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Financial Highlights

Turnover up 54% to £7.442 million (1993: £4.820 million)

Operating profit up 58% to £1.893 million (1993: £1.196 million)

Profit on ordinary activities before tax up 25% to £1.701 million (1993: £1.358 million)

Fully diluted earnings per share up 26% to 0.72p (1993: 0.57p)

Final dividend up 20% to 0.18p (1993: 0.15p)

Total number of operating beds now 578 (1993: 410)

Track Record

growing
Greenacre

1988/89		
Investors led by Tony Acton acquire control of Brewmaker plc. Change of direction established.		
1989/90		
First move into residential healthcare by acquiring two residential care homes in Dundee and St Andrews.	2 HOMES	
	67 BEDS	
	PBT £0.497m	
1990/91		
Homebrew business sold. First nursing home acquired in Cheltenham. £7.5m rights issue and subscription. Change of name to Greenacre Group plc.	3 HOMES	
	119 BEDS	
	PBT £0.536m	
1991/92		
Expansion in Gloucestershire by further acquisitions.	6 HOMES	
	274 BEDS	
	PBT £0.913m	
1992/93		
A newly developed home opens in Wiltshire. Areas of operation expand further with acquisitions in Somerset and Oxford.	9 HOMES	
	410 BEDS	
	PBT £1.358m	
1993/94		
Further expansion in Somerset and Berkshire. Another purpose-built home opens in Wiltshire.	12 HOMES	
	578 BEDS	
	PBT £1.701m	



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A26 RECEIPT DATE: 09/06/94

Chairman's Statement

The scale of Greenacre's operations grew significantly in the year to 31 January 1994 with 168 new operating beds being added in the period. The total number of beds in operation increased to 578 and the number of homes to 12. It was also a year in which the company's management foundations were broadened in preparation for a new round of planned expansion.

RESULTS Group operating profit rose 58% to £1.893m (1993: £1.196m) on turnover up 54% to £7.442m (1993: £4.820m). Group profit on ordinary activities before tax increased 25% to £1.701m (1993: £1.358m).

Fully diluted earnings per share, assuming the conversion of all convertible redeemable preference shares and the exercise of all options from the beginning of the period, rose 26% to 0.72p (1993: 0.57p).

DIVIDEND The Directors are recommending a 20% increase in the final dividend to 0.18p per ordinary share (1993: 0.15p). This will make a total for the year of 0.33p (1993: 0.28p), an increase of 18%. During the year preference dividends of £0.002m were paid (1993: £0.100m).

FINANCIAL By the last conversion date, 30 December 1993, holders of only 6,258 of the original 10,624,375 convertible redeemable preference shares had not applied to convert their shares to ordinary shares. This small unconverted balance was subsequently redeemed at the nominal value of 70p per share. The number of ordinary shares now in issue is 175,328,057.

During the year, in accordance with Greenacre's capital and financial strategy further mortgage borrowings were contracted to finance development and acquisitions. Libor-linked rates of interest on £3.4m of these 10 year bank loans were swapped for rates fixed for 7 years. Net borrowings of £4.239m at the year end indicate that gearing remained low at 31%. Further use of borrowings will be made to finance expansion in the current financial year. The increasing availability of sources of operating lease finance introduces a new form of finance which will be considered as a possible part of the company's funding mix.

While turnover increased significantly, net operating margins were not only maintained but increased slightly to 25.4% (1993: 24.8%).

we aim to
accelerate our profitable
growth programme

THE MARKET The highly fragmented nursing home market continues to provide attractive opportunities for expansion for professional quality operators. Given the choice, we find that both privately and publicly funded residents will generally choose our facilities and service in the areas in which we operate because of the high standards that we offer. As a result we have been and remain able to maintain consistently high average occupancy levels notwithstanding the introduction of the Community Care reforms in April 1993.

The increasingly exacting requirements of residents and Local Authorities call for greater professionalism from operators with growing emphasis on the quality of management. This applies to all aspects of the business from market research and site selection to the maintenance of quality standards and to effective communication with local communities. Greenacre aims to remain in the vanguard of professional nursing home management. This is fundamental to our commitment to on-going profitable growth.

OPERATIONS In May 1993 we acquired the 50-bed Donnington Nursing Home in Newbury and in August 1993 we acquired the 65-bed Clare Hall Nursing Home in Ston Easton south of Bath. Both are quality homes which are expected to make significant full year contributions in the current period.

The newly built Westbury Nursing and Retirement Home opened in Westbury, Wiltshire in January 1994. This fine home, which complements the recently developed Trowbridge Oaks Nursing Home in nearby Trowbridge, is filling rapidly. The development of the home was completed to a high specification within budget and on programme. Further greenfield developments of modern, well-equipped nursing homes are planned as a key element of Greenacre's expansion.

Greenacre remains focused on owning and operating nursing homes in market areas where a cluster of homes can ensure a significant presence and a rational deployment of management. Although the ratio of privately funded residents varies widely from home to home, the company aims to have at least 50% of its total number of residents privately funded.

During the year the operating management team which supports and controls the matrons responsible for individual operating units was strengthened by a number of new appointments. These appointments are designed to enhance the depth and quality of operating management in preparation for a further round of significant growth.

We expect to maintain consistently high occupancy levels in all operating homes in the current year.

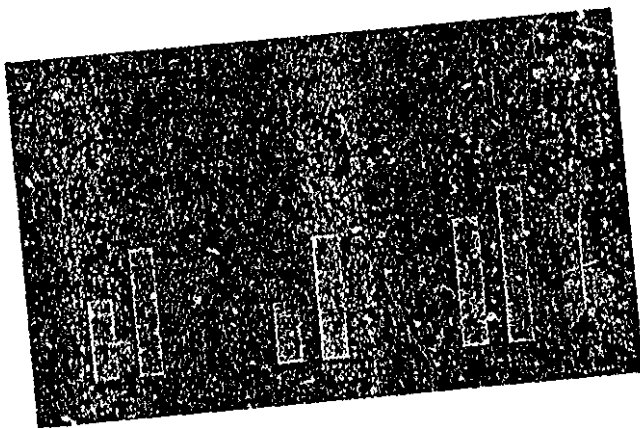
Trading conditions continued to be difficult at Tyro Limited but the company remained profitable. The old homebrew property in Southampton remains untenanted and unsold but conditions in the industrial property market are improving, the prospects of a sale or lease.

PROSPECTS Greenacre remains well positioned to accelerate its programme of sustained profitable growth both by the development of new homes and by acquisition. The company's well focused strategy and committed management should ensure another strong performance in the year ahead.

