

**DUTTON FORSHAW (LAND MACHINERY) LIMITED
AND SUBSIDIARIES**

**DIRECTORS' REPORT AND ACCOUNTS
30 SEPTEMBER 1994**

Registered number: 447678



DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 SEPTEMBER 1994

The Directors submit their Report together with the audited Accounts for the year ended 30 September 1994.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Group and the Company continues to consist of the distribution of agricultural, horticultural and forestry machinery and equipment. The Company trades via three agents, Watveare Limited, WestMac Limited and Land Mechanization Limited.

The Company's plans to increase market share in a number of areas coincided with further improvement in demand for some ranges of farm machinery which helped the Company to exceed its targets.

It is planned that 1994/95 will produce an improved trading year.

GROUP RESULTS AND DIVIDENDS

The Accounts for the year ended 30 September 1994 show an operating profit of £1,278,000 (1993: £676,000). After debiting exceptional items of £13,000 (1993: £45,000 credit) and charging interest of £154,000 (1993: £449,000) and taxation of £6,000 (1993: £Nil) there is a profit after taxation of £1,105,000 (1993: £272,000).

The Directors recommend the payment of a dividend for the year of £640,000 (1992: £78,000), and propose to transfer to reserves £465,000 (1993: £194,000). Details of the reserves are shown in the notes to the Accounts.

FIXED ASSETS

Details of the fixed assets and the changes which have taken place during the year are given in the notes to the Accounts.

DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

REPORT OF THE DIRECTORS (continued)

DIRECTORATE

The present Board of the Company is as set out below. All Directors served throughout the year.

JR Robinson	(Chairman)
TP Baines	(Managing Director)
KA Tuck	
PF Dredge	
AE Manning	
PW Carpenter	
PJ Flynn	

ET Weidmann, the previous Chairman, retired on 31 December 1993. In accordance with the Company's Articles of Association Messrs TP Baines, PF Dredge and AE Manning retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

No Director had at any time during the year a material interest in any contract of significance in relation to the Company's business.

The following are the interests in the share capital of the ultimate holding company, Lonrho Plc, all of which are beneficial, recorded in the Company's Register of Directors' Shares and Debenture interests.

	<u>Ordinary shares of 25p each</u>			
	<u>1 October</u>	<u>30 September</u>		
	<u>1993</u>	<u>1994</u>		
KA Tuck	11,675	11,675		
PF Dredge	1,749	1,749		
	<u>Shares under option</u>			
	<u>1 October</u>	<u>Exercised</u>	<u>Granted</u>	<u>30 September</u>
	<u>1993</u>	<u>or lapsed</u>	<u>in year</u>	<u>1994</u>
KA Tuck	29,304	-	1,500	30,804
PF Dredge	23,244	(832)	1,500	23,912
PW Carpenter	20,772	-	1,500	22,272
PJ Flynn	8,957	-	2,650	11,607

DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

REPORT OF THE DIRECTORS (continued)

DIRECTORS' INTERESTS (continued)

Options are held pursuant to one or more of the share option schemes of Lonrho Plc and are over Ordinary shares of 25p each of that company. Options are exercisable between 1994 and 2004 at prices of between 60.4p and 259.5p per share.

No interests of any of the other Directors are disclosable to this Company.

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 of 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 to presume that the Company 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the year the Group maintained Directors' and Officers' Liability Insurance cover.

EMPLOYMENT OF DISABLED PERSONS

The Group gives full and fair consideration to applications for employment received from disabled persons, having regard to their particular aptitudes and abilities, and wherever possible the Group continues the employment of, and arranges for the appropriate training for, employees who become disabled persons while employed by the Group. Disabled employees are treated no differently from other employees as regards training, career development and promotion opportunities. This policy was operated by the Group throughout the year.

DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

REPORT OF THE DIRECTORS (continued)

EMPLOYEE INVOLVEMENT

Each Company has arrangements to regularly provide employees with information regarding the financial and economic factors affecting the performance of the Company and on matters of concern to them. Additionally, regular consultations take place with employees so that the views of employees can be taken into account in making decisions which are likely to affect their interests. The companies within the group continue to encourage the involvement of employees in the Company's performance by promotion of the Lonrho Plc savings related share option scheme and encourages all eligible employees to participate therein.

