

PARKINSON GROUP PLC

DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1993

Company No: 924542



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A271RECEIPT DATE:28/07/94

PARKINSON GROUP PLC

CHAIRMAN'S STATEMENT - 1993 ACCOUNTS

I am delighted to report that, for the first time for four years, the Group has not produced a loss, achieving a break even situation before tax. The net asset value of the Group increased by £17,000.

In the first 5 months of the year, however, the Group lost over £63,000 according to the Management Accounts. The turnaround began in the third quarter when business began to increase and costs, particularly at Group level, were reduced substantially. The principal saving in costs followed the dismissal of both Mr. P.J. Young, Group Managing Director and Mr. J.P. Harris, Group Financial Director in unhappy circumstances in June 1993.

The performance of the Group at year end should be considered in the light of the loss at the end of May, coupled with the substantial financial cost to the Group that was incurred protecting its position in the wake of the actions taken by Mr. Young and Mr. Harris which were supported by a competitor.

A legal action against Mr. Young and Mr. Harris is well under way and your Board expect to secure the award of a substantial sum in respect of both damages and costs associated with those proceedings early in 1995.

All parts of the Group have improved their performance during the year and enter 1994 with a high degree of optimism which has to date been amply justified.

Negotiations undertaken towards the end of 1993 culminated in the creation of Bermingham Power Limited, an organisation which specialises in the insolvency, tax and forensic aspects of the accountancy profession. BPL commenced trading in January 1994 and I am delighted to be able to report that they are already profitable.

The turbulent times experienced in the second quarter of the year were the most difficult in the Company's history and I would like personally to thank all members of staff for their hard work, commitment and support during and since this difficult period.

I would also like to thank the team at Carney Watson, the Group's Solicitors and Mr. Gerald Levy, Counsel instructed by them and those individuals at Day Smith & Hunter, the Group's Financial Advisors, all of whom worked very hard and with substantial skill to bring the Group through a very difficult period in its history. Last but not least my thanks go to Barclays Bank Plc, both at Dartford and regional offices, without whose understanding and support it would not have been possible for us to save the Group.

Without exception, all members of the team have risen to the challenge and opportunities presented to them and I am delighted the Group continues to strengthen its position.



Jack C Parkinson
Chairman

22nd July 1994

PARKINSON GROUP PLC

REPORT OF THE DIRECTORS

- 1 The directors present their annual report and the audited accounts for the year ended 31 December 1993.

Principal activities

- 2 The principal activity of the Group during the year was to trade in various recruitment fields. The businesses of the principal subsidiaries are set out in Note 11 to the accounts.

Business review and future developments

- 3 The consolidated results for the year are set out on page 5 of the accounts. General comments on the development of the business during the year, together with an indication of likely future developments, are given in the Chairman's Statement.

The directors continue to seek further opportunities for internal growth and development of the group's main spheres of operation.

Changes in presentation of the financial statements

- 4 Following the introduction of Financial Reporting Standard No.3, "Reporting Financial Performance" and Financial Reporting Standard No. 4 "Capital Instruments", the presentation of the financial statements has been amended to conform with the new requirements. Turnover and operating profit have been analysed between continuing and discontinued operations.

Dividends

- 5 The directors recommend that no dividend be paid for the year (1992:£Nil).

Directors and directors' interests

- 6 The directors who served during the year and their holdings in the shares of the company were as follows:-

	31 December 1993		31 December 1992	
	10p ordinary shares		10p ordinary shares	
Mrs B Parkinson	40,820	*	40,820	*
J C Parkinson	612,278	*	612,278	*
	699,200	**	699,200	**
	79,000	***	79,000	***
P J Young (removed 10 June 1993)	24,734	*	24,734	*
	20,000	****	20,000	****
J P Harris (removed 10 June 1993)	10,000	*****	10,000	*****

* Beneficial

** Held by a family trust of which certain of the directors are trustees and Mr J C Parkinson has a beneficial interest.

REPORT OF THE DIRECTORS - Continued

- *** Held by a family trust of which Mrs B Parkinson and Mr J C Parkinson are trustees. Neither of the trustees has a beneficial interest.
- **** Held by a family trust of which certain of the directors are trustees and Mr P J Young has a beneficial interest.
- ***** Held by a family trust of which certain of the directors are trustees and Mr J P Harris has a beneficial interest.

