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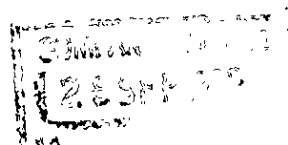
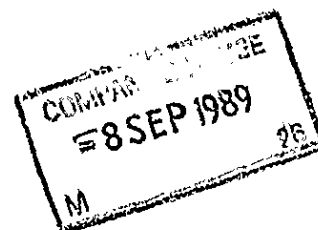
SAS HOLDINGS LIMITED

(Formerly Special Acoustic Services Group Holdings Limited)

31 AUGUST, 1988

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SAS HOLDINGS LIMITED

(Formerly Special Acoustic Services Group Holdings Limited)

Report of the directors

for the year ended 31 August, 1988

1. The directors present herewith the audited accounts for the year ended 31 August, 1988.

Principal activity

2. The principal activity of the group is the design, manufacture, distribution and installation of ceiling systems and other building products.

Review of activities

3. The group has enjoyed a satisfactory year with increases in both profit and turnover. The directors expect that the level of activity will be sustained in the foreseeable future.

On 4 September, 1987 the group disposed of its 100% interest in the share capital of Gema AG.

At an extraordinary general meeting held on 20 July, 1988 a special resolution was passed to change the name of the company from Special Acoustic Services Group Holdings Limited to SAS Holdings Limited. This was approved by the Registrar of Companies on 9 September, 1988.

Dividends

4. The directors do not recommend the payment of a dividend for the year.

Fixed assets

5. The movements in fixed assets during the year are set out in note 11 to the accounts.

Events since the end of the year

6. The company was party to a share subscription agreement dated 13 October, 1988 under which LET Property Services plc agreed to acquire 20.1% of the issued share capital of the company in the form of cumulative preferred ordinary shares for a total consideration of £6.0 million.

Directors

7. The directors of the company at 31 August, 1988, all of whom held office throughout the year unless otherwise stated, were:

E.A. McElhinney (Chairman and Managing Director)
A.K. Adams
M.P. Adams
R.G. Hamill
J.M. King (Non-executive director, appointed 26 November, 1987)
B.S. Matthews
J.L. Phillips (Non-executive director, appointed 19 October, 1988)

SAS HOLDINGS LIMITED

(Formerly Special Acoustic Services Group Holdings Limited)

Report of the directors

for the year ended 31 August, 1988 - continued

Directors' interests in the shares of the company

8. The interests of the directors of the company at 31 August, 1988 in the shares of the company were as follows:

	At 31 August 1988	At 1 September 1987
	<u>£1 Ordinary Shares Held</u>	<u>£1 Ordinary Shares Held</u>
E.A. McElhinney	300,000	300,000
A.K. Adams	1,599	1,282
M.P. Adams	1,576	1,266
R.G. Hamill	Nil	Nil
J.M. King	Nil	Nil
B.S. Matthews	380	230
J.L. Phillips	Nil	Nil

The company has granted options to directors of the company to subscribe for £1 ordinary shares in the company as shown below:

	<u>Date of Grant of Option</u>	<u>Number of Shares</u>	<u>Option Price</u>
A.K. Adams	1 May, 1986	15	£10
	30 June, 1988	600	£30
M.P. Adams	1 May, 1986	15	£10
	30 June, 1988	600	£30
R.G. Hamill	30 June, 1988	600	£30
B.S. Matthews	1 May, 1986	4	£10
	1 September, 1987	4	£30
	30 June, 1988	600	£30

No consideration was paid for the grant of these options, which are normally exercisable not earlier than three years from the date of the grant of the options.

Employment policy

9. The group, as an employer, supports the principle of equal opportunities and its policy is that there should be no unfair discrimination on the grounds of sex, religion or race. It is also group policy to ensure that equal employment opportunities are available to all persons, including the disabled, having full regard to their particular skills and abilities.

