

L.B. ELITE LIMITED
formerly
LAYTON BLACKHAM LIMITED

Registered Office: 40, Queen Anne Street, London, W1M 0EL
Company number : 2403909

REPORT OF THE DIRECTORS

The directors submit their report and the audited consolidated accounts for the year ended 30th September, 1994.

Principal Activities and Review of Business

The company's principal activity was that of insurance intermediaries and underwriting agents.

The Group has had another outstanding year of growth in 1994. Turnover increased by 33% in 1994 in comparison to the equivalent period in 1993, mainly as a result of organic growth. This compares to the insurance industry as a whole which has seen little growth. We are now regarded as one of the most influential and innovative insurance brokers in the country.

Gross profit increased to over £1.2 million, which represents a rise of 56% in comparison to the equivalent period of the previous year. We have continued to grow the business in order to maximise shareholder value - it has not been our objective in 1994 to maximise profitability at the bottom line, although it is the long term objective of the group to provide shareholders with a 15% return each year on turnover.

We have recently introduced the Agency Manager computer system which has involved a significant change to the way we do business. The new computer system will significantly reduce the amount of paper involved in our business on a day to day basis and will also substantially increase efficiency. 1995 will be a year for the group to consolidate its very strong position whilst at the same time developing a number of highly innovative business initiatives which will be to the long term benefit of the group.

The net loss for the group after taxation for the year was £9,891, which has been deducted from the retained profit of £35,825 brought forward from the previous year. The resultant surplus of £25,934 has been carried forward. The company changed its name from Layton Blackham Limited to L.B. Elite Limited on 30th November, 1993. The movements in fixed assets during the year are set out in note 7 to the accounts.

Directors and their interests

The directors during the year and their interests in the shares of the company were as follows:-

	<u>No. of Ordinary £1 shares</u>	
	<u>As at 30.9.1994</u>	<u>As at 30.9.1993</u>
Mr.C.L. Blackham.....	725	725
Mr.K. Graham.....	235	235
Mr.M.C. Evans...	-	30
Mr.D.T. Hopwood.	-	10



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L.B. ELITE LIMITED
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REPORT OF THE DIRECTORS (continued)

Directors' responsibilities

Company law requires the directors to prepare accounts 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. The directors are required to:-

1. select suitable accounting policies and then apply them consistently;
2. make judgements and estimates that are reasonable and prudent;
3. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
4. prepare the financial statements on a 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 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 to prevent and detect fraud and other irregularities.

Auditors

The term of office of the auditors, Messrs. Lewis Golden & Co., Chartered Accountants and Registered Auditors, will expire at the forthcoming annual general meeting. The auditors, being eligible, have indicated their willingness to accept re-appointment.

By order of the board,

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Secretary

40, Queen Anne Street,
London, W1M 0EL

LEWIS GOLDEN & CO
Chartered Accountants and Registered Auditors
40 QUEEN ANNE STREET · LONDON W1M 0EL · TELEPHONE 0171 580 7313

N.W.Benson FCA H.Guderley FCA A.G.Moss ACA D.C.Edwards ACA G.G.Kinch

REPORT OF THE AUDITORS TO THE MEMBERS

of

L.B. ELITE LIMITED

We have audited the financial statements on pages 4 to 16 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

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 financial statements. It also includes assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and 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 as to whether 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 and of the group's affairs as at 30th September, 1994, and of the group loss and cashflow for the year then ended and have been properly prepared in accordance with the Companies Act, 1985.

21st March, 1995


Registered Auditors

L.B. ELITE LIMITED
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LAYTON BLACKHAM LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30th SEPTEMBER, 1994

	<u>Note</u>	<u>Year ended</u> <u>30.9.1994</u> £	<u>Comparison,</u> <u>16 months</u> <u>ended</u> <u>30.9.1993</u> £
TURNOVER.....	1(b)	1,407,539	1,275,154
COST OF SALES.....		(194,599)	(245,338)
GROSS PROFIT.....		1,212,940	1,029,816
ADMINISTRATIVE EXPENSES.....		(1,207,839)	(993,719)
OTHER INCOME AND CHARGES			
Other income and interest receivable.....		16,172	43,265
Interest payable.....	2	(27,951)	(29,808)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION....	3,4	(6,678)	49,554
TAX ON ORDINARY ACTIVITIES.....	5	(3,213)	(17,567)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION.....		(9,891)	31,987
Dividend.....	6	-	(18,391)
RETAINED (LOSS)/PROFIT			
For the financial year.....	14	(9,891)	13,596

There are no recognised gains and losses other than those passing through the profit and loss account.

