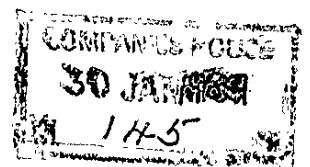
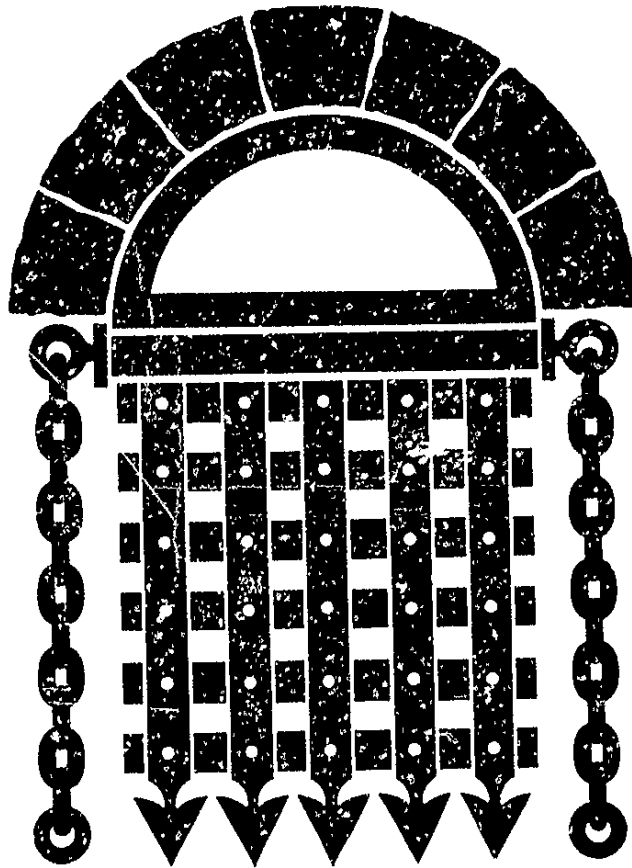


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# Ackrill Carr plc



REPORT AND ACCOUNTS 1988

# ACKRILL CARR plc

(Member of FIMBRA)

## Report and Accounts

**30th June, 1988**

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## Notice of Annual General Meeting

Notice is hereby given that the Fourth Annual General Meeting of Ackrill Carr plc will be held at Tricorn House, Five Ways, Hagley Road, Edgbaston, Birmingham, B16 8TP on 30th December, 1988 at 10.00 a.m. for the following purposes :

1. To receive the Report of the Directors and Auditors and the Accounts for the year ended 30th June, 1988.  
(Resolution No. 1).
2. To re-elect Mr. M. B. Duffy as a Director who retires by rotation in accordance with the Articles of Association.  
(Resolution No. 2).
3. To re-appoint the Auditors and to authorise the Directors to fix their remuneration.  
(Resolution No. 3).
4. To transact any other business of an Annual General Meeting.

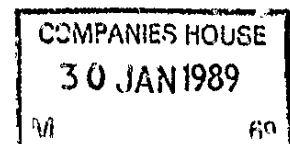
By Order of the Board  
R. N. Cooke  
Secretary

Tricorn House,  
Five Ways,  
Hagley Road,  
Edgbaston,  
BIRMINGHAM,  
B16 8TP.

5th December, 1988

### Notes:

- (i) A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the company. The instrument appointing a proxy shall be received at the Transfer Office not less than 48 hours before the time fixed for the meeting.
- (ii) Copies of directors' contracts of service and statements of transactions by directors in the share capital of the company will be available for inspection at the company's registered office during normal business hours from the date of this notice until the date of the Annual General Meeting when they will also be available.