Employee involvement

10. The group believes in encouraging employees to become fully informed of the group's activities and to be more closely involved in the business of the company. The Profit Sharing Scheme is open to all full-time employees after a qualifying period of service and allows participants to share in profits.

SAS HOLDINGS LIMITED

(Formerly Special Acoustic Services Group Holdings Limited)

Report of the directors
for the year ended 31 August, 1988 - continued

Research and development

11. Significant emphasis is placed on research and development activities aimed at new products, operating systems and applications, as well as the integration of new technology into existing products and manufacturing operations.

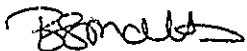
Close company provisions

12. The company is a close company within the meaning of sections 414 and 415 of the Income and Corporation Taxes Act 1988. In the opinion of the directors, no liability will accrue to the company under the apportionment rules.

Auditors

13. In accordance with section 384 of the Companies Act 1985, a resolution to re-appoint Coopers & Lybrand as auditors, will be proposed at the annual general meeting.

BY ORDER OF THE BOARD


B.S. Matthews
Secretary

Date: ...1..12..1988

Report of the auditors to the members of
SAS HOLDINGS LIMITED
(Formerly Special Acoustic Services Group Holdings Limited)

We have audited the accounts set out on pages 5 to 20 in accordance with approved Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company and the group at 31 August, 1988, and of the profit and source and application of funds of the group for the year then ended, and comply with the Companies Act 1985.

Cookus & Lybrand

Chartered Accountants

Reading 14th December 1988

SAS HOLDINGS LIMITED

(Formerly Special Acoustic Services Group Holdings Limited)

Consolidated profit and loss account
for the year ended 31 August, 1988

	<u>Notes</u>	<u>1988</u> £'000	<u>1987</u> £'000
TURNOVER - external	2	48,851	33,725
- internal		6,082	3,555
		<hr/>	<hr/>
		54,933	37,280
Cost of sales		42,529	28,989
		<hr/>	<hr/>
Gross profit		12,404	8,291
Net operating expenses	3	9,065	5,883
		<hr/>	<hr/>
Operating profit	4	3,339	2,408
Share of profit of subsidiary company	1(a)	-	77
Interest payable and similar charges	5	(283)	(217)
		<hr/>	<hr/>
PROFIT BEFORE TAXATION		3,056	2,268
Taxation on profit on ordinary activities	8	(1,059)	(770)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,997	1,498
Extraordinary gain/(loss)	9	724	(163)
		<hr/>	<hr/>
RETAINED PROFIT FOR THE YEAR	21	<u>2,721</u>	<u>1,335</u>

The notes on pages 8 to 20 form part of these accounts.
Auditors' report - page 4.

SAS HOLDINGS LIMITED

(Formerly Special Acoustic Services Group Holdings Limited)

Balance Sheets as at 31 August, 1988

		The Group		The Company	
	Notes	1988 £'000	1987 £'000	1988 £'000	1987 £'000
FIXED ASSETS					
Tangible assets	11	5,629	3,976	-	-
Investments:					
Shares in group companies	12	-	3,146	300	3,247
Other	13	290	-	-	-
		<u>5,919</u>	<u>7,122</u>	<u>300</u>	<u>3,247</u>
CURRENT ASSETS					
Stocks	14	4,598	3,234	-	-
Debtors	15	13,036	9,752	1,499	9
Cash at bank and in hand		-	-	18	26
		<u>17,634</u>	<u>12,986</u>	<u>1,517</u>	<u>35</u>
CREDITORS: Amounts falling due within one year	16	(15,109)	(14,842)	461	(2,924)
NET CURRENT ASSETS/ (LIABILITIES)					
		<u>2,525</u>	<u>(1,856)</u>	<u>1,056</u>	<u>(2,889)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>8,444</u>	<u>5,266</u>	<u>1,356</u>	<u>358</u>
CREDITORS: Amounts falling due after more than one year					
	17	1,124	706	-	-
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	18	65	101	-	-
		<u>1,189</u>	<u>807</u>	<u>-</u>	<u>-</u>
		<u>7,255</u>	<u>4,459</u>	<u>1,356</u>	<u>358</u>
CAPITAL AND RESERVES					
Called up share capital	19	307	304	307	304
Share premium	20	111	39	111	39
Profit and loss account	21	6,837	4,116	938	15
		<u>7,255</u>	<u>4,459</u>	<u>1,356</u>	<u>358</u>

E.A. McELHINNEY  DirectorR.G. HAMILL  Director

Approved by the board on December 1, 1988

The notes on pages 8 to 20 form part of these accounts.
Auditors' report page 4.