L.B. ELITE LIMITED
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CONSOLIDATED BALANCE SHEET AS AT 30th SEPTEMBER, 1994

	<u>Note</u>	<u>Group</u> <u>1994</u> £	<u>1993</u> £	<u>Company</u> <u>1994</u> £	<u>1993</u> £
FIXED ASSETS					
Tangible assets....	7	205,107	101,784	179,119	78,376
Intangible assets..	8	15,000	-	15,000	-
Investment.....	9	<u>1</u>	<u>1</u>	<u>10,000</u>	<u>10,000</u>
		<u>220,108</u>	<u>101,785</u>	<u>204,119</u>	<u>88,376</u>
CURRENT ASSETS					
Debtors.....	10	3,404,392	2,815,994	2,725,755	2,296,958
Cash at bank and in hand.....		<u>421,343</u>	<u>363,442</u>	<u>250,509</u>	<u>245,237</u>
		<u>3,825,735</u>	<u>3,179,436</u>	<u>2,976,264</u>	<u>2,542,195</u>
CREDITORS: amounts due within one year	11	(3,823,633)	(3,088,157)	(2,984,203)	(2,461,079)
NET CURRENT ASSETS/ (LIABILITIES).....		<u>2,102</u>	<u>91,279</u>	<u>(7,939)</u>	<u>81,116</u>
TOTAL ASSETS LESS LESS CURRENT LIABILITIES.....		222,210	193,064	196,180	169,492
CREDITORS: amounts due after more than one year....	12	(194,570)	(155,533)	(193,505)	(152,333)
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation		(706)	(706)	(-)	(-)
		<u>26,934</u>	<u>36,825</u>	<u>2,675</u>	<u>17,159</u>
CAPITAL AND RESERVES					
Called up share capital.....	14	1,000	1,000	1,000	1,000
Profit and loss account.....	15	<u>25,934</u>	<u>35,825</u>	<u>1,675</u>	<u>16,159</u>
		<u>26,934</u>	<u>36,825</u>	<u>2,675</u>	<u>17,159</u>

X C. L. Boerly X [Signature] X

Directors.

L.B. ELITE LIMITED
formerly
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CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30th SEPTEMBER, 1994

	<u>Note</u>	£	<u>1994</u>	£	<u>1993</u>	£
NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES.....	15		197,960		(38,807)	
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE.....						
Interest received..		16,885		38,658		
Interest paid.....		(31,087)		(31,036)		
Ordinary dividends paid.....		(<u>13,793</u>)		(<u>13,793</u>)		
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE.....			(27,995)		(6,171)	
TAXATION						
Corporation tax paid.			(12,171)		(23,852)	
INVESTING ACTIVITIES						
Purchase of tangible fixed assets.....		(87,914)		(43,559)		
Sale of tangible fixed assets.....		1,500		10,800		
Purchase of subsidiary undertaking.....	19	-		(10,000)		
Purchase of intangible fixed assets.....		(<u>15,000</u>)		(<u>500</u>)		
NET CASH OUTFLOW FROM INVESTING ACTIVITIES.....			(<u>101,414</u>)		(<u>43,259</u>)	
NET CASH INFLOW/ (OUTFLOW) BEFORE FINANCING.....			56,380		(112,089)	
FINANCING						
Capital element of hire purchase rental payments	18	(38,165)		(29,858)		
Capital loans.....	18	-		<u>19,999</u>		
NET FINANCING OUTFLOW FROM FINANCING.....			(<u>38,165</u>)		(<u>9,859</u>)	
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS.....	16,17		<u>18,215</u>		<u>(121,948)</u>	

L.B. ELITE LIMITED
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CASHFLOW STATEMENT
FOR THE YEAR ENDED 30th SEPTEMBER, 1994

	<u>Note</u>	<u>1994</u>	<u>1993</u>
		£	£
NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES.... 15		117,610	(119,503)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received.....	6,564		32,229
Interest paid.....	(19,527)		(29,514)
Ordinary dividends paid.	(13,793)		(13,793)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(26,756)	(11,078)
TAXATION			
Corporation Tax paid....		(1,827)	(23,852)
INVESTING ACTIVITIES			
Purchase of tangible fixed assets.....	(76,949)		(43,559)
Sale of tangible fixed assets.....	-		10,800
Purchase of subsidiary undertaking.....	-		(10,000)
Purchase of intangible fixed assets.....	(15,000)		(500)
NET CASH OUTFLOW FROM INVESTMENT ACTIVITIES..		(91,949)	(43,259)
NET CASH OUTFLOW BEFORE FINANCING.....		(2,922)	(197,692)
FINANCING			
Capital element of hire purchase rental payments..... 18	(31,492)		(29,858)
Capital loans..... 18	-		19,999
NET CASH OUTFLOW FROM FINANCING.....		(31,492)	(9,859)
DECREASE IN CASH AND CASH EQUIVALENTS..... 16,17		(34,414)	(207,551)

