

PA Consulting Services Limited Report and Accounts

Year Ended 31 December 1994



Creating Business Advantage

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Creating Business Advantage

PA Consulting Group is the leading international management and technology consultancy. We work with clients in industry, commerce and government to manage complex change and to create business advantage through:

- enhancing strategic thinking
- raising short-term performance
- using information effectively
- harnessing the power of technology
- achieving sustained customer satisfaction
- realising the potential of people

Located in 45 offices and two technology centres around the world, our 2,100 employees are of the highest calibre. Each of our consultants is at the forefront of his or her own field. PA combines a unique breadth of specialist expertise with the experience of working in truly interdisciplinary teams to address our clients' key business issues.

PA's success is based on our commitment to the creation of lasting business advantage for our clients.



Five Year Financial Summary

Extracts from the audited profit and loss accounts for each of the five years ended 31 December 1994 are set out below:

	<i>Year ended 31 December</i>				
	<i>1990</i> <i>£000</i>	<i>1991</i> <i>£000</i>	<i>1992</i> <i>£000</i>	<i>1993</i> <i>£000</i>	<i>1994</i> <i>£000</i>
Turnover	93,766	93,122	89,736	92,555	98,123
Personnel costs	<u>(68,749)</u>	<u>(68,857)</u>	<u>(65,250)</u>	<u>(66,937)</u>	<u>(67,267)</u>
Gross Profit	25,017	24,265	24,486	25,618	30,856
Administrative expenses	(21,189)	(21,196)	(18,010)	(18,999)	(20,239)
- Exceptional items	(3,906)	(3,882)	(5,070)	-	-
- Other operating expenditure	<u>(374)</u>	<u>(89)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating Profit/(Loss)	(452)	(902)	1,406	6,619	10,617
Net interest receivable/ (payable) and similar charges	<u>(1,106)</u>	<u>(50)</u>	<u>(1,321)</u>	<u>(876)</u>	<u>82</u>
Profit/(Loss) on Ordinary Activities before Taxation	(1,558)	(952)	85	5,743	10,699
Taxation	<u>70</u>	<u>(56)</u>	<u>(722)</u>	<u>(2,114)</u>	<u>(2,516)</u>
Profit/(Loss) on Ordinary Activities after Taxation	(1,488)	(1,008)	(637)	3,629	8,183
Dividends	-	(500)	-	-	(2,600)
Retained Profit/(Loss) for the Financial Year	<u>(1,488)</u>	<u>(1,508)</u>	<u>(637)</u>	<u>3,629</u>	<u>5,583</u>

Directors, Officers and Advisers

DIRECTORS

The present Directors of the Company are:

Peter Copping
David Coulter
Jon Moynihan
Michael Rappolt

Director
Group Finance and Legal Director
Group Chief Executive
Director

COMPANY SECRETARY

Peter Wade

ADVISERS

Auditors

Grant Thornton
Grant Thornton House
Melton Street, Euston Square
London NW1 2EP

Bankers

National Westminster Bank plc
3 Upper Street, Islington
London N1 9PH

Merchant Bankers

S.G. Warburg & Co. Ltd
2 Finsbury Avenue
London EC2M 2PA

Registrars

The Royal Bank of Scotland plc
Registrar's Department
PO Box No 82
Caxton House, Redcliffe Way
Bristol BS99 7NH

Solicitors

Baileys Shaw & Gillett
17 Queen Square
London WC1N 3RH

Clifford Chance
200 Aldersgate Street
London
EC1A 4JJ

Tax Advisers

Chiltern Financial Services plc
90 Tottenham Court Road
London W1P 0AA

Directors' Report

The Directors present their annual report together with the audited financial statements for the year ended 31 December 1994.

PRINCIPAL ACTIVITIES

The principal activities of the Company continue to be the provision of a range of consultancy services on a worldwide basis.

RESULTS AND DIVIDENDS

The results are set out in the attached financial statements.

The profit and loss account for the year ended 31 December 1994 is set out on page 8.