SAS HOLDINGS LIMITED
(Formerly Special Acoustic Services Group Holdings Limited)

Consolidated source and application of funds
for the year ended 31 August, 1988

	1988		1987	
	£'000	£'000	£'000	£'000
SOURCE OF FUNDS				
Profit before taxation and extraordinary item		3,056		2,268
Extraordinary item (Note 9.)		1,185		(247)
		<u>4,241</u>		<u>2,021</u>
Adjustments for items not involving the movement of funds:				
Depreciation	566		427	
(Profit)/Loss on disposal of fixed assets	(41)		166	
(Profit) on disposal of subsidiary	(1,185)		-	
Share of profit of subsidiary company	-		(77)	
		<u>(660)</u>		<u>516</u>
Total from operations		<u>3,581</u>		<u>2,537</u>
FUNDS FROM OTHER SOURCES:				
Allotment of shares	75		-	
Increase in long term loan	500		-	
Proceeds from disposal of tangible fixed assets	157		-	
Proceeds from disposal of subsidiary	4,331		-	
		<u>5,063</u>		<u>-</u>
TOTAL SOURCE OF FUNDS		<u>8,644</u>		<u>2,537</u>
APPLICATION OF FUNDS				
Investment in subsidiary company	-		(2,447)	
Other investment	(290)		-	
Purchase of tangible fixed assets	(2,335)		(2,412)	
Repayment of hire purchase obligations	(164)		(83)	
Taxation paid	(813)		(1,051)	
		<u>(3,602)</u>		<u>(5,993)</u>
		<u>5,042</u>		<u>(3,456)</u>
INCREASE/(DECREASE) IN WORKING CAPITAL				
Increase in stocks	1,364		1,304	
Increase in debtors	3,284		2,826	
Decrease/(Increase) in creditors excluding taxation, obligations under hire purchase contracts, bank loans and overdrafts	1,083		(5,843)	
		<u>5,731</u>		<u>(1,713)</u>
Movement in net liquid funds:				
Bank and cash balances		(689)		(1,743)
		<u>5,042</u>		<u>(3,456)</u>

The notes on pages 8 to 20 form part of these accounts.
Auditors' report page 4.

SAS HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES
(Formerly Special Acoustic Services Group Holdings Limited)

NOTES TO THE CONSOLIDATED ACCOUNTS - 31 August, 1988

Principal accounting policies

1. The accounts are prepared in accordance with the historical cost convention. A summary of the more important accounting policies of the group, which have been applied consistently, is set out below.

a) Basis of consolidation

The consolidated accounts include the company and all its subsidiaries. Comparative year figures include the results of Gema AG which had been accounted for under the equity method in view of the temporary period of ownership (see note 9).

b) Tangible fixed assets

Fixed assets are written off evenly over their expected useful lives with the exception that freehold land is not depreciated. The following rates are used:

Freehold Buildings	2% per annum
Leasehold property	over the period of the lease
Plant and machinery	10 - 25% per annum
Motor vehicles	25% per annum
Fixtures, fittings and equipment	10 - 25% per annum

Grants in respect of capital expenditure are deducted from the cost of the fixed assets to which they relate. As a result grants are credited to the profit and loss account over the expected useful lives of those assets.

Interest costs on major fixed asset additions are capitalised during the period of construction and are written off as part of the total asset cost.