L.B. ELITE LIMITED
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NOTES ON ACCOUNTS
FOR THE YEAR ENDED 30th SEPTEMBER, 1994

1 ACCOUNTING POLICIES

- (a) The financial statements are prepared under the historical cost convention.
- (b) Turnover represents invoiced commission received for the company and commission invoiced for its subsidiary and survey fees receivable, and all relates to continuing activities.
- (c) Fixed assets are depreciated so as to write them off over their useful lives at the following rates:-

Leasehold property	-	10% per annum on cost
Fixtures and fittings	-	25% per annum on cost
Motor vehicles	-	20% per annum on cost

- (d) Deferred taxation is provided at the relevant rates on timing differences likely to reverse within the foreseeable future.
- (e) The consolidated accounts are prepared under the historical cost convention and include the accounts of the company and its subsidiary. As provided by section 288 of the Companies Act, 1985, no profit and loss account is presented for the company.
- (f) Where assets are financed by hire purchase contracts that give rights approximating to ownership, the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

The interest is charged to the profit and loss account equally over the term of the lease. The capital part reduces the amount payable to the lessor.

- (g) Development expenditure incurred for a specific project is deferred to match with future revenues where a feasibility study has shown that the project is commercially viable.

2 INTEREST PAYABLE

	Group		Company	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£	£	£	£
On bank loans repayable within 5 years.....	583	-	583	-
On other loans repayable within 5 years.....	<u>27,368</u>	<u>29,808</u>	<u>16,606</u>	<u>23,272</u>
	<u>27,951</u>	<u>29,808</u>	<u>17,189</u>	<u>23,272</u>

L.B. ELITE LIMITED
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NOTES ON ACCOUNTS
FOR THE YEAR ENDED 30th SEPTEMBER, 1994

		Group		Company	
		<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
		£	£	£	£
3	OPERATING PROFIT				
	This is stated after charging:-				
	Staff costs (see note 4).....	789,377	726,790	392,212	395,964
	Auditors' remuneration.....	5,876	5,876	2,938	2,938
	Depreciation.....	71,865	33,672	42,229	29,636
	Amortisation.....	-	499	-	-
4	EMPLOYEE INFORMATION				
4.1	Staff costs: (including directors' emoluments)				
	Wages and salaries.....	710,922	660,121	357,356	359,653
	Social security costs.....	78,455	66,669	34,856	36,311
		789,377	726,790	392,212	395,964
4.2	Directors' emoluments.....	106,500	110,832	39,000	49,332
4.3	Directors' emoluments fell within the following ranges:	<u>Number of directors</u>			
	£20,001 - 25,000.....	1	1		
	£25,001 - 30,000.....	2	2		
	£30,001 - 35,000.....	1	1		
	The highest paid director received £29,500(1993: £30,667).				
4.4	The average weekly number of employees for the group during the period was 48 (1993: 38).				

L.B. ELITE LIMITED
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NOTES ON ACCOUNTS
FOR THE YEAR ENDED 30th SEPTEMBER, 1994

5 TAXATION

	Group		Company	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£	£	£	£
5.1 The tax charge on the profit on ordinary activities for the period was as follows:-				
U.K. Corporation tax at 25% (1993: 25%).....	3,213	16,767	-	6,424
Deferred taxation.....	-	706	-	-
Under/(over) provision in previous years.....	-	94	-	94
Payment for group relief.....	-	-	(5,262)	-
	<u>3,213</u>	<u>17,567</u>	<u>(5,262)</u>	<u>6,518</u>

5.2 The company is a close company within the terms of the Income and Corporation Taxes Act, 1988.

	<u>1994</u>	<u>1993</u>
	£	£
6 DIVIDEND		
Proposed dividend £nil per share (1993: £18.39 per share).....	-	18,391
	<u>-</u>	<u>18,391</u>

L.B. ELITE LIMITED
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NOTES ON ACCOUNTS
FOR THE YEAR ENDED 30th SEPTEMBER, 1994

