

**THE LCH GROUP PLC**

**REPORT OF THE DIRECTORS**

The Directors have pleasure in presenting their Report together with the audited financial statements of the Company and of the Group for the year ended 31st March 1995.

THE PRINCIPAL ACTIVITY of the Company is that of a Holding Company providing Group Administration Services.

THE RESULTS FOR THE YEAR are as disclosed in the attached financial statements.

Apart from the transfer from Revaluation Reserve on disposal of the freehold property, no other transfers are proposed by the Directors.

A DIVIDEND of £6.40 per share was paid to ordinary shareholders during the year.

Details of dividends paid to preference shareholders are set out in the attached financial statements.

DETAILS OF CHANGES IN THE FIXED ASSETS of the Company and of the Group are as shown in the attached financial statements.

THE DIRECTORS who served during the year and their interests in shares of the Company were as follows:-

	<u>31.3.1995</u>		<u>31.3.1994</u>	
	<u>Ordinary</u>	<u>Preference</u>	<u>Ordinary</u>	<u>Preference</u>
Mrs. M.H. Lewis (Died 9.6.1994)	-	-	-	75,000
B.M. Slavin, Esq.	8,917	10,038	8,917	10,038
Mrs. J. Slavin	8,908	10,038	8,908	10,038
J.H. Zamet, Esq.	8,917	10,038	8,917	10,038
Mrs. S. Zamet	8,908	10,038	8,908	10,038

THE AUDITORS, Messrs. Auerbach Hope, having indicated their willingness to continue, a resolution re-appointing them for a further term will be proposed at the forthcoming Annual General Meeting.

Registered Office:

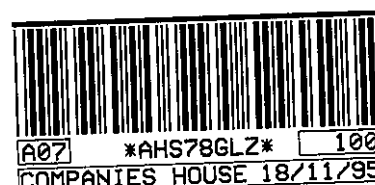
438 Upper Brentwood Road,  
Gidea Park,  
Romford, Essex RM2 6JE.

Approved by the Board of Directors  
and signed on their behalf by

B.M. Slavin

Secretary

7th November 1995



## THE LCH GROUP PLC

### 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 the Group and the Group's 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE AUDITORS TO THE MEMBERS OF**  
**THE LCH GROUP PLC**

We have audited the financial statements on pages 4 to 16 which have been prepared under the historical cost convention as modified by the revaluation of freehold properties and the accounting policies set out on page 9.

**Respective responsibilities of Directors and Auditors**

As described on page 2 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 and the Group'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 and the Group's affairs as at 31st March 1995 and of the Group's profit and cashflows for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

58-60 Berners Street

London W1P 4JS

7th November 1995

AUERBACH HOPE

REGISTERED AUDITOR

CHARTERED ACCOUNTANTS

**THE LCH GROUP PLC AND SUBSIDIARIES**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST MARCH 1995**

	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>1994</u> <u>£</u>
<b><u>TURNOVER</u></b>	1d		9,680,263	8,979,984
<b><u>COST OF SALES</u></b>			<u>(6,329,282)</u>	<u>(5,907,125)</u>
<b><u>GROSS PROFIT</u></b>			3,350,981	3,072,859
Distribution Costs		936,439		698,580
Administrative Expenses		<u>3,120,642</u>		<u>3,011,386</u>
			<u>(4,057,081)</u>	<u>(3,709,966)</u>
			<u>(706,100)</u>	<u>(637,107)</u>
Other Operating Income	2		<u>1,388,016</u>	<u>1,482,112</u>
<b><u>OPERATING PROFIT</u></b>	3		681,916	845,005
Investment Income and Interest Receivable	6		<u>19,954</u>	<u>63,269</u>
			701,870	908,274
Interest Payable	7		<u>(726,866)</u>	<u>(697,325)</u>
			<u>(24,996)</u>	<u>210,949</u>
<b><u>EXCEPTIONAL ITEM</u></b>	17		<u>272,500</u>	<u>-</u>
<b><u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u></b>			247,504	210,949
<b><u>TAX ON PROFIT ON ORDINARY ACTIVITIES</u></b>	8		<u>(113,167)</u>	<u>(79,905)</u>
<b><u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u></b>			134,337	131,044
Dividends Paid	9		<u>(325,182)</u>	<u>(170,363)</u>
<b><u>LOSS FOR THE YEAR</u></b>	16d		<u>(190,845)</u>	<u>(39,319)</u>
<b><u>LOSS FOR THE YEAR RETAINED BY:-</u></b>				
Holding Company - (Adverse Balance)			<u>(512,191)</u>	<u>(157,257)</u>
Subsidiaries			<u>321,346</u>	<u>117,938</u>
			<u>(190,845)</u>	<u>(39,319)</u>