Tony Acton

Chairman 22 April 1994

profit progression Our highly focused strategy has produced consistent growth in turnover, operating profits and earnings per share - even through a period of recession.



the management The expanding hands-on professional management team is committed to building a major business. It has the depth, experience and dedication to deliver ongoing profitable growth.

planning and control Efficient management information systems are in place to ensure effective planning and control of marketing, fees, occupancy, training, quality and wages and other operating costs. Careful planning and control of new home developments has resulted in achieving capital costs below industry norms.

Our Business

We own and operate high quality modern nursing and residential care homes. We aim for standards of excellence in our facilities and in our services. Our objective is that every home should be a hallmark of quality and represent value for money.

quality control We place a major emphasis on maintaining high quality standards of clinical and non clinical facilities and services. Our operating and control systems and on going staff training ensure that quality standards are met consistently.

target market We serve all sectors of the private and public pay market but aim to have at least 50% of our total number of residents privately funded. We place particular emphasis on the middle and upper middle private pay market.

growth strategy Careful market research and competitive analysis are the basis of our location decisions. We aim to establish clusters of modern homes which are responsive to the needs of the communities they serve. Regional concentration ensures a significant market presence and rational deployment of management.

we apply strict
standards to every
aspect of our business

concentration

	Location	Classification	No of Beds
irement Home	Dundee	Residential	47
B... urement Home	St Andrews	Residential	40
	Cheltenham	Nursing	47
Elm...	Cirencester	Nursing	52
Forest C...	Mitcheldean, Gloucestershire	Nursing	52
Salterle...	Cheltenham	Nursing	38
Clare H...	Ston Easton, Somerset	Nursing	65
	Everereech, Somerset	Residential	24
		Nursing	60
	shire	Nursing	51
		Nursing	50
		Nursing	52

* acquired 1993

† opened 1994

Our Team

Greenacre has an expanding professional management team with the depth, experience and commitment to deliver on-going profitable growth.



TONY ACTON (49) Has headed the company since 1988 when he devised the change of strategic direction to nursing homes. He brings to Greenacre 20 years of chief executive experience in a variety of industries which include construction, property investment and development, property finance and hotels. Plays a key role in directing the company's expansion strategy.

STUART MACFARLANE (39) As Director of Central Services is responsible for delivering support services to all existing

and new homes and for overall operating policy and budgetary control. As Company Secretary is closely involved in all aspects of Greenacre's administration. Has been a member of the team since 1988.

RITA CRAIG The vendor in 1990 of Salterley Grange Nursing Home to Greenacre, and a member of the team since then. She brings a broad experience of operating and developing homes to the role of managing the development, commissioning and marketing of new units to maturity.

we continue to build
our management team
at all levels

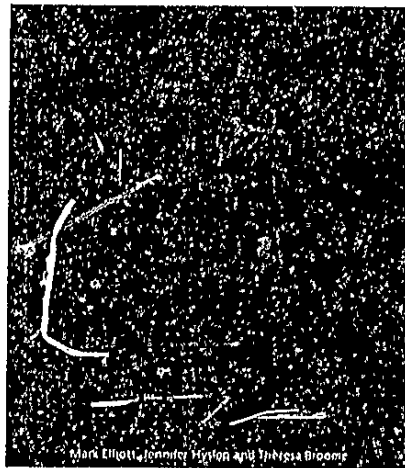
THERESA BROOME FCA Has headed Greenacre's accounting function since joining the company in early 1991. Implemented the Group's central computerised accounting and management information and control systems. Theresa and her department play a vital role in the efficient management of the company.

MARK ELLIOTT Joined the team in late 1991 and is now responsible as Operations Manager for all Group operations other than Greenacre's Scottish Homes. In the management of Greenacre's southern homes he is supported by Nursing Services and Hotelling Services Personnel.

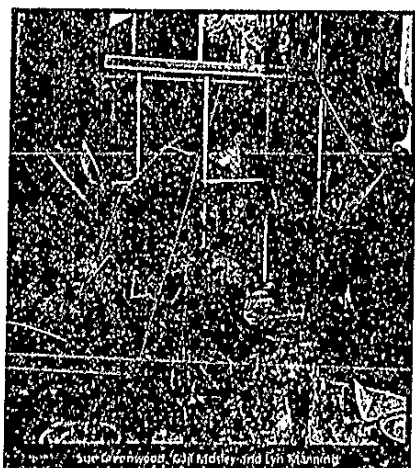
JENNIFER HYSLOP Was involved from the outset in the commissioning and opening of the Group's two Scottish homes prior to their acquisition by Greenacre in 1989. She remains in charge as Area Manager - 22 beds have been added since 1989, and profit growth has been consistent.

SUE GREENWOOD Initially Matron of Salterley Grange in 1990, Sue, as Nursing Services Manager, is responsible for maintaining consistently high care standards supported by effective documentation and relevant training. Care standards are an essential element of our overall quality care objective.

GAIL MOSLEY Joined Greenacre in mid 1993 as Hotelling Services Supervisor. She is charged with all non-clinical quality issues. This brief includes preparation and presentation of meals, housekeeping and laundry services, and issues such as furnishings and overall decorative standards in our homes. Gail's background is in catering.



Mark Elliott, Jennifer Hyslop and Theresa Broome



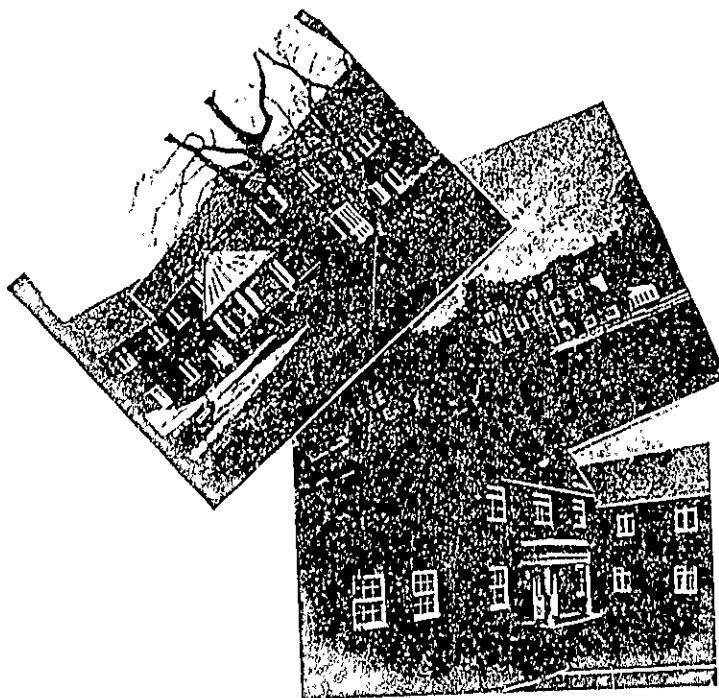
Sue Greenwood, Gail Mosley and Lyn Manning

LYN MANNING Recruited as Matron of Elm Grove in 1991, Lyn has performed a Nursing Services function since mid 1993 to assist Sue in setting, monitoring and improving care standards.



we aim to
provide a
high quality
personalised
care service in
attractive
surroundings

Review of Activities



The building is a large, multi-story residential care facility. It is designed to provide a high quality personalised care service in attractive surroundings. The building features a gabled roof, numerous windows, and a central courtyard. The surrounding area is well-maintained and includes trees and landscaping.

