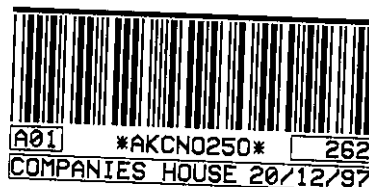


1862795

**KCC PROCESS EQUIPMENT LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED 31 MARCH 1997**

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**KCC PROCESS EQUIPMENT LIMITED****COMPANY INFORMATION****DIRECTORS**

M E Kirk  
S R Cordon

**SECRETARY**

S R Cordon

**BANKERS**

National Westminster Bank Plc  
67 High Street  
Staines  
Middlesex  
TW18 4PU

National Bank of Bahrain BSC  
PO Box 106  
Manama  
State of Bahrain

**AUDITORS**

MacIntyre Hudson  
Ashley House  
18/20 George Street  
Richmond  
Surrey  
TW9 1HD

**REGISTERED OFFICE**

91-93 Windmill Road  
Sunbury on Thames  
Middlesex  
TW16 7EF

**REGISTERED NUMBER**

1862795

# KCC PROCESS EQUIPMENT LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1997

The directors submit their report and the audited financial statements for the year ended 31 March 1997.

### ACTIVITIES

The principal activities of the company throughout the year continued to be those of providing process engineering services and supplies for oil and gas plant installations.

### REVIEW OF BUSINESS AND FUTURE DEVELOPMENT

1996/97 was a milestone in KCC's development, and represented the year the company's UK office grew to a size which was large enough to allow the thrust of our development to be redirected towards enhancing customer service.

Our Abu Dhabi branch secured and delivered the first of many new orders, manufactured by our alliance partners, Deutsche Bock. This regional presence also helped our UK head office win two major contracts in the Arabian Gulf, which are both progressing well and will be delivered in the Summer of 1997.

Our investment in IT systems has greatly enhanced our inter-office and customer communications. We are now ahead of most competitors in terms of contract management and data exchange with other parties and further investments aimed at reducing paper systems will be undertaken in 1997.

KCC is firmly committed to a vision of long term growth through a network of international branches, and our main goal in the forthcoming year is to utilise the "Investors in People" standard to develop our personnel in line with our ambitious business objectives, thereby delivering the best possible customer service.

The pre-tax profit of £647,000 on a turnover of £15,300,000 is a significant step towards sustainable profitable growth to fund our development and is considered reasonable by the directors, who are recommending a dividend of 8.7 pence per share to ensure the majority of our earnings remain within the company for the future.

### DIVIDENDS

The directors recommend the payment of a final dividend for the year of £22,000 (1996: £11,000).

### DIRECTORS

The directors who held office during the year and their beneficial interests in the issued share capital were as follows:

	<u>31 March 1997</u>	<u>31 March 1996</u>
M E Kirk	134,090	134,090
S R Cordon	51,497	51,497

**KCC PROCESS EQUIPMENT LIMITED****DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1997**

(Continued)

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 profit or loss of the company 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;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

The auditors, MacIntyre Hudson, will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

By Order of the Board



S R CORDON  
Secretary

91-93 Windmill Road  
Sunbury on Thames  
Middlesex  
TW16 7EF

7 November 1997

**AUDITORS' REPORT TO THE SHAREHOLDERS**  
**OF**  
**KCC PROCESS EQUIPMENT LIMITED**

We have audited the financial statements on pages 5 to 16.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 3 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 company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the 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 the company's affairs as at 31 March 1997 of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*MacIntyre Hudson*

MACINTYRE HUDSON  
Chartered Accountants  
Registered Auditor

Ashley House  
18/20 George Street  
Richmond  
Surrey  
TW9 1HD

*7 November* 1997.

**KCC PROCESS EQUIPMENT LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 1997**

	<u>Notes</u>	<u>1997</u> £	<u>1996</u> £
TURNOVER	2	15,332,430	6,984,959 *
Cost of sales		(13,786,336)	(6,290,522)
		-----	-----
GROSS PROFIT		1,546,094	694,437
Administrative expenses		(979,177)	(677,892)
		-----	-----
OPERATING PROFIT	3	566,917	16,545
Interest receivable and similar income		88,145	40,579
Interest payable	6	(7,761)	(3,476)
		-----	-----
PROFIT on ordinary activities before taxation		647,301	53,648
TAXATION on ordinary activities	7	(206,750)	(17,620)
		-----	-----
PROFIT on ordinary activities after taxation		440,551	36,028
DIVIDENDS - equity interests	8	(22,000)	(11,000)
		-----	-----
RETAINED PROFIT for the financial year	18	£ 418,551	£ 25,028
		=====	=====

All of the company's operations are classed as continuing.