All of the activities during the year are in respect of continuing operations.

The notes on pages 9 to 16 form part of these financial statements.

**THE LCH GROUP PLC AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 1995**

				As at <u>31.3.1994</u>	
	<u>Notes</u>	£	£	£	£
<b><u>FIXED ASSETS</u></b>					
Tangible Assets	10a		17,121,969		17,301,137
Investments in Subsidiary Company	11a		750,717		-
Investments in Associated Company	11b		<u>29</u>		<u>29</u>
			17,872,715		17,301,166
<b><u>CURRENT ASSETS</u></b>					
Stock	1b&12	1,619,350		1,554,415	
Debtors	13	2,267,840		2,039,343	
Cash at Bank and in Hand		<u>195,050</u>		<u>2,083,184</u>	
		4,082,240		5,676,942	
<b><u>CREDITORS: Amounts falling due within one year</u></b>	14	<u>(2,804,778)</u>		<u>(2,789,444)</u>	
<b><u>NET CURRENT ASSETS</u></b>			<u>1,277,462</u>		<u>2,887,498</u>
<b><u>TOTAL ASSETS LESS CURRENT LIABILITIES</u></b>			19,150,177		20,188,664
<b><u>CREDITORS: Amounts falling due after more than one year:-</u></b>					
Loans: due within two to five years		1,626,192		1,622,466	
due after five years		<u>7,527,500</u>		<u>8,327,500</u>	
			<u>(9,153,692)</u>		<u>(9,949,966)</u>
			<u>9,996,485</u>		<u>10,238,698</u>
<b><u>CAPITAL AND RESERVES</u></b>					
Called Up Share Capital	15		90,152		165,152
Share Premium Account	16a		418,612		418,612
Reserves on Consolidation	16b		238,922		238,922
Revaluation Reserves	16c		1,763,864		1,740,232
Profit and Loss Account	16d		<u>7,484,935</u>		<u>7,675,780</u>
			<u>9,996,485</u>		<u>10,238,698</u>

The financial statements were approved by the Board on 7th November 1995.

Signed on behalf of the Board of Directors

B. Slavin

J. Zamet

The notes on pages 9 to 16 form part of these financial statements.

**THE LCH GROUP PLC**  
**BALANCE SHEET AS AT 31ST MARCH 1995**

	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>As at</u> <u>31.3.1994</u>	<u>£</u>
<b><u>FIXED ASSETS</u></b>					
Tangible Assets	10b		48,196		48,505
Investments in Subsidiary Companies	11a		<u>1,428,071</u>		<u>677,354</u>
			1,476,267		725,859
<b><u>CURRENT ASSETS</u></b>					
Debtors	13	2,534,439		3,595,784	
Cash in Hand		<u>300</u>		<u>300</u>	
		2,534,739		3,596,084	
<b><u>CREDITORS: Amounts falling due within one year</u></b>	14	<u>(3,255,172)</u>		<u>(2,978,918)</u>	
<b><u>NET CURRENT (LIABILITIES)/ASSETS</u></b>			<u>(720,433)</u>		<u>617,166</u>
<b><u>TOTAL ASSETS LESS CURRENT LIABILITIES</u></b>			<u>755,834</u>		<u>1,343,025</u>
<b><u>CAPITAL AND RESERVES</u></b>					
Called Up Share Capital	15		90,152		165,152
Share Premium Account	16a		418,612		418,612
Profit and Loss Account	16d		<u>247,070</u>		<u>759,261</u>
			<u>755,834</u>		<u>1,343,025</u>

The financial statements were approved by the Board on 7th November 1995.

