

# TTT MONEYCORP LIMITED



ANNUAL REPORT AND ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 1997

# ***Annual Report and Abbreviated Financial Statements***

**FOR THE YEAR ENDED 31 AUGUST 1997**

## **AUDITORS**

Coopers & Lybrand  
1 Embankment Place  
London WC2N 6NN

Munslow Messias  
143 - 149 Great Portland Street  
London W1N 5FB

## **BANKERS**

Midland Bank plc  
West End Business Banking Centre  
70 Pall Mall  
London SW1Y 5EZ

National Westminster Bank plc  
Mayfair Corporate Business Centre  
P.O. Box No. 2354  
65 Piccadilly  
London W1A 2PP

Barclays Bank plc  
Belgravia & Knightsbridge  
Business Centre  
P.O. Box No. 4578  
155 Brompton Road  
London SW3 1XD

## **SOLICITORS**

Marriott Harrison  
12 Great James Street  
London WC1N 3DR

## **TRADING NAMES**

TTT Foreign Exchange Corporation  
The Money Corporation  
TTT Travel Centre

## **REGISTERED OFFICE**

Plumtree Court  
London EC4A 4HT

## **COMPANY REGISTRATION**

Number 738837

## **DATE OF INCORPORATION**

25th October 1962

## **COMPANY SECRETARY**

S J Mullens

## **HEAD OFFICE**

2 Sloane Street  
Knightsbridge  
London SW1X 9LA

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## ***Directors' Report***

**FOR THE YEAR ENDED 31 AUGUST 1997**

The directors present herewith their report together with the audited abbreviated financial statements for the year ended 31 August 1997.

### **PRINCIPAL ACTIVITIES**

The principal activities of the Company are the provision of bureau de change, currency exchange and travel services.

### **REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

The planned expansion of the business was affected by depressed turnover levels as a result of the rise in the value of Sterling, which commenced at the start and continued for most of the financial year. The consequent shortfall in gross profit has had a downward effect on operating profits. However, the Directors consider that the Company's earnings have shown considerable resilience in these adverse trading conditions and the Company is well placed to take full advantage in the event of improved trading conditions in the current year.

### **RESULTS**

The profit and loss account for the year is set out on pages 4 and 5.

### **DIVIDENDS**

The directors propose a final dividend of £47,000 which, together with the interim dividend of £283,500, makes a total for the year of £330,500 (1996 - £330,500).

Further details are shown in note 8 to the abbreviated financial statements.

### **DIRECTORS**

The directors listed below have served throughout the year:

B Shlewet  
S J Mullens  
N M Shannon  
A B Trembeth

## ***Directors' Report (continued)***

**FOR THE YEAR ENDED 31 AUGUST 1997**

### **CHANGES IN FIXED ASSETS**

The movements in fixed assets during the year are set out in note 9 to the abbreviated financial statements.

### **DIRECTORS' INTERESTS IN SHARES OF THE COMPANY**

No directors held beneficial interests in the shares of the Company at 31 August 1997, or at any time during the year.

### **DIRECTORS' RESPONSIBILITY 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 of its profit or loss for that period. In preparing those financial statements the directors are required to:

- select suitable accounting policies and 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; and
- 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **AUDITORS**

A resolution to reappoint Coopers & Lybrand and Munslow Messias as joint auditors will be proposed at the annual general meeting.

### **BY ORDER OF THE BOARD**



S J Mullens

Secretary

5 December 1997

**Report of the Auditors**

**To the members of TTT Moneycorp Limited**

**Under paragraph 24 of Schedule 8 to the Companies Act 1985**

We have examined the abbreviated financial statements on pages 4 to 16 together with the full financial statements of TTT Moneycorp Limited for the year ended 31 August 1997. The scope of our work for the purpose of this report was limited to confirming that the Company is entitled to the exemptions claimed in the directors' statement on page 6, and that the abbreviated financial statements have been properly prepared from the annual financial statements.

