

REGISTRAR OF COMPANIES

JPR (1994) LIMITED
(FORMERLY WEST COUNTRY OILS LIMITED)

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1995

COMPANY NUMBER 00734683



REPORT OF THE DIRECTORS

The directors have pleasure in presenting their annual report and the audited accounts of the company for the year ended 31 December 1995.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

Company

During the year under review the company has been engaged in the trade of leasing assets and the ownership of property. There has been no significant change in the activities during the year. Up to 30 June 1994, the company was engaged in the distribution of oil products. After that date this activity was discontinued.

The directors consider the overall results for the year to be disappointing, but the company is in a sound financial position to enable it to advance its operations in the future.

The result is stated after charging expenditure of rental and management charges from the company's subsidiary, totalling £13,262 (1994: £15,040)

During the year the company purchased a number of fixed assets for use by its subsidiary and it is intended to continue such purchases in the near future as funds are available.

Group

The company owns 82.44% of the share capital of P M Clarke Limited. P M Clarke Limited is engaged in haulage, commercial vehicle repairs and property ownership. The subsidiary is discussed in detail in note 10.

Consolidated accounts have not been prepared as the company has taken advantage of the exemption given in Section 248 Companies Act 1985 for small/medium sized groups.

RESULTS AND DIVIDENDS

The loss for the company for the year after taxation and the fixed assets investment write down amounted to £17,796. The directors recommend no dividends be paid in respect of the year and the whole amount will be transferred against reserves brought forward.

FIXED ASSETS

Movements in fixed assets during the year are shown in note 8 to the accounts.

At the balance sheet date the company owned freehold property with a book value of £19,887 and rents long leasehold property with a book value of £28,174 which is valued on the basis shown in the notes to the accounts. In the opinion of the directors the land and buildings of the company had an open market value in excess of these figures. Should the properties be sold in the future, corporation tax may be payable on any relevant capital gains arising.

On 30 June 1994, the company sold some of its trading fixed assets to a third party as part of the discontinuation of the oil distribution trade. The ownership of certain properties and vehicles was retained, with which the leasing trade is being continued.

REPORT OF THE DIRECTORS (CONTINUED)

CHANGE OF NAME

The company resolved, by a Special Resolution dated 29 June 1994, to change its name to JPR (1994) Limited.

DIRECTORS

The directors of the company in office during the year, and their beneficial interests in the ordinary share capital, at the beginning and end of the year, were:

	At 31.12.1995	At 31.12.1994
Mr A J Ruhleman - Chairman	25,100	25,100
Mr P Ruhleman	25,100	25,100
Mrs M B Ruhleman	-	-
Mrs D Ruhleman	-	-
	<hr/>	<hr/>
	50,200	50,200
	<hr/>	<hr/>

POST BALANCE SHEET EVENTS

Shortly after the Balance Sheet date the company acquired a freehold investment property (part of which settled the trade debtor shown in note 11) and will be acquiring further assets for use in its subsidiary, P M Clarke Limited.

It is considered that a leasing charge will be made to the subsidiary for the use of certain assets which will remain in the ownership of this company.

DIRECTORS' RESPONSIBILITIES

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;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on a going concern basis unless it is inappropriate to presume that the company will continue in business.

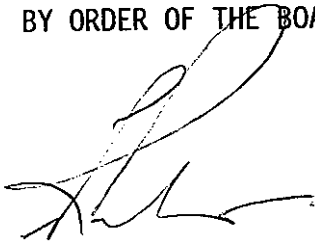
REPORT OF THE DIRECTORS (CONTINUED)

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.