Plant under construction is depreciated from the date production commences.

c) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs; in the case of manufactured products cost includes all direct expenditure and production overheads based on the normal level of activity. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation and, where appropriate, the cost of conversion from their existing state to a finished condition. Provision is made where necessary for obsolete, slow moving and defective stocks.

Work carried out on contracts in progress is invoiced monthly and work in progress at the year end comprises labour and materials only. Profits are taken only when the outcome of the contract can reasonably be foreseen, but provision is made for any expected losses on contracts.

SAS HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES
(Formerly Special Acoustic Services Group Holdings Limited)

NOTES TO THE CONSOLIDATED ACCOUNTS - 31 August, 1988 - continued

d) Foreign currencies

Trading transactions denominated in foreign currencies are translated into sterling at the exchange rates ruling when the transaction was entered into. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date. Exchange gains or losses are included in operating profit.

e) Taxation

The charge for taxation is based on the profit for the year as adjusted for disallowable items. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallize. Provision is made at the rate which is expected to be applied when the liability or asset is expected to crystallize.

f) Goodwill

Purchased goodwill is written off to reserves in the year in which it arises.

g) Leasing and Hire Purchase contracts

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease.

h) Pension arrangements

The company funds pension liabilities, upon the advice of external actuaries, by payments to the company pension fund. Payments made to the fund and charged in the accounts comprise current and past service liabilities.

Turnover

2. Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied, and contract work carried out within the UK. In the opinion of the directors there is only one class of business.

SAS HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES
(Formerly Special Acoustic Services Group Holdings Limited)

NOTES TO THE CONSOLIDATED ACCOUNTS - 31 August, 1988 - continued

Net operating expenses

3. Net operating expenses are made up as follows:

	<u>1988</u> £'000	<u>1987</u> £'000
Selling and distribution costs	2,057	1,060
Administration expenses	7,086	4,905
	<hr/>	<hr/>
	9,143	5,965
<u>Less</u> : Other operating income	78	82
	<hr/>	<hr/>
	<u>9,065</u>	<u>5,883</u>

Profit on ordinary activities before taxation

4. Profit on ordinary activities before taxation is stated after charging:

	<u>1988</u> £'000	<u>1987</u> £'000
Auditor's remuneration	35	40
Depreciation of tangible fixed assets	566	427
Hire of plant and machinery	83	128
	<hr/>	<hr/>

Interest payable

	<u>1988</u> £'000	<u>1987</u> £'000
Bank loans and overdrafts wholly repayable within five years	238	153
Other loans not wholly repayable within five years	33	30
Finance charges payable under H.P. contracts	12	34
	<hr/>	<hr/>
	<u>283</u>	<u>217</u>

SAS HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES
(Formerly Special Acoustic Services Group Holdings Limited)

NOTES TO THE CONSOLIDATED ACCOUNTS - 31 August, 1988 - continued

Directors' emoluments

6. Emoluments of directors of SAS Holdings Limited (including pension contributions) are as follows:

	<u>1988</u> £'000	<u>1987</u> £'000
For management services	395	322
Compensation paid to a former director	-	25
	<u> </u>	<u> </u>

Director's emoluments disclosed in accordance with part V of schedule 5 of the Companies Act 1985, and excluding pension contributions, are as follows:

	<u>1988</u> £'000	<u>1987</u> £'000
Chairman and highest paid director	<u>78</u>	<u>61</u>

Number of other directors whose emoluments for management services were within the ranges:

£ 5,001 - £10,000	1	-
£20,001 - £25,000	-	1
£30,001 - £35,000	-	1
£35,001 - £40,000	1	1
£40,001 - £45,000	-	1
£50,001 - £55,000	1	-
£60,001 - £65,000	2	1

SAS HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES
(Formerly Special Acoustic Services Group Holdings Limited)

NOTES TO THE CONSOLIDATED ACCOUNTS - 31 August, 1988 - continued

Employee information

7. a) The average number of persons employed by the group including executive directors during the year is analysed below:

	<u>1988</u>	<u>1987</u>
Sales and production	307	172
Administration and management	112	106
	—	—
	<u>419</u>	<u>278</u>

- b) Employment costs of all employees included above:

	<u>1988</u> £'000	<u>1987</u> £'000
Aggregate gross wages and salaries	4,423	3,092
Employer's national insurance	413	306
Employer's pension contributions under the company pension scheme	103	59
	—	—
Total direct costs of employment	<u>4,939</u>	<u>3,457</u>

Tax on profit on ordinary activities

8. The tax charge is based on the profit on ordinary activities for the year and comprises:

	<u>1988</u> £'000	<u>1987</u> £'000
United Kingdom corporation tax at 35% (1987 - 35%)	1,095	744
Deferred taxation	(36)	11
	—	—
Share of subsidiary company's tax charge (overseas)	1,059	755
	-	15
	—	—
	<u>1,059</u>	<u>770</u>

SAS HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES
(Formerly Special Acoustic Services Group Holdings Limited)

NOTES TO THE CONSOLIDATED ACCOUNTS - 31 August, 1988 - continued

Extraordinary gain

9. On 4 September, 1987 the Group disposed of its 100% holding in the share capital of Gema AG. The investment was accounted for under the equity method in the results to 31 August, 1987.

The gain comprises:	<u>£'000</u>
Proceeds	4,331
Less : Cost of Investment	2,947
	<hr/>
Company Extraordinary Gain	1,384
Less : Post-Acquisition profits	199
	<hr/>
Group Extraordinary Gain	1,185
Attributable Taxation	461
	<hr/>
	<u>724</u>

The extraordinary charge in the year to 31 August, 1987 comprised the net costs prior to first production in establishing a manufacturing division in Bridgend, South Wales.

Results of SAS Holdings Limited

10. The company, which is the group's ultimate holding company, has not traded during the year and has made neither trading profits nor losses (see note 9. for extraordinary profit on sale of Gema AG) and has taken advantage of the legal dispensation allowing it not to publish a separate profit and loss account.

SAS HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES
(Formerly Special Acoustic Services Group Holdings Limited)

NOTES TO THE CONSOLIDATED ACCOUNTS - 31 August, 1988 - continued

Tangible fixed assets

11. <u>The Group</u>	<u>Freehold Land and Buildings</u> £'000	<u>Leasehold Land and Buildings</u> £'000	<u>Plant and Machinery</u> £'000	<u>Fixtures and Fittings</u> £'000	<u>Motor Vehicles</u> £'000	<u>Total</u> £'000
<u>Cost</u>						
At 1 September, 1987	1,290	481	1,839	638	962	5,210
Additions	1,076	449	436	363	11	2,335
Disposals	-	-	(62)	-	(271)	(333)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August, 1988	2,366	930	2,213	1,001	702	7,212
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>						
At 1 September, 1987	19	69	402	224	520	1,234
Charge for year	23	44	223	125	151	566
Disposals			(35)		(182)	(217)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August, 1988	42	113	590	349	489	1,583
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>Net Book Value</u>						
At 31 August, 1988	<u>2,324</u>	<u>817</u>	<u>1,623</u>	<u>652</u>	<u>213</u>	<u>5,629</u>
At 31 August, 1987	<u>1,271</u>	<u>412</u>	<u>1,437</u>	<u>414</u>	<u>442</u>	<u>3,976</u>

Leasehold land and buildings represent leases whose unexpired term is less than fifty years.

Included in the net book value of motor vehicles of £213,000 is £173,000 in respect of motor vehicles being acquired under hire purchase contracts.