The profit for the year on ordinary activities after deducting taxation amounted to £8,183,458 (1993 £3,629,667).

The Directors recommend the payment of a dividend of £13.00 per share subject to approval by the members at the Annual General Meeting. The retained profit of £5,583,458 (1993 £3,629,667) has been transferred to reserves.

FIXED ASSETS

Changes in tangible fixed assets during the year are set out in Note 10 to the financial statements.

DIRECTORS

The present Directors of the Company are set out on page 3.

The following resignations of Directors took place during the financial year.

BG Houston resigned 31.3.94

DWL Wightman resigned 31.3.94

NH Rawlings resigned 31.3.94

PN Thornton resigned 14.2.94

JLN Walker resigned 14.2.94

BE Tindale resigned 31.3.94

DA Cook resigned 31.3.94

FF Willigsecker resigned 31.3.94

DIRECTORS' INTERESTS IN CONTRACTS

None of the Directors had a material interest in any significant contract with the Company, or any subsidiary undertaking at any time during the financial year.

DIRECTORS' INTERESTS IN SHARES OF THE HOLDING COMPANY

The interest of the Directors in the shares of the holding company, PA Holdings Limited, are shown in that company's financial statements.

SHARE OPTIONS

The interest of the Directors in the share options of the holding company, PA Holdings Limited, are shown in that company's financial statements.

DIRECTORS' AND OFFICERS' INSURANCE

The Company maintains insurance for the Directors and Officers of the Company in respect of liability attaching in the event of negligence, default, breach of duty or breach of trust of which they may be guilty in relation to the Company.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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 profit or loss of the Company 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 that the Company will continue in business.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

EMPLOYEE PARTICIPATION

The Company is dependent upon highly skilled specialist staff in all fields and their welfare is a high priority within the Company.

The Company recognises the benefits of keeping employees informed on matters affecting them as employees and on developments within the Company. This is achieved by frequent internal newsletters and regular meetings for all levels of staff.

The Company offers employees twice a year the opportunity to purchase shares through the Group's Internal Market.

DISABLED PERSONS

It is the Company's policy to give full consideration to applications for suitable employment by disabled persons. Opportunities also exist for employees of the Company who become disabled to continue in their employment or be trained for other positions in the Company's employment.

CLOSE COMPANY PROVISIONS

In the opinion of the Directors the Company is a close company within the meaning of the Income and Corporate Taxes Act 1988.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution for re-appointment of Grant Thornton as Auditors to the Company will be proposed at the forthcoming Annual General Meeting.

By order of the Board



P Wade
Secretary

7 April 1995

Report of the Auditors

TO THE MEMBERS OF PA CONSULTING SERVICES LIMITED

We have audited the financial statements on pages 8 to 19 which have been prepared under the accounting policies as set out on pages 11 and 12.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 5 the 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.

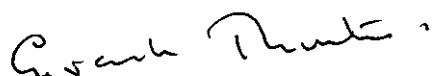
BASIS OF OPINION

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 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 affairs of the Company at 31 December 1994 and of the profit of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON

Registered Auditors

Chartered Accountants

London

7 April 1995

Profit and Loss Account

FOR THE YEAR ENDED 31 DECEMBER 1994

	<i>Note</i>	<i>1994</i> <i>£000</i>	<i>1993</i> <i>£000</i>
Turnover	2	98,123	92,555
Personnel costs		(67,267)	(66,937)
Gross Profit		<u>30,856</u>	<u>25,618</u>
Administrative expenses		(20,239)	(18,999)
Operating Profit	6	<u>10,617</u>	<u>6,619</u>
Net interest receivable/(payable) and similar charges	7	82	(876)
Profit on Ordinary Activities before taxation		<u>10,699</u>	<u>5,743</u>
Taxation	8	(2,516)	(2,114)
Profit on Ordinary Activities after Taxation		<u>8,183</u>	<u>3,629</u>
Dividend	9	(2,600)	-
Retained Profit for the Financial Year	20	<u>5,583</u>	<u>3,629</u>

The notes on pages 11 to 19 form part of these financial statements.

