

Company No: 1531348

ACTIVE ELECTRONICS Plc  
(FORMERLY ROE INDUSTRIAL  
HOLDINGS LIMITED)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 1994



**ACTIVE ELECTRONICS Plc**  
(FORMERLY ROE INDUSTRIAL HOLDINGS LIMITED)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1994

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Company Registration Number: 1531348

Registered Office: Albion House  
Gordon Road  
High Wycombe  
Bucks  
HP13 6ET

Directors: P H Jones  
J B Fuller  
G L Ireland

Secretary: G L Ireland

Bankers: Lloyds Bank Plc  
13 High Street  
High Wycombe  
Bucks  
HP11 2BD

Solicitors: Charsley Harrison  
Riding Court  
Riding Court Road  
Datchet  
Slough  
Berks  
SL3 9LF

Auditors: Grant Thornton  
The Old Registry  
Amersham Hill  
High Wycombe  
Bucks  
HP13 6NA

ACTIVE ELECTRONICS Plc  
(FORMERLY ROE INDUSTRIAL HOLDINGS LIMITED)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1994

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**ACTIVE ELECTRONICS Plc**  
(FORMERLY ROE INDUSTRIAL HOLDINGS LIMITED)

**REPORT OF THE DIRECTORS**

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The directors present their report together with financial statements for the year ended 31 December 1994.

**Principal activities**

The group is principally engaged in the distribution of electronic components and equipment.

**Change of name**

On 27 June 1994 Roe Industrial Holdings Limited changed its name to Active Electronics Plc.

**Results**

The profit for the year after taxation was £161,756 (1993 : £131,136). A total dividend of £24,000 (1993: £15,987) was paid during the year, leaving a profit of £137,756 (1993: £115,149) which has been transferred to reserves.

**Directors**

The directors in office at the end of the year are listed below. All served on the Board throughout the year, no director had any interest in any beneficial shares.

No director had, during or at the end of the year, any material interest in a contract which was significant in relation to the group's business.

**ACTIVE ELECTRONICS Plc**  
(FORMERLY ROE INDUSTRIAL HOLDINGS LIMITED)

REPORT OF THE DIRECTORS (CONTINUED)

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**Directors' responsibilities 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 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.

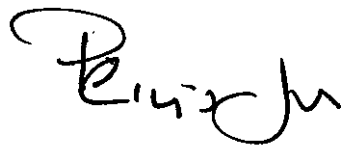
The directors are responsible for keeping proper accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditors**

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

Director



12 May 1995

**REPORT OF THE AUDITORS TO THE MEMBERS OF**

**ACTIVE ELECTRONICS Plc  
(FORMERLY ROE INDUSTRIAL HOLDINGS LIMITED)**

We have audited the financial statements on pages 4 to 22 which have been prepared under the accounting policies set out on pages 4 and 5.

**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 circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 December 1994 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
THAMES VALLEY OFFICE  
HIGH WYCOMBE

12 May 1995

**ACTIVE ELECTRONICS Plc**  
(FORMERLY ROE INDUSTRIAL HOLDINGS LIMITED)

**PRINCIPAL ACCOUNTING POLICIES**

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**Accounting policies**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The principal accounting policies of the group have remained unchanged from the previous year and are set out below.

**Basis of consolidation**

The group financial statements consolidate the financial statements of the company and of its subsidiaries. The financial statements of each company in the group have been prepared to 31 December 1994. All intra-group profits are eliminated on consolidation.

**Turnover**

Turnover is the total amount receivable by the group in the ordinary course of business with outside customers for goods supplied as a principal and for services provided, excluding VAT and trade discounts.

**Depreciation**

Depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments over their expected useful lives.

The rates generally applicable are:

Office equipment	15%
Motor vehicles	25%

**Stock**

Stock is stated at the lower of cost and net realisable value.

Cost means purchase price including transport and handling costs less trade discounts, calculated on a first in first out basis

Net realisable value means estimated selling price (less trade discounts) less all further costs to completion and all costs to be incurred in marketing, selling and distribution.