In our opinion, the Company is entitled to the exemptions conferred by Section B of Part III of Schedule 8 to the Companies Act 1985 and the abbreviated financial statements have been properly prepared in accordance with that Schedule.

We reported as auditors of TTT Moneycorp Limited to the members on 5 December 1997 on the Company's annual financial statements prepared under section 226 of the Companies Act 1985 and our report was as follows:

We have audited the financial statements on pages 4 to 16.

**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 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 Company's affairs at 31 August 1997 and of its profit, total recognised gains and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**COOPERS & LYBRAND**

Chartered Accountants

Registered Auditors

London

5 December 1997

**MUNSLOW MESSIAS**

Chartered Certified Accountants

Registered Auditors

London

5 December 1997

## Abbreviated Profit and Loss Account

FOR THE YEAR ENDED 31 AUGUST 1997

	Notes	1997 £	1996 £
<b>GROSS PROFIT</b>		<b>7,556,430</b>	<b>7,132,894</b>
Net operating expenses (excluding exceptional expense)		<b>(6,428,991)</b>	<b>(5,745,421)</b>
<b>OPERATING PROFIT</b> (before exceptional operating expense)		<b>1,127,439</b>	<b>1,387,473</b>
Exceptional operating expense	3 (a)	<b>(168,125)</b>	<b>(263,694)</b>
<b>OPERATING PROFIT</b> (after exceptional operating expense)	3	<b>959,314</b>	<b>1,123,779</b>
Interest receivable and similar income		<b>7,588</b>	<b>636</b>
Interest payable and similar charges	6	<b>(10,963)</b>	<b>(26,625)</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>955,939</b>	<b>1,097,790</b>
Taxation on profit on ordinary activities	7	<b>(310,652)</b>	<b>(355,384)</b>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAX</b>		<b>645,287</b>	<b>742,406</b>
Dividends paid and proposed	8	<b>(330,500)</b>	<b>(330,500)</b>
<b>RETAINED PROFIT FOR THE YEAR</b>		<b>£314,787</b>	<b>£411,906</b>

	1997 £	1996 £
<b>STATEMENT OF RETAINED PROFITS</b>		
Retained profits at 1 September 1996	<b>2,366,084</b>	<b>1,954,178</b>
Retained profit for the year	<b>314,787</b>	<b>411,906</b>
<b>RETAINED PROFITS AT 31 AUGUST 1997</b>	<b>£2,680,871</b>	<b>£2,366,084</b>

All the operations in both years were continuing and there were no acquisitions in either year.

There were no recognised gains and losses except for the retained profit for the year.

# **Abbreviated Profit and Loss Account (continued)**

FOR THE YEAR ENDED 31 AUGUST 1997

	1997 £	1996 £
<b>STATEMENT OF HISTORICAL COST PROFIT AND LOSS</b>		
Profit on ordinary activities before taxation	955,939	1,097,790
Difference between historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	21,952	21,951
Historical cost profit on ordinary activities before taxation	£977,891	£1,119,741
Historical cost profit for the year retained after taxation and dividends	£336,739	£433,857
<b>RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS</b>		
Profit on ordinary activities after taxation	645,287	742,406
Ordinary dividends	(330,500)	(330,500)
Net additions to equity shareholders' funds	314,787	411,906
Equity shareholders' funds at 31st August 1996	2,716,084	2,304,178
Equity shareholders' funds at 31st August 1997	£3,030,871	£2,716,084