Balance Sheet

AS AT 31 DECEMBER 1994

	<i>Note</i>	1994 £000	1993 £000
Fixed Assets			
Tangible assets	10	25,758	25,649
Investments	11	344	87
		<u>26,102</u>	<u>25,736</u>
Current Assets			
Debtors	13	36,479	29,323
Cash at bank and in hand		7,453	496
		<u>43,932</u>	<u>29,819</u>
Creditors			
Amounts falling due within one year	14	(39,486)	(34,050)
Net Current Assets/(Liabilities)		<u>4,446</u>	<u>(4,231)</u>
Total Assets less Current Liabilities		30,548	21,505
Creditors			
Amounts falling due after more than one year	15	(2,783)	(304)
Provision for Liabilities and Charges	16	(6,374)	(5,429)
		<u>21,391</u>	<u>15,772</u>
Capital and Reserves			
Called up share capital	18	200	200
Other reserves	19	98	62
Profit and loss account	20	21,093	15,510
Shareholders' funds	21	<u>21,391</u>	<u>15,772</u>

The financial statements were approved by the Board of Directors on 7 April 1995.

JP Moynihan

DJ Coulter

Directors

The notes on pages 11 to 19 form part of these financial statements

Statement of Total Recognised Gains and Losses

AS AT 31 DECEMBER 1994

	<i>Note</i>	<i>1994</i> <i>£000</i>	<i>1993</i> <i>£000</i>
Retained profit for the financial year	20	5,583	3,629
Currency translation difference on foreign currency net investments	19	36	(91)
Total gains and losses recognised since last annual report		<u>5,619</u>	<u>3,538</u>

The notes on pages 11 to 19 form part of these financial statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 1994

1. ACCOUNTING POLICIES

(a) **Accounting Convention**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. In order to show a true and fair view a deferred tax asset has been accounted for as described in note 17. The principal accounting policies of the Company have remained unchanged from the previous year.

(b) **Tangible Fixed Assets**

Depreciation is provided to write off the cost less estimated residual value of all tangible fixed assets other than certain freehold land and buildings over their expected useful lives.

Freehold buildings: 2% – 2.5% on cost.

Property held on short lease: equal instalments over remaining period of lease unless the economic life of the asset is determined to be less than that of the lease.

Office furniture, machinery and equipment: 20% – 25% on cost.

Computer equipment: 20% – 33.33% on cost.

Motor vehicles: 25% on reducing balance.

(c) **Intangible Assets**

Intangible assets, other than goodwill, are written off to the profit and loss account in the year of purchase.

(d) **Deferred Taxation**

Deferred taxation is provided on the 'liability' method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes, except to the extent that the timing differences are expected to continue for the foreseeable future.

(e) **Fixed Asset Investments**

Investments are included as fixed assets and are shown at cost or Directors' valuation less provision for any diminution in value considered permanent.

(f) **Goodwill**

Purchased goodwill is written off to reserves in the year in which it arises.

(g) **Leasing**

Leased assets are accounted for in accordance with the provisions of Statement of Standard Accounting Practice No 21. Leases are classified into finance leases and operating leases. Assets leased under finance leases are capitalised and depreciated over the shorter of the lease term and the assets' economic useful lives. Operating lease rentals are charged to the profit and loss account, on a straight line basis over the term of the lease.

(h) **Pensions**

The pension costs charged to the profit and loss account in respect of defined benefit pension schemes are based on actuarial methods and assumptions designed to provide the anticipated pension costs over the service lives of the employees in the scheme and are calculated to achieve a substantially level percentage of the current and expected future pensionable payroll.

Variations from regular costs are allocated over a period approximating to the remaining service lives of current employees in the scheme.

(i) **Turnover**

Turnover represents the invoice value of fees earned excluding VAT or other sales taxes. Billing of work is based on time worked, or on a stage of completion of an assignment agreed previously with clients. Profits are taken on the same basis.