**ACTIVE ELECTRONICS Plc**  
(FORMERLY ROE INDUSTRIAL HOLDINGS LIMITED)

PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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**Foreign currencies**

Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account except where they relate to the retranslation of the opening net investment on a foreign enterprise in which case the difference is recorded as a movement on reserves. The accounting policy for foreign currency translation is as prescribed by Statement of Standard Accounting Practice 20.

**Leased assets**

Where assets are financed by leasing agreements which give risks and rewards approximate to ownership ("finance leases") they are treated as if they had been purchased outright on credit. They are therefore initially recorded as a fixed asset and liability at a sum equal to the fair value of the asset. Leasing payments on such assets are regarded as consisting of a capital element which reduces the outstanding liability and an interest charge (calculated on a straight line basis).

All other leases are regarded as operating leases and the total payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

**Deferred tax**

Deferred tax is the tax attributable to timing differences between profits or losses as computed for tax purposes and results as stated in the financial statements.

Deferred tax is provided to the extent that it is probable that a liability or asset will crystallise and not provided to the extent that it is probable that a liability or asset will not crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Deferred tax is calculated at the rates at which it is estimated that the tax will be paid (or recovered) when the timing differences reverse.

**Contributions to pension scheme**

**Defined contribution scheme**

The pension costs charged in the profit and loss account represent the amount of the contributions payable to the scheme in respect of the accounting period.



**ACTIVE ELECTRONICS Plc**  
(FORMERLY ROE INDUSTRIAL HOLDINGS LIMITED)

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1994

	Note	1994 £	1993 £
Turnover	1	6,455,526	6,202,299
Cost of sales		(4,808,122)	(4,888,656)
Gross profit		1,647,404	1,313,643
Distribution costs		(78,188)	(49,057)
Administrative expenses		(1,317,079)	(1,089,303)
Operating profit		252,137	175,283
Other interest receivable and similar income		9,101	12,323
Interest payable and similar charges	2	(15,898)	(17,437)
<b>Profit on ordinary activities before taxation</b>	1	245,340	170,169
Tax on profit on ordinary activities	4	(83,584)	(39,033)
<b>Profit on ordinary activities after taxation</b>	6/13	161,756	131,136
Equity dividend	5	(24,000)	(15,987)
<b>Profit for the financial year retained</b>		<u>137,756</u>	<u>115,149</u>

There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

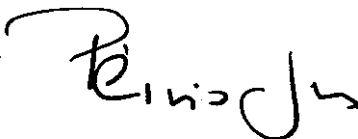
**ACTIVE ELECTRONICS Plc**  
(FORMERLY ROE INDUSTRIAL HOLDINGS LIMITED)

GROUP BALANCE SHEET AT 31 DECEMBER 1994

	Note	£	1994 £	£	1993 £
<b>Fixed assets</b>					
Tangible assets	7		72,281		45,169
<b>Current assets</b>					
Stocks	10	380,088		326,327	
Debtors	11	1,534,766		1,548,601	
Cash at bank and in hand		<u>324,148</u>		<u>214,976</u>	
		2,239,002		2,089,904	
<b>Creditors:</b>					
amounts falling due					
within one year	12	(1,174,409)		(1,129,870)	
<b>Net current assets</b>			<u>1,064,593</u>		<u>960,034</u>
<b>Total assets less</b>					
<b>current liabilities</b>			<u>1,136,874</u>		<u>1,005,203</u>
<b>Capital and reserves</b>					
Called up share capital	13		50,009		14,586
Capital reserve	13		137,334		120,690
Profit and loss account	13		<u>949,531</u>		<u>853,283</u>
<b>Shareholders' funds</b>			1,136,874		988,559
Minority interest			-		<u>16,644</u>
			<u>1,136,874</u>		<u>1,005,203</u>

The financial statements were approved by the Board of Directors on: 12 May 1995

Director



The accompanying accounting policies and notes form an integral part of these financial statements.