AUDITORS

The Company's auditors, Price Waterhouse, have indicated their willingness to continue in office. A resolution for the re-appointment of Price Waterhouse as auditors of the Company will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



PF Dredge
Secretary

6 December 1994

Ivybridge, Devon

Price Waterhouse



**AUDITORS' REPORT TO THE SHAREHOLDERS OF
DUTTON FORSHAW (LAND MACHINERY) LIMITED**

We have audited the financial statements on pages 6 to 25, which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 10 to 12.

Respective responsibilities of directors and auditors

As described on page 3 the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on the 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 judgments made by the directors in the preparation of the financial statements, 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 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 and the Group as at 30 September 1994 and of the profit of the Company and of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

PRICE WATERHOUSE

Chartered Accountants
and Registered Auditors

6 December 1994

DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1994

	<u>Note</u>	<u>1994</u> £'000	<u>1993</u> £'000
TURNOVER	2	33,556	27,512
OPERATING PROFIT	3	1,278	676
EXCEPTIONAL ITEMS	9	(13)	45
PROFIT BEFORE INTEREST AND TAXATION		1,265	721
Interest - net	4	(154)	(449)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	1,111	272
Taxation	8	(6)	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,105	272
DIVIDENDS		(640)	(78)
RETAINED PROFIT TRANSFERRED TO RESERVES	19	465	194

There is no material difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis. All items derive from continuing operations.

The notes on pages 10 to 25 form part of these accounts.

DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

COMPANY PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1994

	<u>Note</u>	<u>1994</u> £'000	<u>1993</u> £'000
TURNOVER	2	33,502	27,467
OPERATING PROFIT	3	1,278	676
EXCEPTIONAL ITEMS	9	(13)	45
PROFIT BEFORE INTEREST AND TAXATION		1,265	721
Interest - net	4	<u>(154)</u>	<u>(449)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,111	272
Taxation	8	<u>(6)</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,105	272
DIVIDEND		<u>(640)</u>	<u>(78)</u>
RETAINED PROFIT TRANSFERRED TO RESERVES	19	<u>465</u>	<u>194</u>

There is no material difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis. All items derive from continuing operations.

The notes on pages 10 to 25 form part of these accounts.

DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 SEPTEMBER 1994

	<u>Group</u>		<u>Company</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£'000	£'000	£'000	£'000
Profit for the financial year	1,105	272	1,105	272
	—	—	—	—
Total recognised gains and losses relating to the year	<u>1,105</u>	<u>272</u>	<u>1,105</u>	<u>272</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 30 SEPTEMBER 1994

	<u>Group</u>		<u>Company</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£'000	£'000	£'000	£'000
Profit for the financial year	1,105	272	1,105	272
Dividends	<u>(640)</u>	<u>(78)</u>	<u>(640)</u>	<u>(78)</u>
	465	194	465	194
Goodwill written-back/(written-off)	<u>41</u>	<u>(657)</u>	<u>41</u>	<u>(657)</u>
Net addition to shareholders' funds	506	(463)	506	(463)
Opening shareholders' funds	<u>2,854</u>	<u>3,317</u>	<u>2,854</u>	<u>3,317</u>
Closing shareholders' funds	<u>3,360</u>	<u>2,854</u>	<u>3,360</u>	<u>2,854</u>

DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

BALANCE SHEETS 30 SEPTEMBER 1994

		Group		Company	
	Note	1994 £'000	1993 £'000	1994 £'000	1993 £'000
FIXED ASSETS					
Tangible assets	10	1,484	1,679	1,484	1,679
Investments:					
Subsidiary undertakings	11	—	—	313	313
		1,484	1,679	1,797	1,992
CURRENT ASSETS					
Stocks	12	3,693	4,067	3,693	4,067
Debtors	13	3,172	3,685	3,147	3,659
Cash at bank and in hand		<u>3,503</u>	<u>2,496</u>	<u>3,503</u>	<u>2,496</u>
		10,368	10,248	10,343	10,222
CREDITORS: Amounts falling due within one year	14	<u>(8,101)</u>	<u>(8,681)</u>	<u>(8,389)</u>	<u>(8,968)</u>
NET CURRENT ASSETS		<u>2,267</u>	<u>1,567</u>	<u>1,954</u>	<u>1,254</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,751	3,246	3,751	3,246
CREDITORS: Amounts falling due after more than one year	15	<u>(391)</u>	<u>(392)</u>	<u>(391)</u>	<u>(392)</u>
		3,360	2,854	3,360	2,854
CAPITAL AND RESERVES					
Called up share capital	18	30	30	30	30
Revaluation reserve	19	2	2	2	2
Profit and loss account	19	<u>3,328</u>	<u>2,822</u>	<u>3,328</u>	<u>2,822</u>
		3,360	2,854	3,360	2,854

Approved on behalf of the Board on 6 December 1994

PF Dredge

DIRECTOR

6 December 1994

The notes on pages 10 to 25 form part of these accounts.

DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS

1 STATEMENT ON ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Group's accounts.

Basis of accounting

The accounts are prepared under the historical cost convention adjusted by the revaluation of certain assets and in accordance with applicable accounting standards.

Consolidation of Group Companies

The consolidated accounts comprise the accounts of the Company and its subsidiaries, which are all made up to 30 September 1994. The results of subsidiaries acquired during the year are included from the date of acquisition. Where the cost of acquisition differs from the adjusted value of net assets acquired the goodwill or surplus is placed to reserves. The subsidiaries are shown in Note 11.

Exchange rates

Foreign currency assets and liabilities are translated into sterling on the following basis:

- a) amounts covered by forward purchases of foreign currency or by currency exposure agreements with suppliers - at the rates obtained.
- b) amounts not covered by forward purchases of foreign currency - at the rates ruling at 30 September.

Adjustments due to fluctuations arising in the normal course of trade are included in profit before tax.

Profits/(losses) on disposal of assets

Profit and losses on disposal of fixed assets arising from the ordinary activities of the Group are included in profit before tax as exceptional items.

DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

1 STATEMENT ON ACCOUNTING POLICIES (continued)

Depreciation

The Group policy is to write off the book value of fixed assets evenly over their estimated remaining life. Depreciation rates are determined in accordance with commercial practice for the industry concerned. The major fixed assets are depreciated as follows:

Freehold buildings	2% of cost
Plant and machinery	10%-20% of cost
Motor vehicles	25% of cost
Fixtures, fittings, tools and equipment	10%-33% of cost

No depreciation is provided on freehold land.

Pensions

The Group is a member of the Lonrho Automotive and Machinery Group Pension Plan. The Scheme is a defined benefit scheme for all eligible employees, the assets of which are held in separate, trustee administered funds.

Independent actuaries prepare valuations of the defined benefit pension schemes at least every three years and in accordance with their recommendations the Group makes contributions which are charged to profits on a systematic and rational basis over the expected remaining working life of the employees. Any differences between the actuarial valuation and the value of the assets in the scheme are similarly charged or credited to profit before tax over the expected remaining working life of employees in the scheme.

Deferred tax

Deferred tax is calculated under the liability method and is only provided where it is anticipated to be payable within the foreseeable future.

Leases

The cost of assets held under finance leases is capitalised within the appropriate tangible fixed asset heading and depreciation is provided in accordance with the accounting policy for the category of asset concerned. The interest cost is charged over the term of the lease and the capital element of future lease payments is included in creditors.

The cost of operating leases is charged to profit before tax as incurred.

DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

1 STATEMENT ON ACCOUNTING POLICIES (continued)

Revaluation of fixed assets

It is Group policy to review regularly the value of fixed assets and, if it is considered appropriate, to obtain independent professional valuations which are incorporated into Group accounts.