1. ACCOUNTING POLICIES (CONTINUED)

(i) Bonus Scheme

Bonuses are provided for at the maximum payment level. Where it is not possible to define the exact amount payable, the provision held in the financial statements will be sufficient to fully extinguish the Company's liability in respect of bonus scheme payments.

(k) Property

Provision is made for the difference between rents payable and rents receivable on all sub let space for the ensuing 3 years unless the lease expires within 3 years when we will provide up to the end of the lease.

2. SEGMENTAL INFORMATION

Turnover	1994 £000	1993 £000
Geographic analysis by market		
United Kingdom	63,814	66,309
Europe	20,718	10,407
Scandinavia	5,197	7,297
North America	4,326	5,421
Asia Pacific	4,068	3,121
	<u>98,123</u>	<u>92,555</u>

An analysis of profit before tax and net assets by geographic region is not provided because in the opinion of the Directors such analysis does not reflect the nature of the Company's activities.

3. STAFF COSTS

	1994 £000	1993 £000
Salaries	47,138	45,426
Social security costs	3,826	3,665
Pension costs	3,349	3,447
	<u>54,313</u>	<u>52,538</u>

This includes remuneration paid to the Directors of the Company.

The average number of employees including
Directors of the Company for the year was:

	<u>1,223</u>	<u>1,291</u>
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4. EMOLUMENTS OF DIRECTORS

	1994	1993
	£000	£000
Executive remuneration	1,724	2,086
Pension contributions	82	183
	<u>1,806</u>	<u>2,269</u>

The emoluments, excluding pension contributions, of Directors of the Company are detailed as follows:

	1994	1993
	£000	£000
Chairman	199	175
Highest paid Director in 1994	554	550
Other Directors received emoluments (excluding pension contributions) in the following ranges:		

£	1994	Number	1993
0 - 5,000	2		2
10,001 - 15,000	2		-
25,001 - 30,000	1		-
30,001 - 35,000	1		1
35,001 - 40,000	1		-
55,001 - 60,000	-		1
100,001 - 105,000	-		1
110,001 - 115,000	1		1
115,001 - 120,000	-		1
130,001 - 135,000	-		1
135,001 - 140,000	-		1
155,001 - 160,000	-		1
170,001 - 175,000	-		1
185,001 - 190,000	-		1
190,001 - 195,000	1		-
300,001 - 305,000	-		1
535,001 - 540,000	1		-

Included in the above Directors' emoluments are bonus amounts which are not necessarily payable in this calendar year. Such payments in later years to fund the exercise price of the options are mandatory.

5. PENSION COSTS

The Company operates a pension scheme for employees in the United Kingdom. The assets of the scheme are held in separate trustee administered funds or insurance based schemes. The pension costs relating to these defined benefit schemes are assessed in accordance with the advice of qualified actuaries. The total pension cost for the Company was £3.3 million (1993 £3.5 million).

In the United Kingdom the latest actuarial valuation was undertaken on 31 March 1993 using the projected unit credit method. The major assumptions used by the actuaries were: valuation rate of interest 9.7%, salary increases 7.1%, pension increases 5%, dividend growth 5%, price inflation 5%. The consequence of this was to reduce the funding rate to 10.6%. At 31 March 1993 the market value of the scheme's assets was £169.7 million and the actuarial value of the assets was sufficient to cover approximately 111% of the benefits which had accrued to members.

6. OPERATING PROFIT IS STATED AFTER CHARGING/(CREDITING)

	1994 £000	1993 £000
Directors' emoluments (note 4)	1,806	2,269
Auditors' remuneration	69	69
Other fees to auditors	40	9
Depreciation of tangible fixed assets	3,065	3,104
Hire of plant and equipment	480	649
Other operating lease charges	11,569	12,511
Exchange losses	58	44
Provision for future property losses (note 16)	3,423	2,863
Release of property provisions (note 16)	(2,478)	(4,410)

The amount provided in respect of future property losses represents losses on the subletting of offices already vacated by the Company and on subletting in part of its presently rented offices surplus to present requirements.