ACQUISITION AND DEVELOPMENT The opening of the newly developed Westbury Nursing and Retirement Home (51 beds) in early 1994 complements the Trowbridge Oaks Nursing Home which opened in late 1992 and now trades at a consistent occupancy of over 95%.

The Westbury shows every sign of repeating the success story and has been received with great enthusiasm by the local community. Occupancy levels are running ahead of expectations.

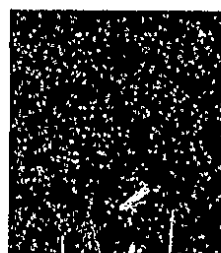
The development of new nursing homes in carefully selected areas forms a significant part of our expansion plans.

The acquisition of high quality homes south of Bath and in Newbury were also important recent features of our expansion.

HIGH QUALITY SERVICE We strive for consistent standards of excellence in both our care and hotelling services. We are committed to respecting the rights of our residents to exercise choices in their lives. We aim to provide a variety of opportunities in our homes which will enhance the quality of life of our residents.

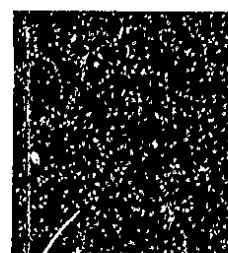
To achieve these objectives requires sensitive well-trained staff. Structured on-going training, through both in-house and external courses, remains a crucial element of our activities.

FOCUS ON COMMUNITY We aim to meet the needs of the local communities we serve by establishing and maintaining a reputation for excellence in what we do. Close co-operation with health professionals and social workers is maintained but our major marketing effort is directed at communicating what we offer to the broader local communities. Consistently high occupancy levels occur when a home is fully integrated in its local setting.



SUE GREENWOOD
NURSING SERVICES MANAGER

"We aim for continual quality improvement in our care service. I want us to be at the forefront of modern practices and approaches to the care of the elderly and to ensure that all our staff are trained accordingly."



GAIL MOSLEY
HOTELLING SERVICES SUPERVISOR

"Our residents deserve high catering and housekeeping standards in their home, and have the right to expect that the quality of their environment will be maintained."

Directors and advisors

Tony Acton Chairman

Ernest Bachrach*†

Stuart MacFarlane

John Nash*§†

David Walsh*§†

Secretary

Stuart MacFarlane

Auditors

Ernst & Young

Solicitors

Walsh Lawson

Stockbrokers

Panmure Gordon & Co

Merchant Bankers

Hill Samuel Bank Limited

Public Relations

Brunswick Public Relations
Limited

Principal Bankers

Midland Bank plc

Registrars

Barclays Registrars

Registered Office

Kenwood House
15 Reading Road
Pangbourne
Berkshire
RG8 7LR

Registered Number

1124015

Ernest Bachrach

Ernest Bachrach, BS, MBA, aged 41, joined the Board in 1991. He is Director Investments of Advent International plc, the London office of Boston based Advent International Corporation. He has extensive experience in European mergers and acquisitions, development capital and corporate finance, and is a non-executive director of a number of companies.

John Nash

John Nash, MA, aged 45, joined the Board in 1990. He is Chairman of Nash, Sells & Partners Limited, a UK development capital company. He has been involved in the formation of several enterprises and is a non-executive director of a number of quoted and unquoted companies. He is a former Chairman of the British Venture Capital Association.

David Walsh

David Walsh, LLB, aged 56, was appointed a director in 1988. He is a solicitor and senior partner in the firm of Walsh Lawson, solicitors to the Group (to whom fees are paid in the normal course of business), and a non-executive director of a number of quoted companies, including Peek plc and Edmond Holdings plc.

* Independent directors

§ Members of the Remuneration Committee

† Members of the Audit Committee

Directors' report

The Directors present their report for the year ended 31 January, 1994.

Review of the business

The Chairman's Statement on pages 2 and 3 includes details of the businesses and activities of the Group.

Results and dividends

The Group's profit on ordinary activities for the year was £1,700,782 before a tax charge of £426,581. Turnover amounted to £7,441,610.

During the year preference dividends of £2,398 were paid (1993: £99,973).

The Directors recommend the payment of a final ordinary dividend of 0.18p per share amounting to £315,591, making a total of 0.33p per share and £576,047 for the year (1993: 0.28p). Retained profits of £695,756 were transferred to reserves.

If approved, the final ordinary dividend will be paid on 30 June, 1994 to shareholders registered on 27 May, 1994.

Tangible fixed assets

Movements in tangible fixed assets are shown in note 10 on page 23.

Shareholdings

At 8 April, 1994 the Company had been notified of the following substantial shareholdings amounting to more than 3% of the ordinary shares in issue at that date:

	Number	%
Funds managed by Advent International Corporation	71,732,740	40.9
Funds managed by Nash, Sells & Partners Limited	37,393,916	21.3
C. D. Sanders and M. E. Sanders	7,516,930	4.3

Other than disclosed below no substantial shareholder was interested in any material or significant contract to which the Company or its subsidiaries were party during the year.

Directors

The interests of the Directors who served during the year, and their families, in the shares of the Company, all beneficially held, were (according to the register of Directors interests maintained by the Company under Section 325 of the Companies Act 1985) as follows:

	31 January, 1994		31 January, 1993	
	Ordinary shares	Options	Ordinary shares	Options
A. C. J. Acton*	4,160,000 ^{**}	1,708,330	4,160,000 ^{**}	—
E. Bachrach	—	—	—	—
S. C. MacFarlane	—	600,000	—	400,000
J. Nash ^{**}	—	—	6,061	—
D. Walsh	215,882	—	440,882	—

* Jarat Limited, in which voting control is exercised by a family trust for the benefit of Mr A. C. J. Acton and family, owns these ordinary shares.

^{**} Mr Nash, by virtue of limited partner interests, is interested in 37,393,916 ordinary shares held by funds managed by Nash, Sells & Partners Limited. In addition, Mr Nash, by virtue of his shareholding interests in Nash, Sells & Partners Limited, is interested in 86,884 ordinary shares.