SAS HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES
(Formerly Special Acoustic Services Group Holdings Limited)

NOTES TO THE CONSOLIDATED ACCOUNTS - 31 August, 1988 - continued

Shares in group companies

12.	<u>The Group</u>		<u>The Company</u>	
	<u>1988</u>	<u>1987</u>	<u>1988</u>	<u>1987</u>
	£'000	£'000	£'000	£'000
Shares in group companies at cost	-	-	300	300
Shares in Gema AG (see note 9.)	-	3,146	-	2,947
	<u>-</u>	<u>3,146</u>	<u>300</u>	<u>3,247</u>

Shares in group companies represent the cost of investments in the subsidiary companies. All such subsidiaries are wholly owned and are incorporated in the United Kingdom. The principal subsidiaries which are engaged in the design, manufacture, distribution and installation of ceiling systems and other building products are as follows:

Special Acoustic Services Group Limited
Special Acoustic Services Limited
Manchester Slate Company (Contracts) Limited
Program Lighting Limited
Commercial Ceiling Factors Limited
Commercial Ceiling Factors (Midlands) Limited
Commercial Acoustic Products Limited
Commercial Acoustic Products (Scotland) Limited
Truline Ceiling Products Limited

On 1 September, 1987 these subsidiaries, with the exception of Special Acoustic Services Group Limited, ceased to trade on their own account. From that date the companies acted as agents on behalf of and for the account of Special Acoustic Services Group Limited (formerly Special Acoustic Services (Group Services) Limited), another wholly owned group company.

Other investments

13.	<u>The Group</u>	
	<u>1988</u>	<u>1987</u>
	£'000	£'000
Investment in freehold land	<u>290</u>	<u>-</u>

During the year the group acquired a minority interest in 55 acres of freehold land. The group chairman, Mr E.A. McElhinney, has a controlling interest in the investment.

SAS HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES
(Formerly Special Acoustic Services Group Holdings Limited)

NOTES TO THE CONSOLIDATED ACCOUNTS - 31 August, 1988 - continued

Stocks and work in progress

14. The amounts attributable to the different categories are as follows:

	<u>The Group</u>	
	<u>1988</u>	<u>1987</u>
	£'000	£'000
Raw materials and consumables	1,085	657
Work in progress	427	205
Finished goods and goods for re-sale	3,086	2,372
	<hr/>	<hr/>
	4,598	3,234
	<hr/>	<hr/>

Debtors

15.

	<u>The Group</u>		<u>The Company</u>	
	<u>1988</u>	<u>1987</u>	<u>1988</u>	<u>1987</u>
	£'000	£'000	£'000	£'000
Trade debtors	12,126	9,277	-	-
Amount owed by subsidiary companies	-	-	1,499	9
Other debtors	401	375	-	-
Pre-payments and accrued income	509	100	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	13,036	9,752	1,499	9
	<hr/>	<hr/>	<hr/>	<hr/>

All the above amounts are due within one year of the balance sheet date.

SAS HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES
(Formerly Special Acoustic Services Group Holdings Limited)

NOTES TO THE CONSOLIDATED ACCOUNTS - 31 August, 1988 - continued

Creditors: amounts falling due within one year

16.	<u>The Group</u>		<u>The Company</u>	
	<u>1988</u>	<u>1987</u>	<u>1988</u>	<u>1987</u>
	£'000	£'000	£'000	£'000
Bank loans and overdraft	4,100	3,411	-	1,238
Trade creditors	6,988	6,514	-	-
Amounts owed to subsidiary companies	-	-	-	1,686
United Kingdom corporation tax payable 31 May, 1989	1,748	660	461	-
Social security	189	316	-	-
Other creditors	830	708	-	-
Deferred consideration for purchase of investment	-	1,569	-	-
Obligations under hire purchase	92	174	-	-
Accruals and deferred income	1,162	1,490	-	-
	<u>15,109</u>	<u>14,842</u>	<u>461</u>	<u>2,924</u>

The floating charges over the assets of group companies which secured bank loans and overdrafts were released on 23 November, 1987.