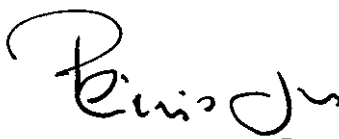
**ACTIVE ELECTRONICS Plc**  
(FORMERLY ROE INDUSTRIAL HOLDINGS LIMITED)

COMPANY BALANCE SHEET AT 31 DECEMBER 1994

	Note	£	1994 £	£	1993 £
<b>Fixed assets</b>					
Tangible assets	8		68,529		43,546
Investments	9		<u>1,200</u>		<u>1,140</u>
			69,729		44,686
<b>Current assets</b>					
Stocks	10	330,007		306,807	
Debtors	11	1,441,138		1,447,485	
Cash at bank and in hand		<u>285,767</u>		<u>136,321</u>	
		2,056,912		1,890,613	
<b>Creditors:</b>					
amounts falling due within one year	12	( <u>1,231,696</u> )		( <u>1,168,836</u> )	
Net current assets			<u>825,216</u>		<u>721,777</u>
Total assets less current liabilities			<u>894,945</u>		<u>766,463</u>
<b>Capital and reserves</b>					
Called up share capital	14		50,009		14,586
Profit and loss account	14		<u>844,936</u>		<u>751,877</u>
			<u>894,945</u>		<u>766,463</u>

The financial statements were approved by the Board of Directors on: 12 May 1995

Director



The accompanying accounting policies and notes form an integral part of these financial statements.

**ACTIVE ELECTRONICS Plc**  
(FORMERLY ROE INDUSTRIAL HOLDINGS LIMITED)

**GROUP CASH FLOW STATEMENT**

FOR THE YEAR ENDED 31 DECEMBER 1994

	Note	1994 £	1993 £
Net cash inflow/(outflow) from operating activities	15	248,687	(236,705)
Returns on investments and servicing of finance			
Interest received		9,101	12,323
Interest paid		(13,872)	(16,960)
Hire purchase interest paid		(1,141)	(707)
Exchange adjustments			2,509
Dividends paid		(24,000)	(15,987)
Net cash (outflow) from returns on investments and servicing of finance		(29,912)	(18,822)
Taxation			
UK corporation tax received/(paid)		(36,765)	31,867
Investing activities			
Purchase of tangible fixed assets		(19,078)	(4,874)
Sale of tangible fixed assets		<u>3,000</u>	<u>18,800</u>
Net cash inflow from investing activities		<u>(16,078)</u>	<u>13,926</u>
Net cash inflow/(outflow) before financing		165,932	(209,734)
Financing			
Capital element of hire purchase payments	16	<u>(13,622)</u>	<u>(8,126)</u>
Net cash outflow from financing		<u>(13,622)</u>	<u>(8,126)</u>
Decrease in cash and cash equivalents	17	<u>152,310</u>	<u>(217,860)</u>

**ACTIVE ELECTRONICS Plc**  
(FORMERLY ROE INDUSTRIAL HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1994

**1 Turnover and profit on ordinary activities before taxation:**

The turnover and profit before taxation is attributable to one activity, the distribution of electronic components and equipment.

An analysis of turnover by geographical market is given below:

	1994 £	1993 £
United Kingdom	6,037,178	5,649,073
Europe	246,631	481,288
Rest of the world	<u>171,717</u>	<u>71,938</u>
	<u>6,455,526</u>	<u>6,202,299</u>

The profit on ordinary activities is stated after:

	1994 £	1993 £
Auditors' remuneration	15,500	15,500
Depreciation		
- assets owned by group	13,686	14,532
- held under hire purchase contracts	7,678	4,608
Hire of plant and machinery	51,221	67,083
Other operating lease payments	<u>108,589</u>	<u>74,120</u>

**2 Interest payable and similar charges**

	1994 £	1993 £
On bank loans, overdrafts and other loans repayable within 5 years, otherwise than by instalments	14,757	16,730
Hire purchase interest	<u>1,141</u>	<u>707</u>
	<u>15,898</u>	<u>17,437</u>

**ACTIVE ELECTRONICS Plc**  
(FORMERLY ROE INDUSTRIAL HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1994

**3. Directors and employees**

The average number of employees of the group during the year and their aggregate emoluments are shown below:

	1994 £	1993 £
Wages and salaries	727,493	610,539
Social security	75,387	56,095
Pension costs	<u>19,986</u>	<u>17,583</u>
	<u>822,866</u>	<u>684,217</u>

The average number of employees of the group during the year was:

	1994	1993
Administration	21	17
Selling	<u>21</u>	<u>19</u>
	<u>42</u>	<u>36</u>

Staff costs include remuneration in respect of directors, as follows:

	1994 £	1993 £
Management remuneration	161,614	156,666
Compensation for loss of office	<u>-</u>	<u>13,835</u>
	<u>161,614</u>	<u>170,501</u>

**ACTIVE ELECTRONICS Plc**  
(FORMERLY ROE INDUSTRIAL HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1994

**3 Directors and employees (continued)**

The emoluments of the directors, excluding pension contributions, were as follows:

	1994	1993
	£	£
The Chairman	12,591	9,686
	<u>          </u>	<u>          </u>
The highest paid director	69,025	63,024
	<u>          </u>	<u>          </u>
Other directors	1994	1993
	Number	Number
£55,001 to £60,000	-	1
£65,001 to £70,000	1	-

**4 Tax on profit on ordinary activities**

The tax charge is based on the profit for the year and is made up as follows:

	1994	1993
	£	£
United Kingdom corporation tax credit @ 29% (1993: @ 32%)	74,000	40,530
Overseas taxation	4,475	-
Adjustments in respect of prior years	5,109	(1,497)
	<u>83,584</u>	<u>39,033</u>

**5 Dividend**

	1994	1993
	£	£
Interim dividend paid	24,000	15,987
	<u>          </u>	<u>          </u>

**ACTIVE ELECTRONICS Plc**  
(FORMERLY ROE INDUSTRIAL HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1994

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**6 Profit for the financial year**

The company has taken advantage of Section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The group profit for the year includes a profit before dividends but after taxation of £152,482 (1993 : £78,803) which is dealt with in the financial statements of the parent company.



**ACTIVE ELECTRONICS Plc**  
(FORMERLY ROE INDUSTRIAL HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1994

**7 Tangible fixed assets**

**The group**

	<b>Total</b>	<b>Office</b>	<b>Motor</b>
	<b>£</b>	<b>equipment</b>	<b>vehicles</b>
		<b>£</b>	<b>£</b>
Cost			
At 1 January 1994	178,617	70,224	108,393
Exchange rate movement	(585)	(585)	-
Additions	48,563	19,078	29,485
Disposals	(36,555)	(14,977)	(21,578)
At 31 December 1994	190,040	73,740	116,300
Depreciation			
At 1 January 1994	133,448	55,635	77,813
Exchange rate movement	(498)	(498)	-
Provided in the year	21,364	6,328	15,036
Disposals	(36,555)	(14,977)	(21,578)
At 31 December 1994	117,759	46,488	71,271
Net book value			
at 31 December 1994	72,281	27,252	45,029
Net book value			
at 31 December 1993	45,169	14,589	30,580

The figures stated above include assets held under hire purchase contracts as follows:

	<b>Motor</b>
	<b>vehicles</b>
	<b>£</b>
Net book value	
at 31 December 1994	35,630
Net book value	
at 31 December 1993	13,823

**ACTIVE ELECTRONICS Plc**  
(FORMERLY ROE INDUSTRIAL HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1994

**8 Tangible fixed assets**

**The company**

	<b>Total</b>	<b>Office</b>	<b>Motor</b>
	<b>£</b>	<b>equipment</b>	<b>vehicles</b>
		<b>£</b>	<b>£</b>
Cost			
At 1 January 1994	167,721	59,328	108,393
Additions	45,680	16,195	29,485
Disposals	(34,167)	(12,589)	(21,578)
At 31 December 1994	179,234	62,934	116,300
Depreciation			
At 1 January 1994	124,175	46,362	77,813
Provided in the year	20,697	5,661	15,036
Disposals	(34,167)	(12,589)	(21,578)
At 31 December 1994	110,705	39,434	71,271
Net book value at 31 December 1994	68,529	23,500	45,029
Net book value at 31 December 1993	43,546	12,966	30,580

