1986</u> £	<u>1985</u> £
TURNOVER	2	34,787,965	41,413,664
Cost of sales		<u>(22,021,046)</u>	<u>(32,594,789)</u>
GROSS PROFIT		12,766,919	8,818,875
Distribution costs		(2,971,844)	(2,668,599)
Administrative expenses, after transfer from revaluation reserve of £382,881		(7,768,322)	(5,804,116)
Interest payable and similar charges	3	<u>(1,182,352)</u>	<u>(1,247,305)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4	844,401	(901,145)
Tax on profit/(loss) on ordinary activities	6	—	—
Profit/(loss) on ordinary activities after taxation		844,401	(901,145)
Extraordinary items, after transfer from revaluation reserve of £3,647,664	5	<u>(818,956)</u>	—
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	14	<u>£25,445</u>	<u>(£901,145)</u>

HESTAIR SPECIALIST VEHICLES LIMITEDBALANCE SHEET at 31 JANUARY 1986

	<u>Notes</u>	<u>1986</u>		<u>1985</u>	
		£	£	£	£
FIXED ASSETS					
Intangible assets	7	-		144,936	
Tangible assets	8	4,478,571		7,754,226	
Investments	9	<u>167</u>		<u>167</u>	
			4,478,738		7,899,329
CURRENT ASSETS					
Stocks	10	9,409,085		11,912,944	
Debtors	11	10,820,256		6,221,168	
Cash at bank and in hand		<u>1,008,354</u>		<u>13,343</u>	
		21,237,695		18,147,455	
CREDITORS (amounts falling due within one year)	12	<u>(27,£71,944)</u>		<u>(24,197,195)</u>	
NET CURRENT LIABILITIES			<u>(6,634,249)</u>		<u>(6,049,740)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	17		<u>(£2,155,511)</u>		<u>£1,849,589</u>
CAPITAL AND RESERVES					
Called up share capital	13		200		200
Share premium account	14		1,199,900		1,199,900
Revaluation reserve	14		12,809		4,043,354
Profit and loss account	14		<u>(3,368,420)</u>		<u>(3,393,865)</u>
			<u>(£2,155,511)</u>		<u>£1,849,589</u>

Signed on behalf of the Board



)
) Directors

HESTAIR SPECIALIST VEHICLES LIMITEDSTATEMENT OF SOURCE AND APPLICATION OF FUNDS
for the year ended 31 JANUARY 1986

	£	<u>1986</u>	£	£	<u>1985</u>	£
SOURCE OF FUNDS						
Proceeds of disposal of tangible fixed assets		10,455,998				29,275
APPLICATION OF FUNDS						
Funds absorbed by operations *	6,781,660			466,368		
Purchase of tangible fixed assets	4,246,772			192,356		
Development expenditure	12,075			37,209		
	<u>11,040,507</u>			<u>695,933</u>		
Additional (reduced) working capital:						
Stocks (decrease)/increase	(2,503,859)			768,165		
Debtors increase	4,599,088			1,045,296		
Creditors (excluding overdraft) increase	(5,904,479)			(948,453)		
	<u>(3,809,250)</u>			<u>865,008</u>		
		<u>7,231,257</u>				<u>1,560,941</u>
TOTAL FUNDS GENERATED/(APPLIED)		£3,224,741				(£1,531,666)
MOVEMENT IN NET LIQUID FUNDS						
Decrease/(increase) in overdraft	2,229,730			(1,530,727)		
Increase/(decrease) in cash at bank and in hand	<u>995,011</u>			<u>(939)</u>		
		<u>£3,224,741</u>				<u>(£1,531,666)</u>
*Funds absorbed by operations:						
(Profit)/loss on ordinary activities		(844,401)				901,145
Extraordinary charges		818,956				-
Adjustment for items not involving the movement of funds:						
Release of revaluation reserve		4,030,545				-
Depreciation		(361,880)				(378,022)
Amortisation of development expenditure		(84,058)				(77,985)
Profit on disposal of tangible fixed assets		3,295,451				21,230
Development expenditure written off		<u>(72,953)</u>				-
		<u>£6,781,660</u>				<u>£466,368</u>

HESTAIR SPECIALIST VEHICLES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
 For the year ended 31 JANUARY 1986
 (continued)

Summary of the effects of the acquisition of the business and net assets of Dennis Eagle Limited (formerly Hestair Eagle Limited).