The company has no recognised gains or losses other than the profit for the year.

\* Comparatives restated (see accounting policies).

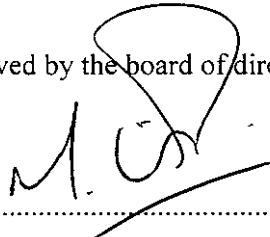
The notes on pages 8 to 16 form part of these financial statements.

## KCC PROCESS EQUIPMENT LIMITED

## BALANCE SHEET - 31 MARCH 1997

	Notes	1997		1996	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	9		7,700		9,800
Tangible assets	10		186,551		82,771
Investments	11		2		2
			-----		-----
			194,253		92,573
<b>CURRENT ASSETS</b>					
Work in progress	12	192,142		36,807 *	
Debtors	13	5,107,993		2,740,464 *	
Cash charged against performance bonds	20/21	745,996		438,193	
Other bank and cash		2,666,759		24,923	
		-----		-----	
		8,712,890		3,240,387	
CREDITORS: amounts falling due within one year	14	7,476,425		2,425,496 *	
		-----		-----	
<b>NET CURRENT ASSETS</b>			1,236,465		814,891
			-----		-----
			1,430,718		907,464
CREDITORS: amounts falling due after more than one year	15		(69,277)		(-)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>					
	16		(251,490)		(216,064)*
			-----		-----
		£	1,109,951	£	691,400
			=====		=====
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		253,000		253,000
Share premium account	18		4,070		4,070
Profit and loss account	18		852,881		434,330
			-----		-----
<b>EQUITY SHAREHOLDERS FUNDS</b>	19		£ 1,109,951		£ 691,400
			=====		=====

Approved by the board of directors on 7 March 1997 and signed on its behalf by:

  
 ..... Director

The notes on pages 8 to 16 form part of these financial statements

\* Comparatives restated (see accounting policies)

## KCC PROCESS EQUIPMENT LIMITED

CASH FLOW STATEMENT  
YEAR ENDED 31 MARCH 1997

	<u>Notes</u>	<u>1997</u> £	<u>1996</u> £
Net cash inflow from operating activities (see below)		2,977,557	227,260
Returns on investments and servicing of finance	23a	80,384	37,103
Taxation		(15,042)	(51,370)
Capital expenditure and financial investments	23b	(174,231)	(43,735)
Acquisitions and disposals - purchase of goodwill		-	(10,502)
Dividend dividends paid		(11,000)	(11,000)
Net cash inflow/(outflow) before use of liquid resources and financing		2,857,668	147,756
Management of liquid resources	23c	(2,785,734)	466,446
Financing	23d	91,971	-
Increase in cash		£ 163,905	£ 614,202

**Reconciliation of operating surpluses to net cash inflow from operating activities**

Operating profit	566,917	16,545
Depreciation and amortisation	66,108	51,223
(Profit)/loss on sale of tangible fixed assets	6,443	(2,750)
Change in debtors	(2,367,529)	(369,553)
Change in creditors	4,825,527	279,081
Change in stock and work in progress	(155,335)	380,733
Change in warranty provision	35,426	(128,019)
Net cash inflow from operating activities	£2,977,557	£ 227,260

**Reconciliation of net cash flow to movement in net fund (debt):**

Increase in cash in the period	163,905	614,202
Cash inflow from increase in hire purchase and finance leases	(91,971)	-
Cash used to increase/(withdrawn from) liquid resources	2,785,734	(466,446)
Change in net debt	2,857,668	147,756
Net funds at beginning of year	463,116	315,360
Net funds at end of year	23e £ 3,320,784	£ 463,116

The notes on pages 8 to 16 form part of these financial statements.



# KCC PROCESS EQUIPMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1997

### 1. ACCOUNTING POLICIES

The principal accounting policies which are adopted in the preparation of the financial statements are set out below.

- (a) **Basis of accounting**  
The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.
- (b) **Turnover**  
Turnover comprises the amounts recoverable from customers in respect of the activity on contracts during the accounting period. The amounts included in respect of incomplete major long term contracts are shown separately under debtors in the Balance Sheet.
- (c) **Accounting for Contracts**  
Major long term contracts incomplete at the accounting date are assessed on a contract by contract basis and reflected in the profit and loss account by recording turnover and related costs as contract activity has progressed to the accounting date. Once the outcome of a contract can be assessed with reasonable certainty, an amount of profit appropriate to the value of work completed is recognised.

Provision is made in respect of any individual contract where an overall loss is foreseen at the accounting date.

