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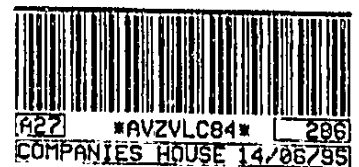
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153658

Appleyard Motor
Company Limited

Report and Accounts

31 December 1994



Appleyard Motor Company Limited

Registered No. 153658

DIRECTORS

M G Williamson (Chairman)
J R Atkin
P J Chambers
G Robinson
P Taylor
A I Ward
C A Welch
J M Anderson

SECRETARY

A I Ward

AUDITORS

Ernst & Young
PO Box 61
Cloth Hall Court
14 King Street
Leeds
LS1 2JN

BANKERS

Barclays Bank PLC
28 Park Row
Leeds
LS1 1PA

Midland Bank PLC
Bond Court
Leeds
LS1 1LL

Bank of Scotland
PO Box 152
110 St Vincent Street
Glasgow
G2 5EJ

SOLICITORS

Jacobsens
The Outer Temple
222 Strand
London
WC2R 1DE

REGISTERED OFFICE

Windsor House
Cornwall Road
Harrogate
HG1 2PW

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Appleyard Motor Company Limited

DIRECTORS' REPORT

The directors present their report and the accounts for the year ended 31 December 1994.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounts to £709,000. The directors have declared the following dividends during the year ended 31 December 1994:

	£000
Ordinary dividends:	
Interim	370
Final	356
	<hr/> 726

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company is the sale and service of motor vehicles.

The performance of the business was in line with expectations. New car volumes and margins remained under pressure, but this was offset by a strong improvement in used car sales and finance income. Overall, the directors consider that the 1994 performance was very satisfactory.

During the year the company acquired a number of new businesses: 3 dealerships from Whitworths Motor Holdings Limited; 4 dealerships from Lex Retail Group Limited; 2 dealerships from subsidiaries of Mists Group plc; a Peugeot dealership in Slough and a Citroen dealership in Bradford. The results from these businesses have been mixed, although they have now been integrated successfully and are expected to make an appropriate profit contribution in the future.

FIXED ASSETS

The changes in fixed assets during the year are summarised in notes 10 and 11.

DIRECTORS AND THEIR INTERESTS

The present directors of the company are shown on page 1. Mr C A Welch was appointed a director on 18 January 1994. Mr A I Ward was appointed a director on 23 March 1994, Mr P Taylor was appointed a director on 1 June 1994, and Mr J R Atkin was appointed a director on 14 July 1994, and Mr J M Anderson was appointed a director on 21 November 1994.

According to the register maintained as required under the Companies Act 1985, none of the directors who held office at the year end had any interest in the share capital of the company.

Mr M G Williamson, Mr P J Chambers, Mr P Taylor and Mr J R Atkin are directors of the ultimate parent undertaking, Appleyard Group PLC, and their interests in the share capital of that company are shown in its accounts.

Appleyard Motor Company Limited

DIRECTORS' REPORT

The interests of the other directors in the shares of Appleyard Group PLC were as follows:

	<i>At 31 December 1994</i>	<i>At 1 January 1994 or subsequent date of appointment</i>
Ordinary shares of 10p each:		
G Robinson	10,773	10,773
A I Ward	6,500	6,500
C A Welch	-	-
J M Anderson	-	5,000
Options:		
G Robinson	136,798	109,798
A I Ward	73,199	73,199
C A Welch	115,884	88,884
J M Anderson	94,112	94,112

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The company maintains liability insurance for its directors and officers as permitted by section 310 (3) of the Companies Act 1985.

AUDITORS

Ernst & Young were appointed auditors of the company in place of retiring auditors, Coopers & Lybrand, at the Annual General Meeting of the company held on 7 July 1994.

By order of the board

A I Ward
Secretary

10 March

1995

ERNST & YOUNG

Appleyard Motor Company Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 of the company for that period. In preparing those accounts, 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements.