# ACKRILL CARR plc

## Directors and Officers

**Directors:**

*J. Rubins (Chairman)  
K. L. Billings (Managing)  
R. Allsop  
M. B. Duffy*

**Secretary:**

*R. N. Cooke*

**Group Headquarters and  
Registered Office:**

*Tricorn House,  
Five Ways,  
Hagley Road,  
Edgbaston,  
Birmingham,  
B16 8TP.*

**Auditors:**

*Kidsons,  
Chartered Accountants,  
Bank House,  
8 Cherry Street,  
Birmingham,  
B2 5AD.*

**Registrars and Transfer Office:**

*FPG Registrars and Secretaries Limited,  
1 Fredericks Place,  
Old Jewry,  
London,  
EC2R 8HR.*

**Main Bankers:**

*Lloyds Bank Plc,  
P.O. Box 44,  
125 Colmore Row,  
Birmingham,  
B3 3AD.*

**Solicitors:**

*Wragge & Co.,  
Bank House,  
8 Cherry Street,  
Birmingham,  
B2 5JY.*

## Chairman's Statement

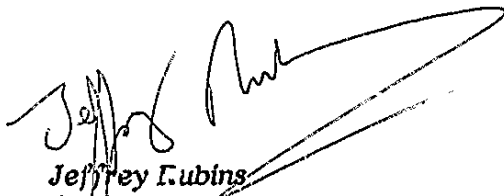
*During the year progress was made in bringing down Group overheads and, despite turnover remaining virtually static, this resulted in a small trading profit.*

*However, due to the deficit on the holding company's balance sheet it will not be possible to recommend payment of a dividend.*

*The Board continues to examine ways of increasing earnings per share by the expansion of its existing activities and by considering acquisitions of a complementary nature. A number of prospective acquisitions have been examined but none measured up to our exacting standards.*

*During the year permission was granted by the International Stock Exchange allowing bargains in our shares to be matched through its members under Rule 535(2).*

*I should like to express thanks on behalf of all shareholders to our dedicated team for their endeavours throughout another difficult year.*



Jeffrey Lubins  
Chairman

# ACKRILL CARR plc

## Report of the Directors

The Directors present their Report and the audited Financial Statements of the Group for the year ended 30th June, 1988.

### PRINCIPAL ACTIVITIES

Ackrill Carr plc is the holding company of a group of companies whose principal activities are the provision of lease broking and investment and general financial advisory and corporate financial services.

### RESULTS AND DIVIDENDS

The results are shown in the Consolidated Profit and Loss Account on page 7. The Directors do not recommend the payment of a dividend.

The Directors recommend that the retained loss of £72,270 be transferred to reserves.

### REVIEW OF THE BUSINESS

The Group Balance Sheet is detailed on page 8.

### DIRECTORS

The following are Directors of the Company and served throughout the year except as shown:

Mr. J. Rubins (Chairman) - Appointed 28th August, 1987  
Mr. K. L. Billings (Managing Director)  
Mr. R. Allsop (Executive) - Appointed 28th August, 1987  
Mr. M. B. Duffy (Non-Executive)

The Director retiring by rotation is Mr. M. B. Duffy who, being eligible, offers himself for re-election.

Mr. R. J. B. Seldon resigned as a Director on 28th August, 1987.

### DIRECTORS' SHAREHOLDINGS

The beneficial interests of the Directors in the share capital of the Company are set out below:

<u>Director</u>	<u>Ordinary Shares of 25p each</u>	
	<u>30th June,</u> <u>1988</u>	<u>1987</u>
Mr. K. L. Billings	252,000	2,000
Mr. J. Rubins	375,000	-
Mr. R. Allsop	375,000	-
Mr. M. B. Duffy	-	-

Mr. K. L. Billings purchased the additional 250,000 shares from Mr. R. J. B. Seldon on 28th August, 1987.

On 22nd August, 1988 Mr. K. L. Billings disposed of 166,000 shares.

Messrs. R. Allsop and J. Rubins each purchased their shareholdings of 375,000 ordinary shares from Mr. R. J. B. Seldon on 28th August, 1987.

## Report of the Directors (Continued)

### SECRETARY

Mr. K. D. McNally resigned as Secretary on 31st May, 1988 and Mr. R. N. Cooke was appointed in his place.

### FIXED ASSETS

Changes in fixed assets during the period are set out in the notes to the financial statements.

### CLOSE COMPANY PROVISIONS

The Company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

### AUDITORS

The Auditors, Messrs. Kidsons, Chartered Accountants, have intimated their willingness to continue in office, subject to the approval of the members in general meeting.

#### **Registered Office:**

Tricorn House,  
Five Ways,  
Hagley Road,  
Edgbaston,  
Birmingham,  
B16 8TP.

