

L.B. ELITE 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, 1995.

Principal Activities and Review of Business

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

The Group has had another year of growth in 1995. Turnover increased by 14% in 1995 in comparison to 1994, mainly as a result of organic growth. This compares to the insurance industry as a whole which has seen little growth. We continue to be regarded as one of the most influential and innovative insurance brokers in the country.

Gross profit increased to over £1.4 million, which represents a rise of 18% in comparison to the previous year. We have continued to grow the business in order to maximise shareholder value - it has not been our objective in 1995 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.

1996 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 £28,546, which has been deducted from the retained profit of £25,934 brought forward from the previous year. The resultant deficit of £2,612 has been carried forward. The movements in fixed assets during the year are set out in note 6 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 30.9.1995</u>	<u>As at 30.9.1994</u>
Mr.C.L. Blackham.....	725	725
Mr.K. Graham.....	235	235
Mr.M.C. Evans.....	30	30
Mr.D.T. Hopwood.....	10	10
Mr.C. Whitfield.....	-	-
Mr.P. Mountford.....	-	-



L.B. ELITE LIMITEDREPORT 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.

30th July, 1996

40, Queen Anne Street,  
London, W1M 0EL

By order of the board,



Secretary

# 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.

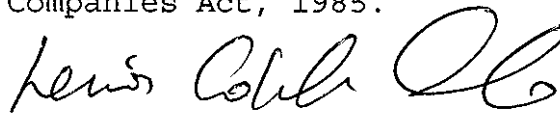
### Basis of opinion

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, 1995, and of the group loss and cashflow for the year then ended and have been properly prepared in accordance with the Companies Act, 1985.

  
Registered Auditors

30th July 1996

L.B. ELITE LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30th SEPTEMBER, 1995

	<u>Note</u>	<u>Year ended</u> <u>30.9.1995</u> £	<u>Year ended</u> <u>30.9.1994</u> £
TURNOVER.....	1(b)	1,605,494	1,407,539
COST OF SALES.....		( <u>178,357</u> )	( <u>194,599</u> )
GROSS PROFIT.....		1,427,137	1,212,940
ADMINISTRATIVE EXPENSES.....		(1,453,014)	(1,207,839)
OTHER INCOME AND CHARGES			
Other income and interest receivable.....		23,934	16,172
Interest payable.....	2	( <u>34,465</u> )	( <u>27,951</u> )
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION....	3,4	( 36,408 )	( 6,678 )
TAX ON ORDINARY ACTIVITIES.....	5	<u>7,862</u>	( <u>3,213</u> )
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION.....		( <u>28,546</u> )	( <u>9,891</u> )
RETAINED (LOSS)/PROFIT			
For the financial year.....	15	<u>( 28,546 )</u>	<u>( 9,891 )</u>

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

## L.B. ELITE LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 30th SEPTEMBER, 1995

	Note	Group 1995 £	Group 1994 £	Company 1995 £	Company 1994 £
FIXED ASSETS					
Tangible assets....	6, 7	183,983	205,107	165,942	179,119
Intangible assets..	8	-	15,000	-	15,000
Investment.....	9	<u>1</u>	<u>1</u>	<u>10,000</u>	<u>10,000</u>
		<u>183,984</u>	<u>220,108</u>	<u>175,942</u>	<u>204,119</u>
CURRENT ASSETS					
Debtors.....	10	1,976,685	3,404,392	980,672	2,725,755
Cash at bank and in hand.....		<u>201,887</u>	<u>421,343</u>	<u>112,456</u>	<u>250,509</u>
		<u>2,178,572</u>	<u>3,825,735</u>	<u>1,093,128</u>	<u>2,976,264</u>
CREDITORS: amounts due within one year	11	(2,199,203)	(3,823,633)	(1,119,439)	(2,984,203)
NET CURRENT ASSETS/ (LIABILITIES).....		<u>( 20,631)</u>	<u>2,102</u>	<u>( 26,311)</u>	<u>( 7,939)</u>
TOTAL ASSETS LESS LESS CURRENT LIABILITIES.....		163,353	222,210	149,631	196,180
CREDITORS: amounts due after more than one year....	12	( 164,965)	( 194,570)	( 164,965)	( 193,505)
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation		( - )	( 706)	( - )	( - )
		<u>( 1,612)</u>	<u>26,934</u>	<u>( 15,334)</u>	<u>2,675</u>
CAPITAL AND RESERVES					
Called up share capital.....	14	1,000	1,000	1,000	1,000
Profit and loss account.....	15	( 2,612)	25,934	( 16,334)	1,675
		<u>( 1,612)</u>	<u>26,934</u>	<u>( 15,334)</u>	<u>2,675</u>


 Directors.