Signed on behalf of the Board of Directors

  
B. Slavin

  
J. Zamet

The notes on pages 9 to 16 form part of these financial statements.

THE LCH GROUP PLC AND SUBSIDIARIES  
CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST MARCH 1995

	<u>Note</u>	<u>£</u>	<u>£</u>	<u>1994</u> <u>£</u>	<u>£</u>
Operating Profit			681,916		845,005
Depreciation Charges			122,930		122,442
Profit on Sale of Tangible Assets			(22,607)		(7,616)
Increase in Stock			(64,935)		(170,214)
Increase in Debtors			(196,663)		(39,319)
Increase/(Decrease) in Creditors			<u>12,338</u>		<u>(145,947)</u>
<u>NET CASH INFLOW FROM CONTINUED</u> <u>OPERATING ACTIVITIES</u>			532,979		604,351
<u>RETURNS ON INVESTMENTS AND</u> <u>SERVICING OF FINANCE</u>					
Consideration Received under Deeds of Release from Tenants		272,500		-	
Interest Received		19,954		63,269	
Interest Paid		(707,163)		(700,603)	
Dividends Paid		<u>(325,182)</u>		<u>(170,363)</u>	
			(739,891)		(807,697)
<u>NET CASH OUTFLOWS FROM RETURNS ON</u> <u>INVESTMENTS AND SERVICING OF</u> <u>FINANCE</u>			(206,912)		(203,346)
<u>TAXATION</u>					
Corporation Tax Paid (including ACT)			<u>(67,552)</u>		<u>(411,415)</u>
			(274,464)		(614,761)
<u>INVESTING ACTIVITIES</u>					
Purchase of Fixed Assets		(116,698)		(171,418)	
Receipts from Sale of Tangible Fixed Assets		219,175		15,395	
Purchase of Subsidiary Undertaking		(750,717)		-	
Redemption of Preference Shares		<u>(75,000)</u>		<u>-</u>	
			<u>(723,240)</u>		<u>(156,023)</u>
			(997,704)		(770,784)
<u>FINANCING</u>					
Loan Term Loan (Repaid)/Advanced			<u>(796,274)</u>		<u>1,147,130</u>
<u>(DECREASE)/INCREASE IN CASH AND</u> <u>CASH EQUIVALENT</u>	18		<u>(1,793,978)</u>		<u>376,346</u>

The notes on pages 9 to 16 form part of these financial statements.

**THE LCH GROUP PLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31ST MARCH 1995**

	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
Loss for the Financial year		(190,845)	(39,319)
Unrealised Surplus on Revaluation of Freehold Property	10a&20	—	<u>551,168</u>
Total Recognised Gains and Losses Relating to the year		<u>(190,845)</u>	<u>511,849</u>

**NOTE TO HISTORICAL COST PROFITS AND LOSSES**

	<u>1995</u> £	<u>1994</u> £
Historical Cost Profit on Ordinary Activities before Taxation	<u>247,504</u>	<u>210,949</u>
Historical Cost Loss for the year retained after Taxation, Extraordinary Items and Dividends	<u>(190,845)</u>	<u>(39,319)</u>



## THE LCH GROUP PLC AND SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31ST MARCH 1995

#### 1. ACCOUNTING POLICIES

- a. The Financial Statements of the Company and of the Group have been prepared in accordance with the historical cost convention, except for the revaluation of freehold properties.

- b. Stock is valued at the lower of cost and net realisable value.