7. NET INTEREST RECEIVABLE/(PAYABLE) AND SIMILAR CHARGES

	1994 £000	1993 £000
On loans and overdrafts repayable within five years otherwise than by installments	(303)	(971)
On finance leases	(53)	(100)
Interest receivable	117	195
Investment income	321	-
	<u>82</u>	<u>(876)</u>

8. TAXATION

	1994 £000	1993 £000
Taxation based on profit for the year comprises:		
<i>United Kingdom</i>		
Corporation tax	4,765	1,501
Deferred taxation	(1,334)	-
Overseas taxation	-	182
Group relief	626	155
Adjustments relating to prior years	(1,541)	276
	<u>2,516</u>	<u>2,114</u>

UK Corporation tax has been provided at 33% (1993 - 33%).

9. DIVIDEND

	1994 £000	1993 £000
Dividend on ordinary shares		
Final dividend of £13.00 per share	<u>2,600</u>	<u>-</u>

10. TANGIBLE FIXED ASSETS

	Freehold land and buildings £000	Property held on short lease £000	Office furniture machinery & equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost at 1 January 1994	19,387	7,660	7,917	10,894	120	45,978
Additions	33	-	163	3,007	-	3,203
Disposals	-	-	(4,455)	(8,416)	(110)	(12,981)
At 31 December 1994	<u>19,420</u>	<u>7,660</u>	<u>3,625</u>	<u>5,485</u>	<u>10</u>	<u>36,200</u>
Depreciation at 1 January 1994	2,239	1,622	6,792	9,588	88	20,329
Charge for year	324	531	636	1,573	1	3,065
Disposals	-	-	(4,455)	(8,416)	(81)	(12,952)
At 31 December 1994	<u>2,563</u>	<u>2,153</u>	<u>2,973</u>	<u>2,745</u>	<u>8</u>	<u>10,442</u>
Net book value at 31 December 1994	16,857	5,507	652	2,740	2	25,758
Net book value at 31 December 1993	<u>17,148</u>	<u>6,038</u>	<u>1,125</u>	<u>1,306</u>	<u>32</u>	<u>25,649</u>

Included within disposals is computer equipment with a cost of £8,416,000 and a net book value of zero and office furniture and machinery equipment with a cost of £4,455,000 and a net book value of zero which were written out of the Company's books during the year.

Included within office furniture, machinery and equipment are assets held under finance leases. The net book value of all such assets held at 31 December 1994 amounted to £231,744. The 1994 depreciation charge relating to these assets was £240,255.

11. FIXED ASSET INVESTMENTS

	1994 £000	1993 £000
Long term unlisted investments	<u>344</u>	<u>87</u>

In the opinion of the Directors, the value of the unlisted investments is not less than cost.

Movement of Fixed Asset Investments

	£000
Balance at 1 January 1994	87
Additions	<u>257</u>
Balance at 31 December 1994	<u>344</u>

12. FIXED ASSET INVESTMENTS

Details of the principal subsidiary undertakings are as follows:

Name	Place of Incorporation/ Registration	Nature of Business
PA Advertising Limited	England and Wales	Advertising
PA Group Treasury Services Limited	England and Wales	Financial Services Systems

13. DEBTORS

	1994 £000	1993 £000
Due within one year:		
Trade debtors	13,371	14,071
Other debtors	408	558
Amounts due from group undertakings	18,101	12,177
Prepayments and accrued income	1,383	2,264
Deferred tax	344	—
	<u>33,607</u>	<u>29,070</u>
Due after more than one year:		
Other debtors	1,882	253
Deferred tax	990	—
	<u>36,479</u>	<u>29,323</u>

14. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	1994 £000	1993 £000
Bank loans and overdrafts	—	3,628
Trade creditors	4,780	3,978
Amounts due to group undertakings	7,688	7,559
Taxation	2,849	2,984
Social security	3,392	3,694
Other creditors and accruals	9,430	6,507
Proposed dividend	2,600	—
Bonuses	8,747	5,700
	<u>39,486</u>	<u>34,050</u>

15. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1994 £000	1993 £000
Finance lease creditors (note 24)	—	298
Bonuses	2,777	—
Other	6	6
	<u>2,783</u>	<u>304</u>

16. PROVISION FOR LIABILITIES AND CHARGES

	1994	1993
	£000	£000
Property	<u>6,374</u>	<u>5,429</u>

Property provisions comprise amounts set aside in respect of certain property leases which represent losses on subletting of offices already vacated by the Company and subletting part of its presently rented offices surplus to present requirements in accordance with the accounting policy.