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 accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS

to the members of Appleyard Motor Company Limited

We have audited the accounts on pages 6 to 19 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and on the basis of the accounting policies set out on pages 10 and 11.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

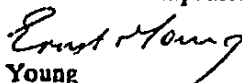
Basis of opinion

We conducted our audit in accordance with 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 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 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 at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young
Chartered Accountants
Registered Auditor
Leeds

26 April 1995

Appleyard Motor Company Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 1994

	Notes	1994 £000	1993 £000
TURNOVER	2		
Continuing operations		194,550	32,434
Acquisitions		57,281	-
		<u>251,831</u>	<u>32,434</u>
Cost of sales		225,971	29,071
Gross profit		<u>25,860</u>	<u>3,363</u>
Distribution costs		12,512	1,618
Administrative expenses		11,440	1,525
		<u></u>	<u></u>
OPERATING PROFIT			
Continuing operations		2,436	220
Acquisitions		(528)	-
	3	<u>1,908</u>	<u>220</u>
Interest receivable		338	39
Interest payable	6	(1,170)	(57)
Other income	7	-	1,699
		<u></u>	<u></u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,076	1,901
Tax on profit on ordinary activities	8	367	109
		<u></u>	<u></u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		709	1,792
Dividends	9	726	3,812
		<u></u>	<u></u>
DEFICIT FOR THE FINANCIAL YEAR		<u>(17)</u>	<u>(2,020)</u>

There were no recognised gains or losses other than the profit attributable to shareholders of the company of £709,000 in the year ended 31 December 1994 (1993 - £1,792,000).

Appleyard Motor Company Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 1994

STATEMENT OF MOVEMENTS ON RESERVES AND RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share capital £000	Share premium account £000	Revaluation reserve £000	Profit and loss account £000	Total share- holders' funds £000
Balance at 1 January 1993	297	8	1,886	4,672	6,863
Profit for the year	-	-	-	1,792	1,792
Dividends	-	-	-	(3,812)	(3,812)
Transfer from revaluation reserves to profit and loss account on disposal of properties	-	-	(1,118)	1,118	-
Transfer to revaluation reserve from profit and loss account representing unrealised profit	-	-	2,116	(2,116)	-
At 31 December 1993	297	8	2,884	1,654	4,843
Profit for the year	-	-	-	709	709
Dividends	-	-	-	(726)	(726)
Goodwill written off on acquisition of businesses	-	-	-	(2,763)	(2,763)
At 31 December 1994	297	8	2,884	(1,126)	2,063

ERNST & YOUNG

Appleyard Motor Company Limited

NOTE OF HISTORICAL COST PROFITS AND LOSSES for the year ended 31 December 1994

	<i>1994</i> <i>£000</i>	<i>1993</i> <i>£000</i>
Reported profit on ordinary activities before taxation	1,076	1,291
Realisation of property revaluation gains of previous years	-	1,119
Difference between historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	26	18
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1,102	3,038
HISTORICAL COST PROFIT/(DEFICIT) FOR THE YEAR AFTER TAXATION AND DIVIDENDS	9	(883)

ERNST & YOUNG

Appleyard Motor Company Limited

BALANCE SHEET

at 31 December 1994

	Notes	1994 £000	1993 £000
FIXED ASSETS			
Tangible assets	10	22,433	16,940
Investments	11	76	76
		<u>22,509</u>	<u>17,016</u>
CURRENT ASSETS			
Stocks	12	34,577	23,153
Debtors	13	9,252	7,434
Cash at bank and in hand		5,785	827
		<u>49,614</u>	<u>31,414</u>
CREDITORS: amounts falling due within one year	14	49,050	28,778
NET CURRENT ASSETS		<u>564</u>	<u>2,636</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		23,073	19,652
CREDITORS: amounts falling due after more than one year	15	20,970	14,687
PROVISION FOR LIABILITIES AND CHARGES	16	40	122
		<u>2,063</u>	<u>4,843</u>
CAPITAL AND RESERVES			
Called up share capital	17	297	297
Share premium account		8	8
Revaluation reserve		2,884	2,884
Profit and loss account		(1,126)	1,554
		<u>2,063</u>	<u>4,843</u>

ERNST & YOUNG

P Taylor - Director

20/3/

1995

P Taylor

Appleyard Motor Company Limited

NOTES TO THE ACCOUNTS

at 31 December 1994

ERNST & YOUNG

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention as modified by the revaluation of land and buildings and in accordance with applicable accounting standards.