Creditors: amounts falling due after more than one year

17.	<u>The Group</u>	
	<u>1988</u>	<u>1987</u>
	£'000	£'000
Bank loans	1,100	600
Obligations under hire purchase contracts due between two and five years	24	106
	<u>1,124</u>	<u>706</u>

The bank loans have been arranged under favourable terms through the European Coal and Steel Community and are secured on the land and building comprising manufacturing facilities in South Wales. The weighted average interest rate for the remainder of the loan period is 6.4%.

SAS HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES
(Formerly Special Acoustic Services Group Holdings Limited)

NOTES TO THE CONSOLIDATED ACCOUNTS - 31 August, 1988 - continued

Creditors: amounts falling due after more than one year - Continued

17. Bank loans repayable by instalments	The Group	
	<u>1988</u> £'000	<u>1987</u> £'000
Within five years	575	300
After five years	525	300
	<hr/>	<hr/>
	1,100	600
	<hr/>	<hr/>

Deferred taxation

18. Analysis of provision made and amount unprovided:

	The Group			
	<u>1988</u>		<u>1987</u>	
	Provision Made	Full potential liability	Provision Made	Full potential liability
	£'000	£'000	£'000	£'000
Accelerated capital allowances	65	65	101	149
	<hr/>	<hr/>	<hr/>	<hr/>

Movements on the provision for deferred taxation are:

	£'000
At 1 September, 1987	101
Transferred to profit and loss account	(36)
	<hr/>
At 31 August, 1988	65
	<hr/>

SAS HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES
(Formerly Special Acoustic Services Group Holdings Limited)

NOTES TO THE CONSOLIDATED ACCOUNTS - 31 August, 1988 - continued

Called up share capital

19.

	Ordinary Shares of £1 each	
	<u>1988</u> £'000	<u>1987</u> £'000
Authorised		
100,000,000 ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid		
306,700 ordinary shares of £1 each	307	304

2,470 £1 ordinary shares were issued during the year at the price of £30 per share under the group employee share purchase scheme.

The company has granted to employees options on a further 3,868 £1 ordinary shares, excluding those options granted to directors. No consideration was paid for the grant of these options, which are normally exercisable not earlier than three years from the date of the grant of the options.

Share premium

20.

	<u>1988</u> £'000	<u>1987</u> £'000
At 1 September, 1987	39	39
Premium on shares allotted during the year	72	-
At 31 August, 1988	111	39

Profit and loss account

21. The movement on the profit and loss account is analysed below:

	SAS Holdings Limited £'000	Subsidiary Companies £'000	Total £'000
Retained profit at 1 September, 1987	15	4,101	4,116
Extraordinary item	923	(199)	724
Retained profit for the year	-	1,997	1,997
	938	5,899	6,837

SAS HOLDINGS LIMITED AND ITS SUBSIDIARY COMPANIES
(Formerly Special Acoustic Services Group Holdings Limited)

NOTES TO THE CONSOLIDATED ACCOUNTS - 31 August, 1988 - continued

Contingent liabilities and financial commitments

22. Neither the company nor the group had any material contingent liabilities outside the normal course of business as at 31 August, 1988.

a) Capital commitments

Commitments for future capital expenditure not provided for in the accounts:

	<u>The Group</u>	
	<u>1988</u>	<u>1987</u>
	£'000	£'000
Contracted	1,355	-
Authorised but not contracted	937	-
	<hr/>	<hr/>
	2,292	-
	<hr/>	<hr/>

b) Lease commitments

There are financial commitments in respect of non-cancellable leases. The rentals payable under these leases in the next year are as follows:

	<u>1988</u>		<u>1987</u>	
	<u>The Group</u>		<u>The Group</u>	
	<u>Land and</u>	<u>Other</u>	<u>Land and</u>	<u>Other</u>
	<u>Buildings</u>		<u>Buildings</u>	
	£'000	£'000	£'000	£'000
Date of lease termination				
Within one year	-	-	-	-
In two to five years,				
inclusive	17	125	5	-
After Five Years	685	-	554	-
	<hr/>	<hr/>	<hr/>	<hr/>
	702	125	559	-
	<hr/>	<hr/>	<hr/>	<hr/>

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