Net assets acquired:	£	Discharged by:	£
Fixed assets	689,982	Inter-company indebtedness	2,390,515
Stocks	2,226,934		
Debtors	1,384,547		
Cash	3,151,891		
Creditors	(5,062,839)		
	<u>£2,390,515</u>		<u>£2,390,515</u>

HESTAIR SPECIALIST VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 JANUARY 1986

1. ACCOUNTING POLICIES

(a) Accounting convention

The financial statements are prepared under the historical cost convention, with certain properties at valuation.

(b) Tangible fixed assets and depreciation

Depreciation is calculated to write-off the cost or valuation of assets, except freehold land, over their anticipated useful lives, in equal annual instalments:-

Plant and equipment	8 - 10 years
Fixtures and fittings	10 years
Vehicles	4 years
Computer	5 years

Freehold buildings are written off over their estimated economic lives, based on professional advice.

Short leaseholds are written-off over the unexpired portion of the lease.

(c) Stocks

Stocks and work in progress are valued at the lower of cost, arrived at on a first-in first-out basis, and net realisable value. Cost in this context includes all direct expenditure incurred in the normal course of business to bring items to their conditions and locations at the accounting date, together with a proportion of appropriate overhead expenditure attributable thereto. The basis of valuation is consistent with that of the previous year.

(d) Deferred taxation

(i) Provision is made for deferred taxation only to the extent that, in the opinion of the directors, a liability is expected to arise in the foreseeable future.

(ii) No provision is made for the corporation tax which would arise if properties were sold at their present book values.

(e) Leasing and rental transactions

Rentals paid under leasing contracts are charged to income as incurred.

(f) Development expenditure

Development expenditure is capitalised and amortised over a maximum of the first three years' sales of major products whose technical feasibility and commercial viability are reasonably assured. Expenditure on pure research is written-off in the year during which it is incurred.

(g) Profit on sale of revalued assets

On the sale of a previously revalued asset, the profit or loss on disposal is calculated as the difference between the sale proceeds and the depreciated original cost. At the same time the attributable revaluation surplus is transferred from Revaluation Reserve to Profit and Loss Account.

HESTAIR SPECIALIST VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 JANUARY 1986
(continued)

2. SEGMENT INFORMATION

Analysis of turnover by geographical market:

	<u>1986</u>	<u>1985</u>
	£	£
United Kingdom	25,829,332	31,638,001
Europe	1,003,270	232,459
Middle East	853,366	2,151,188
Africa	1,061,407	1,205,725
Far East and Australasia	5,898,439	6,166,920
The Americas	142,151	19,371
	<u>£34,787,965</u>	<u>£41,413,664</u>

3. INTEREST PAYABLE

	<u>1986</u>	<u>1985</u>
	£	£
Other loans wholly repayable within 5 years	18,083	207,928
Amounts payable to group companies	<u>1,164,269</u>	<u>1,039,377</u>
	<u>£1,182,352</u>	<u>£1,247,305</u>

4. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1986</u>	<u>1985</u>
	£	£
After charging:		
Directors' emoluments (note 18)	133,898	161,625
Depreciation (note 8)	361,880	378,022
Hire of plant and machinery	153,000	114,102
Operating lease payments - land and buildings	216,000	202,000
Auditors' remuneration	42,709	30,186
Amortisation of Development expenditure (note 7)	84,058	77,985
	<u> </u>	<u> </u>
After crediting:		
Transfer from revaluation reserve in respect of disposal of plant and machinery (note 14)	382,881	-
	<u> </u>	<u> </u>