AUDITORS

The auditors, Simpkins Edwards, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



MR P RUHLEMAN
SECRETARY

30 July 1996

AUDITORS' REPORT TO THE SHAREHOLDERS OF

JPR (1994) LIMITED (FORMERLY WEST COUNTRY OILS LIMITED)

We have audited the accounts on pages 3 to 16 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on pages 1B and 1C, the company's directors are responsible for the preparation of 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 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 the company's affairs as at 31 December 1995 and of its loss and cash flows for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

AUDITORS REPORT TO THE DIRECTORS OF JPR (1994) LIMITED PURSUANT TO SECTION 248(3) OF THE COMPANIES ACT 1985

We have examined the accounts of the company and each of its subsidiaries for the year ended 31 December 1995.

BASIS OF OPINION

The scope of our work for the purposes of this report was limited to confirming that the company is entitled to exemption from preparing group accounts.

JPR (1994) LIMITED (FORMERLY WEST COUNTRY OILS LIMITED)

OPINION

In our opinion the company is entitled to the exemption from preparing group accounts conferred by Section 248 of the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Impkins Edwards', with a large, stylized flourish above it.

SIMPKINS EDWARDS
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

Barnstaple

30 July 1996

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1995

	Notes	1995 £	1994 £
TURNOVER	1b		
Continuing operations		65,448	45,600
Discontinued operations		<u>-</u> 65,448	<u>3,826,677</u> 3,872,277
		65,448	3,872,277
Cost of sales	21	<u>(37,877)</u>	<u>(3,306,783)</u>
GROSS PROFIT		27,571	565,494
NET OPERATING EXPENSES			
Distribution costs	21	(19,218)	(376,030)
Administrative expenses	21	(73,420)	(243,168)
Other operating income	2 & 21	<u>43,453</u> (49,185)	<u>20,809</u> (598,389)
OPERATING LOSS		<u>(21,614)</u>	<u>(32,895)</u>
Analysed as to:			
Continuing operations		(26,743)	(44,465)
Discontinued operations		<u>5,129</u>	<u>11,570</u>
		(21,614)	(32,895)
Profit on disposal of discontinued operations:			
Goodwill and contracts		-	234,679
Net profit on disposal of fixed assets		<u>-</u>	<u>8,965</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		(21,614)	210,749
Interest receivable	3	18,130	4,930
Interest payable and similar charges	4	-	(6,809)
Amount written off investment	10	<u>(14,312)</u>	<u>-</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	6	(17,796)	208,870
Taxation credit	7	-	256
RETAINED (LOSS)/PROFIT FOR THE YEAR	15	<u>(£17,796)</u>	<u>£209,126</u>

CONTINUING OPERATIONS

During 1994, the company discontinued the activities of the distribution of oil products, continuing to trade as lessors and property owners. None of the company's activities were acquired or discontinued during the 1995 financial period.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the results for the above financial periods.

BALANCE SHEET AS AT 31 DECEMBER 1995

	Notes	1995 £	1994 £
FIXED ASSETS			
Tangible assets	8	249,346	229,182
Investment	10	128,807	143,119
		<hr/>	<hr/>
		378,153	372,301
		<hr/>	<hr/>
CURRENT ASSETS			
Debtors	11	129,150	80,638
Cash at bank		240,805	288,229
		<hr/>	<hr/>
		369,955	368,867
		<hr/>	<hr/>
CREDITORS: amounts falling due within one year	12	(166,825)	(142,089)
		<hr/>	<hr/>
NET CURRENT ASSETS		203,130	226,778
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		581,283	599,079
		<hr/>	<hr/>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	13	-	-
		<hr/>	<hr/>
NET ASSETS		£581,283	£599,079
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	14	55,200	55,200
Share premium account	15	6,350	6,350
Profit and loss account	15	519,733	537,529
		<hr/>	<hr/>
Shareholders' funds	20	£581,283	£599,079
		<hr/>	<hr/>

The accounts on pages 3 to 16 were approved by the board of directors on 30 July 1996 and were signed on its behalf by:

DIRECTORS ( Mr A J Ruhleman
( Mr P Ruhleman

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 1995

	1995 £	1994 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	8,166	391,446
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest receivable	18,130	4,930
Interest paid	-	(5,430)
Interest element of finance lease and hire purchase payments	-	(1,381)
Net cash inflow/(outflow) from returns on investments and servicing of finance	18,130	(1,881)
INVESTING ACTIVITIES		
Payments to acquire tangible fixed assets	(81,201)	(41,058)
Receipts from sale of tangible fixed assets	-	67,161
Receipts from sale of intangible fixed assets	-	234,679
Net cash (outflow)/inflow from investing activities	(81,201)	260,782
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING	(54,905)	650,347
FINANCING		
New loan from directors	-	2,011
Repayment of directors' loans	(5,084)	(611)
Capital element of finance lease and hire purchase payments	-	(10,058)
Net cash outflow from financing	(5,084)	(8,658)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(£59,989)	£641,689

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 1995

1. RECONCILIATION OF OPERATING (LOSS) TO NET CASH (OUTFLOW)/INFLOW
FROM OPERATING ACTIVITIES

	1995 £	1994 £
Operating loss	(21,614)	(32,895)
Depreciation charges	61,037	62,125
Decrease in stocks	-	155,953
(Increase)/decrease in debtors	(48,512)	930,773
Increase/(decrease) in creditors	17,255	(724,510)
	<hr/>	<hr/>
NET CASH INFLOW FROM OPERATING ACTIVITIES	£8,166	£391,446
	<hr/>	<hr/>

2. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	1995 £
Balance at 1 January 1995	285,984
Net cash outflow	(59,989)
	<hr/>
Balance at 31 December 1995	£225,995
	<hr/>

3. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	1995 £	1994 £	Change in year £
Cash at bank	240,805	288,229	(47,424)
Bank overdraft	(14,810)	(2,245)	(12,565)
	<hr/>	<hr/>	<hr/>
	£225,995	£285,984	(£59,989)
	<hr/>	<hr/>	<hr/>

4. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Directors loans £	Share capital £
Balance at 1 January 1995	45,614	55,200
Cash outflow	(5,084)	-
	<hr/>	<hr/>
Balance at 31 December 1995	£40,530	£55,200
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1995

1. ACCOUNTING POLICIES

(a) Basis of accounting

The accounts have been prepared under the historical cost convention.

(b) Turnover

Turnover represents the amounts receivable for goods and services supplied together with hire charges for assets, net of value added tax and trade discounts. All sales are made in the UK.

(c) Tangible fixed assets

Depreciation is provided on the company's tangible fixed assets so as to write off the costs of the assets over their estimated useful lives, using the following rates:

Plant and equipment	20% per annum on written down value
Fixtures and fittings	10% per annum on written down value
Motor vehicles - retained	25% per annum on written down value
As lessor	33.1/3% per annum on a straight line basis

No depreciation is provided on freehold and leasehold property. The company's policy is to maintain such properties in such condition that this value is not impaired by the passage of time. Such maintenance expenditure is charged to profits in the year in which it is committed. As a consequence, any element of depreciation would, in the opinion of the directors, not be material. This treatment is not in accordance with Statement of Standard Accounting Practice Number 12 (revised) or schedule 4 of the Companies Act 1985, but the difference arising in net book values caused thereby is not considered material.

(d) Deferred taxation

Deferred taxation is provided at the current rate of corporation tax on timing differences which arise from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the accounts to the extent that they are expected to give rise to an actual liability in the foreseeable future for the company.

(e) Leasing and hire purchase

Where assets are financed by leasing arrangements that give rights approximating to ownership ('finance leases') the assets are treated as if they had been purchased outright. The amount capitalised is the cost of the asset or the present value of the minimum lease payments payable during the lease term. The corresponding commitments are shown as obligations to the lessor.

Depreciation on the relevant assets is charged to the profit and loss account.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

(e) Leasing and hire purchase (continued)

Lease payments are treated as consisting of capital and interest elements and the interest is charged to the profit and loss account using the annuity method.