- c. Depreciation is provided on all Tangible Fixed Assets in order to write off the costs over their expected useful lives. The rates applicable are as follows:

Plant, Machinery and Equipment	33⅓% p.a. (on a reducing balance)
Motor Vehicles	33⅓% p.a. (on a reducing balance)

Short Leasehold properties are being written off over the period of the lease.

Freehold properties are not depreciated following revaluation.

- d. Turnover represents net sales to outside customers.

- e. Basis of Consolidation:-

The Group financial statements consolidate the financial statements made up to 31st March 1995 of the parent Company and its subsidiaries after eliminating internal transactions except for Craftsman Furniture Limited which was acquired on 6th January 1995, since that Company's accounting reference date was 31st December and no financial statements are available for the period to 31st March 1995.

No Profit and Loss Account is presented for The LCH Group Plc as provided by Section 228(7) of the Companies Act 1985.

- f. Foreign Currencies:-

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rates ruling at the date of the transactions. All differences are taken to the Profit and Loss Account.

#### 2. OTHER OPERATING INCOME

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Rent and Service Charges Receivable	1,365,409	1,474,496
Profit on Sale of Fixed Assets	<u>22,607</u>	<u>7,616</u>
	<u>1,388,016</u>	<u>1,482,112</u>

THE LCH GROUP PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1995

3. OPERATING PROFIT

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Operating Profit is stated after charging/(crediting):-		
Depreciation and Amortisation	122,930	122,442
Auditors' Remuneration	60,606	65,721
Hire of Plant and Machinery	1,071	549
Profit on Foreign Exchange	(4,035)	(103)
Profit on Disposal of Fixed Assets	<u>(22,607)</u>	<u>(7,616)</u>

4. EMPLOYEES AND DIRECTORS

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Staff costs, including Directors, during the year amounted to:-		
Wages and Salaries	1,933,788	1,727,275
Social Security Costs	165,739	174,454
Other Pension Costs	262,018	278,640
Redundancy Costs	<u>19,867</u>	<u>4,977</u>
	<u>2,381,412</u>	<u>2,185,346</u>

The average weekly number of employees, including Directors, during the year was under 250.

5. DIRECTORS

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Remuneration and Pension Contributions	<u>579,450</u>	<u>595,700</u>
Emoluments of Directors, excluding Pension Contributions	<u>355,000</u>	<u>355,000</u>
Chairman's Remuneration	<u>150,000</u>	<u>150,000</u>
Highest Paid Director	<u>150,000</u>	<u>150,000</u>

<u>Others</u>	<u>No.</u>	<u>No.</u>
£25,001 - £30,000	<u>2</u>	<u>2</u>

**THE LCH GROUP PLC AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1995**

6.	<b><u>INVESTMENT INCOME AND INTEREST RECEIVABLE</u></b>	<b><u>1995</u></b> <b><u>£</u></b>	<b><u>1994</u></b> <b><u>£</u></b>
	Bank Interest	15,276	56,169
	Other Interest	<u>4,678</u>	<u>7,100</u>
		<u>19,954</u>	<u>63,269</u>
7.	<b><u>INTEREST PAYABLE</u></b>	<b><u>1995</u></b> <b><u>£</u></b>	<b><u>1994</u></b> <b><u>£</u></b>
	On Bank Loans repayable after five years	607,845	590,209
	On Bank Loans, Overdrafts and Other Loan wholly repayable within five years	<u>119,021</u>	<u>107,116</u>
		<u>726,866</u>	<u>697,325</u>
8.	<b><u>TAXATION</u></b>	<b><u>1995</u></b> <b><u>£</u></b>	<b><u>1994</u></b> <b><u>£</u></b>
	U.K. Corporation Tax:- Based on profit for the year	<u>113,167</u>	<u>79,905</u>
9.	<b><u>DIVIDENDS</u></b>	<b><u>1995</u></b> <b><u>£</u></b>	<b><u>1994</u></b> <b><u>£</u></b>
	Paid:-		
	9% Second Redeemable Cumulative Preference Shares of £1 each	5,182	10,363
	£6.40 per share to Ordinary Shareholders	<u>320,000</u>	<u>160,000</u>
		<u>325,182</u>	<u>170,363</u>