Depreciation is charged to profit before tax on the revised book value from the date of valuation. If the valuation is in excess of the net book value of the relevant asset the surplus is credited to revaluation reserve. A deficit on valuation of a particular asset is charged to profit before tax to the extent that it is not covered by surpluses arising on prior valuations of that asset which have been previously credited to revaluation reserve.

Stock and work in progress

Stock and work in progress is stated at the lower of cost and net realisable value. Where relevant, cost includes an appropriate share of overheads.

Fixed asset - investments

Investments are included at cost less, where appropriate, amounts written off or provided. The value of investments is reviewed annually by the Directors and provision made where it is considered that there has been permanent impairment of value.

DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

2 TURNOVER

Turnover represents sales of goods and services outside the Group, net of discounts, allowances and value added tax.

The only activity of the Group is the distribution of agricultural, horticultural and forestry machinery and equipment.

There was no significant turnover from sales outside the UK.

3 OPERATING PROFIT/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(a) Operating profit

Operating profit is as follows:

	<u>Group</u>		<u>Company</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£'000	£'000	£'000	£'000
Turnover	33,556	27,512	33,502	27,467
Cost of sales	<u>(26,952)</u>	<u>(21,882)</u>	<u>(26,928)</u>	<u>(21,862)</u>
Gross profit	6,604	5,630	6,574	5,605
Distribution costs	(2,839)	(2,862)	(2,839)	(2,862)
Administrative expenses	(2,187)	(1,792)	(2,187)	(1,792)
Management charges	(300)	(300)	(300)	(300)
Other operating income	<u>-</u>	<u>-</u>	<u>30</u>	<u>25</u>
	<u>1,278</u>	<u>676</u>	<u>1,278</u>	<u>676</u>

(b) Profit on ordinary activities before taxation

	<u>1994</u>	<u>1993</u>
	£'000	£'000
Profit on ordinary activities before taxation is stated after charging:		
Company and Group		
Operating lease charges - plant and machinery	148	106
Depreciation of tangible fixed assets (Note 5)	220	292
Provision for permanent diminution in value of assets acquired (note 10)	88	-
Auditors' remuneration	43	51
	<u>499</u>	<u>449</u>

The profit on ordinary activities before taxation arises from the group's only activity of distributing agricultural, horticultural and forestry machinery and equipment in the United Kingdom.

DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

4 INTEREST

	<u>1994</u> £'000	<u>1993</u> £'000
Company and Group		
Interest payable:		
On bank loans, overdrafts and other loans wholly repayable within five years	140	375
On finance leases	10	6
On bills of exchange	<u>70</u>	<u>79</u>
	220	460
	<u> </u>	<u> </u>
Interest receivable:		
Third party	(66)	(11)
	<u> </u>	<u> </u>
Net interest	154	449
	<u> </u>	<u> </u>

5 DEPRECIATION

Company and Group

Depreciation of tangible fixed assets

- owned	183	263
- held under finance leases	<u>37</u>	<u>29</u>
	220	292
	<u> </u>	<u> </u>

DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

6 EMOLUMENTS OF DIRECTORS

	<u>1994</u>	<u>1993</u>
	£'000	£'000
Executive remuneration, including benefits in kind	271	241
	<u> </u>	<u> </u>

The following table shows the number of Directors whose duties were wholly or mainly discharged in the United Kingdom and whose emoluments, which include benefits in kind but exclude pension contributions, fell within the ranges stated.

	<u>1994</u>	<u>1993</u>
£0 - £5,000	1	2
£30,001 - £35,000	-	-
£35,001 - £40,000	-	2
£40,001 - £45,000	2	2
£45,001 - £50,000	2	-

Neither Chairman received emoluments during the year (1993: £Nil) and the highest paid Director received emoluments of £94,479 (1993: £80,750). These are not included in the above bandings.