All other leases are operating leases and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

(f) Group accounts

The company has taken advantage of the exemptions under Section 248 of the Companies Act 1985, regarding the preparation of consolidated accounts. The company is exempt as it is the holding company of a small/medium sized group.

(g) Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards, except for the deviation from Statement of Standard Accounting Practice Number 12 (revised) as noted in note 1(c).

2. OTHER OPERATING INCOME

	1995 £	1994 £
Service charges	-	800
Rentals and lease refunds	3,445	9
Depot throughput rental	40,000	20,000
Sundry	8	-
	<hr/>	<hr/>
	£43,453	£20,809
	<hr/>	<hr/>

3. INTEREST RECEIVABLE

	1995 £	1994 £
Interest receivable - bank deposit account	4,509	4,930
- fixed term investment	13,621	-
	<hr/>	<hr/>
	£18,130	£4,930
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTINUED)

4. INTEREST PAYABLE AND SIMILAR CHARGES

	1995 £	1994 £
On bank overdraft and other loans: Repayable within five years, not by instalments	-	5,430
On finance leases	-	1,379
	<u>£-</u>	<u>£6,809</u>

Of the charge of £6,809 above, £6,367 relates to discontinued operations.

5. DIRECTORS AND EMPLOYEES

Employees

The average weekly number of persons, including directors, employed by the company during the year was:

Categories	31 December 1995 Number	To 31 December 1994 Number	To 30 June 1994 Number
Production and sales	-	-	20
Office and management	4	4	10
	<u>4</u>	<u>4</u>	<u>30</u>

At 30 June 1994 the employment of all employees (other than directors) was transferred to a new third party employer along with the oil distribution trade.

Staff costs for the above persons

	1995 £	1994 £
Wages and salaries	29,926	236,639
Social security costs	2,748	24,712
Other pension costs	1,344	9,579
	<u>£34,018</u>	<u>£270,930</u>

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTINUED)

5. DIRECTORS AND EMPLOYEES (CONTINUED)

Directors' remuneration

The remuneration paid to the directors of the company was as follows:

	1995 £	1994 £
Salaries	29,827	41,667
Other emoluments including pension contributions and benefits in kind	1,344	2,436
	<hr/>	<hr/>
	£31,171	£44,103
	<hr/>	<hr/>

Fees and other emoluments disclosed above (excluding pension contributions) include amounts paid to

The chairman and highest paid director	£12,700	£18,379
	<hr/>	<hr/>

The number of directors of the company, including the chairman and highest paid director, who received fees and other emoluments (excluding pension contributions) in the following ranges was:

	1995 Number	1994 Number
£0 - £5,000	2	2
£10,001 - £15,000	2	-
£15,001 - £20,000	-	2
	<hr/>	<hr/>
	4	4
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTINUED)

6. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1995 £	1994 £
The (loss)/profit on ordinary activities before taxation is stated after crediting:		
Service charges	-	800
Throughput depot rental	40,000	20,000
Profit on discontinued operations	-	243,644
	<hr/>	<hr/>
and after charging:		
Depreciation - on owned tangible fixed assets	61,037	59,053
- on tangible fixed assets held under finance leases	-	3,072
Hire of motor vehicle	1,938	-
Management charge	3,419	5,197
Haulage	-	97,820
Auditors' remuneration (including expenses)	2,500	7,000
Hire of property - operating leases	14,643	13,669
Exceptional items: Bad debts	(1,684)	41,103
: Employee settlement	2,000	-
Amount written off fixed assets as a result of a temporary diminution in value	14,312	-
	<hr/>	<hr/>

Amounts charged to revenue in respect of sums payable by the company under finance leases are shown under the headings of depreciation £Nil and finance charges £Nil - total £Nil (1994: £4,451).