Share options were granted to certain directors and employees within the group on 3 July 1990 under the Executive Share Option scheme, exercisable at a subscription price of £3.45 per share normally between the third and tenth anniversary of the date of grant.

Under this scheme the directors had the following options at 31 December 1993:-

*Executive Share
Option Scheme
10p ordinary shares*

J C Parkinson	12,000
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Tangible fixed assets

- 7 Changes in the group's tangible fixed assets are detailed in Note 9 to the accounts.

Close company status

- 8 The company is a close company as defined by the Income and Corporation Taxes Act 1988.

Auditors

- 9 A resolution to reappoint Coopers & Lybrand will be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD


A E Prior
Company Secretary

22nd July 1994

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss of the group for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgments and estimates have been made in the preparation of the accounts for the year ended 31 December 1993. The directors also confirm that applicable accounting standards have been followed and that the accounts have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and the group and to prevent and detect fraud and other irregularities.

BY ORDER OF THE BOARD



A E Prior
Company Secretary

22nd July 1994

REPORT OF THE AUDITORS TO THE MEMBERS OF
PARKINSON GROUP PLC

4

We have audited the accounts on pages 5 to 23.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

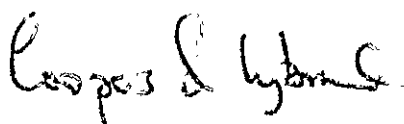
Basis of opinion

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 judgments made 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 affairs of the company and the group at 31 December 1993 and of the loss, total recognised gains and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



COOPERS & LYBRAND
Chartered Accountants and Registered Auditors
Maidstone

Date: 27 July 1994

PARKINSON GROUP PLC AND ITS SUBSIDIARIES

5

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
31 DECEMBER 1993

	<u>Notes</u>	<u>1993</u> <u>£'000</u>	<u>1992</u> <u>£'000</u>
TURNOVER - continuing operations	1(d),2	11,048	11,463
Cost of sales - continuing operations		(7,948)	(8,875)
GROSS PROFIT		3,100	2,588
Administrative expenses - continuing operations		(2,930)	(2,460)
Other operating (charges)/income		(3)	1
OPERATING PROFIT		167	129
Interest payable and similar charges	3	(167)	(267)
PROFIT/(LOSS) ON CONTINUING ACTIVITIES		-	(138)
Exceptional items	4	-	(150)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	5	-	(288)
Tax on loss on ordinary activities	8	(13)	49
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		(13)	(239)
Minority interests		(13)	(15)
(LOSS) FOR THE FINANCIAL YEAR		(26)	(254)

The movements in reserves are set out in note 19 to the accounts.

The notes on pages 10 to 23 form part of these accounts.
Auditors' report page 4.

PARKINSON GROUP PLC

6

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	<u>1993</u> £'000	<u>1992</u> £'000
Loss for the financial year		
Unrealised surplus on revaluation of properties	(26)	(254)
Currency translation differences on foreign currency net investments	18	19
	12	(11)
	<u>4</u>	<u>(246)</u>
<u>Note of historical cost profits & losses</u>		
	<u>1993</u> £'000	<u>1992</u> £'000
Reported profit/(loss) on ordinary activities before taxation	-	(288)
Realisation of property revaluation gains of previous years	7	-
Difference between historical cost depreciaton charge and the actual depreciation charge of the year calculated on the revalued amount	6	6
Historical cost profit/(loss) on ordinary activities before taxation	<u>13</u>	<u>(282)</u>

The notes on pages 10 to 23 form part of these accounts.
Auditors' report page 4.