HESTAIR SPECIALIST VEHICLES LIMITEDNOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 JANUARY 1986
(continued)

5. EXTRAORDINARY ITEMS	<u>1986</u> <u>£</u>	<u>1985</u> <u>£</u>
Reorganisation costs	(8,248,120)	-
Profit on sale of properties (including transfer from revaluation reserve of £3,647,664 note 14)	<u>7,429,164</u>	<u>-</u>
	<u>(£818,956)</u>	<u>-</u>

No corporation tax liability arises.

6. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES.

In accordance with the accounting policy on page 7 no provision has been made for deferred taxation. Had deferred taxation been accounted for the taxation charge for the current year and the previous year would have been unaffected and the aggregate amount of deferred taxation in the balance sheet would have been:-

	<u>1986</u> <u>£'000</u>	<u>1985</u> <u>£'000</u>
Excess of capital allowances	556	663
Deduct:		
Taxation on unrelieved losses carried forward	<u>(556)</u>	<u>(663)</u>
	<u>-</u>	<u>-</u>

It is anticipated that as in the previous year the adjusted loss arising for tax purposes will be surrendered to other group companies for which no payment will be received.

The company is not a close company within the terms of Section 282 of Income and Corporation Taxes Act 1970.

HESTAIR SPECIALIST VEHICLES LIMITEDNOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 JANUARY 1986
(continued)

7. INTANGIBLE FIXED ASSETS

	Development expenditure
	£
Cost:	
At 1 February 1985	300,905
Additions	12,075
Disposal	(312,980)
At 31 January 1986	-
Provisions for diminution in value	
At 1 February 1985	155,969
Amortisation	84,058
Disposal	(240,027)
At 31 January 1986	-
Net book value	-
At 31 January 1986	-
	<hr/>
At 31 January 1985	£144,936
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HESTAIR SPECIALIST VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 JANUARY 1986
(continued)

TANGIBLE FIXED ASSETS

	Freehold land and buildings	Short leasehold buildings	Plant and machinery	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 February 1985	6,270,000	226,058	2,441,360	779,605	262,463	9,979,486
Additions	2,290,173	390,747	497,572	222,212	109,118	3,509,822
Disposals	(6,270,000)	(204,596)	(981,847)	(494,927)	(72,078)	(8,023,448)
Inter-group transfer	<u>389,570</u>	<u>(5,453)</u>	<u>(55,923)</u>	<u>10,009</u>	<u>116,352</u>	<u>454,555</u>
At 31 January 1986	<u>2,679,743</u>	<u>406,756</u>	<u>1,901,162</u>	<u>516,899</u>	<u>415,855</u>	<u>5,920,415</u>
At valuation in 1973	-	-	33,305	-	-	33,305
At cost	<u>2,679,743</u>	<u>406,756</u>	<u>1,867,857</u>	<u>516,899</u>	<u>415,855</u>	<u>5,887,110</u>
	<u>2,679,743</u>	<u>406,756</u>	<u>1,901,162</u>	<u>516,899</u>	<u>415,855</u>	<u>5,920,415</u>
Depreciation						
At 1 February 1985	-	58,471	1,538,591	450,632	177,566	2,225,260
Provision for the year	19,760	31,512	197,785	40,623	72,200	361,880
Disposals	-	(55,238)	(747,910)	(307,716)	(47,082)	(1,157,946)
Inter-group transfer	<u>-</u>	<u>(984)</u>	<u>(33,509)</u>	<u>9,451</u>	<u>37,692</u>	<u>12,650</u>
At 31 January 1986	<u>19,760</u>	<u>33,761</u>	<u>954,957</u>	<u>192,990</u>	<u>240,376</u>	<u>1,441,844</u>
Net book value						
At 31 January 1986	<u>£2,659,983</u>	<u>£372,995</u>	<u>£946,205</u>	<u>£323,909</u>	<u>£175,479</u>	<u>£4,478,571</u>
At 31 January 1985	<u>£6,270,000</u>	<u>£167,587</u>	<u>£902,769</u>	<u>£328,973</u>	<u>£84,897</u>	<u>£7,754,226</u>

The net book value of freehold land and buildings includes land at cost of £611,000.