The company has a large number of ancillary contracts of a minor and short term nature, often being additional services supplied to its major customers. If these are incomplete at the accounting date the costs of purchase and conversion to date are carried forward, after provision for any foreseeable loss. No profit is taken until these contracts are completed.

#### **Change in Accounting Policy for Turnover and Accounting for Major Long Term Contracts**

In view of the growth in major long term contracts in the accounting period the directors have reappraised the policies adopted and consider the above bases to be more appropriate.

Previously, turnover included invoiced sales and invoiced requests for stage payments on major long term contracts, based on the terms of each contract which did not necessarily measure the stage of completion reached at the accounting date. Where stage billings were in excess of costs to date that excess was deducted from turnover and carried forward in the balance sheet as deferred income.

Had the old policy been applied in the current year reported turnover would have been £16,154,709 (new basis £15,332,430) and comparatives £6,457,690 (new basis £6,984,959).

As there has been no change in the view taken in regard to the treatment of unrealised profits there has been no change in the results reported or on the net current assets of the company for both years. Comparative figures have been adjusted to reflect the new basis of disclosure.

## KCC PROCESS EQUIPMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1997

## 1. ACCOUNTING POLICIES (Cont'd)

## (d) Provision for Expenditure Under Warranty

The company provides for costs which may be incurred on completed contracts whilst under warranty. The provision is based upon the historical experience of likely costs to be incurred on warranty works and annually reviewed against specific contracts to ensure that known additional risks and actual notifications of claims have been adequately provided for.

In prior years this provision has been classified as deferred income in the balance sheet within creditors. The directors now consider it more appropriate to show this figure separately and the comparatives have been adjusted accordingly.

## (e) Fixed Assets

Depreciation and amortisation is provided to write off the cost of the tangible and intangible fixed assets in equal annual instalments at the following rates:

Goodwill	20%
Leasehold acquisition costs	4%
Office equipment and furniture	20%
Computer equipment	33⅓%
Motor vehicles	25%

## (f) Leases

Assets obtained under finance leases and hire purchase contracts are included in fixed assets. Other leased assets used by the company where substantially all of the benefits and risks of ownership remains with the lessor are termed operating leases. Rentals applicable to operating leases are charged against profit on a straight line basis over the period of the lease.

## (g) Research and Development

Research and development expenditure is written off in the year in which it is incurred.

## (h) Deferred Taxation

Provision is made, under the liability method, for taxation deferred in respect of all material timing differences, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or an asset will crystallise in the foreseeable future.

## (i) Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies during the year are recorded in sterling at the rates of exchange prevailing on average over the month of the transaction or at the contracted rate of the transaction if covered by a forward exchange contract.

## (j) Pension Scheme

The company's pension plan is a defined contributions scheme. Consequently, the annual instalments charged to the profit and loss account are fixed under the terms of the scheme and the company has no potential liability other than the payment of those instalments.

## KCC PROCESS EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1997  
(Continued)

## 2. TURNOVER

The analysis of turnover by geographical area is as follows:

	<u>1997</u>	<u>1996</u>
	£	£
United Kingdom	4,120,946	2,360,537
Middle East	8,164,418	1,027,405
Europe	1,042,031	1,069,652
Other	2,005,035	2,527,365
	<u>£15,332,430</u>	<u>£ 6,984,959</u>

## OPERATING PROFIT

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

	<u>1997</u>	<u>1996</u>
	£	£
Staff costs (note 4)	967,362	711,541
Depreciation	64,008	50,523
Adjustment on disposal of fixed assets	6,443	(2,750)
Auditors' remuneration	6,500	5,500
Auditors' remuneration in respect of other services	7,925	5,725
Amortisation of goodwill	2,100	700
(Profit)/loss on exchange	<u>(73,701)</u>	<u>6,600</u>

## 4. STAFF COSTS

Staff costs, including directors' remuneration were as follows:

	<u>1997</u>	<u>1996</u>
	£	£
Wages and salaries	858,656	617,991
Social security costs	73,821	62,534
Other pension costs	34,885	31,016
	<u>£967,362</u>	<u>£711,541</u>

The average weekly number of employees during the year was 26 (1996: 24)

Management and administration	5	5
Direct work on contracts and sales	21	19
	<u>26</u>	<u>24</u>