7 STAFF NUMBERS AND COSTS

The average number of persons employed by the Group and Company during the year was as follows:

	<u>1994</u>	<u>1993</u>
Sales	85	85
Productive	30	30
Administrative/managerial	<u>25</u>	<u>25</u>
	140	140
	<u> </u>	<u> </u>

The aggregate payroll cost was as follows:

	<u>1994</u>	<u>1993</u>
	£'000	£'000
Company and Group		
Wages and salaries	2,149	1,994
Social security costs	174	162
Other pension costs (Note 23)	<u>30</u>	<u>67</u>
	2,353	2,223
	<u> </u>	<u> </u>

DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

8 TAXATION

	<u>1994</u>	<u>1993</u>
	£'000	£'000
Company and Group		
Corporation tax at 33% (1992: 33%)	-	-
Adjustment to prior years	6	-
	<u>6</u>	<u>-</u>

The charge for tax for the Company and the Group has been increased and reduced by the following items:

- (1) Increased in respect of timing differences and disallowable items totalling £244,000 (1993: £39,000 reduction).
- (2) Reduced in respect of group relief of £1,237,000 to be surrendered by other Lonrho Group companies for no consideration (1993: £271,000 reduction).

9 EXCEPTIONAL ITEMS

	<u>Group</u>		<u>Company</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£'000	£'000	£'000	£'000
Profits/(losses) on disposal of fixed assets	(13)	45	(13)	45
	<u>(13)</u>	<u>45</u>	<u>(13)</u>	<u>45</u>

DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

10 TANGIBLE FIXED ASSETS

<u>Group</u>	<u>Freehold Land and buildings</u> £'000	<u>Motor vehicles, plant and machinery</u> £'000	<u>Fixtures fittings and equipment</u> £'000	<u>Total</u> £'000
<u>Cost or valuation</u>				
At 30 September 1993	1,148	915	884	2,947
Transfer from fellow subsidiary	513	-	-	513
Adjustment on revaluation	(88)	-	-	(88)
Additions	31	-	199	230
Disposals	(598)	(53)	(321)	(972)
	—	—	—	—
At 30 September 1994	1,006	862	762	2,630
	—	—	—	—
<u>Depreciation</u>				
At 30 September 1993	53	502	713	1,268
Disposals	(23)	(51)	(268)	(342)
Charge for the year	22	24	174	220
	—	—	—	—
At 30 September 1994	52	475	619	1,146
	—	—	—	—
<u>Net book amount</u>				
At 30 September 1994	954	387	143	1,484
	—	—	—	—
At 30 September 1993	1,095	413	171	1,679
	—	—	—	—

DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

10 TANGIBLE FIXED ASSETS (continued)

<u>Company</u>	<u>Freehold Land and buildings</u> £'000	<u>Motor vehicles, plant and machinery</u> £'000	<u>Fixtures, fittings and equipment</u> £'000	<u>Total</u> £'000
<u>Cost or valuation</u>				
At 30 September 1993	1,180	1,007	985	3,172
Transfer from fellow subsidiary	591	-	-	591
Adjustment on revaluation	(88)	-	-	(88)
Additions	31	-	199	230
Disposals	(630)	(53)	(321)	(1,004)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 1994	1,084	954	863	2,901
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>				
At 30 September 1993	85	594	814	1,493
Transfer from fellow subsidiary	78	-	-	78
Disposals	(55)	(51)	(268)	(374)
Charge for the year	22	24	174	220
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 1994	130	567	720	1,417
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Net book amount</u>				
At 30 September 1994	954	387	143	1,484
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 1993	1,095	413	171	1,679
	<hr/>	<hr/>	<hr/>	<hr/>

At 30 September 1994 the net book amount of fixed assets held by the Group and Company under finance leases was £72,000 (1993: £144,000).

DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

10 TANGIBLE FIXED ASSETS (continued)

Assets shown below at valuation were valued by independent professional valuers on the basis of open market value with vacant possession. The 1994 valuation was carried out by an independent Chartered Surveyor.