Comparable amounts determined according to the historical cost convention:

Cost	2,679,743	406,756	1,888,353	516,899	415,855	5,907,606
Accumulated depreciation	<u>19,760</u>	<u>33,761</u>	<u>942,148</u>	<u>192,990</u>	<u>240,376</u>	<u>1,429,035</u>
Net book value						
At 31 January 1986	<u>2,659,983</u>	<u>372,995</u>	<u>946,205</u>	<u>323,909</u>	<u>175,479</u>	<u>4,478,571</u>
At 31 January 1985	<u>2,201,401</u>	<u>167,587</u>	<u>902,772</u>	<u>328,973</u>	<u>84,897</u>	<u>3,685,630</u>

HESTAIR SPECIALIST VEHICLES LIMITEDNOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 JANUARY 1986
(continued)

TANGIBLE FIXED ASSETS (continued)

	<u>1986</u>	<u>1985</u>
	£	£
Capital commitments		
Contracted for but not provided	20,868	383,406
Authorised but not contracted for	<u>129,015</u>	<u>4,190</u>
	£149,883	£387,596
	<u> </u>	<u> </u>

FIXED ASSETS INVESTMENTS

Shares
in group
companies

Cost at 1 February 1985 and
31 January 1986

£1.57

Group accounts have not been prepared for the company as it is a wholly owned subsidiary of another body corporate incorporated in Great Britain.

In the opinion of the directors, the value of the company's interest in its subsidiaries is not less than the amount at which they are stated in the balance sheet.

The subsidiaries, all wholly owned and incorporated in England, are:-

Dennis Hire & Leasing Limited (did not trade)
Environmental Vehicles Limited (did not trade)
Hestair Dennis Export Limited (did not trade)

HESTAIR SPECIALIST VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 JANUARY 1986
(continued)

10. STOCKS

	<u>1986</u>	<u>1985</u>
	£	£
Raw materials and consumables	5,116,409	7,466,000
Work in progress	1,993,410	1,021,000
Payments on account	(54,344)	(281,821)
Finished goods and goods for resale	<u>2,353,610</u>	<u>3,707,765</u>
	<u>£9,409,085</u>	<u>£11,912,944</u>

11. DEBTORS

	<u>1986</u>	<u>1985</u>
	£	£
Trade debtors	3,717,602	3,621,967
Amounts owed by group companies	6,716,917	2,331,152
Other debtors	203,110	16,687
Prepayments and accrued income	<u>182,627</u>	<u>251,362</u>
	<u>£10,820,256</u>	<u>£6,221,168</u>

12. CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	<u>1986</u>	<u>1985</u>
	£	£
Bank overdraft	2,231,000	4,460,730
Payments received on account	458,685	230,917
Trade creditors	8,923,559	9,217,837
Amounts owed to group companies	13,733,152	6,188,869
Other creditors	1,024,473	2,677,474
Other taxes and social security	1,136,734	1,071,018
Accruals and deferred income	<u>364,341</u>	<u>350,350</u>
	<u>£27,871,944</u>	<u>£24,197,195</u>

HESTAIX SPECIALIST VEHICLES LIMITEDNOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 JANUARY 1986
(continued)

13. CALLED UP SHARE CAPITAL

	<u>1986</u>	<u>1985</u>
Authorised, allotted and fully paid:		
200 ordinary shares of £1 each	<u>£200</u>	<u>£200</u>