Consolidated financial statements

The company is exempt under Section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements since it and its subsidiary undertakings are included in the consolidated financial statements of its ultimate parent company, Appleyard Group PLC.

Goodwill

Goodwill arising on acquisition, being the excess of the consideration over the fair value of the separable net assets acquired, is written off immediately to reserves in the period in which it arises.

Depreciation

Interests in freehold and long leasehold property are stated at a periodic professional valuation using an open market value for existing use basis. Surpluses arising on revaluation are credited to the revaluation reserve. Additions to property since the last valuation and other tangible fixed assets are stated at cost. Where appropriate, interest on funds used to finance property developments is included in cost.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation less estimated residual value of each asset evenly over its expected useful life as follows:

Freehold and long leasehold properties	-	80 years
Short leasehold properties	-	for the period of the lease
Motor vehicles	-	4 years
Plant and equipment	-	7 years

Investments

Investments in subsidiary undertakings are stated at cost less provision for any reduction in the value of net assets. Other investments are stated at cost unless in the opinion of the directors there has been a permanent diminution in the book value of the investments.

Stocks

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition after making due allowance for obsolete and slow moving items. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Vehicles on consignment

The company has adopted Financial Reporting Standard No. 5 and vehicles held on consignment from manufacturers are included in the balance sheet where it is considered that the company enjoys the benefits and carries the risk of ownership. The 1993 balance sheet has been amended accordingly.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is estimated that the timing differences will reverse.

Appleyard Motor Company Limited

NOTES TO THE ACCOUNTS

at 31 December 1994

1. ACCOUNTING POLICIES (continued)

Cash flow statements

The company is a wholly owned subsidiary undertaking of Appleyard Group PLC and the cash flows of the company are included in the consolidated cash flow statement of Appleyard Group PLC. Consequently the company is exempt under the terms of Financial Reporting Standard No. 1 from publishing a cash flow statement.

Pension costs

The company participates in group pension arrangements operated by Appleyard Group PLC. Contributions and pension costs are based on pension costs across the group as a whole. Pension costs are accounted for on the basis of charging the expected costs of providing pensions over the period during which the company benefits from the employees' services. The effects of variations from regular costs are spread over the expected remaining working lifetime of members of the scheme after making suitable allowances for future withdrawals. The company provides no other post retirement benefits to its employees.

Leasing commitments

Rentals paid under operating leases are charged to income on a straight line basis over the period of the lease. Assets held under finance leases and hire purchase contracts are capitalised and depreciated over their expected useful lives. The corresponding leasing commitments are shown as obligations to the lessor. The finance costs are charged to the profit and loss account using the sum of the digits method.

2. TURNOVER

Turnover, which is stated net of discounts and value added tax, comprises the total amounts receivable from the sale and service of motor vehicles.

All turnover was earned within the United Kingdom.

Turnover of continuing operations in 1994 includes £150,328,000 in respect of businesses acquired on 31 December 1993. Operating profit on these businesses in 1994 amounted to £2,901,000.

3. OPERATING PROFIT

This is stated after charging:

	1994 £000	1993 £000
Auditors' remuneration - audit services	36	16
Depreciation of owned fixed assets	853	134
Depreciation of fixed assets held under finance leases and hire purchase contracts	116	-
Operating lease rentals - plant and machinery	8	3
- land and buildings	819	147
	<u>819</u>	<u>147</u>

Auditors' remuneration for provision of non-audit services to the company was £21,000 (1993 - £Nil) of which £8,000 was paid to the company's former auditors.