The figures stated above include assets held under hire purchase contracts as follows:

	<b>Motor</b>
	<b>vehicles</b>
	<b>£</b>
Net book value at 31 December 1994	35,630
Net book value at 31 December 1993	13,823

**ACTIVE ELECTRONICS Plc**  
(FORMERLY ROE INDUSTRIAL HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1994

**9 Fixed asset investments**

**The group**

At 31 December 1994 the group held more than 10% of the equity of the following companies all of which were incorporated in the United Kingdom and registered in England and Wales except for Genspark which is incorporated in the USA.

Company name	Class of share capital held	Proportion held by		Nature of business
		parent company	the group	
Roe Electronics Limited (formally Active Electronics International Limited)	Ordinary	100%	100%	Holding company
Regal Systems Limited	Ordinary	100%	100%	Not trading
Genspark	Ordinary	100%	100%	Distribution of electronic components and equipment
Master Technology Dynamics Limited	Ordinary	100%	100%	Not trading
				Shares in group companies £

**The company**

Cost at 1 January 1994	1,140
Additions	<u>60</u>
Cost at 31 December 1994	<u><u>1,200</u></u>

**ACTIVE ELECTRONICS Plc**  
(FORMERLY ROE INDUSTRIAL HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1994

**10 Stocks**

	The group		The company	
	1994	1993	1994	1993
	£	£	£	£
Goods for resale	380,088	326,327	330,007	306,807

**11 Debtors**

	The group		The company	
	1994	1993	1994	1993
	£	£	£	£
Trade debtors	1,440,870	1,504,950	1,373,549	1,408,250
Other debtors	35,179	4,519	26,548	1,566
Current taxation	16,203	-	-	-
Prepayments and accrued income	42,514	39,132	41,041	37,669
	1,534,766	1,548,601	1,441,138	1,447,485

**12 Creditors: amounts falling due within one year**

	The group		The company	
	1994	1993	1994	1993
	£	£	£	£
Bank overdraft	-	43,138	-	43,138
Trade creditors	580,176	784,052	281,226	312,382
Amounts owed to group undertakings	-	-	376,607	531,774
Current taxation	74,642	11,620	74,642	2,168
Social security and other taxes	127,411	91,086	127,411	91,086
Other creditors	111,135	82,050	96,507	82,090
Accruals and deferred income	254,877	107,619	249,135	95,893
Amounts due under hire purchase contracts (net of finance charges allocated to future periods)	26,168	10,305	26,168	10,305
	1,174,409	1,129,870	1,231,696	1,168,836

**ACTIVE ELECTRONICS Plc**  
(FORMERLY ROE INDUSTRIAL HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1994

**13 Shareholders' funds**

The group	Share capital £	Capital reserve £	Profit and loss account £	Total £
At 1 January 1993	14,586	358,985	497,119	870,690
Retained profit for the year	-	-	131,136	131,136
Dividends paid	-	-	(15,987)	(15,987)
Transfer relating to subsidiaries struck off during the year	-	(238,295)	238,295	-
Exchange differences	-	-	2,720	2,720
At 1 January 1994	14,586	120,690	853,283	988,559
Capitalisation share issue	35,423	-	(35,423)	-
Retained profit for the year	-	-	161,756	161,756
Dividends paid	-	-	(24,000)	(24,000)
Acquisition of minority interest	-	16,644	-	16,644
Exchange differences	-	-	(6,085)	(6,085)
At 31 December 1994	50,009	137,334	949,531	1,136,874

The capital reserve represents discounts on acquisition of subsidiaries.