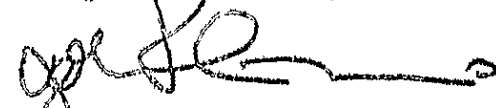
PARKINSON GROUP PLC AND ITS SUBSIDIARIES

7

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 1993

	<u>Notes</u>	<u>1993</u> £'000	<u>1992</u> £'000
FIXED ASSETS			
Tangible fixed assets	9	1,129	1,078
Investment properties	10	260	325
		<u>1,389</u>	<u>1,403</u>
CURRENT ASSETS			
Debtors	12	1,888	1,815
Cash at bank and in hand		33	16
		<u>1,921</u>	<u>1,831</u>
CREDITORS: amounts falling due within one year	13	(2,267)	(2,228)
NET CURRENT LIABILITIES		<u>(346)</u>	<u>(397)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,043</u>	<u>1,006</u>
CREDITORS: amounts falling due after more than one year	14	(850)	(830)
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred tax	15	-	-
NET ASSETS		<u>193</u>	<u>176</u>
CAPITAL AND RESERVES			
Called up share capital	16	156	156
Share premium account		489	489
Revaluation reserve	17	181	172
Capital reserve		7	7
Profit and loss account	19	(668)	(663)
Total Shareholders' funds		<u>165</u>	<u>161</u>
MINORITY INTERESTS		<u>28</u>	<u>15</u>
		<u>193</u>	<u>176</u>

The accounts on pages 5 to 23 were approved by the board of directors on 22 July 1994 and signed on its behalf by:



J.C. Parkinson - Chairman

The notes on pages 10 to 23 form part of these accounts.
Auditors' report page 4.

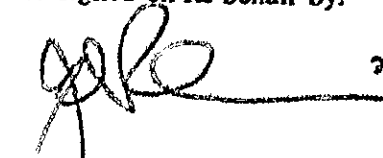
PARKINSON GROUP PLC

8

COMPANY BALANCE SHEET AT 31 DECEMBER 1993

	<u>Notes</u>	<u>1993</u> <u>£'000</u>	<u>1992</u> <u>£'000</u>
FIXED ASSETS			
Tangible fixed assets	9	188	142
Investments	11	556	556
		<u>744</u>	<u>698</u>
CURRENT ASSETS			
Debtors	12	1,661	1,600
CREDITORS: amounts falling due within one year	13	(2,078)	(2,102)
NET CURRENT LIABILITIES		<u>(417)</u>	<u>(502)</u>
Total assets less current liabilities		327	196
CREDITORS: amounts falling due after more than one year	14	(151)	-
NET ASSETS		<u>176</u>	<u>196</u>
CAPITAL AND RESERVES			
Called up share capital	16	156	156
Share premium account		489	489
Capital reserve		7	7
Other reserve	18	-	-
Profit and loss account	19	(476)	(456)
		<u>176</u>	<u>196</u>

The accounts on pages 5 to 23 were approved by the board of directors on 22 July 1994 and signed on its behalf by:


J C Parkinson - Chairman

The notes on pages 10 to 23 form part of these accounts.
Auditors' report page 4.

PARKINSON GROUP PLC AND ITS SUBSIDIARIES

9

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED
31 DECEMBER 1993

	<u>Note</u>	<u>1993</u> <u>£'000</u>	<u>1992</u> <u>£'000</u>
Net cash flow from operating activities	21	<u>342</u>	<u>334</u>
Returns on investments and servicing of finance			
Interest paid		<u>(172)</u>	<u>(246)</u>
Net cash out flow from returns on investments and servicing of finance		<u>(172)</u>	<u>(246)</u>
Taxation			
UK taxation recovered/(paid)		-	86
Investing activities			
Payments to acquire fixed assets		(55)	(11)
Receipts from sales of fixed assets		<u>71</u>	<u>16</u>
Net cash inflow from investing activities		<u>16</u>	<u>5</u>
Net cash inflow before financing		186	179
Financing			
Receipt of loans		150	-
Repayment of loans		(131)	(10)
Repayment of principal under finance leases		<u>(11)</u>	<u>-</u>
		<u>8</u>	<u>(10)</u>
Increase in cash and cash equivalent	22	<u><u>194</u></u>	<u><u>169</u></u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1993Principal accounting policies