## KCC PROCESS EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1997  
(Continued)

5.	DIRECTORS' REMUNERATION	<u>1997</u>	<u>1996</u>
	Emoluments for services as directors including benefits in kind	105,474	95,146
	Contributions to money purchase pension scheme	12,000	12,000
		-----	-----
		£117,474	£107,146
		=====	=====
6.	INTEREST PAYABLE	<u>1997</u>	<u>1996</u>
		£	£
	Hire purchase and notional finance lease interest	2,972	-
	Bank interest	4,744	2,239
	Interest on late payment of taxation	45	1,237
		-----	-----
		£ 7,761	£ 3,476
		=====	=====
7.	TAXATION		
	The taxation charge on the profit on ordinary activities for the year was as follows:		
		<u>1997</u>	<u>1996</u>
		£	£
	Corporation tax at current rates	206,750	18,000
	Overprovision in prior years	-	(380)
		-----	-----
		£206,750	£ 17,620
		=====	=====
	The net effective rate of corporation tax used to calculate the charge was 30.31% (1996: 25.0%)		
8.	DIVIDENDS	<u>1997</u>	<u>1996</u>
	Final proposed @ 8.7p on equity shares (1995: 4.35p) per share	£ 22,000	£ 11,000
		=====	=====

## KCC PROCESS EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1997  
(Continued)

9.	INTANGIBLE FIXED ASSETS	<u>Goodwill</u>
		£
	<u>COST</u>	
	At 1 April 1996 and 31 March 1997	10,500
		=====
	<u>AMORTISATION</u>	
	At 1 April 1996	700
	Charge for the year	2,100
		-----
	At 31 March 1997	2,800
		-----
	<u>NET BOOK VALUE</u>	
	At 31 March 1997	£ 7,700
		=====
	At 31 March 1996	£ 9,800
		=====

Goodwill arose on the purchase of the business and assets of R J B Engineering Limited which has since changed its name to Nisharm Ltd.

10.	TANGIBLE FIXED ASSETS	Leasehold acquisition costs	Computer equipment	Office equipment and furniture	Motor vehicles	Total
		£	£	£	£	£
	<u>COST</u>					
	At 1 April 1996	7,137	131,189	57,465	93,132	288,923
	Additions	-	76,490	98,612	-	175,102
	Disposals	(7,137)	(30,626)	(27,080)	-	(64,843)
		-----	-----	-----	-----	-----
	At 31 March 1997	-	177,053	128,997	93,132	399,182
		-----	-----	-----	-----	-----
	<u>DEPRECIATION</u>					
	At 1 April 1996	1,421	88,888	44,017	71,826	206,152
	Charge for the year	258	30,249	16,606	16,895	64,008
	Released on disposal	(1,679)	(30,626)	(25,224)	-	(57,529)
		-----	-----	-----	-----	-----
	At 31 March 1997	-	88,511	35,399	88,721	212,631
		-----	-----	-----	-----	-----
	<u>NET BOOK VALUE</u>					
	At 31 March 1997	£ -	£ 88,542	£ 93,598	£ 4,411	£186,551
		=====	=====	=====	=====	=====
	At 31 March 1996	£ 5,716	£ 42,301	£ 13,448	£ 21,306	£ 82,771
		=====	=====	=====	=====	=====

Included in the total net book value of tangible assets at the accounting date was £100,057 (1996: £Nil) in respect of assets held under finance leases and hire purchase contracts. The charge for depreciation in respect of these assets amounted to £12,459 (1996: £Nil).

## KCC PROCESS EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1997  
(Continued)

## 11 INVESTMENTS

	<u>1997</u>	<u>1996</u>
	£	£
Unlisted investments - subsidiary undertaking	£ 2	£ 2
	=====	=====

	<u>Country of Registration</u>	<u>Class of Business</u>	<u>Net Assets</u>
			£
RJB Engineering Ltd	England	Dormant	2

## 12 WORK IN PROGRESS

	<u>1997</u>	<u>1996</u>
	£	£
Work in progress on minor contracts	£192,142	£ 36,807
	=====	=====

## 13 DEBTORS

	<u>1997</u>	<u>1996</u>
	£	£
Amounts recoverable on contracts	3,813,444	1,440,183
Trade debtors	1,119,601	1,228,413
Taxation recoverable	90,210	-
Other debtors	28,863	11,425
Prepaid expenses	55,875	60,443
	-----	-----
	£ 5,107,993	£ 2,740,464
	=====	=====

## CREDITORS: amounts falling due within one year

	<u>1997</u>	<u>1996</u>
	£	£
Hire purchase and lease agreements	22,694	-
Payments received on account	19,182	-
Trade creditors	7,075,149	2,270,499
Corporation tax	204,208	15,250
ACT payable	5,500	2,750
Social Security and other taxes	33,778	69,009
Other creditors	1,000	-
Accrued expenses	92,914	56,988
Dividends payable	22,000	11,000
	-----	-----
	£7,476,425	£2,425,496
	=====	=====