By Order of the Board

R. N. Cooke

Secretary

14th November, 1988

## Report of the Auditors

to the Members of Ackrill Carr plc

We have audited the financial statements set out on pages 7 to 22 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of affairs of the Group and of the Company as at 30th June, 1988 and of the results and source and application of funds for the Group for the year ended on that date and comply with the Companies Act 1985.

BIRMINGHAM

KIDSONS

14th November, 1988

Chartered Accountants

# ACKRILL CARR plc

## Consolidated Profit and Loss Account

	<u>Note</u>	Year ended 30th June, 1988		Year ended 30th June, 1987	
		£	£	£	£
TURNOVER	2		353,114		347,073
Operating charges			(355,520)		(421,121)
OPERATING LOSS			(2,406)		(74,048)
Interest Payable	3	(2,024)		(7,106)	
Interest receivable	3	7,397	5,373	449	(6,657)
PROFIT (LOSS) BEFORE WRITING OFF EXCEPTIONAL ITEM			2,967		(80,705)
Compensation for loss of office			(25,000)		-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4		(22,033)		(80,705)
Taxation	7		-		-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION			(22,033)		(80,705)
Extraordinary item	8		(50,237)		-
LOSS FOR THE PERIOD	19		(72,270)		(80,705)
RETAINED BY:					
Ackrill Carr plc			(52,443)		48,616
Subsidiaries			(19,827)		(129,321)
			(72,270)		(80,705)
LOSS PER ORDINARY SHARE	9		(0.87 pence)		(3.19 pence)

Notes on financial statements - pages 11 to 22

Auditors' Report - page 6



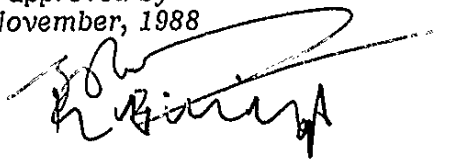
# ACKRILL CARR plc

## Consolidated Balance Sheet

	<u>Note</u>	30th June 1988 £	30th June 1987 £
<b>FIXED ASSETS</b>			
Intangible assets	10	60,000	60,000
Tangible assets	11	20,003	43,653
<b>CURRENT ASSETS</b>			
Debtors	13	33,450	140,769
Investments	14	45,687	2,276
Cash at bank and in hand		57,957	60,842
Client monies held		-	6,963
		<u>137,094</u>	<u>210,850</u>
<b>CREDITORS - Amounts falling due within one year</b>			
Client monies held		-	(6,963)
Other creditors	15	<u>(68,727)</u>	<u>(76,866)</u>
<b>NET CURRENT ASSETS</b>		<u>68,367</u>	<u>127,021</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>148,370</u>	<u>230,674</u>
<b>CREDITORS - Amounts falling due after more than one year</b>			
	16	<u>(2,998)</u>	<u>(7,032)</u>
		<u>145,372</u>	<u>223,642</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	632,250	632,250
Share premium account	19	-	-
Profit and loss account	19	<u>(480,878)</u>	<u>(408,608)</u>
		<u>145,372</u>	<u>223,642</u>

These financial statements were approved by the Board of Directors on 14th November, 1988

J. Rubins                    )  
K. L. Billings                ) Directors



Notes on financial statements - pages 11 to 22

Auditors' Report - page 6

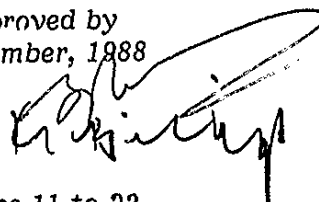
# ACKRILL CARR plc

## Holding Company Balance Sheet

	<u>Note</u>	30th June, 1988 £	30th June, 1987 £
<b>FIXED ASSETS</b>			
Investment in subsidiaries	12	251,120	501,120
<b>CURRENT ASSETS</b>			
Debtors	13	250,126	362,739
Other investments	14	45,687	2,276
Cash at bank		50,001	2,631
		<u>345,814</u>	<u>367,646</u>
<b>CREDITORS - Amounts falling due within one year</b>			
Other creditors	15	<u>(42,117)</u>	<u>(5,506)</u>
<b>NET CURRENT ASSETS</b>		<u>303,697</u>	<u>362,140</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>554,817</u>	<u>863,260</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	632,250	632,250
Share premium	19	-	-
Capital reserve	19	251,341	251,341
Profit and loss account	19	<u>(328,774)</u>	<u>(20,331)</u>
		<u>554,817</u>	<u>863,260</u>