Appleyard Motor Company Limited

NOTES TO THE ACCOUNTS

at 31 December 1994

4. DIRECTORS' REMUNERATION

	1994 £000	1993 £000
Emoluments (including pension contributions)	282	85

Directors' emoluments, excluding pension contributions, fell within the following ranges:

	1994 No.	1993 No.
£Nil - £ 5,000	6	3
£10,001 - £15,000	-	1
£65,001 - £70,000	-	1
£80,001 - £85,000	1	-
£150,001 - £155,000	1	-

The emoluments, excluding pension contributions, of the chairman were £Nil (1993 - £Nil) and those of the highest paid director were £153,000 (1993 - £69,000).

5. STAFF COSTS

	1994 £000	1993 £000
Wages and salaries	14,717	2,106
Social security costs	1,542	235
Other pension costs	407	19
	16,666	2,360

The average weekly number of employees during the year was 960 (1993 - 149).

6. INTEREST PAYABLE

	1994 £000	1993 £000
Bank loans and overdrafts wholly repayable within five years	758	95
Stock finance charges	389	57
Interest payable on finance leases and hire purchase contracts	23	-
	1,170	152
Less: interest capitalised	-	(95)
	1,170	57

Appleyard Motor Company Limited

NOTES TO THE ACCOUNTS

at 31 December 1994

7. OTHER INCOME

	1994 £000	1993 £000
Dividends received from subsidiary undertakings	-	1,699

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is made up as follows:

	1994 £000	1993 £000
Based on the profit for the year:		
Corporation tax at 33% (1993 - 33%)	436	126
Deferred taxation	(22)	-
	414	126
Adjustments relating to prior years:		
Corporation tax	13	(17)
Deferred taxation	(60)	-
	367	109

9. DIVIDENDS

	1994 £000	1993 £000
Ordinary		
- interim paid of £1.25 per share (1993 - £1.74)	370	2,061
- final paid of £1.20 per share (1993 - £1.48)	356	1,751
	726	3,812

Appleyard Motor Company Limited

NOTES TO THE ACCOUNTS at 31 December 1994

10. TANGIBLE FIXED ASSETS

	<i>Land and buildings £000</i>	<i>Plant and vehicles £000</i>	<i>Total £000</i>
Cost or valuation:			
At 1 January 1994	16,137	3,858	19,995
Additions	107	724	831
Arising on acquisitions	7,346	1,121	8,467
Disposals	(2,842)	(79)	(2,921)
At 31 December 1994	<u>20,748</u>	<u>5,624</u>	<u>26,372</u>
Depreciation:			
At 1 January 1994	568	2,487	3,055
Provided during the year	186	783	969
Disposals	(46)	(39)	(85)
At 31 December 1994	<u>708</u>	<u>3,231</u>	<u>3,939</u>
Net book value:			
At 31 December 1994	<u>20,040</u>	<u>2,393</u>	<u>22,433</u>
At 1 January 1994	<u>15,569</u>	<u>1,371</u>	<u>16,940</u>

Included in the freehold land and buildings is land valued at £1,274,000 which is not depreciated.

Within plant and machinery are assets held under finance leases and hire purchase contracts with a net book value of £72,000 (1993 - £Nil).