There has been no change in any of the above-mentioned interests between 31 January, 1994 and the date of this report.

Mr S. MacFarlane and Mr J. Nash retire by rotation at the Annual General Meeting, and being eligible, offer themselves for re-election. Mr MacFarlane's services as a Director are provided under a service agreement which is terminable by three months notice by either party. Mr Nash has no service agreement with the Company.

Directors' report

continued

Mr E. Bachrach is a partner of Advent International Corporation and Mr J. Nash is a director and shareholder of Nash, Sells & Partners Limited. These companies together with European Special Situation Fund Limited Partnership and others entered into an Investment and Underwriting Agreement with the Company on 16 October, 1990. In addition, Nash, Sells & Partners Limited was paid an introductory fee of £12,700 on the acquisition of The Donnington Nursing Home by the Company on 10 May, 1993. Save for the above, none of the Directors had a beneficial interest in any material contract (other than a service contract) to which the Company or its subsidiaries were party during the year.

Employment policies

The Group recognises that the commitment and motivation of its employees reflect the quality of the care service which it provides. Accordingly the Group places great emphasis on the communication to all staff of philosophies, standards and procedures which is supported by internal and external training programmes. The Group aims to provide career and personal growth opportunities to all staff under the direction of active management leadership. The Group does not discriminate on the grounds of age, colour, disability, marital status, race, religion or sex.

Close company status

The Company is a close company under the provisions of the Income and Corporation Taxes Act 1988.

Items of special business

Resolution 6

The directors believe that it is desirable to preserve a margin of unissued share capital to maintain flexibility for financing acquisition opportunities which may arise in future. Accordingly paragraphs (i) and (ii) of Resolution 6 authorise an increase in authorised share capital by the creation of 37,264,950 new Ordinary Shares and empowers the directors to allot relevant securities up to an aggregate nominal amount of £606,719.43.

The Companies Act 1985 provides that, unless shareholders otherwise consent, all new equity securities to be offered for cash must be first offered to existing shareholders in proportion to their individual holdings. The effect of paragraph (iii) of the proposed resolution is to give the Directors authority first, in any rights issue to deal with fractional entitlements and certain legal and practical problems arising from foreign regulatory constraints and second, to be able to allot equity securities for cash to persons other than existing shareholders up to an aggregate nominal value of £87,664 (being 5% of the current issued ordinary share capital) such authority being in accordance with the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited and ABI Investment Committee guidelines. Paragraph (iii) of the proposed resolution renews the authorisation granted at last year's Annual General Meeting for a further year.

Corporate Governance

The Company complies with those provisions which are currently in force of the Code of Best Practice that is set out in the Report of the Committee on the Financial Aspects of Corporate Governance except as described below.

The Non-Executive Directors do not have formal fixed term contracts. Under the Company's Articles of Association one third of the Directors retire by rotation at each Annual General Meeting and, being eligible, may put themselves forward for re-election as Directors.

The Directors will not be able to report on the effectiveness of internal controls nor on the Company's status as a going concern until the necessary guidance in these respects has been published.

Auditors

A resolution to re-appoint Ernst & Young as auditors will be proposed at the Annual General Meeting.

By order of the Board

S. C. MacFarlane

Secretary

22 April, 1994



Five year review

year ended 31 January

	1994 £000	1993 £000	1992 £000	1991 £000	1990 £000
Profit and Loss Account					
Turnover	7,442	4,819	3,031	2,178	5,643
Profit before exceptional items	1,701	1,423	913	536	342
Profit before taxation	1,701	1,358	913	536	497
Profit after taxation	1,274	1,011	681	358	340
Retained profit	696	519	308	88	210
Balance Sheet					
Tangible assets	18,561	12,756	8,600	4,572	3,456
Net current assets/(liabilities)	(897)	(128)	3,817	4,046	1,557
Non-current liabilities	(4,166)	(803)	(848)	(1,022)	(748)
Shareholders' funds	13,498	11,825	11,568	7,595	4,265
Earnings per ordinary share – basic	0.73p	0.98p	0.70p	0.47 p	0.55p
– fully diluted	0.72p	0.57p	0.47p	0.45 p	–
Dividends per ordinary share	0.33p	0.28p	0.25p	0.225p	0.20p
Ordinary shares in issue (millions)	175,328	173,176	69,387	69,147	63,235

The comparative figures for 1990 to 1992 have not been re-stated under IFRS3.

Group profit and loss account

for the year ended 31 January, 1994

	Note	1994 £	1993 £
Turnover			
Continuing operations	2	6,404,072	4,409,753
Acquisitions		1,037,538	409,906
		<hr/>	
		7,441,610	4,819,659
Operating charges		(5,548,264)	(3,623,586)
Operating profit	3		
Continuing operations		1,523,388	999,147
Acquisitions		369,958	196,926
		<hr/>	
		1,893,346	1,196,073
Loss on disposal of discontinued operations		—	(64,534)
Profit on ordinary activities before interest		1,893,346	1,131,539
Interest receivable		72,237	321,529
Interest payable	5	(264,801)	(94,823)
Profit on ordinary activities before taxation		1,700,782	1,358,245
Tax on profit on ordinary activities	6	(426,581)	(347,619)
Profit for the financial year	7	1,274,201	1,010,626
Dividends	8	(578,445)	(491,369)
Retained profit for the financial year		695,756	519,257
		<hr/>	<hr/>
Basic earnings per share	9	0.73p	0.98p
Fully diluted earnings per share	9	0.72p	0.57p
		<hr/>	<hr/>

Movements on reserves are set out in note 20.

The notes on pages 18 to 30 form part of these accounts.

Balance sheets

at 31 January, 1994

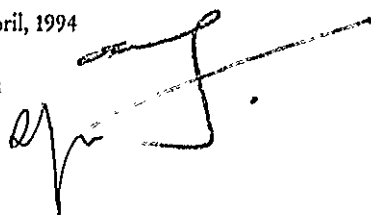
	Note	GROUP		COMPANY	
		1994 £	1993 £	1994 £	1993 £
Fixed assets					
Tangible assets	10	18,561,086	12,756,285	466,620	486,360
Investments	11	—	—	11,610,929	9,981,561
		18,561,086	12,756,285	12,077,549	10,467,921
Current assets					
Stocks	12	72,847	76,024	—	—
Debtors	13	495,006	383,415	449,495	259,883
Cash at bank and in hand		837,931	1,920,816	859,400	1,699,746
		1,405,784	2,380,255	1,308,895	1,959,629
Creditors: amounts falling due within one year	14	2,303,178	2,508,249	2,175,817	1,283,326
Net current (liabilities)/assets		(897,394)	(127,994)	(866,922)	676,303
Total assets less current liabilities		17,663,692	12,628,291	11,210,627	11,144,224
Creditors: amounts falling due after more than one year	15	4,157,227	792,802	—	—
Provision for liabilities and charges					
Deferred taxation	16	8,651	10,512	2,303	2,304
Net assets		13,497,814	11,824,977	11,208,324	11,141,920
Capital and reserves					
Called up share capital	17	1,757,661	1,886,759	1,757,661	1,886,759
Share premium account	20	7,080,213	6,967,114	7,080,213	6,967,114
Revaluation reserve	20	1,413,071	333,816	110,507	110,507
Merger reserve	20	333,155	419,330	1,763,753	1,763,753
Profit and loss account	20	2,913,714	2,217,958	496,190	413,787
Shareholders' funds		13,497,814	11,824,977	11,208,324	11,141,920