These financial statements were approved by the Board of Directors on 14th November, 1988

J. Rubins                    )  
K. L. Billings               ) Directors



Notes on financial statements - pages 11 to 22

Auditors' Report - page 6

# ACKRILL CARR plc

## Consolidated Source and Application of Funds Statement

	Year ended 30th June, 1988 £	Year ended 30th June, 1987 £
<b>SOURCE OF FUNDS</b>		
Loss on ordinary activities before taxation and extraordinary items	(22,033)	(80,705)
Extraordinary item	(50,237)	-
Costs set against reserves	(6,000)	-
	<u>(78,270)</u>	<u>(80,705)</u>
Adjustment for items not involving the movement of funds:		
Depreciation	20,398	28,760
Amortisation of deferred revenue expenditure	50,237	16,745
Profit on sale of fixed assets	(289)	(2,555)
	<u>(7,924)</u>	<u>(37,755)</u>
<b>TOTAL FUNDS ABSORBED BY OPERATIONS</b>	<b>(7,924)</b>	<b>(37,755)</b>
<b>OTHER SOURCES</b>		
Finance from hire purchase (net)	-	33,992
Sale proceeds from fixed assets	5,595	39,916
Tax refunded	-	9,184
	<u>(2,329)</u>	<u>45,337</u>
<b>TOTAL FUNDS (ABSORBED) GENERATED</b>	<b>(2,329)</b>	<b>45,337</b>
<b>APPLICATION OF FUNDS</b>		
Purchase of fixed assets	2,054	56,534
Hire purchase finance paid (net)	25,003	22,425
	<u>(29,386)</u>	<u>(33,622)</u>
<b>DECREASE IN WORKING CAPITAL</b>	<b>(29,386)</b>	<b>(33,622)</b>
<b>REPRESENTED BY</b>		
Decrease in debtors	(57,082)	(14,175)
Increase (decrease) in investments	43,411	(97,957)
(Increase) decrease in creditors	(3,227)	14,989
	<u>(16,898)</u>	<u>(97,143)</u>
<b>MOVEMENT IN NET LIQUID FUNDS:</b>		
(Decrease) increase in cash and bank balances	(12,488)	63,521
	<u>(29,386)</u>	<u>(33,622)</u>

## Notes on Financial Statements

30th June, 1988

### 1. ACCOUNTING POLICIES

(a) **Basis of accounting**

The financial statements have been prepared under the historical cost convention.

(b) **Basis of consolidation**

The consolidated financial statements include the audited financial statements of all subsidiaries for the year to 30th June, 1988. A separate profit and loss account for the holding company has not been presented.

(c) **Turnover**

Turnover represents commissions, fees and lease income receivable from customers, excluding value added tax.

(d) **Depreciation or amortisation**

Depreciation is calculated to write off the cost of all fixed assets over their expected useful lives at the following annual rates :

Equipment	-	20-25% straight line
Motor vehicles	-	25% straight line
Furniture	-	10% straight line

(e) **Goodwill**

In previous years the accounting policy for goodwill was for it to be written off over its useful economic life which the Directors considered to be ten years and which resulted in an annual write off against profits of £34,918.

The Directors have decided to change the accounting policy, as part of a scheme to reorganise the Group's share premium and reserves, so that goodwill is now to be written off directly against reserves.

The effects of the change in policy are that certain figures previously shown in the 1987 accounts have been adjusted, as follows :

- (i) The amortisation charge in the profit and loss account of £34,918 has been eliminated.
- (ii) The unamortised goodwill of £251,341 has been eliminated from the balance sheet and has been deducted from reserves.