The movement in the year on provisions comprises:

	Property £000
Balance at 1 January 1994	5,429
Charged to profit and loss account	3,423
Release of property provisions	<u>(2,478)</u>
Balance at 31 December 1994	<u>6,374</u>

17. DEFERRED TAX

Deferred taxation has been provided to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes, except to the extent that the timing differences are expected to continue for the foreseeable future.

'As acknowledged by the Accounting Standards Board in the amendment to SSAP 15, Accounting for Deferred Tax, it is difficult to justify a prohibition on deferred tax related to long term obligations being treated on a full provision basis, when both the long term obligations and the related tax continually roll over. Accordingly, in order to show a true and fair view, a deferred tax asset in relation to the deferred discretionary bonus remuneration has been accounted for on the balance sheet.'

Had a deferred tax asset in relation to the deferred discretionary bonus not been set up, the taxation charge in the profit and loss would have been increased by £990,000.

	1994	1993
	£000	£000
Analysis of deferred tax		
Liabilities		
Accelerated capital allowances	1,980	1,578
Assets		
Other timing differences	<u>(3,314)</u>	<u>(1,578)</u>
	<u>(1,334)</u>	<u>-</u>
Assets included as debtors (note 13)	1,334	-
Deferred taxation liabilities provided	<u>-</u>	<u>-</u>

There is no unprovided deferred taxation (1993: Nil)

18. CALLED UP SHARE CAPITAL

	1994 Number	1994 £	1993 Number	1993 £
Authorised: Ordinary shares of £1 each	250,000	250,000	250,000	250,000
Allotted, called up and fully paid	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>

19. OTHER RESERVES

	Exchange £000
Balance at 1 January 1994	62
Exchange adjustments	<u>36</u>
Balance at 31 December 1994	<u>98</u>

20. PROFIT AND LOSS ACCOUNT

	1994 £000	1993 £000
Balance at 1 January 1994	15,510	11,881
Retained profit for the year	<u>5,583</u>	<u>3,629</u>
Balance at 31 December 1994	<u>21,093</u>	<u>15,510</u>

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1994 £000	1993 £000
Profits for the financial year	8,183	3,629
Dividend	(2,600)	—
Other recognised gains and losses relating to the year	<u>36</u>	<u>(91)</u>
	5,619	3,538
Opening shareholders' funds	<u>15,772</u>	<u>12,234</u>
Closing shareholders' funds	<u>21,391</u>	<u>15,772</u>

22. CONTINGENT LIABILITIES

	1994 £000	1993 £000
Guarantees	<u>391</u>	<u>806</u>

23. OPERATING LEASE COMMITMENTS

The Company has commitments to pay operating lease rentals in the year following the balance sheet date, in respect of leases expiring within the period shown below as follows:

	1994 £000	1993 £000
Land and buildings		
Within one year	104	104
Between one and five years	565	477
Beyond five years	8,105	8,267
	<u>8,774</u>	<u>8,848</u>
Other operating leases		
Within one year	293	757
Between one and five years	2,242	2,420
Beyond five years	-	2
	<u>2,535</u>	<u>3,179</u>

24. FINANCE LEASE AND OTHER COMMITMENTS

The Company has obligations under finance leases due as follows:

	1994 £000	1993 £000
Finance leases:		
Within one year	298	271
Between two and five years	-	298
	<u>298</u>	<u>569</u>

Other Commitments

The Company has no material capital commitments as at 31 December 1994 (1993 - £nil).