Cost or valuation at 31 December 1994 is represented by:

	<i>Land and buildings £000</i>	<i>Plant and vehicles £000</i>	<i>Total £000</i>
At valuation on 31 December 1989	3,163	-	3,163
At cost	17,585	5,624	23,209
	<u>20,748</u>	<u>5,624</u>	<u>26,372</u>

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

	<i>1994 £000</i>	<i>1993 £000</i>
Cost	17,864	13,253
Cumulative depreciation based on cost	661	493
Net book value based on cost	<u>17,203</u>	<u>12,760</u>

Appleyard Motor Company Limited

NOTES TO THE ACCOUNTS

at 31 December 1994

10. TANGIBLE FIXED ASSETS (continued)

Land and buildings at net book value comprise:

	1994 £000	1993 £000
Freehold	16,936	14,006
Long leasehold	2,662	1,102
Short leasehold	442	461
	<u>20,040</u>	<u>15,569</u>

11. INVESTMENTS

	Subsidiary undertakings £000	Other investments £000	Total £000
Cost:			
At 1 January 1994 and 31 December 1994	<u>76</u>	<u>112</u>	<u>188</u>
Provisions for diminution in value:			
At 1 January 1994 and 31 December 1994	<u>-</u>	<u>112</u>	<u>112</u>
Net book value:			
At 1 January 1994 and 31 December 1994	<u>76</u>	<u>-</u>	<u>76</u>

The company owns 100% of the ordinary share capital of the following subsidiary undertakings, all of which are registered in England and Wales.

Name of company	Description of shares held	Principal activity
City Motors (Oxford) Limited	Ordinary shares of £1 each	Non-trading
Oxford Motors Limited	Ordinary shares of £1 each	Non-trading
Chiltern Forecourts Limited	Ordinary shares of £1 each	Non-trading
Home Counties Finance Corporation Limited	Ordinary shares of £1 each	Non-trading

12. STOCKS

	1994 £000	1993 £000
Vehicles on consignment	14,376	10,047
New vehicles	4,335	4,100
Used and depot vehicles	12,505	6,899
Parts and other stocks	3,361	2,107
	<u>34,577</u>	<u>23,153</u>

Vehicles on consignment not included on the balance sheet amount to £5,637,000 (1993 - £2,832,000).

Appleyard Motor Company Limited

NOTES TO THE ACCOUNTS

at 31 December 1994

13. DEBTORS

	1994	1993
	£000	£000
Trade debtors	5,476	3,781
Amounts owed by group undertakings	72	127
Amounts owed by subsidiary undertakings	2,789	2,789
Amounts owed by associated undertaking	40	9
Corporation tax recoverable	74	74
Other debtors	126	240
Prepayments and accrued income	675	414
	<u>9,252</u>	<u>7,434</u>

The amounts owed by subsidiary undertakings fall due after more than one year (1993 - £2,789,000).

14. CREDITORS: amounts falling due within one year

	1994	1993
	£000	£000
Bank loans and overdrafts	1,081	-
Payments on account	1,978	704
Trade creditors	19,937	14,570
Vehicles on consignment	14,376	10,047
Obligations under finance leases and hire purchase contracts	67	-
Amounts owed to group undertakings	6,532	211
Amounts owed to associated undertaking	957	813
Current corporation tax	453	623
Other taxes and social security costs	1,590	335
Other creditors	81	13
Accruals	1,998	1,462
	<u>49,050</u>	<u>28,778</u>

15. CREDITORS: amounts falling due after more than one year

	1994	1993
	£000	£000
Other loans	17	-
Amounts owed to group undertakings	20,932	14,487
Obligations under finance leases and hire purchase contracts	21	-
Accruals and deferred income	-	200
	<u>20,970</u>	<u>14,687</u>

The obligations under finance leases and hire purchase contracts fall due between two and five years.

Appleyard Motor Company Limited

NOTES TO THE ACCOUNTS at 31 December 1994

16. PROVISION FOR LIABILITIES AND CHARGES

Deferred taxation provided in the accounts and the amounts not provided are as follows:

	1994 £000	Provided 1993 £000	1994 £000	Not provided 1993 £000
Capital allowances in advance of depreciation	1	120	-	-
Other timing differences	39	2	-	-
	<u>40</u>	<u>122</u>	<u>-</u>	<u>-</u>
Taxation on valuation surplus	-	-	215	236
Realised gains deferred	-	-	548	427
	<u>40</u>	<u>122</u>	<u>763</u>	<u>663</u>