- 1 The accounts have been prepared in accordance with applicable Accounting Standards in the United Kingdom. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's accounts:-

(a) Basis of accounting

The accounts have been prepared under the historical cost convention with the exception that certain fixed assets have been revalued.

(b) Basis of consolidation

The group accounts comprise the accounts of the holding company and its principal subsidiaries which are listed in note 11. The accounts of all subsidiaries are made up to 31 December.

(c) Goodwill

Goodwill represents the excess of the cost or value attributed to investments in businesses or subsidiaries over the fair value of the underlying net assets at the date of their acquisition. Goodwill is written off against reserves in the year in which it arises.

(d) Turnover

Turnover represents the amounts receivable by the group in the ordinary course of business, net of Value Added Tax, for goods sold and services provided outside of the group.

(e) Depreciation

Depreciation is provided on a straight line basis in order to write off the cost of the assets over their estimated useful lives at the following rates:-

Fixtures, fittings, plant, equipment & vehicles	- between 10% and 25% per annum
Leasehold properties	- over the period of the lease
Freehold properties	- 2% per annum

In accordance with SSAP19:(i) investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve and (ii) no depreciation is provided in respect of freehold investment properties.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1993 - ContinuedPrincipal accounting policies - continued(f) Deferred taxation

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences to the extent that in the directors' opinion it is probable that liabilities will crystallise in the foreseeable future.

(g) Leased assets

Assets acquired under finance leases are capitalised and included in tangible fixed assets. The capital element of future payments is treated as a liability and the interest is charged to the profit and loss account. The cost of leases, other than finance leases, is charged to the profit and loss account as incurred.

(h) Pension scheme

The group operates two defined contribution pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds.

(i) Foreign exchange

Assets and liabilities in foreign currencies are translated into sterling at the exchange rates ruling at the year end. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences arising from the above are included in the profit and loss account.

Turnover and results

2

	<u>1993</u> <u>£'000</u>	<u>1992</u> <u>£'000</u>
EEC Countries	<u>11,048</u>	<u>11,463</u>

In the directors' opinion there are no significant trading activities other than recruitment and activities ancillary to this.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1993 - ContinuedInterest payable and similar charges

3	<u>1993</u> £'000	<u>1992</u> £'000
On bank loans, overdrafts and other loans wholly repayable within five years	85	152
On other loans	80	115
On finance leases	2	-
	<u>167</u>	<u>267</u>

Exceptional items

4	The exceptional items were as follows:-	<u>1993</u> £'000	<u>1992</u> £'000
	Costs incurred in respect of discontinued activities	-	150
		<u>-</u>	<u>150</u>

Profit/(Loss) on ordinary activities before taxation

- 5 Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting) the following items:-

	<u>1993</u> £'000	<u>1992</u> £'000
Depreciation	76	72
Auditors' remuneration: audit services	24	27
other services (company £17k : 1992 £20k)	2	2
Directors' remuneration	123	197
Hire of plant and machinery	61	37
(Profit)/loss on disposal of fixed assets	(6)	2
	<u>-</u>	<u>-</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1993 - ContinuedStaff numbers and costs

6 During the year the average number of persons employed by the group was as follows:-

	<u>1993</u> No	<u>1992</u> No
Recruitment	<u>70</u>	<u>79</u>
	£'000	£'000
Wages and salaries	1,260	1,530
Social security costs	118	124
Other pension costs	24	56
	<u>1,402</u>	<u>1,710</u>