7 TANGIBLE FIXED ASSETS (GROUP)

	Short term leasehold <u>property</u> £	Fixtures and <u>fittings</u> £	Motor vehicles £	<u>Total</u> £
COST				
As at 1st October, 1993....	-	98,706	61,129	159,835
Additions.....	8,965	137,573	8,295	154,833
Disposals.....	-	-	(3,055)	(3,055)
As at 30th September, 1994.	<u>8,965</u>	<u>236,279</u>	<u>66,369</u>	<u>311,613</u>
DEPRECIATION				
As at 1st October, 1993....	-	44,461	13,590	58,051
Charge for the period.....	896	36,122	13,066	50,084
Disposals.....	-	-	(1,629)	(1,629)
As at 30th September, 1994.	<u>896</u>	<u>80,583</u>	<u>25,027</u>	<u>106,506</u>
NET BOOK VALUE				
As at 30th September, 1993.	-	54,245	47,539	101,784
As at 30th September, 1994.	<u>8,069</u>	<u>155,696</u>	<u>41,342</u>	<u>205,107</u>

Included in the above totals are the following assets, which are subject to hire purchase contracts:-

	£
Cost as at 30.9.1994.....	156,350
Accumulated depreciation as at 30.9.1994.....	<u>46,972</u>
Net book value as at 30.9.1994.....	<u>109,378</u>
Depreciation charge for the year....	<u>28,268</u>

L.B. ELITE LIMITED
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NOTES ON ACCOUNTS
FOR THE YEAR ENDED 30th SEPTEMBER, 1994

7 TANGIBLE FIXED ASSETS (COMPANY)

	Short-term leasehold <u>property</u> £	Fixtures, fittings and <u>equipment</u> £	Motor vehicles £	<u>Total</u> £
COST				
As at 1st October, 1993....	-	98,206	32,174	130,380
Additions.....	8,965	133,588	6,300	148,853
Group transfers.....	-	(4,985)	-	(4,985)
As at 30th September, 1994.	<u>8,965</u>	<u>226,809</u>	<u>38,474</u>	<u>274,248</u>
DEPRECIATION				
As at 1st October, 1993....	-	44,336	7,668	52,004
Charge for the period.....	<u>896</u>	<u>34,954</u>	<u>7,275</u>	<u>43,125</u>
As at 30th September, 1994.	<u>896</u>	<u>79,290</u>	<u>14,943</u>	<u>95,129</u>
NET BOOK VALUE				
As at 30th September, 1993.	-	53,870	24,506	78,376
As at 30th September, 1994.	<u>8,069</u>	<u>147,519</u>	<u>23,531</u>	<u>179,119</u>

Included in the above totals are the following assets, which are subject to hire purchase contracts:-

	£
Cost as at 30.9.1994.....	144,350
Accumulated depreciation as at 30.9.1994.....	<u>42,839</u>
Net book value as at 30.9.1994.....	<u>101,511</u>
Depreciation charge for the year....	<u>25,868</u>

8 INTANGIBLE FIXED ASSETS

	<u>1994</u> £	<u>1993</u> £
Deferred development expenditure....	<u>15,000</u>	<u>-</u>

9 INVESTMENT

The company owns the share capital of the following company which is incorporated in Great Britain:

	£	<u>Shareholding</u> %
Layton Blackham Insurance Brokers Limited.....	<u>10,000</u>	<u>100</u>

L.B. ELITE LIMITED
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NOTES ON ACCOUNTS
FOR THE YEAR ENDED 30th SEPTEMBER, 1994

10 DEBTORS

	Group		Company	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£	£	£	£
Trade debtors.....	3,360,314	2,765,726	2,677,605	2,238,203
Amount owed by group undertaking.....	-	-	10,441	24,923
Other debtors.....	12,130	8,250	12,130	8,250
Prepayments and accrued income.....	29,822	32,081	23,453	15,645
Advance corporation tax recoverable.....	<u>2,126</u>	<u>9,937</u>	<u>2,126</u>	<u>9,937</u>
	<u>3,404,392</u>	<u>2,815,994</u>	<u>2,725,755</u>	<u>2,296,958</u>

11 CREDITORS: amounts falling due within one year

Bank loans and overdrafts.....	8,890	-	8,890	-
Trade creditors.....	3,691,690	2,934,224	2,869,736	2,349,324
Amounts owed to group undertakings.....	-	-	-	-
Corporation tax.....	5,244	22,106	5,244	11,763
Other taxation and social security costs.	30,600	-	30,600	-
Other creditors.....	37,450	23,008	35,494	16,335
Accruals.....	49,759	90,428	34,239	65,266
Proposed dividend.....	<u>-</u>	<u>18,391</u>	<u>-</u>	<u>18,391</u>
	<u>3,823,633</u>	<u>3,088,157</u>	<u>2,984,203</u>	<u>2,461,079</u>