17. SHARE CAPITAL

	1994 No.	Authorised 1993 No.	1994 £000	Allotted, called up and fully paid 1993 £000
Ordinary shares of 25p each	1,640,000	1,640,000	297	297

18. ACQUISITIONS

During the year the company acquired the trade and assets of a number of motor dealerships. The fair values attributable to the net tangible assets acquired were:

	Book value £000	Fair value adjustments £000	Provision for reorganisation £000	Fair value to the company £000
Tangible fixed assets	8,285	182	-	8,467
Stock	6,784	(61)	-	6,723
Debtors	2,538	(24)	-	2,514
Trade and other creditors	(4,595)	(33)	(474)	(5,102)
Net assets acquired	<u>13,012</u>	<u>64</u>	<u>(474)</u>	<u>12,602</u>
Acquisition costs				(830)
Goodwill				2,763
Cash consideration				<u>14,535</u>

Appleyard Motor Company Limited

NOTES TO THE ACCOUNTS

at 31 December 1994

18. ACQUISITIONS (continued)

Operating costs may be analysed between continuing operations and acquisitions as follows:

	Continuing operations £000	Acquisitions £000	1994 Total £000	1993 Continuing operations £000
Cost of sales	173,839	52,132	225,971	29,071
Distribution costs	9,521	2,991	12,512	1,618
Administrative expenses	8,754	2,686	11,440	1,425
	<u>18,275</u>	<u>5,677</u>	<u>23,952</u>	<u>3,143</u>

19. CAPITAL COMMITMENTS

	1994 £000	1993 £000
Contracted	566	-
Authorised by the directors but not contracted	550	239

20. PENSION COMMITMENTS

The company participates in a group pension scheme arrangement operated by Appleyard Group PLC. The pension scheme is a defined benefit final salary scheme which is funded at rates advised by an independent actuary on the assumption that investments returns will be 2% per annum higher than pay growth.

The pension cost is arrived at in accordance with SSAP 24 using the projected unit method and is determined by the scheme's actuary on the assumptions that annual investment returns will be 2.5% higher than pay growth, 4.5% higher than future dividend growth and 6.5% higher than increases to pensions in payment.

The latest actuarial valuation of the scheme was carried out as at 5 April 1992 and has been adjusted to take account of both the changes to advance corporation tax introduced in the March 1993 Budget. At 5 April 1992, using the assumptions adopted for SSAP 24, the market value of the asset and the recent experience in the pattern of early retirements, allowing for the effect of the above adjustments represented 108% of the value of the accrued benefits.

There is a charge to the profit and loss account for the year of £407,000 (1993 - £19,000). The pension prepayment has been included in the balance sheet of Appleyard Group PLC.

Appleyard Motor Company Limited

NOTES TO THE ACCOUNTS

at 31 December 1994

21. OTHER FINANCIAL COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows:

	1994 £000	Land and buildings 1993 £000	1994 £000	Other 1993 £000
Operating leases which expire:				
within one year	33	42	7	46
between two and five years	72	55	13	26
after more than five years	1,200	729	-	-
	<u>1,305</u>	<u>826</u>	<u>20</u>	<u>72</u>

22. CONTINGENT LIABILITY

The company has given guarantees in respect of the bank borrowings of fellow subsidiary undertakings.

The amount outstanding at 31 December 1994 which was covered by these guarantees was £12,827,000 (1993 - £8,587,000).

23. PARENT UNDERTAKING AND ULTIMATE PARENT COMPANY

The parent undertaking of the group of undertakings for which group accounts are drawn up and of which the company is a member is Appleyard Group PLC, registered in England and Wales, which is also the company's ultimate parent company.

Copies of the financial statements of Appleyard Group PLC may be obtained from The Secretary, Appleyard Group PLC, Windsor House, Cornwall Road, Harrogate HG1 2PW.