**ACTIVE ELECTRONICS Plc**  
(FORMERLY ROE INDUSTRIAL HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1994

**14 Shareholders' funds (continued)**

The company	Share capital £	Capital reserve £	Profit and loss account £	Total £
At 1 January 1993	14,586	238,295	450,766	703,647
Retained profit for the year	-	-	78,803	78,803
Dividends paid	-	-	(15,987)	(15,987)
Transfer relating to subsidiaries struck off during the year	-	(238,295)	238,295	-
At 1 January 1994	14,586	-	751,877	766,463
Capitalisation Share issue	35,423	-	(35,423)	-
Retained profit for the year	-	-	152,482	152,482
Dividends paid	-	-	(24,000)	(24,000)
At 31 December 1994	50,009	-	844,936	894,945

The company's share capital consists of 1,000,000 authorised ordinary shares of which 50,009 are allotted, called up and fully paid.

In order to satisfy the requirements to become a public listed company, the company made an allotment of 35,423 ordinary £1 shares by way of a bonus issue to existing members.

**ACTIVE ELECTRONICS Plc**  
(FORMERLY ROE INDUSTRIAL HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1994

**15 Reconciliation of operating profit/(loss) to net cash flow from operating activities**

	1994 £	1993 £
Operating profit/(loss)	252,137	175,283
Depreciation	21,364	19,140
Profit on sale of tangible fixed assets	(3,000)	(446)
Unrealised exchange adjustment	(5,998)	-
Increase in stock	(53,761)	(115,170)
Decrease/(increase) in debtors	30,038	(521,313)
Increase in creditors	<u>7,907</u>	<u>205,801</u>
Net cash outflow from operating activities	<u>248,687</u>	<u>(236,705)</u>

**16 Analysis of changes in financing**

	Share capital (including premium)		Loans and finance lease obligations	
	1994 £	1993 £	1994 £	1993 £
Balance at 1 January 1994	14,586	14,586	10,305	-
Net cash outflow from financing	-	-	(13,622)	(8,126)
Shares issued for non-cash consideration	35,423	-	-	-
Inception of hire purchase contracts	<u>-</u>	<u>-</u>	<u>29,485</u>	<u>18,431</u>
Balance at 31 December 1994	<u>50,009</u>	<u>14,586</u>	<u>26,168</u>	<u>10,305</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1994

**17 Analysis of changes in cash and cash equivalents during the year**

	1994 £	1993 £
Balance at 1 January 1994	171,838	389,698
Net cash outflow	<u>152,310</u>	<u>(217,860)</u>
Balance at 31 December 1994	<u>324,148</u>	<u>171,838</u>

**Cash and cash equivalents comprise:**

	1994 £	1993 £	1992 £	Change in year £	Change in prior year £
Cash at bank and in hand	324,148	214,976	461,564	109,172	(246,588)
Bank overdraft	<u>-</u>	<u>(43,138)</u>	<u>(71,866)</u>	<u>43,138</u>	<u>28,728</u>
	<u>324,148</u>	<u>171,838</u>	<u>389,698</u>	<u>152,310</u>	<u>(217,860)</u>

**18 Capital commitments**

There were no capital commitments at 31 December 1994 or at 31 December 1993.

**19 Contingent liabilities and guarantees**

There were no contingent liabilities at 31 December 1994 or at 31 December 1993.

At 31 December 1993 the group had given guarantees to HM Customs and Excise amounting to £75,000 (1993 : £150,000).



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**20 Leasing commitments**

Operating lease payments amounting to £140,118 (1993 : £120,979) are due within one year for the group. The leases to which these amounts relate expire as follows:

	1994		1993	
	Land and	Other	Land and	Other
	buildings		buildings	
	£	£	£	£
In less than one year	9,538	12,734	7,000	2,783
Between two and five years	5,667	38,487	-	37,084
In five years or more	<u>73,692</u>	<u>-</u>	<u>74,112</u>	<u>-</u>
	<u>88,897</u>	<u>51,221</u>	<u>81,112</u>	<u>39,867</u>

The company's commitments were the same as for the group except for a £20,112 commitment (which expires in more than five years) relating to a fellow subsidiary.

**21 Pensions**

The group operates a defined contribution pension scheme for the benefit of the directors and senior employees. The assets of the scheme are administered by trustees in a fund independent from those of the group.