## Notes on Financial Statements (Continued)

30th June, 1988

**(f) Share premium account and goodwill**

*At an Extraordinary General Meeting held on 29th June, 1988 a special resolution was passed in order that confirmation of the Court could be sought for the following arrangements :*

- (i) The share premium account, which at 30th June, 1987 amounted to £281,041, should be cancelled.*
- (ii) A capital reserve of £251,341 should be created against which goodwill arising on consolidation of £251,341 should be written off.*
- (iii) The remaining balance of £29,700 should be utilised in reducing the adverse balance on profit and loss account.*

*Confirmation of the above arrangements was accordingly given by the Court on 14th November, 1988.*

**(g) Deferred revenue expenditure**

*The Company incurred expenditure on a New Issues share register in the period ended 30th June, 1985, the benefits of which were expected to accrue over a period of five years. The balance of expenditure carried forward at 30th June, 1987 has now been written off as an extraordinary item. The charge against trading profit in the year ended 30th June, 1987 was £16,745.*

**(h) Leasing**

*The Group has no material assets purchased under finance leases. Rentals payable under operating leases are charged to profit and loss account on a straight line basis over the term of the lease. It has always been the policy to capitalise assets acquired under hire and lease purchase agreements.*

## **2. ANALYSIS OF TURNOVER AND PRE-TAX PROFITS**

*The turnover and pre-tax loss arose in the United Kingdom and are attributable to the principal activities, being the provision of lease broking and investment and general financial advisory and corporate financial services.*

# ACKRILL CARR plc

## Notes on Financial Statements (Continued)

30th June, 1988

### 3. INTEREST

	1988	1987
	£	£
(a) <i>interest payable:</i>		
Bank overdraft	597	1,643
Lease and hire purchase agreements	1,427	5,463
	<u>2,024</u>	<u>7,106</u>
(b) <i>Interest receivable from bank and short term deposits</i>	<u>7,397</u>	<u>449</u>

### 4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	1988	1987
	£	£
<i>Loss on ordinary activities before taxation is stated after charging (crediting) :</i>		
Depreciation *	20,398	28,760
Profit on sale of fixed assets	(289)	(2,555)
Auditors' remuneration	4,500	4,550
Directors' remuneration (note 5)	85,112	62,806
Operating lease rentals and short term hire:		
Equipment and vehicles	2,634	(568)
Loss (profit) on disposal of investments	298	(31,907)
	<u>          </u>	<u>          </u>

\* The depreciation charge of £20,398 (1987 £28,760) includes an amount of £7,249 (1987 £11,652) in respect of assets held under lease and hire purchase contracts.

# ACKRILL CARR plc

## Notes on Financial Statements (Continued)

30th June, 1988

### 5. DIRECTORS' EMOLUMENTS

	1988	1987
	£	£
For management	41,946	62,806
Fees	18,166	-
Compensation for loss of office	25,000	-
	<u>85,112</u>	<u>62,806</u>
Emoluments of the Chairman:		
Period to 28th August, 1987 (1987 whole year) excluding compensation	<u>9,069</u>	<u>32,469</u>
Period after 28th August, 1987	<u>8,333</u>	
Highest paid Director	<u>32,877</u>	
Other Directors:	<u>Nos.</u>	<u>Nos.</u>
£ 0-£ 5,000	1	1
£ 5,001-£10,000	1	-
£30,001-£35,000	-	1

### 6. STAFF COSTS

	1988	1987
	<u>Nos.</u>	<u>Nos.</u>
(a) The average number of persons, including Directors, employed during the period was:		
Sales staff	2	2
Management and administration	8	11
	<u>10</u>	<u>13</u>
	<u>==</u>	<u>==</u>
(b) The aggregate costs of employment were as follows :	£	£
Salaries	166,705	154,045
Social security costs	12,494	15,475
	<u>179,199</u>	<u>169,520</u>
	<u>==</u>	<u>==</u>

# ACKRILL CARR plc

## Notes on Financial Statements (Continued)

30th June, 1988

### 7. TAXATION

There is no taxation charge for the year due to the incidence of taxation losses.

### 8. EXTRAORDINARY ITEM

	1988	1987
	£	£
Deferred revenue expenditure now written off	50,237	-
	<u>50,237</u>	<u>-</u>

### 9. LOSS PER SHARE

The calculation of loss per share is based upon losses after taxation (but before taking into account extraordinary items) of £22,033 (1987 £80,705) and 2,529,000 ordinary shares of 25p in issue throughout the year ended 30 June, 1988.