14. RESERVES

	<u>Share premium account</u>	<u>Revaluation reserve</u>	<u>Profit and loss account</u>
	£	£	£
At 1 February 1985	1,199,900	4,043,354	(3,393,865)
Retained profit for the year	-	-	25,445
Released on sale of tangible fixed assets:	-	-	-
Freehold property (note 5)		(3,647,664)	
Plant and machinery and fixtures and fittings (note 4)		<u>(382,881)</u>	
At 31 January 1986	<u>£1,199,900</u>	<u>£12,809</u>	<u>(£3,368,420)</u>

15. CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

Contingent liabilities:

The company has given a guarantee in favour of Midland Bank PLC to secure a loan to the ultimate holding company and advances made from time to time to the company, the ultimate holding company and fellow subsidiaries.

The company has given, in the normal course of business, the following guarantees in respect of:

	<u>1986</u>	<u>1985</u>
	£	£
Acceptances and guarantees given by banks	90,611	-
Documentary credits	-	213,368
Performance bonds	980,157	629,271
Advance payment bonds	<u>329,023</u>	<u>-</u>
	<u>£1,399,791</u>	<u>£842,639</u>

HESTAIR SPECIALIST VEHICLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 JANUARY 1986
(continued)

15. CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS (continued)

Finance and operating leases:

Obligations under finance leases fall due for payment as follows:

	<u>1986</u>	<u>1985</u>
	£	£
Within one year	268,909	276,495
Between 2 and 5 years	494,047	358,779
Over 5 years	<u>113,441</u>	<u>-</u>
	876,207	635,274
Finance charges allocated to future years	<u>284,792</u>	<u>1,316</u>
	<u>£681,105</u>	<u>£15,958</u>

The payments under operating leases which are due to be made in the next financial year, analysed over the period, when the leases expire, are as follows:

	<u>1986</u>	<u>1985</u>
Expiring in that year	21,000	13,000
Expiring in 2 to 5 years	76,000	32,000
Expiring after 5 years	<u>232,000</u>	<u>202,000</u>
	<u>£329,000</u>	<u>£247,000</u>

16. ULTIMATE HOLDING COMPANY

Hestair plc, incorporated in England, is regarded by the directors as being the company's ultimate holding company.

17. EFFICIENCY OF ASSETS

The ultimate holding company has informed the company that it intends to make available the finance necessary for the continued operation of the company.

18. INFORMATION REGARDING DIRECTORS

Remuneration:	<u>1986</u>	<u>1985</u>
	£	£
Directors' emoluments amounted to:		
Remuneration as executives	122,782	148,722
Pensions, including past directors' pensions	<u>11,116</u>	<u>12,903</u>
Total charged in arriving at profit/(loss) on ordinary activities	<u>£133,898</u>	<u>£161,625</u>

HESTAIR SPECIALIST VEHICLES LIMITEDNOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 JANUARY 1986
(continued)

18. INFORMATION REGARDING DIRECTORS (continued)

Directors' remuneration, excluding pension contributions, is as follows:

	<u>1986</u>	<u>1985</u>
	£	£
Chairman	-	-
Highest paid director	31,643	32,915

Other directors' remuneration is within the following bands:

	<u>Number</u>	<u>Number</u>
£0 - £5,000	3	3
£5,001 - £10,000	1	-
£10,001 - £15,000	1	1
£15,001 - £20,000	1	1
£20,001 - £25,000	1	-
£25,001 - £30,000	1	2
£30,001 - £35,000	-	1

9. PARTICULARS OF EMPLOYEES

The average number of persons employed by the company during the year was:

	<u>1986</u>	<u>1985</u>
Category		
Manufacturing	480	478
Distribution and selling	119	111
Administration	<u>316</u>	<u>282</u>
	915	871

	£	£
Their total remuneration was:		
Wages and salaries	8,348,260	7,462,450
Social security costs	724,892	734,477
Other pension costs	<u>312,872</u>	<u>336,504</u>
	<u>£9,386,024</u>	<u>£8,533,431</u>

10. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved at a directors' meeting held on 27 May 1986.