Approved by the Board on 22 April, 1994

A. C. J. Acton

S. C. MacFarlane

} Directors



The notes on pages 18 to 30 form part of these accounts.

Statement of total recognised gains and losses

	1994 £	1993 £
Profit for the financial year	1,274,201	1,010,626
Unrealised surplus/(deficit) on revaluation of properties	1,079,255	(184,479)
Cost of share issue	(15,999)	(5,500)
Total recognised gains and losses relating to the year	<u>2,337,457</u>	<u>820,647</u>

Reconciliation of movements in shareholders' funds

	1994 £	1993 £
Profit for the financial year	1,274,201	1,010,626
Dividends	(578,445)	(491,369)
	695,756	519,257
Other recognised gains and losses relating to the year (net)	1,063,256	(189,979)
Goodwill written off	(86,175)	(72,500)
Net addition to shareholders' funds	1,672,837	256,778
Opening shareholders' funds	11,824,977	11,568,199
Closing shareholders' funds	<u>13,497,814</u>	<u>11,824,977</u>

The notes on pages 18 to 30 form part of these accounts.

Group statement of cash flows

for the year ended 31 January 1994

	Note	1994 £	1993 £
Net cash inflow from operating activities	3(b)	2,047,580	1,211,311
Returns on investments and servicing of finance			
Interest received		78,695	305,760
Interest paid		(229,473)	(145,337)
Dividends paid		(522,619)	(318,337)
Net cash outflow from returns on investments and servicing of finance		(673,397)	(157,914)
Taxation			
Corporation tax paid (including advance corporation tax)		(378,656)	(246,486)
Tax paid		(378,656)	(246,486)
Investing activities			
Payments to acquire tangible fixed assets		(4,904,875)	(4,363,625)
Receipts from sales of tangible fixed assets		24,898	800
Net cash outflow from investing activities		(4,879,977)	(4,362,825)
Net cash outflow before financing		<u>(3,884,450)</u>	<u>(3,555,914)</u>
Financing			
Share issue costs	19	15,999	5,500
Proceeds from new borrowings	19	(4,283,500)	(1,434,000)
Repayment of long-term loans	19	1,465,936	19,069
Net cash inflow from financing		(2,801,565)	(1,409,431)
Decrease in cash and cash equivalents		<u>(1,082,885)</u>	<u>(2,146,483)</u>
		<u>(3,884,450)</u>	<u>(3,555,914)</u>

The notes on pages 48 to 55 form part of these accounts.

Notes to the accounts

for the year ended 31 January, 1994

1 ACCOUNTING POLICIES

Accounting convention

The accounts are prepared in accordance with applicable accounting standards under the historical cost convention modified to include the revaluation of land and buildings.

Basis of consolidation

The Group accounts consolidate the accounts of Greenacre Group plc and its subsidiaries drawn up to 31 January each year.

No profit and loss account is presented for Greenacre Group plc as permitted by S230 of the Companies Act 1985.

Goodwill

Goodwill, being the excess of purchase consideration for a business over the fair value of assets acquired, is written off against consolidated reserves in the year of acquisition.

Depreciation

Depreciation is provided on all tangible fixed assets except land, nursing homes and residential care homes and is calculated to write off the cost or valuation less estimated residual value of each asset evenly over its expected useful life as follows:

Freehold industrial buildings	Over 50 years
Leasehold industrial buildings	Over term of lease
Motor vehicles	Over 3 to 4 years
Plant and machinery	Over 3 to 10 years
Including:	
Fixtures and fittings	Over 4 to 5 years
Computer equipment	Over 3 to 4 years

It is the Group's policy to maintain its property in a continual state of sound repair. In the case of freehold care homes the Directors consider that the lives of these properties and their residual values are such that their depreciation is not significant. Accordingly no depreciation is provided on these properties.

Interest

Interest is capitalised on borrowings relating to land acquisition and development costs during construction and for periods of up to a maximum of 3 months after opening.

Commissioning Costs

Commissioning costs incurred no later than 3 months after opening of developed homes are capitalised.

Stocks

Stocks are stated at the lower of cost and net realisable value. "Cost" is defined as the cost incurred in bringing each product to its present location and condition:

Raw materials	Purchase cost on a first in, first out, basis.
Work in progress and finished goods	Cost of direct materials and labour plus attributable overheads based on the normal level of activity.

Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. All differences are taken to the profit and loss account.

Notes to the accounts

continued

1 ACCOUNTING POLICIES continued

Deferred taxation

Deferred taxation is provided on the liability method on all timing differences to the extent that they are expected to reverse in the foreseeable future without being replaced, calculated at the rate at which it is estimated that tax will be payable.

Pensions

The Group operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Operating Leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

2 GROUP TURNOVER AND PROFIT

Turnover

Turnover represents the amounts derived from the sale of goods and services which fall within the Group's ordinary activities, stated net of value added tax.

	1994 £	1993 £
By business activity:		
Nursing and residential care	6,877,511	4,170,899
Contract packing	564,099	648,760
	<u>7,441,610</u>	<u>4,819,659</u>
Profit before tax		
By business activity:		
Nursing and residential care	2,164,442	1,429,642
Contract packing	40,267	95,065
Head office	(503,927)	(101,928)
	<u>1,700,782</u>	<u>1,422,779</u>
Loss on discontinued operations	—	(64,534)
	<u>1,700,782</u>	<u>1,358,245</u>

Notes to the accounts

continued

2 GROUP TURNOVER AND PROFIT continued

Net Assets

	1994 £	1993 £
By business activity:		
Nursing and residential care	10,932,745	9,365,171
Contract packing	337,716	437,604
Head office	2,227,353	2,022,202
	<u>13,497,814</u>	<u>11,824,977</u>

3 OPERATING PROFIT

(a) The operating profit is stated after charging/(crediting):

	1994 £	1993 £
Depreciation	232,021	170,581
Auditors' remuneration - audit services	25,117	26,815
- non-audit services	16,279	7,670
Hire of plant and machinery	29,452	16,592
Profit on disposal of fixed assets	(6,664)	(800)

Included within operating charges of £5,548,264 (1993: £3,623,586) relating entirely to continuing activities is £667,580 (1993: £212,980) relating to acquisitions.