Directors' remuneration

7 Emoluments of the directors, including pension contributions, were as follows:-

	<u>1993</u> £'000	<u>1992</u> £'000
Management services	<u>123</u>	<u>197</u>

Directors' emoluments, excluding pension contributions, were as follows:-

	<u>1993</u> £'000	<u>1992</u> £'000
Emoluments of the Chairman and highest paid director	<u>51</u>	<u>67</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1993 - Continued

Directors' remuneration - continued

The emoluments of the directors fell within the following ranges:-

	<u>1993</u>	<u>1992</u>
	No	No
£10,001 - £15,000	1	-
£15,001 - £20,000	-	1
£20,001 - £25,000	1	-
£30,001 - £35,000	1	-
£35,001 - £40,000	-	1
£50,001 - £55,000	1	-
£60,001 - £65,000	-	1
£65,001 - £70,000	-	1

Tax on loss on ordinary activities

8

	<u>1993</u>	<u>1992</u>
	£'000	£'000
United Kingdom corporation tax at 25%	13	-
Group relief and brought forward losses	-	-
Deferred taxation	-	(6)
Adjustments in respect of prior years	-	(43)
Corporation tax	-	(43)
	<u>13</u>	<u>(49)</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1993 - Continued

Fixed assets9 Group

	Freehold properties £'000	Fixtures, fittings, plant equipment & vehicles £'000	Total £'000
COST OR VALUATION			
At 1 January 1993	1,013	397	1,410
Additions	-	109	109
Disposals	-	(9)	(9)
Revaluation	18	-	18
At 31 December 1993	1,031	497	1,528
DEPRECIATION			
At 1 January 1993	89	243	332
Charge for the year	18	58	76
Disposals	-	(9)	(9)
At 31 December 1993	107	292	399
NET BOOK VALUE			
At 31 December 1993	924	205	1,129
At 1 January 1993	924	154	1,078

The freehold properties were valued by an independent firm of Chartered Surveyors at 31 December 1992 and in the opinion of the directors this value has not materially changed.

The historical cost and accumulated depreciation of freehold properties, included above at valuation, is as follows:-

	1993 £'000	1992 £'000
Cost	841	841
Accumulated depreciation	(92)	(76)
Net book value	749	765

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1993 - ContinuedTangible fixed assets - continuedCompany

	Fixtures, fittings, plant equipment & <u>vehicles</u> £'000
COST	
At 1 January 1993	369
Additions	96
Disposals	(9)
	<hr/>
At 31 December 1993	456
	<hr/>
DEPRECIATION	
At 1 January 1993	227
Charge for the year	50
Disposals	(9)
	<hr/>
At 31 December 1993	268
	<hr/>
NET BOOK VALUE	188
At 31 December 1993	<hr/>
	<hr/>
At 1 January 1993	142
	<hr/>

Investment properties

10	<u>1993</u> £'000	<u>1992</u> £'000
Valuation at 1 January	325	325
Disposals	(65)	-
	<hr/>	<hr/>
Valuation at 31 December	260	325
	<hr/>	<hr/>

The investment properties were valued by an independent firm of Chartered Surveyors at 31 December 1992 and in the opinion of the directors this value has not materially changed.

The historical cost of the investment properties, included above at valuation, at 31 December 1993 was £253,770 (1992: £312,000).