## KCC PROCESS EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1997  
(Continued)

## 15 CREDITORS: amounts falling due after more than one year

	<u>1997</u>	<u>1996</u>
	£	£
Hire purchase and finance lease liabilities	£ 69,277	£ -
	=====	=====
The aggregate amount of hire purchase and finance lease liabilities was as follows:		
Falling due within one year	22,694	-
Falling due within two to five years	69,277	-
	-----	-----
	£91,971	£ -
	=====	=====

## 16 PROVISION FOR LIABILITIES AND CHARGES

## Warranty provision:

At beginning of year	216,064	344,083
Transfer from/(to) profit & loss account	35,426	(128,019)
	-----	-----
At end of year	£251,490	£216,064
	=====	=====

## 17 CALLED UP SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
	£	£
Authorised ordinary shares of £1 each	£1,000,000	£ 1,000,000
	=====	=====
Allotted, and fully paid 253,000 ordinary shares of £1 each	£ 253,000	£ 253,000
	=====	=====

## 18 RESERVES

	<u>Profit and loss account</u>	<u>Share premium account</u>
	£	£
At beginning of year	434,330	4,070
Retained profit for the year	418,551	-
	-----	-----
At end of year	£852,881	£ 4,070
	=====	=====

## KCC PROCESS EQUIPMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1997

(Continued)

19 RECONCILIATION OF MOVEMENTS ON  
SHAREHOLDERS' FUNDS

	<u>1997</u>	<u>1996</u>
	£	£
Profit for the financial year	440,551	36,028
Dividends	(22,000)	(11,000)
Shareholders' funds at beginning of year	691,400	666,372
	-----	-----
Shareholders' funds at end of year	<u>£1,109,951</u>	<u>£ 691,400</u>

## 20 CHARGES

The overdraft and bonding facilities are secured by way of a charge over all fixed and floating assets of the company and a specific charge over £745,996 (1996 £438,193) cash held by the bank as cover against performance bonds in favour of National Westminster Bank Plc.

## 21 CONTINGENT LIABILITIES

The company's bankers have provided performance bonds on contracts entered into by the company, up to a total value of £1,243,330 (1996: £736,596). In the event of the company's failure to meet its obligations under these contracts, it would be liable to its bankers up to the value of these bonds.

## 22 OPERATING LEASE COMMITMENTS

At 31 March 1997 the company had the following annual commitments under operating leases:

	<u>1997</u>	<u>1996</u>
	£	£
Leases relating to the hire of buildings which expire: After five years	£50,000	£ -
	=====	=====
Other leases:		
Within one year	£ -	£ 360
Between two and five years	£ 1,221	£ -
	=====	=====

The other leases are non-cancellable.



## KCC PROCESS EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1997  
(Continued)

## 23. CASH FLOW STATEMENT NOTES

	<u>1997</u>	<u>1996</u>	
	£	£	
<b>a) Returns on investments and servicing of finance</b>			
Interest received	88,145	40,579	
Interest paid	(4,789)	(3,476)	
Interest element of hire purchase and finance lease rental contracts	(2,972)	-	
	-----	-----	
	£ 80,384	£ 37,103	
	=====	=====	
<b>b) Capital expenditure and financial investments</b>			
Purchase of tangible fixed assets	(175,102)	(46,485)	
Sale of tangible fixed assets	871	2,750	
	-----	-----	
	£(174,231)	£(43,735)	
	=====	=====	
<b>c) Management of Liquid Resources</b>			
Cash placed on term deposit	2,477,931	-	
Cash placed on/(withdrawn from) deposit and charged against performance bonds	307,803	(466,446)	
	-----	-----	
	£2,785,734	£ (466,446)	
	=====	=====	
<b>d) Financing</b>			
Capital element of new hire purchase and finance lease contracts	102,505	-	
Repaid capital element of hire purchase and finance lease rentals	(10,534)	-	
	-----	-----	
	£ 91,971	£ -	
	=====	=====	
<b>e) Analysis of change in net funds (debt)</b>	<u>1/4/96</u>	<u>Cash flow</u>	<u>31/3/97</u>
Cash in hand, at bank	223,399	245,220	468,619
Overdrafts	(198,476)	(81,315)	(279,791)
	-----	-----	-----
	24,923	163,905	188,828
Debt due within 1 year	-	(22,694)	(22,694)
Debt due after 1 year	-	(69,277)	(69,277)
Current asset investments	438,193	2,785,734	3,223,927
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TOTAL	£ 463,116	£2,857,668	£3,320,784
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## 24. CONTROL OF THE COMPANY

The company is controlled by Mr M E Kirk, the majority shareholder and managing director.