# Balance Sheet

AS AT 31 AUGUST 1997

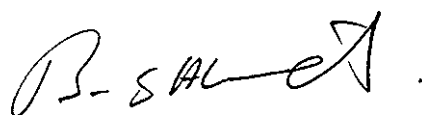
	Notes	1997 £	1997 £	1996 £	1996 £
<b>FIXED ASSETS</b>					
Tangible assets	9		2,188,281		2,116,097
<b>CURRENT ASSETS</b>					
Stocks	10	55,841		31,011	
Debtors	11	354,431		322,373	
Cash at bank and in hand		2,045,275		1,577,801	
		2,455,547		1,931,185	
<b>CREDITORS:</b>					
Amounts falling due within one year	12	(1,497,651)		(1,192,868)	
<b>NET CURRENT ASSETS</b>					
			957,896		738,317
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			3,146,177		2,854,414
<b>CREDITORS:</b>					
Amounts falling due after more than one year	13	-		(44,907)	
<b>PROVISION FOR LIABILITIES AND CHARGES</b>					
	14	(115,306)		(93,423)	
			(115,306)		(138,330)
			£3,030,871		£2,716,084
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15	350,000		350,000	
Profit and loss account		2,680,871		2,366,084	
<b>EQUITY SHAREHOLDERS' FUNDS</b>					
			£3,030,871		£2,716,084

Advantage has been taken of the exemptions for medium sized companies conferred by Section B of Part III of Schedule 8 to the Companies Act 1985 on the grounds that, in the directors' opinion, as it meets the conditions, the Company is entitled to benefit from the exemptions as a medium sized company.

Approved by the board on 5th December 1997 and signed on their behalf by:

## DIRECTORS

B Shlewet



S J Mullens





# Cash Flow Statement

FOR THE YEAR ENDED 31 AUGUST 1997

	1997	1997	1996	1996
	£	£	£	£
<b>CASH INFLOW FROM OPERATIONS</b>				
Operating profit		959,314		1,123,779
Depreciation	430,846		407,375	
(Profit) on sale of fixed assets	(1,711)		(34,125)	
(Increase) in stocks	(24,830)		(15,813)	
(Increase) in debtors	(32,058)		(54,738)	
Increase in creditors	345,342		131,012	
		717,589		433,711
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		<b>1,676,903</b>		<b>1,557,490</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>				
Interest received	7,588		636	
Bank loan and overdraft interest paid	(6,657)		(24,037)	
Interest paid on finance leases	(4,306)		(2,588)	
<b>NET CASH (OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		<b>(3,375)</b>		<b>(25,989)</b>
<b>TAXATION</b>				
UK corporation tax paid		(321,735)		(361,847)
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>				
Tangible fixed assets acquired	(505,819)		(402,587)	
Tangible fixed assets sold	(4,500)		(34,125)	
		(501,319)		(368,462)
<b>NET CASH INFLOW BEFORE DIVIDENDS AND FINANCING</b>		<b>850,474</b>		<b>801,192</b>
<b>EQUITY DIVIDENDS PAID</b>		<b>(383,000)</b>		<b>(231,000)</b>
<b>FINANCING</b>				
Repayment of long-term borrowings	-		(207,805)	
Capital element of finance leases	-		(31,591)	
<b>NET CASH FLOW FROM FINANCING</b>		<b>-</b>		<b>(176,214)</b>
<b>INCREASE IN CASH BALANCES (SEE BELOW)</b>		<b>£467,474</b>		<b>£393,978</b>
Increase in cash balances		467,474		197,506
Decrease in bank overdrafts		-		196,472
		£467,474		£393,978

## ***Notes to the Abbreviated Financial Statements***

**FOR THE YEAR ENDED 31 AUGUST 1997**

### **1. PRINCIPAL ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with Accounting Standards applicable in the United Kingdom. A summary of the more important accounting policies of the Company, which have been applied consistently, is set out below.

#### **(a) BASIS OF ACCOUNTING**

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain tangible fixed assets.

#### **(b) TANGIBLE ASSETS**

Short leasehold properties are stated at cost or valuation less accumulated depreciation. The cost of other tangible assets is their purchase cost together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of fixed assets over the expected useful economic lives of the assets concerned. The principal annual rates and bases used for this purpose are:-

Motor vehicles	- 25% straight line
Fixtures and fittings	- 15% straight line
Computer systems	- 25% straight line

Leasehold properties are amortised over the period of the lease.

#### **(c) STOCKS**

Stocks include maps, phonecards, souvenir and gold coins etc, and are stated at the lower of cost and net realisable value.