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1993 - Continued

<u>Investments</u>		<u>1993</u>	<u>1992</u>
		<u>£'000</u>	<u>£'000</u>
11	Investment in subsidiaries		
	At 1 January	581	581
	Additions during the year	-	28
	Write off on transfer of businesses (note 18)	-	(28)
	Provision against investments	(25)	(25)
	At 31 December	<u>556</u>	<u>556</u>

The following are the principal subsidiaries of Parkinson Group Plc at 31 December 1993:

<u>Name of Company</u>	<u>Share capital</u>	<u>% held</u>	<u>Activity</u>
Foleybrook Properties Ltd.	£100	100*	Property investment
Staffsign Limited	£1,000	100	Dormant from 31 December 1991
RHL Limited	£400	100*	Holding company
Recruitment Holdings Limited	£100	100	Dormant from 31 December 1991
Anderson Squires Group Limited	£520	100*	Dormant from 31 December 1991
Atkinson Compton Associates Limited	£100	100*	Ceased trading 1 November 1991
Hayden Pearse Group Limited	£200	68*	Recruitment

The above subsidiaries are all incorporated and trade in Great Britain.

Shares are ordinary shares of £1 each except for the shares of RHL Limited which are ordinary shares of £0.01 each.

<u>Name of company</u>	<u>Country of incorporation</u>	<u>% held</u>	<u>Activity</u>
Anderson Squires (Deutschland) GmbH	Germany	100*	Recruitment in Germany

* Direct subsidiary of Parkinson Group Plc.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1993 - ContinuedDebtors

12	1993		1992	
	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
	£'000	£'000	£'000	£'000
Trade debtors	1,789	1,434	1,709	1,371
Amounts owed by subsidiary companies	-	157	-	173
Other taxes and social security	-	3	-	-
Prepayments	56	49	95	51
Other debtors	43	18	11	5
	<u>1,888</u>	<u>1,661</u>	<u>1,815</u>	<u>1,600</u>

Creditors: amounts falling due within one year

13	1993		1992	
	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	1,104	1,036	1,306	1,165
Trade creditors	131	114	90	84
Amounts owed to subsidiary companies	-	23	-	121
Corporation Tax	14	-	-	-
Other taxes and social security	653	611	541	519
Other creditors	233	194	111	115
Accruals	132	100	180	98
	<u>2,267</u>	<u>2,078</u>	<u>2,228</u>	<u>2,102</u>

The bank loans and overdrafts are secured by debentures over the assets of the group.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1993 - ContinuedCreditors: amounts falling due after more than one year

14

	<u>Group</u>	<u>1993</u> <u>Company</u>	<u>Group</u>	<u>1992</u> <u>Company</u>
	£'000	£'000	£'000	£'000
Bank loans	699	-	830	-
Other loans	125	125	-	-
Obligations under finance leases	26	26	-	-
	<u>850</u>	<u>151</u>	<u>830</u>	<u>-</u>

Details of loans not wholly repayable within five years are as follows:

	<u>1993</u> <u>£'000</u>	<u>1992</u> <u>£'000</u>
Bank loan of £920,000 repayable in equal quarterly instalments until April 2006	759	890
Less: due within one year	<u>(60)</u>	<u>(60)</u>
	<u>699</u>	<u>830</u>

These loans are repayable as follows:-

	<u>1993</u> <u>£'000</u>	<u>1992</u> <u>£'000</u>
Within one year	60	60
Between two and five years	240	240
Over five years	<u>459</u>	<u>590</u>
	<u>759</u>	<u>890</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1993 - Continued

Provisions for liabilities and charges15 Deferred tax

	<u>Group</u>	<u>1993</u> <u>Company</u>	<u>Group</u>	<u>1992</u> <u>Company</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
At 1 January	-	-	6	-
Credit in profit and loss account	-	-	(6)	-
At 31 December	-	-	-	-

There was no potential liability for the group or the company at 31 December 1993 (31 December 1992: £Nil).