**THE LCH GROUP PLC AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST MARCH 1995**

**10. TANGIBLE FIXED ASSETS**

<b>a. <u>Group</u></b>	<b><u>Freehold Land and Buildings</u></b>	<b><u>Short Leasehold Land and Buildings</u></b>	<b><u>Plant, Machinery and Equipment</u></b>	<b><u>Motor Vehicles</u></b>	<b><u>Total</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>	<b><u>£</u></b>	<b><u>£</u></b>	<b><u>£</u></b>
Cost/Valuation at 1.4.1994	17,026,671	71,818	805,995	477,186	18,381,670
Additions	-	-	34,965	81,733	116,698
Disposals	<u>(150,000)</u>	<u>-</u>	<u>(6,746)</u>	<u>(265,300)</u>	<u>(422,046)</u>
Cost/Valuation at 31.3.1995	<u>16,876,671</u>	<u>71,818</u>	<u>834,214</u>	<u>293,619</u>	<u>18,076,322</u>
<b><u>Depreciation</u></b>					
Aggregate Depreciation at 1.4.1994	-	6,505	680,696	393,332	1,080,533
Depreciation for the year	-	3,595	74,380	44,955	122,930
Deleted on Disposals	<u>-</u>	<u>-</u>	<u>(5,642)</u>	<u>(243,468)</u>	<u>(249,110)</u>
Aggregate Depreciation at 31.3.1995	<u>-</u>	<u>10,100</u>	<u>749,434</u>	<u>194,819</u>	<u>954,353</u>
Net Book Value at 31.3.1995	<u>16,876,671</u>	<u>61,718</u>	<u>84,780</u>	<u>98,800</u>	<u>17,121,969</u>
Net Book Value at 31.3.1994	<u>17,026,671</u>	<u>65,313</u>	<u>125,299</u>	<u>83,854</u>	<u>17,301,137</u>

The freehold land and buildings were revalued on 31st March 1994 by the Company's Directors with the benefit of professional advice and opinion. In the opinion of the Directors there has been no material change in the valuation since that date.

**b. Holding Company**

	<b><u>Plant, Machinery &amp; Equipment</u></b>	<b><u>Motor Vehicles</u></b>	<b><u>Total</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>	<b><u>£</u></b>
<b><u>Cost</u></b>			
At 1.4.1994	300,422	108,397	408,819
Additions	9,957	15,061	25,018
Disposal	<u>-</u>	<u>(4,150)</u>	<u>(4,150)</u>
At 31.3.1995	<u>310,379</u>	<u>119,308</u>	<u>429,687</u>
<b><u>Depreciation</u></b>			
At 1.4.1994	280,254	80,060	360,314
Charge for the year	10,040	14,467	24,507
Disposal	<u>-</u>	<u>(3,330)</u>	<u>(3,330)</u>
At 31.3.1995	<u>290,294</u>	<u>91,197</u>	<u>381,491</u>
Net Book Value at 31.3.1995	<u>20,085</u>	<u>28,111</u>	<u>48,196</u>
Net Book Value at 31.3.1994	<u>20,168</u>	<u>28,337</u>	<u>48,505</u>

# THE LCH GROUP PLC AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31ST MARCH 1995

11a.	<u>INVESTMENT IN SUBSIDIARY COMPANIES</u>	<u>Group</u> <u>1995</u> <u>£</u>	<u>Holding Company</u> <u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
	Shares at cost at 1.4.1994	-	677,354	677,354
	Acquired	<u>750,717</u>	<u>750,717</u>	-
	Shares at cost at 31.3.1995	<u>750,717</u>	<u>1,428,071</u>	<u>677,354</u>

The Company holds more than 10% of the equity capital of the following Companies:-

