

## Notes to the financial statements continued

## 24 Provisions for liabilities and charges

	Group Deferred tax £'000	Group Onerous leases £'000	Group Total £'000
<b>Summary of provisions</b>			
<b>At 24 June 2000 – as previously reported</b>	–	1,441	1,441
Prior period adjustment – FRS19	9,025	–	9,025
<b>At 24 June 2000 – as restated</b>	9,025	1,441	10,466
Expenditure in the period	–	(107)	(107)
Transfer from/(to) consolidated profit and loss account	105	(584)	(479)
<b>At 30 June 2001 – as restated</b>	<b>9,130</b>	<b>750</b>	<b>9,880</b>
Expenditure in the period	–	(33)	(33)
Transfer to consolidated profit and loss account	(804)	(443)	(1,247)
<b>At 29 June 2002</b>	<b>8,326</b>	<b>274</b>	<b>8,600</b>

	Company Deferred tax £'000	Company Onerous leases £'000	Company Total £'000
<b>Summary of provisions</b>			
<b>At 24 June 2000 – as previously reported</b>	–	1,441	1,441
Prior period adjustment – FRS19	9,020	–	9,020
<b>At 24 June 2000 – as restated</b>	9,020	1,441	10,461
Expenditure in the period	–	(107)	(107)
Transfer from/(to) consolidated profit and loss account	107	(584)	(477)
<b>At 30 June 2001 – as restated</b>	<b>9,127</b>	<b>750</b>	<b>9,877</b>
Expenditure in the period	–	(33)	(33)
Transfer to consolidated profit and loss account	(800)	(443)	(1,243)
<b>At 29 June 2002</b>	<b>8,327</b>	<b>274</b>	<b>8,601</b>

The provision for onerous leases is in respect of closed leasehold properties, from which the Group no longer trades, but is liable to fulfil rent and other property commitments up to the lease expiry date. If a property is sublet below the head rent, or for a period shorter than the remaining lease term, an asset has been netted from the provision. Obligations are payable within a range of 10 to 11 years (2001: 5 to 16 years), the weighted average being 11 years (2001: 13 years). Amounts have been provided on current rentals which, following a rent review, could require additional provision.

The amounts provided for deferred taxation at 30% (2001: 30%) were as follows:

	Group 2002 £'000	Group 2001 (restated) £'000	Company 2002 £'000	Company 2001 (restated) £'000
<b>Deferred tax analysed as:</b>				
Accelerated capital allowances	8,419	8,922	8,420	8,917
Other timing differences	(93)	208	(93)	210
<b>Deferred tax</b>	<b>8,326</b>	<b>9,130</b>	<b>8,327</b>	<b>9,127</b>

## 25 Share capital

	2002 £'000	2001 £'000
Authorised: 85,000,000 ordinary shares of 10 pence each	8,500	8,500
Issued and fully paid: 66,563,556 (2001: 66,561,307)	6,656	6,656

During the year no shares (2001: nil) were issued under the provisions of the Executive Share Option Scheme and 2,249 shares (2001: nil) under the Share Save Scheme representing a total nominal value of £225 (2001: £nil). The average price of the shares issued during the year was £0.75 (2001: £nil) and the aggregate consideration received was £1,687 (2001: £nil). Since the end of the period, no shares have been issued under the provisions of the Executive Share Option Scheme (2001: nil) and no shares have been issued under the Share Save Scheme (2001: nil).

**The Thorntons PLC 2001 Executive Share Option Scheme:**

Under the scheme Directors and Senior Managers may be granted options to acquire shares in the Company. The options are normally exercisable between three and ten years after the date of the grant. The scheme was approved by shareholders at the 2001 AGM. Options granted prior to this were done so under the Thorntons Executive Share Option Scheme and are normally exercisable between three and ten years after the date of grant.

**The Thorntons Share Save Scheme:**

This scheme enables eligible employees to acquire options over ordinary shares of the Company at a discount of 20% to market price in conjunction with a Save As You Earn contract. The options are exercisable within a period of six months commencing five years from the date of the savings contract.

## 25 Share capital (continued)

**Long Term Incentive Plan:**

This Scheme enables participants to receive shares for total consideration of £1 after three years, with the ultimate number of shares receivable depending on the performance of the Group.

Date of grant	Subscription price	Number of shares at 29 June 2002	Number of shares at 30 June 2001	Last date when options can be exercised
<b>Executive Schemes</b>				
3 November 1994	180p	57,065	76,176	2 November 2004
22 November 2001	90p	3,200,000	–	22 November 2011
12 March 2002	111p	1,090,100	–	12 March 2012
<b>Share Save Schemes</b>				
9 November 1995	119p	–	189,083	30 June 2001
8 November 1996	143p	138,602	148,975	30 June 2002
10 November 1997	206p	143,509	173,500	30 June 2003
9 November 1998	147p	268,121	318,244	30 June 2004
11 November 1999	160p	280,736	360,429	30 June 2005
6 November 2000	75p	866,520	1,041,480	30 June 2006
25 October 2001	67p	621,540	–	30 June 2007
<b>Long Term Incentive Plan</b>				
17 November 1998	–	–	283,243	17 November 2005
16 November 1999	–	275,000	313,513	16 November 2006
12 May 2000	–	40,000	40,000	12 May 2007
7 November 2000	–	460,000	520,000	7 November 2007

## 26 Reserves

	Group Share premium £'000	Group Revaluation reserves £'000	Group Profit and loss account £'000
<b>Summary of reserves</b>			
At 24 June 2000 – as previously reported	12,399	505	29,537
Prior period adjustment – FRS19	–	–	(9,025)
<b>At 24 June 2000 – as restated</b>	12,399	505	20,512
Retained profit for the period – as restated	–	–	25
<b>At 30 June 2001 – as restated</b>	12,399	505	20,537
Realised on property disposal	–	(20)	20
Retained profit for the period	–	–	2,917
New shares issued	1	–	–
<b>At 29 June 2002</b>	12,400	485	23,474

Revaluation reserves represent amounts in respect of investment properties of £nil (2001: £20,000) and other freehold properties of £485,000 (2001: £485,000).

	Company Share premium £'000	Company Profit and loss account £'000
<b>Summary of reserves</b>		
At 24 June 2000 – as previously reported	12,399	29,004
Prior period adjustment – FRS19	–	(9,020)
<b>At 24 June 2000 – as restated</b>	12,399	19,984
Retained profit for the period – as restated	–	159
<b>At 30 June 2001 – as restated</b>	12,399	20,143
Retained profit for the period	–	2,877
New shares issued	1	–
<b>At 29 June 2002</b>	12,400	23,020