Share capital

16

	<u>1993</u> <u>£</u>	<u>1992</u> <u>£</u>
Authorised: 5,000,000 ordinary shares of 10p	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid: 1,563,824 ordinary shares of 10p	<u>156,382</u>	<u>156,382</u>

Consolidated revaluation reserve

17

	<u>Freehold</u> <u>properties</u> <u>£'000</u>	<u>1993</u> <u>Investment</u> <u>properties</u> <u>£'000</u>	<u>Freehold</u> <u>properties</u> <u>£'000</u>	<u>1992</u> <u>Investment</u> <u>properties</u> <u>£'000</u>
At 1 January	159	13	141	13
Revaluation	18	-	19	-
Transfer to realised reserves in respect of additional depreciation (note 19)	(2)	-	(1)	-
Transfer to realised reserves in respect of disposal	-	(7)	-	-
At 31 December	<u>175</u>	<u>6</u>	<u>159</u>	<u>13</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1993 - Continued

Company other reserve

		<u>1993</u> £'000	<u>1992</u> £'000
18	At 1 January		28
	Write off on transfer of businesses (note 11)	-	(28)
		<u>-</u>	<u>-</u>
	At 31 December	-	-
		<u>-</u>	<u>-</u>

Profit and loss account

19		<u>1993</u> <u>Group</u> £'000	<u>Company</u> £'000	<u>1992</u> <u>Group</u> £'000	<u>Company</u> £'000
	At 1 January	(663)	(456)	(399)	(115)
	Loss for the year	(26)	(20)	(254)	(341)
	Retranslation of opening net investment in overseas subsidiary	12	-	(11)	-
	Transfer from revaluation reserve in respect of additional depreciation (note 17)	2	-	1	-
	Release from revaluation in respect of disposal of revalued asset	7	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	At 31 December	<u>(668)</u>	<u>(476)</u>	<u>(663)</u>	<u>(456)</u>

The company has taken advantage of Section 230 of the Companies Act 1985 and has not presented its own profit and loss account.

Reconciliation of movements in shareholders' funds

20		<u>1993</u> <u>Group</u> £'000	<u>Company</u> £'000	<u>1992</u> <u>Group</u> £'000	<u>Company</u> £'000
	Opening shareholders' funds	161	196	407	565
	Loss for the year	(26)	(20)	(254)	(341)
	Revaluation of freehold properties	18	-	19	-
	Other recognised gains/(losses)	12	-	(11)	(28)
		<u>165</u>	<u>176</u>	<u>161</u>	<u>196</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1993 - ContinuedNet cash flow from operating activities

21	<u>1993</u> £'000	<u>1992</u> £'000
Operating profit	167	129
Depreciation	76	72
Exceptional items paid in the year	-	(130)
Loss/(profit) on sale of fixed assets	(6)	2
Decrease in trade debtors	(73)	197
Increase/(decrease) in trade creditors	166	75
Exchange adjustments taken to reserves	12	(11)
	<u>342</u>	<u>334</u>

Analysis of changes in cash and cash equivalents during this year

22	£'000
Balance at 31 December 1992	(1,290)
Net cash inflow	194
Balance at 31 December 1993	<u>(1,096)</u>

Analysis of changes in cash and cash equivalents as shown in the balance sheet

23	<u>1993</u> £'000	<u>1992</u> £'000	<u>Change</u> <u>in year</u> £'000
Cash at bank and in hand	33	16	17
Bank overdrafts and other loans	(1,129)	(1,306)	177
	<u>(1,096)</u>	<u>(1,290)</u>	<u>194</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1993 - ContinuedCommitments

- 24 Capital commitments at 31 December, for which no provision has been made in the accounts, were as follows:-

	1993		1992	
	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
	£'000	£'000	£'000	£'000
Authorised but not yet contracted	-	-	-	-

Contingent liabilities

- 25 The company has given a cross guarantee to Barclays Bank Plc in respect of the overdrafts of the subsidiary companies.

The company is currently involved in legal action with two former directors. In the opinion of the directors this action will not result in financial loss to the company. All appropriate legal costs to date have been accrued.

Transactions with directors

- 26 During the year the group rented two of its properties from the self-administered pension scheme of Mr J C Parkinson. Rents payable for these properties during the year amounted to £64,000. The rents on both of these properties are determined by an independent professional valuer.