<u>Name</u>	<u>Country of Incorporation</u>	<u>Nature of Business</u>
British Hangers Limited	England	Manufacturers of Coathangers (Non trading)
Dinette Limited	England	Furniture Manufacturers, Importers and Distributors
J.B. Bruce Limited	England	Property Investment (Non trading)
Philip & Ward Limited	England	Importers and Distributors (Non trading)
Staunton Import Company Limited	England	Importers and Distributors (Non trading)
LCH Plastics Limited	England	Plastic Injection Moulders (Non trading)
Levine and Son Limited	England	Retailers and Distributors of Shop Fittings (Ceased trading in year)
LCH Properties Limited	England	Property Development and Investment
Rowland Griffiths Limited (Name changed to Russell Limited from 1.5.1995)	England	Property Dealing (Non trading)
H & L Russel Limited	England	Manufacturers of Coathangers and Distributors of Kitchenware
LCH Construction Limited	England	Property Investment
Glowline Limited	England	Agency Company (Non trading)
Craftsman Furniture Limited	England	Furniture Manufacturers

b. Investment in Associated Company  
Group

The investment in associated company relates to a 50% acquisition of shares at cost in C.E.T.A. doo a company incorporated in Slovenia and trading as a Buying Agent.

The investment in the associated company has not been included under the equity method of accounting, as C.E.T.A. doo is a substantially immaterial company in the Group and the information necessary for inclusion of the investment under equity accounting cannot be obtained without disproportionate expenses and undue delay.

**THE LCH GROUP PLC AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST MARCH 1995**

12.	<b><u>STOCKS</u></b>	<b><u>1995</u></b>		<b><u>1994</u></b>	
		<b><u>Group</u></b> <b><u>£</u></b>	<b><u>Company</u></b> <b><u>£</u></b>	<b><u>Group</u></b> <b><u>£</u></b>	<b><u>Company</u></b> <b><u>£</u></b>
	Raw Materials	196,353	-	194,646	-
	Work in Progress	97,425	-	46,476	-
	Finished Goods	<u>1,325,572</u>	<u>-</u>	<u>1,313,293</u>	<u>-</u>
		<u>1,619,350</u>	<u>-</u>	<u>1,554,415</u>	<u>-</u>
13.	<b><u>DEBTORS</u></b>	<b><u>1995</u></b>		<b><u>1994</u></b>	
		<b><u>Group</u></b> <b><u>£</u></b>	<b><u>Company</u></b> <b><u>£</u></b>	<b><u>Group</u></b> <b><u>£</u></b>	<b><u>Company</u></b> <b><u>£</u></b>
	Trade Debtors	1,910,746	-	1,794,075	-
	Amounts owed by Group Companies	-	2,387,652	-	3,551,423
	Advance Corporation Tax Recoverable	81,295	81,295	49,461	3,009
	Other Debtors	48,046	37,961	27,207	15,556
	Prepayments	<u>227,753</u>	<u>27,531</u>	<u>168,600</u>	<u>25,796</u>
		<u>2,267,840</u>	<u>2,534,439</u>	<u>2,039,343</u>	<u>3,595,784</u>

14. **CREDITORS**

**Amounts Falling Due Within One Year**

	<b><u>1995</u></b>		<b><u>1994</u></b>	
	<b><u>Group</u></b> <b><u>£</u></b>	<b><u>Company</u></b> <b><u>£</u></b>	<b><u>Group</u></b> <b><u>£</u></b>	<b><u>Company</u></b> <b><u>£</u></b>
Bank Overdrafts	456,688	456,688	550,844	177,903
Trade Creditors	276,101	-	342,245	6,135
Amounts owed to Group Companies	-	1,862,071	-	1,760,813
Corporation Tax	113,167	-	79,375	-
Advance Corporation Tax	80,000	80,000	36,343	1,504
Other Creditors including Taxation and Social Security	522,496	95,087	368,624	165,260
Accruals and Deferred Income	635,805	40,834	577,799	33,118
Directors' Current Accounts	<u>720,521</u>	<u>720,492</u>	<u>834,214</u>	<u>834,185</u>
	<u>2,804,778</u>	<u>3,255,172</u>	<u>2,789,444</u>	<u>2,978,918</u>

As at 31.3.1995, the bank overdrafts totalling £456,688 and loans totalling £9,153,692 are secured by way of charges over the assets owned by the Group.