### 10. INTANGIBLE FIXED ASSETS

- (a) The amount shown in the balance sheet represents a valuation of renewal commission in a subsidiary based on three years purchase of commission due on individual and group life assurance schemes. The valuation was performed prior to acquisition of the subsidiary; a current valuation on a similar basis would be in excess of the balance sheet amount.
- (b) Goodwill arising on consolidation was previously stated in the 1987 accounts at a cost of £349,177 less amortisation to date of £97,836 giving a net book amount of £251,341. The latter amount has been written out of the 1987 accounts as a prior year adjustment.



## Notes on Financial Statements (Continued)

30th June, 1988

### 11. TANGIBLE FIXED ASSETS

£

Group:

*Equipment, vehicles and furniture*

Cost:

30th June, 1987	213,791
Additions	2,054
Disposals	(24,282)
	<hr/>
30th June, 1988	191,563
	<hr/> <hr/>

Depreciation:

30th June, 1987	170,138
On disposals	(18,976)
Charge for the year	20,398
	<hr/>
30th June, 1988	171,560
	<hr/> <hr/>

Net book value:

30th June, 1988	20,003
	<hr/> <hr/>
30th June, 1987	43,653
	<hr/> <hr/>

*The net book value of fixed assets of £20,003 (1987 £43,653) includes an amount of £15,222 (1987 £27,315) in respect of assets held under hire and lease purchase contracts.*

# ACKRILL CARR plc

## Notes on Financial Statements (Continued)

30th June, 1988

### 12. INVESTMENT IN SUBSIDIARY COMPANIES

	1988	1987
	£	£
(a) The amount shown in the balance sheet comprises:		
Shares at cost	501,120	501,120
Less Provisions	250,000	-
	<u>251,120</u>	<u>501,120</u>

(b) The following were subsidiaries of the Company at 30th June, 1988:

Ackrill, Carr & Partners Limited	
A. C. Leasing Limited	*
Ackrill Carr Venture Capital Limited	* **
Capital Equipment Facilities Limited	* **
Ackrill Carr Finance Corporation Limited	**
Tricorn Finance Corporation Limited	**

\* Denotes subsidiary of Ackrill, Carr & Partners Limited.

\*\* Indicates no trading transactions during the year.

(c) All of the subsidiary companies are wholly owned and are incorporated in England.

### 13. DEBTORS

	<u>Group</u>		<u>Holding Company</u>	
	1988	1987	1988	1987
	£	£	£	£
Trade debtors	30,942	57,485	5,501	1,575
Amounts owed by group companies	-	-	243,811	310,927
Other debtors	-	23,625	-	-
Deferred revenue expenditure	-	50,237	-	50,237
Prepayments and accrued income	2,508	9,422	514	-
	<u>33,450</u>	<u>140,769</u>	<u>250,126</u>	<u>362,739</u>

## Notes on Financial Statements (Continued)

30th June, 1988

### 14. INVESTMENTS

	<u>Group</u>		<u>Holding Company</u>	
	1988	1987	1988	1987
	£	£	£	£
Unlisted investments at cost*	44,187	2,276	44,187	2,276
Other investments at valuation less than cost	1,500	-	1,500	-
	<u>45,687</u>	<u>2,276</u>	<u>45,687</u>	<u>2,276</u>

\* Included in unlisted investments are 38,100 20p ordinary shares in Better Tasting Snack Foods plc, a company which has an issued share capital of 251,590 ordinary shares.

### 15. OTHER CREDITORS

	<u>Group</u>		<u>Holding Company</u>	
	1988	1987	1988	1987
	£	£	£	£
Amounts falling due within one year:				
Bank overdraft	9,603	-	9,603	-
Trade creditors	15,290	29,824	4,846	-
Amounts owed to Group companies	-	-	2,005	2,005
Other taxes and social security	11,205	11,692	5,305	2
Lease and hire purchase creditors	4,034	25,003	-	-
Accruals and deferred income	28,595	10,347	20,358	3,499
	<u>68,727</u>	<u>76,866</u>	<u>42,117</u>	<u>5,506</u>

## Notes on Financial Statements (Continued)

30th June, 1988

16. CREDITORS

	<u>Group</u>		<u>Holding Company</u>	
	1988	1987	1988	1987
	£	£	£	£
Amounts falling due after more than one year:				
Lease and hire purchase creditors payable within five years	2,998	7,032	-	-

17. DEFERRED TAX

There is no deferred tax liability for either the Group or the Holding Company (1987 £Nil).