(b) Reconciliation of operating profit to net cash inflow from operating activities

	1994 £	1993 £
Operating profit	1,893,346	1,131,539
Depreciation	232,021	170,581
Profit on disposal of fixed assets	(6,664)	(800)
Commissioning costs	(52,067)	(82,299)
Provisions utilised	-	(1,765)
(Increase)/decrease in debtors	(115,755)	74,305
Decrease in stocks	3,177	23,117
Increase/(decrease) in creditors	93,522	(103,367)
Net cash flow from operating activities	<u>2,047,580</u>	<u>1,211,311</u>

Notes to the accounts

continued

3 OPERATING PROFIT continued

(c) Directors' Remuneration:

	Chairman and highest paid director		All	
	1994	1993	1994	1993
	£	£	£	£
Executive Directors				
Salaries	102,500	95,000	154,500	143,000
Pension contributions	9,061	8,400	12,311	11,400
Performance related bonus	—	12,958	—	14,038
	<u>111,561</u>	<u>116,358</u>	<u>166,811</u>	<u>168,438</u>
Non-Executive Directors				
Fees			30,000	24,999
Total remuneration			<u>196,811</u>	<u>193,437</u>

The performance related bonus is awarded by the Remuneration Committee by reference to formulae which reflect the achievement of growth targets in profits per share.

The emoluments of the Directors, excluding pension contributions, fell within the following ranges:

	1994 Number	1993 Number
£Nil – £5,000	—	2
£5,001 – £10,000	3	3
£50,001 – £55,000	1	1
£100,001 – £105,000	1	1

4 STAFF COSTS

	1994 £	1993 £
Wages and salaries	3,378,298	2,013,108
Social security costs	253,912	147,490
Other pension costs	17,499	12,892
	<u>3,649,709</u>	<u>2,173,490</u>

The average weekly number of employees during the year was made up as follows:

	1994 Number	1993 Number
Manufacturing	5	5
Office and management	8	6
Nursing and residential care	660	362
	<u>673</u>	<u>373</u>

Notes to the accounts

continued

5 INTEREST PAYABLE

	1994	1993
	£	£
Loans not wholly repayable within five years	264,801	94,823
Development loans wholly repayable within five years	18,859	65,644
Interest capitalised	(18,859)	(65,644)
	<u>264,801</u>	<u>94,823</u>

6 TAXATION

The taxation charge is made up as follows

	1994	1993
	£	£
Based on profit for the year:		
Corporation tax at 33% (1993: 33%)	462,470	372,208
Deferred taxation	(1,861)	(6,318)
Corporation tax overprovided in previous years	(34,028)	(18,271)
	<u>426,581</u>	<u>347,619</u>

If full provision had been made for deferred tax for the year, the tax charge would have been increased by £44,302 in respect of capital allowances in advance of depreciation.

7 PROFIT ATTRIBUTABLE TO MEMBERS OF THE HOLDING COMPANY

	1994	1993
	£	£
Dealt with in the accounts of the holding company	660,848	467,628
Retained by subsidiary companies	613,353	542,998
	<u>1,274,201</u>	<u>1,010,626</u>

8 DIVIDENDS

	1994	1993
	£	£
Preference – paid	2,398	99,973
Ordinary – interim paid	260,456	131,631
– final proposed	315,591	259,765
	<u>578,445</u>	<u>491,369</u>

Notes to the accounts

continued

9 EARNINGS PER ORDINARY SHARE

The calculation of earnings per ordinary share is based on earnings of £1,271,788 (1993: £926,687) stated after deduction of preference dividend entitlements and on 173,604,335 shares (1993: 94,765,821), being the weighted average number of ordinary shares in issue during the year.

The fully diluted earnings per share is based on 177,029,904 ordinary shares (1993: 175,790,637) allowing for the full exercise of outstanding share purchase options (note 17).

10 TANGIBLE FIXED ASSETS

	Homes freehold £	Land and buildings freehold £	Land and buildings long leasehold £	Motor Vehicles £	Plant and Machinery £	Total £
Group						
Cost or Valuation:						
At 1 February, 1993	11,083,695	411,089	450,000	88,591	1,072,877	13,106,252
Additions	4,487,175	-	-	716	487,910	4,975,801
Disposals	-	-	-	(51,272)	-	(51,272)
Revaluation	1,079,255	-	-	-	-	1,079,255
At 31 January, 1994	16,650,125	411,089	450,000	38,035	1,560,787	19,110,036
Depreciation:						
At 1 February, 1993	-	36,057	-	44,072	269,838	349,967
Provided during the year	-	7,500	-	7,682	216,839	232,021
Disposals	-	-	-	(33,038)	-	(33,038)
At 31 January, 1994	-	43,557	-	18,716	486,677	548,950
Net book value						
at 31 January, 1994	16,650,125	367,532	450,000	19,319	1,074,110	18,561,086
At 31 January, 1993	11,083,695	375,032	450,000	44,519	803,039	12,756,285
Company						
Cost or Valuation:						
At 1 February, 1993	-	-	450,000	61,858	17,115	528,973
Additions	-	-	-	716	6,914	7,630
Disposals	-	-	-	(51,272)	-	(51,272)
At 31 January, 1994	-	-	450,000	11,302	24,029	485,331
Depreciation:						
At 1 February, 1993	-	-	-	37,942	4,671	42,613
Provided during the year	-	-	-	2,733	6,403	9,136
Disposals	-	-	-	(33,038)	-	(33,038)
At 31 January, 1994	-	-	-	7,637	11,074	18,711
Net book value						
at 31 January, 1994	-	-	450,000	3,665	12,955	466,620
At 31 January, 1993	-	-	450,000	23,916	12,444	486,360

Notes to the accounts

continued

10 TANGIBLE FIXED ASSETS continued

Group and Company

The historical cost of fixed assets included at valuation is as follows:

	Homes freehold £	Land and buildings long leasehold £
As at 31 January, 1994	4,138,482	399,208
At 1 February, 1993	2,015,274	399,208

The leasehold property is included in the accounts at the Directors valuation of £450,000. The directors value the freehold land and buildings at £375,000. These valuations are based on the open market value. Elm Grove and Forest Court nursing homes are included at Directors valuations of £2,000,000 and £1,400,000 respectively. The basis of these valuations is open market value as fully operational going concerns. In determining their valuations, the Directors took into consideration professional valuations for the purpose of lending security. Freehold homes includes capitalised interest of £97,939 (1993: £79,080).