#### **(d) FOREIGN CURRENCIES**

Trading transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the transaction took place. Monetary assets and other liabilities denominated in foreign currencies are translated into sterling at the exchange rate ruling at the balance sheet date. Exchange gains or losses are included in arriving at the operating profit.

# Notes to the Abbreviated Financial Statements

FOR THE YEAR ENDED 31 AUGUST 1997

## 1. PRINCIPAL ACCOUNTING POLICIES (Continued)

### (e) TURNOVER

Turnover, which excludes value added tax, represents sales and commissions relating to the exchange of currencies, travellers cheques, personal cheques, credit card transactions, and commissions on travel, insurance and theatre booking services.

### (f) DEFERRED TAXATION

Deferred taxation is provided to take account of timing differences between the treatment of certain items for financial statements purposes and their treatment for tax purposes. Provision is made to the extent that timing differences are expected to reverse using the tax rate that is expected to apply at the date of their reversal.

### (g) FINANCE AND OPERATING LEASES

Costs in respect of operating leases are charged on a straight line basis in arriving at operating profit. Where assets are financed by leasing agreements which give substantially the same rights as ownership (finance leases) the assets are treated as if they had been purchased outright at the capital value of the assets, and the corresponding leasing commitments are shown as obligations to the lessor. The capital element of lease payments is applied to reduce the outstanding obligations and the interest is charged to the profit and loss account over the period of the lease.

### (h) PENSION SCHEME

The Company operates a defined contribution pension scheme for certain of its employees. The cost to the Company is charged to the profit and loss account as incurred.

## 2. TURNOVER

Turnover consists of sales made in the United Kingdom.

## 3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):-

	1997	1996
	£	£
Auditors' remuneration	21,926	25,975
Operating lease rentals	677,293	668,731
Depreciation of tangible fixed assets	430,846	407,375
(Profit) on disposal of tangible fixed assets	(1,711)	(34,125)
Exceptional operating expense (see (a) below)	168,125	263,694

- (a) The exceptional operating expense relates to the legal and other associated costs incurred relating to a leasehold property where the Company's rights were the subject of litigation, which has now been settled.

## Notes to the Abbreviated Financial Statements

FOR THE YEAR ENDED 31 AUGUST 1997

### 4. DIRECTORS' EMOLUMENTS

	1997	1996
	£	£
Aggregate emoluments for management services and services as directors	178,378	153,830
For consultancy services	65,144	77,245
	<b>£243,522</b>	<b>£231,075</b>

Consultancy fees include £33,179 paid to Marriott Harrison, a firm of solicitors in which S. J. Mullens is a partner, for legal services.

Amounts paid in respect of the highest paid director, are as follows:-

	1997	1996
	£	£
Aggregate emoluments	145,900	142,455
Company contributions to a money purchase pension scheme	70,000	70,000
	<b>£215,900</b>	<b>£212,455</b>

There were no contributions to pension schemes in respect of other directors.

### 5. EMPLOYEE INFORMATION

The average number of persons employed by the Company, including executive directors, during the year is analysed below:-

	1997	1996
(a) Management and administration	25	23
Operations	108	94
	<b>133</b>	<b>117</b>

Employment costs - all employees including executive directors:-

	1997	1996
	£	£
(b) Aggregate gross wages and salaries	2,337,373	2,102,803
Employer's national insurance contributions	231,098	204,951
Pension costs	82,013	78,090
	<b>£2,650,484</b>	<b>£2,385,844</b>

There were no outstanding or prepaid pension contributions at the balance sheet date.