<u>Group</u>	<u>Freehold land and buildings</u> £'000	<u>Motor vehicles, plant and machinery</u> £'000	<u>Fixtures, fittings and equipment</u> £'000	<u>Total</u> £'000
1985 valuation	150	-	-	150
1994 valuation	425	-	-	425
Cost	431	862	762	2,055
	<hr/>	<hr/>	<hr/>	<hr/>
	1,006	862	762	2,630
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation:				
1985 Valuation	15	-	-	15
1994 Valuation	-	-	-	-
Cost	37	475	619	1,131
	<hr/>	<hr/>	<hr/>	<hr/>
	52	475	619	1,146
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Historical cost of revalued assets</u>				<u>Freehold land and buildings</u> £'000
Cost				647
Depreciation				(15)
Net book value at 30 September 1994				632
				<hr/>
Cost				142
Depreciation				(33)
Net book value at 30 September 1993				109
				<hr/>

DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

11 SUBSIDIARY UNDERTAKINGS

	<u>Shares</u> £'000
Cost at 30 September 1993	313
Disposal of Western Tydens Limited	-
	<hr/>
	313
	<hr/>

All investments in subsidiaries are carried in the books at their cost or fair value at acquisition, there having been no subsequent provisions made against the carrying value of investments.

The principal subsidiary undertakings are:

<u>Name of Company</u>	<u>Activity</u>	<u>Country of Registration</u>	<u>Class of share</u>	<u>% held</u>
Shellglade Advertising Limited	Advertising agency	UK	Ordinary	100
JF (GB) Limited	Agricultural machinery distribution	UK	Ordinary	100
Land Mechanization Limited	Agricultural machinery distribution	UK	Ordinary	100
WestMac Limited	Agricultural machinery distribution	UK	Ordinary	100
Watveare Limited	Agricultural machinery distribution	UK	Ordinary	100

All subsidiary undertakings are directly owned by the Company. Fahr Products Limited, owned by a direct subsidiary undertaking, was disposed of during the year at nil profit/loss to the group.

In the opinion of the Directors the aggregate value of the interest in the subsidiary undertakings, consisting of shares and amounts due from subsidiaries is not less than the aggregate of the amounts at which these assets are stated in the balance sheet.

Since 1 October 1990 the cumulative goodwill written off in respect of existing businesses amounts to £885,000.

DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

12 STOCK

	Group and Company	
	<u>1994</u>	<u>1993</u>
	£'000	£'000
Raw materials and consumables	-	-
Goods for resale	3,693	4,067
Others	-	-
	<u>3,693</u>	<u>4,067</u>

In the opinion of the Directors the estimated net replacement cost of stocks is not materially different from the above figures.

13 DEBTORS

	Group		Company	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	3,041	3,186	3,042	3,186
Amounts owed by parent and fellow subsidiary undertakings	19	35	6	9
Prepayments and accrued income	<u>112</u>	<u>464</u>	<u>99</u>	<u>464</u>
	<u>3,172</u>	<u>3,685</u>	<u>3,147</u>	<u>3,659</u>

14 CREDITORS

	Group		Company	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Bank loans and overdrafts	44	1,012	-	1,000
Obligations under finance leases (Note 16)	32	68	32	68
Trade creditors	3,180	3,679	3,128	3,658
Bills of exchange	1,456	2,212	1,456	2,212
Amounts due to parent and fellow subsidiary undertakings	967	22	967	22
Amounts due to subsidiary undertakings	-	-	384	320
Indirect taxes and social security	569	591	569	591
Accruals	1,853	511	1,853	511
Other creditors	-	455	-	455
Corporation tax	<u>-</u>	<u>131</u>	<u>-</u>	<u>131</u>
	<u>8,101</u>	<u>8,681</u>	<u>8,389</u>	<u>8,968</u>

DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

15 CREDITORS

	<u>Group and Company</u>	
	<u>1994</u>	<u>1993</u>
	£'000	£'000
Amounts falling due after more than one year:		
Obligations under finance leases (Note 16)	30	61
Pension provision (Note 23)	<u>361</u>	<u>331</u>
	391	392
	<u> </u>	<u> </u>