11 INVESTMENTS

Investments in Group undertakings

	1994 £	1993 £
Shares at cost less amounts written off:		
At 1 February, 1993	2,291,415	2,291,415
Long term loans to subsidiary undertakings	9,319,514	7,690,146
At 31 January, 1994	11,610,929	9,981,561

The following companies are wholly owned subsidiaries at 31 January, 1994:

Name of subsidiary	Country of Registration	Nature of business
Alphen Limited (formerly Canwel Limited)	England	Did not trade during year
Southampton Homebrews Limited	England	Did not trade during year
Tyro Limited	England	Contract packing
Greenacre Residential Retirement Homes Limited	Scotland	Residential care
Greenacre UK Limited	England	Nursing and Residential care

Tyro Limited, Greenacre UK Limited and Greenacre Residential Retirement Homes Limited operate principally in the United Kingdom.

Notes to the accounts

continued

12 STOCKS

	Group	
	1994	1993
	£	£
Raw material and consumables	58,809	61,713
Finished goods and goods for resale	14,038	14,311
	<u>72,847</u>	<u>76,024</u>

The replacement cost of stocks is not materially different from the book values above.

13 DEBTORS

	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Trade debtors	287,974	224,984	24,301	10,862
Current corporation tax	—	—	163,129	36,565
Advance corporation tax recoverable	78,898	75,415	230,628	182,279
Other debtors	49,491	29,242	—	—
Prepayments	78,643	53,774	31,437	30,177
	<u>495,006</u>	<u>383,415</u>	<u>449,495</u>	<u>259,883</u>

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Development loans	883,500	1,434,000	—	—
Current instalments due on loans (note 15)	36,153	32,514	—	—
Trade creditors	223,478	101,097	85,827	29,865
Amounts owed to subsidiary undertakings	—	—	1,629,963	861,990
Current corporation tax	310,741	260,955	—	—
Advance corporation tax payable	78,898	75,415	78,898	75,415
Other taxes and social security costs	108,059	82,668	21,465	25,614
Other creditors	16,193	72,231	541	—
Accruals	330,565	189,604	43,532	30,677
Proposed dividend	315,591	259,765	315,591	259,765
	<u>2,303,178</u>	<u>2,308,249</u>	<u>2,175,817</u>	<u>1,283,326</u>

Notes to the accounts

continued

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	1994	1993
	£	£
Bank loans:		
Bank loans repayable within one year	883,500	1,434,000
Bank loans repayable by instalments not wholly due within five years	793,380	825,316
Bank loans repayable otherwise than by instalments after five years	3,400,000	-
	5,076,880	2,259,316
Less repayable within one year	919,653	1,466,514
Repayable after more than one year	<u>4,157,227</u>	<u>792,802</u>
The maturity of the bank loans repayable by instalments is as follows:		
Amounts payable within one year	100,790	100,888
Over one year: In the second to fifth years inclusive	403,160	403,159
Over five years	1,053,173	1,153,959
	1,557,123	1,658,006
Less: Finance charges allocated to future periods	763,743	832,690
	<u>793,380</u>	<u>825,316</u>

Bank loans repayable within one year bear interest at 0.5% over bank base rate.

Bank loans repayable by instalments are secured by fixed mortgages over the freehold properties of Tyro Limited and Greenacre Residential Retirement Homes Limited, and bear interest at 2% over Lloyds Bank base rate and 1.75% over Bank of Scotland base rate respectively.

Bank loans repayable otherwise than by instalments are secured by fixed mortgages over certain freehold properties of Greenacre UK Limited. £1.4 million thereof bears interest at a fixed rate of 9.51% for 7 years, and £2.0 million thereof bears interest at a fixed rate of 8.36% for 7 years, both periods expiring in the year 2000.

Notes to the accounts

continued

16 DEFERRED TAXATION

Deferred taxation provided in the accounts and the amounts not provided are as follows:

	Provision		Not provided	
	1994	1993	1994	1993
	£	£	£	£
Group				
Capital allowances in advance of depreciation	8,651	10,512	125,158	80,737
Interest receivable	—	—	600	719
	8,651	10,512	125,758	81,456
Taxation on valuation surplus	—	—	802,000	446,000
	8,651	10,512	927,758	527,456
Company				
Capital allowances in advance of depreciation	2,303	2,304	—	—

17 SHARE CAPITAL

	1994	1993
	£	£
Authorised:		
198,735,050 (1993: 198,735,050) ordinary shares of 1p each	1,987,351	1,987,351
10,624,375 (1993: 10,624,375) 3.75% convertible redeemable preference shares of 70p each	7,437,062	7,437,062
	9,424,413	9,424,413
Allotted share capital	1,757,661	1,886,759
Allotted, issued and fully paid:		
175,328,057 (1993: 173,176,427) ordinary shares	1,753,280	1,731,764
Allotted, issued and fully paid:		
6,258 (1993: 221,421) 3.75% convertible redeemable preference shares	4,381	154,995
	1,757,661	1,886,759

In addition to the issued share capital, options have been granted to subscribe for 2,308,330 (1993: 400,000) ordinary shares pursuant to the Greenacre 1990 Executive Share Option Scheme. Such options are exercisable at 6p commencing on 8 January, 1994 in respect of 200,000 shares, at 8.25p commencing on 30 May, 1995 in respect of 200,000 shares and at 12p commencing on 29 May, 1996 in respect of 1,908,330 shares. These options must be exercised between 3 and 10 years from the date of issue.

The fully paid convertible redeemable preference shares could be converted into fully paid ordinary shares on the basis of ten ordinary shares for every one convertible redeemable preference share. In June and December 1993 a total of 215,163 convertible redeemable preference shares were converted into 2,151,630 ordinary shares. The shares were issued at a premium of 6p per share and the aggregate sum of the premium (£129,098) was credited to the Company's Share Premium Account. The final conversion date was 30 December 1993 and the 6,258 convertible redeemable preference shares not converted at that date were redeemed at their nominal value on 18 February, 1994.