**THE LCH GROUP PLC AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST MARCH 1995**

**15. SHARE CAPITAL**

	<u>1995</u>	<u>1994</u>
<u>Authorised</u>	<u>£</u>	<u>£</u>
50,000 Ordinary Shares of £1 each	50,000	50,000
40,000 9% First Redeemable Cumulative Preference Shares of £1 each	40,000	40,000
359,950 9% Second Redeemable Cumulative Preference Shares of £1 each	<u>359,950</u>	<u>359,950</u>
	<u>449,950</u>	<u>449,950</u>
 <u>Allotted, Issued and Fully Paid</u>		
50,000 Ordinary Shares of £1 each	50,000	50,000
115,152 9% Second Redeemable Cumulative Preference Shares of £1 each	<u>40,152</u>	<u>115,152</u>
	<u>90,152</u>	<u>165,152</u>

During the year 75,000 9% Second Redeemable Cumulative Preference Shares of £1 each were Redeemed on 28.2.1995.

The remaining 9% Second Redeemable Cumulative Preference Shares of £1 each are redeemable at any date fixed by the Company being not more than 6 months after the date of death of the shareholder concerned.

**16. RESERVES**

	<u>1995</u>		<u>1994</u>	
	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
a. <u>Share Premium Account</u>				
At 1.4.1994 and 31.3.1995	<u>418,612</u>	<u>418,612</u>	<u>418,612</u>	<u>418,612</u>
b. <u>Reserves on Consolidation</u>				
At 1.4.1994 and 31.3.1995	<u>238,922</u>	<u>-</u>	<u>238,922</u>	<u>-</u>
c. <u>Revaluation Reserves</u>				
At 1.4.1994	1,740,232	-	1,189,064	-
Transferred on Disposal	23,632	-	-	-
Revaluation Surplus	<u>-</u>	<u>-</u>	<u>551,168</u>	<u>-</u>
At 31.3.1995	<u>1,763,864</u>	<u>-</u>	<u>1,740,232</u>	<u>-</u>
d. <u>Profit and Loss Account</u>				
At 1.4.1994	7,675,780	759,261	7,715,099	916,518
Loss for the year	<u>(190,845)</u>	<u>(512,191)</u>	<u>(39,319)</u>	<u>(157,257)</u>
At 31.3.1995	<u>7,484,935</u>	<u>247,070</u>	<u>7,675,780</u>	<u>759,261</u>

THE LCH GROUP PLC AND SUBSIDIARIES  
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17. EXCEPTIONAL ITEM

This is in respect of consideration received under Deeds of Release from Tenants.

18. CASH AND CASH EQUIVALENT ANALYSIS

	<u>1995</u> £	<u>1994</u> £	<u>Change</u> <u>in Year</u> £
Cash at Bank and in Hand	195,050	2,083,184	(1,888,134)
Bank Overdraft	(456,688)	(550,844)	94,156
	<u>(261,638)</u>	<u>(1,532,340)</u>	<u>(1,793,978)</u>

19. CONTINGENT LIABILITIES

The Company has cross guarantees covering the bank overdrafts of H & L Russel Limited and Dinette Limited.

20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>1995</u> £	<u>1994</u> £
Loss for the year	(190,845)	(39,319)
Unrealised Surplus on Revaluation of Freehold Property	-	551,168
Redemption of Preference Shares	(75,000)	-
Transfer from Revaluation Reserve on Disposal of Freehold Property	23,632	-
Opening Shareholders' Funds	<u>10,238,698</u>	<u>9,726,849</u>
Closing Shareholders' Funds	<u>9,996,485</u>	<u>10,238,698</u>