## Notes to the Abbreviated Financial Statements

FOR THE YEAR ENDED 31 AUGUST 1997

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable on sums wholly repayable within 5 years

	1997	1996
	£	£
By instalments	4,306	2,588
Not by instalments	6,657	24,037
	<b>£10,963</b>	<b>£26,625</b>

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1997	1996
	£	£
United Kingdom corporation tax based on the profit for the year at 32.2% (1996: 33%)	335,463	381,853
Group relief received	(48,533)	(61,957)
Deferred taxation	21,592	38,806
	<b>308,522</b>	<b>358,702</b>
 Prior year adjustments:-		
United Kingdom corporation tax	1,839	(3,318)
Deferred taxation	291	-
	<b>£310,652</b>	<b>£355,384</b>

### 8. DIVIDENDS PAID AND PROPOSED

	1997	1996
	£	£
Interim dividends paid:	283,500	231,000
Final dividend proposed	47,000	99,500
Total:- 94.43 pence per share (1996: 94.43 pence per share).	<b>£330,500</b>	<b>£330,500</b>

# Notes to the Abbreviated Financial Statements

FOR THE YEAR ENDED 31 AUGUST 1997

## 9. TANGIBLE ASSETS

	SHORT LEASEHOLD PROPERTY £	MOTOR VEHICLES £	FIXTURES AND FITTINGS £	COMPUTER SYSTEMS £	TOTAL £
<b>COST OR VALUATION</b>					
At 1 September 1996	2,062,255	148,672	1,971,361	301,534	4,483,822
Expenditure	17,442	17,298	431,184	39,895	505,819
Disposals	-	(10,302)	-	-	(10,302)
At 31 August 1997	2,079,697	155,668	2,402,545	341,429	4,979,339
<b>DEPRECIATION</b>					
At 1 September 1996	1,076,712	34,237	1,055,743	201,033	2,367,725
Charge for year	113,013	36,866	225,766	55,201	430,846
Disposals	-	(7,513)	-	-	(7,513)
At 31 August 1997	1,189,725	63,590	1,281,509	256,234	2,791,058
<b>NET BOOK VALUE</b>					
At 31 August 1997	£889,972	£92,078	£1,121,036	£85,195	£2,188,281
At 31 August 1996	£985,543	£114,435	£915,618	£100,501	£2,116,097

(a) Short leasehold property is included on the following basis:-

	£
Cost at 1 September 1996	1,912,255
Revaluation in 1987	680,317
Downward revaluation in 1992	(530,317)
Additions at cost in 1997	17,442
	<b>£2,079,697</b>

(b) The historical cost and related depreciation of short leasehold property are set out below:-

	1997 £	1996 £
Historical cost	1,929,697	1,912,255
Depreciation based on cost	(1,079,969)	(988,908)
Net book value	<b>£849,728</b>	<b>£923,347</b>

## **Notes to the Abbreviated Financial Statements**

**FOR THE YEAR ENDED 31 AUGUST 1997**

### **9. TANGIBLE ASSETS (CONTINUED)**

- (c) Included in fixed assets are leased assets with a net book value of £58,430 (1996 - £81,048) on which the associated depreciation for the year was £22,618 (1996 - £9,424).

### **10. STOCKS**

	<b>1997</b>	<b>1996</b>
Stocks of maps, phonecards, souvenir and gold coins etc.	<b>£55,841</b>	<b>£31,011</b>

### **11. DEBTORS**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>139,665</b>	<b>136,650</b>
Other debtors	<b>37,931</b>	<b>23,866</b>
Prepayments and accrued income	<b>176,835</b>	<b>161,857</b>
	<b>£354,431</b>	<b>£322,373</b>

All the above amounts are due within one year of the balance sheet date with the exception of a rent deposit of £15,000 which is held on trust for the due performance by the Company of a certain property lease obligation. The deposit bears interest for the benefit of the Company and is repayable on termination of the relevant lease. Trade debtors relate substantially to amounts owed from credit card companies.

## **Notes to the Abbreviated Financial Statements**

**FOR THE YEAR ENDED 31 AUGUST 1997**

### **9. TANGIBLE ASSETS (CONTINUED)**

- (c) Included in fixed assets are leased assets with a net book value of £58,430 (1996 - £81,048) on which the associated depreciation for the year was £22,618 (1996 - £9,424).