Notes to the accounts

continued

18 LEASING COMMITMENTS

	Group £	Company £
Amounts payable next year under operating leases for equipment rental which will expire:		
- next year	4,180	-
- in the following 4 years	68,832	35,964
- thereafter	-	-
	<u>73,012</u>	<u>35,964</u>

19 ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Share Capital (including Premium) £	Loans £
Balance at 1 February, 1993	8,853,873	2,259,316
Cash inflows from financing (net)	-	2,817,564
Share issue costs	(15,999)	-
Balance at 31 January, 1994	<u>8,837,874</u>	<u>5,076,880</u>

20 RESERVES

	Share Premium £	Revaluation reserve £	Profit and loss account £	Merger reserve £
Group				
At 1 February, 1993	6,967,114	333,816	2,217,958	419,330
Reserves arising on share issues	129,098	-	-	-
Cost of share issue	(15,999)	-	-	-
Goodwill on acquisition (note 21)	-	-	-	(86,175)
Retained profit for the year	-	-	695,756	-
Surplus on revaluation	-	1,079,255	-	-
At 31 January, 1994	<u>7,080,213</u>	<u>1,413,071</u>	<u>2,913,714</u>	<u>333,155</u>

Goodwill on acquisition has been written off against the merger reserve. Goodwill on the acquisition of Tyro Limited was £794,506, on the acquisition of Greenacre Residential Retirement Homes Limited was £372,714, and on the acquisition of nursing home businesses by Greenacre UK Limited was £263,379.

Notes to the accounts

continued

20 RESERVES continued

	Share Premium £	Revaluation reserve £	Profit and loss account £	Merger reserve £
Company				
At 1 February, 1993	6,967,114	110,507	413,787	1,763,753
Reserves arising on share issues	129,098	—	—	—
Cost of share issue	(15,999)	—	—	—
Retained profit for the year	—	—	82,403	—
At 31 January, 1994	<u>7,080,213</u>	<u>110,507</u>	<u>496,190</u>	<u>1,763,753</u>

21 FAIR VALUE ADJUSTMENTS

The fair values given to the assets of Donnington and Clare Hall at the dates of acquisition on 10 May, 1993 and 20 August, 1993 respectively are as follows:

	Donnington £	Clare Hall £
Fixed assets – land and buildings	1,279,501	2,127,066
– plant and machinery	30,000	30,000
Current assets	1,641	—
Current liabilities	(20,716)	(23,794)
Provisions for reorganisation	<u>(20,675)</u>	<u>(65,500)</u>
	1,269,751	2,067,772
Purchase consideration	1,290,426	2,133,272
Goodwill	<u>20,675</u>	<u>65,500</u>

£85,788 (1993: £22,252) of the provisions arising on acquisition of the nursing homes was utilised during the financial year to 31 January, 1994.

Notes to the accounts

continued

22 CAPITAL COMMITMENTS

Amounts contracted for but not provided in the accounts amounted to £nil (1993: £25,000) and amounts authorised by the directors but not contracted for were £nil (1993: £nil).

23 PENSION COMMITMENTS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from the Company in independently administered funds.

Directors' responsibilities statement

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 the Group and of the profit or loss of the Group 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 Group 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 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the auditors

To the members of Greenacre Group plc

We have audited the financial statements on pages 14 to 31 which have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, and the accounting policies set out on pages 18 and 19.

Respective responsibilities of directors and auditors

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

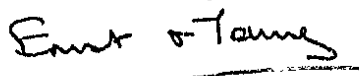
Basis of opinion

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 Group'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 of the Group as at 31 January, 1994 and of the Group's profit for the year in accordance with the Companies Act 1985.



Ernst & Young

Chartered Accountants

Registered Auditor

Reading

22 April, 1994

Notice of meeting

Notice is hereby given that the Twenty-first Annual General Meeting of the Company will be held at The Copper Inn, Pangbourne, Berkshire on Friday 10 June, 1994, at 10.30 a.m. for the following purposes:

1. To receive and adopt the accounts for the year ended 31 January, 1994 together with the reports of the Directors and auditors herein.
2. To declare a final dividend for the year on the ordinary shares of the Company.
3. To re-elect as a Director Mr S. MacFarlane who is retiring by rotation.
4. To re-elect as a Director Mr J. Nash who is retiring by rotation.
5. To re-appoint Ernst & Young as auditors and to authorise the Directors to fix their remuneration.
6. As Special Business to consider and, if thought fit, to pass the following Resolution which will be proposed as a Special Resolution:

That

- (i) the authorised share capital of the Company be increased from £9,424,413 to £9,797,062.50 by the creation of 37,264,950 new Ordinary Shares of 1p each and
- (ii) the Directors be and are hereby generally and unconditionally authorised to exercise all or any of the powers of the Company to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985 ("the Act") of the Company up to an aggregate nominal amount of £606,719.43 for the period expiring on the fifth anniversary of the passing of this Resolution (unless previously renewed, varied or revoked by the Company in General Meeting) save that the Company may prior to such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to any such offer or agreement as if the authority conferred hereby had not expired and provided that the authority hereby conferred shall be substituted for any previous authority conferred upon the Directors.
- (iii) in accordance with Section 95 of the Act the Directors be and are hereby empowered for a period commencing on the date of the passing of this Resolution and expiring on the date of the next Annual General Meeting of the Company or fifteen months following the passing of this Resolution whichever shall be the earlier, to allot equity securities (as defined in Section 94 (2) of the Act) of the Company pursuant to the authority under Section 80 of the Act conferred by the foregoing paragraph of this Resolution as if Section 89 (1) of the Act did not apply to such allotment provided that this power shall replace with effect from the date of passing of this Resolution all powers previously granted pursuant to Section 95 of the Act and that this power shall be limited
 - (a) to the allotment of equity shares in the Company to the holders of ordinary shares in the share capital of the Company by way of rights in proportion (as nearly as may be) to their holdings on a record date to be fixed by the Directors (but subject to such exclusions or other arrangements as the Directors may deem expedient or necessary to deal with the problems under the laws of any territory or the requirements of any regulatory body or a Stock Exchange in any territory or in connection with fractional entitlements or otherwise howsoever); and
 - (b) to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £87,664,

and provided further that this power shall enable the Company to make offers or agreements which would or might require equity securities to be allotted after the expiry of this power and the Directors may allot equity securities in pursuance of such offers or agreements as if the power conferred hereby had not expired.

7. To transact any other business of an Annual General Meeting.

By order of the Board
S.C. MacFarlane, Secretary
22 April, 1994

Kenwood House
15 Reading Road, Pangbourne
Berkshire RG8 7LR

Notes

Any member of the Company entitled to vote at the meeting may appoint a proxy to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company.

The register of Directors' shareholdings together with copies of Directors' service contracts, will be available for inspection at the registered office of the Company during usual business hours from the date of this Notice until the date of the Annual General Meeting, and on that day will be available for inspection at the place of the meeting from 10.00 a.m. until the conclusion of the meeting.

Shareholders' diary

Preliminary Announcement
April 1994

Report and Accounts
May

Annual General Meeting
June

Final Ordinary Dividend
June

Interim Results
October

Interim Dividend
December

Financial Year End
January 1995