16 FINANCE LEASES

	<u>Group</u>		<u>Company</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£'000	£'000	£'000	£'000
The obligations entered into in respect of finance leases, net of future finance charges, are payable over the following periods:				
Within one year	32	68	32	68
Between one and five years	<u>30</u>	<u>61</u>	<u>30</u>	<u>61</u>
	62	129	62	129
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

17 PROVISION FOR LIABILITIES AND CHARGES - DEFERRED TAXATION

No deferred taxation provision is required at 30 September 1994. Full provision for deferred taxation at the UK Corporation tax rate of 33% (1993: 33%) would comprise:

	<u>Group and Company</u>	
	<u>1994</u>	<u>1993</u>
	£'000	£'000
<u>Estimated total contingent liability</u>		
Excess tax allowances over depreciation provisions	78	35
Tax losses and other timing differences	(10)	(22)
Advance corporation tax	<u>(41)</u>	<u>(8)</u>
	27	5
	<u> </u>	<u> </u>

DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

18 CALLED UP SHARE CAPITAL

	<u>1994</u> £'000	<u>1993</u> £'000
Authorised 150,000 Ordinary shares of 20p each	30	30
	<u> </u>	<u> </u>
Issued 150,000 Ordinary shares of 20p each, fully paid	30	30
	<u> </u>	<u> </u>

19 RESERVES

<u>Group and Company</u>	<u>Revaluation Reserve</u> £'000	<u>Profit and Loss Account</u> £'000
At 30 September 1993	2	2,822
Profit for year	-	465
Write back of goodwill	<u>-</u>	<u>41</u>
At 30 September 1994	2	3,328
	<u> </u>	<u> </u>

The write back of goodwill arises from the determination of the taxation liabilities of JF (GB) Limited, a subsidiary acquired during the year ended 30 September 1993. Total goodwill written off in that period amounted to £657,000.

DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

20 CAPITAL COMMITMENTS

Group and Company

<u>1994</u>	<u>1993</u>
£'000	£'000

Contracted for but not yet provided

25 -

Authorised by Directors but not
contracted for

- 4

25 4

21 OPERATING LEASES

The Company's and Group's annual commitments under operating leases were as set out below:

Plant and machinery

<u>1994</u>	<u>1993</u>
£'000	£'000

Operating leases which expire:

Within one year

110 56

Between one and five years

63 28

173 84

22 CONTINGENT LIABILITIES

<u>1994</u>	<u>1993</u>
£'000	£'000

Agreement with Humberclyde Finance Limited

- in respect of dealer stock financing facilities

- 1,171

- in respect of customer financing facility

485 -

Letter of set-off to Lloyds Bank Plc in

respect of group liabilities

4,424 5,532

4,909 6,703

The customer financing facility referred to is in respect of a single contract, and the company has in turn received guarantees from its supplier in respect of this contract totalling £459,000.

DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

NOTES TO THE ACCOUNTS (continued)

23 PENSIONS

The Group is a member of the Lonrho Automotive and Machinery Group Pension Plan. The Scheme is a defined benefit scheme for all eligible employees, the assets of which are held in separate, trustee administered funds.

The pension cost is assessed in accordance with the advice of independent qualified actuaries. The latest actuarial assessment of the Scheme was at 1 October 1991, details of which are contained in the accounts of Dutton Forshaw (Machinery) Limited, the immediate holding company.

On the recommendation of the actuaries, Group contributions to the Scheme remain suspended. The total pension cost for the Group was £30,000 (1993: £67,000) and a provision of £361,000 (1993: £331,000) is included in creditors, being the difference between the pension cost, calculated in accordance with Statement of Standard Accounting Practice No 24, and the amount funded.

24 PARENT UNDERTAKINGS

Dutton Forshaw (Machinery) Limited, a company which is registered in England, is the smallest group to consolidate these accounts.

Lonrho Plc, a company which is registered in England, is the ultimate parent company and is the parent undertaking of the largest group to consolidate these accounts.

Copies of the group accounts of Lonrho Plc may be obtained from the Company Secretary, Lonrho Plc, Cheapside House, 138 Cheapside, London EC2V 6BL.

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