7. TAXATION

	1995 £	1994 £
UK corporation tax at 25% (1994: 25%)		
Current	-	-
Deferred - credit	-	258
Over provision in respect of prior years:		
Current	-	(2)
	<hr/>	<hr/>
	£-	£256
	<hr/>	<hr/>

There is no current charge to corporation tax. At the balance sheet date there were estimated losses for taxation purposes of £23,411 (1994: £15,663) available for carry forward against the first available trading profit of the company of future periods.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTINUED)

8. TANGIBLE FIXED ASSETS

	Land and buildings £	Fixtures and fittings £	Plant and equipment £	Motor vehicles £	Total £
COST					
At 1 January 1995	48,061	6,246	78,631	498,542	631,480
Additions	-	-	1,511	79,690	81,201
	<hr/>				
At 31 December 1995	£48,061	£6,246	£80,142	£578,232	£712,681
	<hr/>				
DEPRECIATION					
At 1 January 1995	-	2,870	55,573	343,855	402,298
Charge for the year	-	339	4,914	55,784	61,037
	<hr/>				
At 31 December 1995	£ -	£3,209	£60,487	£399,639	£463,335
	<hr/>				
NET BOOK VALUE					
At 31 December 1995	£48,061	£3,037	£19,655	£178,593	£249,346
	<hr/>				
At 31 December 1994	£48,061	£3,376	£23,058	£154,687	£229,182
	<hr/>				

The company's land and buildings at net book value comprise:-

	1995 £	1994 £
Freeholds	19,887	19,887
Long leaseholds	28,174	28,174
	<hr/>	<hr/>
	£48,061	£48,061
	<hr/>	<hr/>

Attention is drawn to note 1(c) to the accounts.

9. CAPITAL COMMITMENTS

	1995	1994
Capital expenditure:		
Authorised but not yet contracted for	£121,846	£-
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTINUED)

10. INVESTMENT IN SUBSIDIARY

	1995 £	1994 £
COST		
At 1 January 1995	143,119	143,119
Amount written off as a result of a temporary diminution in value	14,312	-
	<hr/>	<hr/>
At 31 December 1995	£128,807	£143,119
	<hr/>	<hr/>

The company has a direct subsidiary, incorporated and registered in England, P M Clarke Limited. The proportion of ordinary shares held is 82.44%. Its aggregate capital and reserves at 31 December 1995 was £136,289, and that company's loss for the year ended 31 December 1995 was £51,186.

It has been decided in light of the above figures to reduce the cost figure of the investment by 10%.

11. DEBTORS

	1995 £	1994 £
Amounts falling due within one year:		
Trade debtors	17,984	24,984
Amounts owed by subsidiary undertakings	54,387	8,624
Other debtors	36,414	45,816
Prepayments	20,365	1,214
	<hr/>	<hr/>
	£129,150	£80,638
	<hr/>	<hr/>

12. CREDITORS

	1995 £	1994 £
Amounts falling due within one year:		
Bank overdraft	14,810	2,245
Amounts owed to subsidiary undertakings	33,385	18,086
Other taxation and social security payable	2,270	4,936
Directors' current accounts	40,530	45,614
Accruals and other creditors	75,830	71,208
	<hr/>	<hr/>
	£166,825	£142,089
	<hr/>	<hr/>

The bank overdraft amounting to £14,810 (1994: £2,245) is secured by a debenture containing a legal first mortgage on freehold property and a fixed and floating charge on the assets of the company.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTINUED)

13. DEFERRED TAXATION

The amounts provided and unprovided are as follows:

	Amount provided		Amount unprovided	
	1995	1994	1995	1994
	£	£	£	£
Tax effect of timing differences because of:				
Excess of tax allowances over depreciation	-	-	(1,120)	(3,008)
Other timing differences	-	-	26	177
Losses available for future relief	-	-	(5,853)	(3,916)
	<hr/>	<hr/>	<hr/>	<hr/>
	£-	£-	(£6,947)	(£6,747)
	<hr/>	<hr/>	<hr/>	<hr/>

The is no movement on the £Nil provision for deferred taxation.