12 CREDITORS: amounts falling due after more than one year

Bank loans.....	30,795	-	30,796	-
Other creditors.....	111,052	111,052	111,052	111,052
Obligations under hire purchase contracts....	<u>52,723</u>	<u>44,481</u>	<u>51,657</u>	<u>41,281</u>
	<u>194,570</u>	<u>155,533</u>	<u>193,505</u>	<u>155,533</u>

L.B. ELITE LIMITED
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NOTES ON ACCOUNTS
FOR THE YEAR ENDED 30th SEPTEMBER, 1994

13 OBLIGATIONS UNDER HIRE
PURCHASE CONTRACTS

	Group		Company	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£	£	£	£
Obligations are due as follows:				
Within 1 year.....	37,427	22,986	35,471	16,313
Within 1 to 2 years...	34,573	19,513	33,506	16,313
Within 2 to 5 years...	<u>18,151</u>	<u>24,968</u>	<u>18,151</u>	<u>24,968</u>
	<u>90,151</u>	<u>67,467</u>	<u>87,128</u>	<u>57,594</u>

14 SHARE CAPITAL

Authorised:- 1,000 ordinary shares of £1 each.....			<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid.....			<u>1,000</u>	<u>1,000</u>

15 RECONCILIATION OF MOVEMENT
IN SHAREHOLDERS' FUNDS

	Group		Company	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£	£	£	£
Retained (loss)/profit for the financial period.....	(9,891)	13,596	(14,484)	(13,665)
Goodwill arising on consolidation.....	-	(7,595)	-	-
Opening shareholders' funds.....	<u>36,825</u>	<u>30,824</u>	<u>17,159</u>	<u>30,824</u>
Closing shareholders' funds.....	<u>26,934</u>	<u>36,825</u>	<u>2,675</u>	<u>17,159</u>

L.B. ELITE LIMITED
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NOTES ON ACCOUNTS
FOR THE YEAR ENDED 30th SEPTEMBER, 1994

	Group		Company	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£	£	£	£
16 RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES				
Operating profit/(loss).	6,833	39,295	(7,486)	3,974
Depreciation charges....	50,084	33,672	43,125	29,636
Amortisation.....	-	499	-	-
(Profit)/Loss on sale of fixed assets.....	(74)	150	-	150
Increase in debtors.....	(598,233)	(1,900,989)	(452,961)	(1,459,767)
Increase in creditors...	<u>739,350</u>	<u>1,788,566</u>	<u>534,932</u>	<u>1,306,504</u>
Net cash inflow/ (outflow) from operating activities..	<u>197,960</u>	<u>(38,807)</u>	<u>117,610</u>	<u>(119,503)</u>
17 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE PERIOD				
Balance at 1st October, 1993.....	363,442	485,390	245,237	452,788
Net cash inflow/(outflow)	<u>18,215</u>	<u>(121,948)</u>	<u>(34,414)</u>	<u>(207,551)</u>
Balance at 30th September, 1994...	<u>381,657</u>	<u>363,442</u>	<u>210,823</u>	<u>245,237</u>
18 ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET				
	<u>1994</u>	<u>1993</u>	Change in	
	£	£	<u>Period</u>	
			£	
Group:-				
Cash at bank and in hand.....	<u>381,657</u>	<u>363,442</u>	<u>18,215</u>	
Company:-				
Cash at bank and in hand.....	<u>210,823</u>	<u>245,237</u>	<u>(34,414)</u>	

L.B. ELITE LIMITED
formerly
LAYTON BLACKHAM LIMITED

NOTES ON ACCOUNTS
FOR THE YEAR ENDED 30th SEPTEMBER, 1994

19 ANALYSIS OF CHANGES IN FINANCING
DURING THE PERIOD

	Group		Company	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£	£	£	£
Hire purchase obligations:-				
As at 1st October, 1993...	67,467	18,568	57,594	18,568
Cash outflow from financing.....	(38,165)	(29,858)	(31,492)	(29,858)
Inception of hire purchase contracts.....	<u>60,849</u>	<u>78,757</u>	<u>61,026</u>	<u>68,757</u>
As at 30th September, 1994	<u>90,151</u>	<u>67,467</u>	<u>87,128</u>	<u>57,594</u>
Loans:-				
As at 1st October, 1993...	111,052	91,053	111,052	91,053
Cash inflow from financing.....	<u>-</u>	<u>19,999</u>	<u>-</u>	<u>19,999</u>
As at 30th September, 1994	<u>111,052</u>	<u>111,052</u>	<u>111,052</u>	<u>111,052</u>

20 CONVERTIBLE DEBT

The group holds no convertible debt. Capital relates to equity capital only.