### **10. STOCKS**

	<b>1997</b>	<b>1996</b>
Stocks of maps, phonecards, souvenir and gold coins etc.	<b>£55,841</b>	<b>£31,011</b>

### **11. DEBTORS**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>139,665</b>	136,650
Other debtors	<b>37,931</b>	23,866
Prepayments and accrued income	<b>176,835</b>	161,857
	<b>£354,431</b>	<b>£322,373</b>

All the above amounts are due within one year of the balance sheet date with the exception of a rent deposit of £15,000 which is held on trust for the due performance by the Company of a certain property lease obligation. The deposit bears interest for the benefit of the Company and is repayable on termination of the relevant lease. Trade debtors relate substantially to amounts owed from credit card companies.



# Notes to the Abbreviated Financial Statements

FOR THE YEAR ENDED 31 AUGUST 1997

## 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997	1996
	£	£
Trade creditors	490,547	173,708
Proposed dividend	47,000	99,500
Taxation and social security costs (see (a) below)	371,504	402,561
Finance leases and hire purchase contracts	44,907	-
Accruals and deferred income	543,693	517,099
	<u>£1,497,651</u>	<u>£1,192,868</u>

Taxation and social security costs are made up as follows:-

	1997	1996
	£	£
(a) United Kingdom corporation tax payable	286,930	319,896
PAYE and Social Security	84,574	82,665
	<u>£371,504</u>	<u>£402,561</u>

## 13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1997	1996
	£ -	£44,907
Finance leases and hire purchase contracts		

# Notes to the Abbreviated Financial Statements

FOR THE YEAR ENDED 31 AUGUST 1997

## 14. PROVISION FOR LIABILITIES AND CHARGES

(a) Deferred taxation - analysis of provision and potential liability:-

	1997	1997	1996	1996
	FULL		FULL	
	POTENTIAL	PROVISION	POTENTIAL	PROVISION
	LIABILITY	MADE	LIABILITY	MADE
	£	£	£	£
Accelerated capital allowances	<u>£115,306</u>	<u>£115,306</u>	<u>£93,423</u>	<u>£93,423</u>

(b) Movements on the provision for deferred taxation are as follows:-

	£
At 1 September 1996	<u>93,423</u>
Transferred from profit and loss account	<u>21,883</u>
At 31 August 1997	<u>£115,306</u>

## 15. CALLED UP SHARE CAPITAL

		ORDINARY SHARES OF £1 EACH	
		1997	1996
Authorised	- value	<u>£1,000,000</u>	<u>£1,000,000</u>
	- number	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid	- value	<u>£350,000</u>	<u>£350,000</u>
	- number	<u>350,000</u>	<u>350,000</u>

## **Notes to the Abbreviated Financial Statements**

**FOR THE YEAR ENDED 31 AUGUST 1997**

### **16. CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS**

#### **(a) CONTRACTUAL COMMITMENTS**

The Company leases certain premises on short term leases/contracts. The rents payable in the next year under these leases, which are subject to renegotiation at various intervals specified in the leases and in respect of which the Company pays all insurance, maintenance and repairs are as follows:-

	<b>1997</b>	<b>1996</b>
Date of termination of leases/contracts:	<b>£</b>	<b>£</b>
Within one year	<b>5,478</b>	313,115
Within two to five years inclusive	<b>217,000</b>	324,500
After five years	<b>467,000</b>	271,000
	<b><u>£689,478</u></b>	<b><u>£908,615</u></b>

#### **(b) CAPITAL COMMITMENTS**

Capital commitments at 31 August 1997 for which no provision has been made in these financial statements were as follows:-

	<b>1997</b>	<b>1996</b>
Capital expenditure authorised but not contracted	<b><u>£175,000</u></b>	<b><u>£220,000</u></b>

### **17. ULTIMATE HOLDING COMPANY**

The ultimate holding company is Winset Investments Limited, a company registered in Jersey, Channel Islands.

The company, being a 100% subsidiary, has taken advantage of the exemption within FRS8 from disclosure of transactions with group undertakings.