18. CALLED UP SHARE CAPITAL

	<u>Ordinary Shares of 25p each</u>	£
Authorised (1988 and 1987)	12,000,000	3,000,000
Issued and fully paid (1988 and 1987)	2,529,000	632,250

# ACKRILL CARR plc

## Notes on Financial Statements (Continued)

30th June, 1988

### 19. RESERVES

	<u>Share Premium</u>	<u>Capital Reserve</u>	<u>Profit and Loss Account</u>	<u>Total</u>
	£	£	£	£
<i>Group:</i>				
<i>Balance at 30th June, 1987:</i>				
<i>As previously reported</i>	281,041	-	(438,308)	(157,267)
<i>Prior year adjustments (note)</i>				
Share premium cancellation	(281,041)	251,341	29,700	-
Goodwill write off	-	(251,341)	-	(251,341)
	<hr/>	<hr/>	<hr/>	<hr/>
<i>As restated</i>	-	-	(408,608)	(408,608)
<i>Retained loss for the year</i>	-	-	(72,270)	(72,270)
<i>Costs attributable to share premium cancellation</i>	-	-	(6,000)	(6,000)
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Balance at 30th June, 1988</i>	-	-	(486,878)	(486,878)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Holding Company:</i>				
<i>Balance at 30th June, 1987:</i>				
<i>As previously reported</i>	281,041	-	(50,031)	231,010
<i>Prior year adjustment</i>	(281,041)	251,341	29,700	-
	<hr/>	<hr/>	<hr/>	<hr/>
<i>As restated</i>	-	251,341	(20,331)	231,010
<i>Retained loss for the year</i>	-	-	(302,443)	(302,443)
<i>Costs attributable to share premium cancellation</i>	-	-	(6,000)	(6,000)
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Balance at 30th June, 1988</i>	-	251,341	(328,774)	(77,433)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Note: Opening reserves have been restated so as to reflect the changes resulting from cancellation of share premium account and writing off of goodwill arising on consolidation as described in the Accounting Policies Notes 1(e) and 1(f) on pages 11 and 12.

## Notes on Financial Statements (Continued)

30th June, 1988

**20. OBLIGATIONS UNDER LEASE AND HIRE PURCHASE CONTRACTS**

- (a) The future minimum lease and hire purchase payments to which the Group is committed as at 30th June, 1988 under lease purchase and hire purchase contracts is as follows:

	1988	1987
	£	£
Year ending 30th June, 1989	5,025	26,430
1990	3,615	5,025
1991	-	3,615
	<hr/>	<hr/>
	8,640	35,070
Less: Finance charges allocated to future periods	(1,608)	(3,035)
	<hr/>	<hr/>
	7,032	32,035
	<hr/>	<hr/>

- (b) Payments due in 1989 under operating leases, analysed by date of lease expiry, are as follows:

	Group	Company
	£	£
Date of lease expiry:		
1989	958	-
1990 to 1993	3,005	3,005
	<hr/>	<hr/>
Total payable in 1989	3,963	3,005
	<hr/>	<hr/>

**21. TRANSACTIONS INVOLVING DIRECTORS**

Directors' interests in contracts:

No director has had any beneficial interest in any material contract to which the company was a party.

**22. CAPITAL COMMITMENTS**

There were no capital commitments for either the Holding Company or the Group at 30th June, 1988 (1987 £Nil).

Notes on Financial Statements (Continued)

30th June, 1988

23. CONTINGENT LIABILITIES

*The company is a party to a group registration for value added tax purposes. The contingent liability in respect thereof at 30th June, 1988 was £5,900 (1987 £6,923).*

24. PROCEEDINGS AGAINST FORMER CHAIRMAN

*These proceedings continue and it seems likely the case will be heard in the Chancery Division of the High Court towards the middle of 1989.*