No provision has been made in the accounts for the deferred tax asset of £6,947 (1994: £6,747).

14. CALLED UP SHARE CAPITAL

	1995	1994
Authorised:		
100,000 ordinary shares of £1 each	£100,000	£100,000
	<hr/>	<hr/>
Allotted, called up and fully paid:		
55,200 ordinary shares of £1 each	£55,200	£55,200
	<hr/>	<hr/>

15. SHARE PREMIUM ACCOUNT AND RESERVES

	Share premium account	Profit and loss account
	£	£
At 1 January 1995	6,350	537,529
Loss for the year	-	(17,796)
	<hr/>	<hr/>
At 31 December 1995	£6,350	£519,733
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTINUED)

16. OTHER FINANCIAL COMMITMENTS

At 31 December 1995 the company had annual commitments under non cancellable operating leases as follows:-

	Land and buildings	
	1995	1994
	£	£
Expiring between two and five years inclusive	4,700	-
Expiring in over five years	200	200
	<hr/>	<hr/>
	£4,900	£200
	<hr/>	<hr/>

The company's leases of land and buildings are subject to rent reviews every three and ten years.

17. PENSION COMMITMENTS

Up to 30 June 1994, the company operated a defined contribution pension scheme for certain of its employees and directors.

The company now operates a defined contribution pension scheme for its directors only. The assets of the scheme are held separately from those of the company in a separately administered pension fund.

The pension cost charge represents contributions payable by the company to the fund and amounted to £1,344 (1994: £9,579).

18. CONTINGENT LIABILITIES

The company leases property which is subject to rent reviews and such a review is overdue. The current rental is £200 per annum and no such review has yet taken place. Accordingly it is impracticable to estimate the financial effect of any changes in the rental payable which may be back dated to the review date.

The company has completed an unlimited guarantee in favour of its subsidiary, P M Clarke Limited, with its bankers.

19. SUBSEQUENT EVENTS

Shortly after the balance sheet date the company acquired a freehold investment property (part of which settled the trade debtor shown in note 11) and will be acquiring further assets for use in its subsidiary, P M Clarke Limited.

It is considered that a leasing charge will be made to the subsidiary for the use of certain assets which will remain in the ownership of this company.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTINUED)

20. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

	1995 £	1994 £
(Loss)/profit for the financial year after taxation	(17,796)	209,126
Opening shareholders' funds at 1 January 1995	599,079	389,953
Closing shareholders' funds at 31 December 1995	<u>£581,283</u>	<u>£599,079</u>

21. NOTES TO THE PROFIT AND LOSS ACCOUNT

	1995			1994		
	Continuing £	Discontinuing £	Total £	Continuing £	Discontinuing £	Total £
Cost of sales	(37,877)	-	(37,877)	(5,671)	(3,301,112)	(3,306,783)
Net operating expenses:						
Distribution costs	(20,902)	1,684	(19,218)	(56,000)	(320,030)	(376,030)
Administrative expenses	(73,420)	-	(73,420)	(48,394)	(194,774)	(243,168)
Other income	40,008	3,445	43,453	20,000	809	20,809

22. TRANSACTIONS WITH ASSOCIATED ENTITIES

During the year the company made sales on an arms length basis of £1,560 and purchased goods on an arms length basis of £2,221 to/from its subsidiary, P M Clarke Limited. Messrs A J Ruhleman and P Ruhleman, directors of this company are also directors of that company.

The above figures do not include management charges, services and other amounts transferred between the companies, all of which are on an arms length basis.

TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1995

	1995 £	1994 £
SALES	65,448	3,864,477
COST OF SALES		
Stock at the beginning of the year	-	155,953
Purchases	717	3,043,247
	<hr/> 717	<hr/> 3,199,200
Less: Stock at the end of the year	-	-
	<hr/> 717	<hr/> 3,199,200
Hire of motor vehicle	1,938	-
Haulage	-	97,820
Depreciation of plant and equipment	-	9,763
Depreciation of motor vehicles	<hr/> 35,222	<hr/> - 3,306,783
	37,877	
GROSS PROFIT	27,571	557,694
SELLING AND DISTRIBUTION COSTS, as shown on page 18	19,218	376,030
ADMINISTRATIVE EXPENSES, as shown on page 18	73,420	244,588
OTHER INCOME	<hr/> (43,453)	<hr/> (38,994)
	49,185	581,624
OPERATING LOSS	(21,614)	(23,930)
INTEREST RECEIVABLE	18,130	4,930
	<hr/> (3,484)	<hr/> (19,000)
INTEREST PAYABLE		
Bank overdraft	-	(5,430)
Finance leases	<hr/> -	<hr/> (1,379)
		(6,809)
(LOSS) on ordinary activities before taxation	<hr/> (£3,484)	<hr/> (£25,809)

This page does not form part of the statutory accounts.

TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1995

	1995 £	1994 £
SELLING AND DISTRIBUTION COSTS		
Distribution costs:		
Wages and salaries	-	100,253
Motor expenses	-	86,821
Protective clothing	-	998
Depreciation of motor vehicles	20,562	46,463
Goods for own use	-	28,982
 Selling and marketing:		
Salaries	-	41,408
Advertising and own promotion	177	7,229
Travel and motor expenses	163	17,150
Depreciation	-	5,342
Debt collection costs	-	281
Bad debts recovered	(1,684)	(546)
Bad debt provision	-	41,649
 Total, as shown on page 17	<u>£19,218</u>	<u>£376,030</u>
ADMINISTRATIVE EXPENSES		
Establishment expenses:		
Handling charges	-	8,451
Rent	14,643	13,669
Rates	2,382	5,626
Light, heat and power	-	3,252
Insurance	3,883	13,419
Repairs	2,137	17,056
 Administration expenses:		
Salaries and employers NI	2,847	78,022
Directors remuneration	29,827	41,668
Pension costs	1,344	9,579
Staff training	-	170
Telephone and postage	-	19,452
Printing and stationery	3	3,591
Depreciation of fixtures and fittings	339	557
General administration	2,792	6,960
Audit and accountancy	4,350	11,470
Bank charges	162	4,408
Legal fees	378	621
Loss on disposal of fixed assets	-	1,420
Management charge from subsidiary company	3,419	5,197
Depreciation of plant and equipment	4,914	-
 Total, as shown on page 17	<u>£73,420</u>	<u>£244,588</u>

This page does not form part of the statutory accounts.

DIRECTORS' CURRENT ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1995

	1995	1994
MR AND MRS A J RUHLEMAN		
BALANCE in hand being the amount due from the company at the beginning of the year	31,398	30,634
Add: Cash advanced to the company	-	1,332
Salary for the year	<u>12,951</u> 12,951	<u>19,076</u> 20,408
	44,349	51,042
Less: Cash withdrawn from the company:-		
On account	2,261	568
Salary for the year	<u>12,951</u> 15,212	<u>19,076</u> 19,644
BALANCE in hand at the end of the year	<u>£29,137</u>	<u>£31,398</u>

MR AND MRS P RUHLEMAN

BALANCE in hand being the amount due from the company at the beginning of the year	14,216	13,580
Add: Cash advanced to the company	-	1,146
Salary for the year	<u>16,876</u> 16,876	<u>22,591</u> 23,737
	31,092	37,317
Less: Cash withdrawn from the company:-		
On account	2,823	510
Salary for the year	<u>16,876</u> 19,699	<u>22,591</u> 23,101
BALANCE in hand at the end of the year	<u>£11,393</u>	<u>£14,216</u>

This page does not form part of the statutory accounts