L.B. ELITE LIMITED

CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30th SEPTEMBER, 1995

	<u>Note</u>	<u>1995</u>	<u>1994</u>
		£	£
NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES.....	16	(115,468)	197,960
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE.....			
Interest received..		18,429	16,885
Interest paid.....		(34,119)	( 31,087)
Ordinary dividends paid.....		<u>-</u>	( <u>13,793</u> )
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE.....		( 15,690)	( 27,995)
TAXATION			
Corporation tax paid.		( 8,032)	( 12,171)
INVESTING ACTIVITIES			
Purchase of tangible fixed assets.....		(23,367)	( 87,914)
Sale of tangible fixed assets.....		-	1,500
Purchase of intangible fixed assets.....		<u>-</u>	( <u>15,000</u> )
NET CASH OUTFLOW FROM INVESTING ACTIVITIES.....		( <u>23,367</u> )	( <u>101,414</u> )
NET CASH INFLOW/ (OUTFLOW) BEFORE FINANCING.....		(162,557)	56,380
FINANCING			
Capital element of hire purchase rental payments	19	( <u>50,745</u> )	( <u>38,165</u> )
NET FINANCING OUTFLOW : FROM FINANCING.....		( <u>50,745</u> )	( <u>38,165</u> )
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS.....	17,18	(213,302)	18,215

L.B. ELITE LIMITED

CASHFLOW STATEMENT  
FOR THE YEAR ENDED 30th SEPTEMBER, 1995

	Note	1995	1994
		£	£
NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES.... 16		( 32,233)	117,610
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received.....		6,924	6,564
Interest paid.....		(26,402)	(19,527)
Ordinary dividends paid.		( - )	(13,793)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(19,478)	( 26,756)
TAXATION			
Corporation Tax paid....		( 8,032)	( 1,827)
INVESTING ACTIVITIES			
Purchase of tangible fixed assets.....		(23,367)	(76,949)
Sale of tangible fixed assets.....		-	-
Purchase of intangible fixed assets.....		-	(15,000)
NET CASH OUTFLOW FROM INVESTMENT ACTIVITIES..		(23,367)	( 91,949)
NET CASH OUTFLOW BEFORE FINANCING.....		(83,110)	( 2,922)
FINANCING			
Capital element of hire purchase rental payments..... 19		(48,789)	(31,492)
Capital loans..... 19		-	-
NET CASH OUTFLOW FROM FINANCING.....		(48,789)	( 31,492)
DECREASE IN CASH AND CASH EQUIVALENTS..... 17,18		(131,899)	( 34,414)

L.B. ELITE LIMITED

NOTES ON ACCOUNTS  
FOR THE YEAR ENDED 30th SEPTEMBER, 1995

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>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	£	£	£	£
On bank loans repayable within 5 years.....	1,909	583	1,909	583
On other loans repayable within 5 years.....	<u>32,556</u>	<u>27,368</u>	<u>24,693</u>	<u>16,606</u>
	<u>34,465</u>	<u>27,951</u>	<u>26,602</u>	<u>17,189</u>



L.B. ELITE LIMITED

NOTES ON ACCOUNTS  
FOR THE YEAR ENDED 30th SEPTEMBER, 1995

	Group		Company	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	£	£	£	£
<b>3 OPERATING PROFIT</b>				
This is stated after charging:-				
Staff costs (see note 4).....	963,074	894,830	448,430	400,944
Auditors' remuneration.....	5,000	5,000	2,500	2,500
other services.....	8,547	876	8,109	438
Depreciation.....	76,145	71,865	68,198	42,229
<b>4 EMPLOYEE INFORMATION</b>				
<b>4.1 Staff costs:</b> (including directors' emoluments)				
Pension costs.....	24,338	16,379	7,608	8,732
Wages and salaries.....	851,892	799,996	402,618	357,356
Social security costs.....	86,844	78,455	38,204	34,856
	963,074	894,830	448,430	400,944
<b>4.2 Directors' emoluments.....</b>	<u>87,750</u>	<u>106,500</u>	<u>43,167</u>	<u>39,000</u>
<b>4.3 Directors' emoluments fell within the following ranges:</b>	<u>Number of directors</u>			
£ 0 - 5,000.....	2	0		
£15,001 - 20,000.....	2	0		
£20,001 - 25,000.....	1	1		
£25,001 - 30,000.....	1	2		
£30,001 - 35,000.....	0	1		

The highest paid director received £29,500 (1994: £29,500).

**4.4** The average weekly number of employees for the group during the period was 57 (1994: 48).

L.B. ELITE LIMITED

NOTES ON ACCOUNTS  
FOR THE YEAR ENDED 30th SEPTEMBER, 1995

## 5 TAXATION

	Group		Company	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	£	£	£	£
5.1 The tax (credit)/ charge on the profit on ordinary activities for the period was as follows:-				
U.K. Corporation tax at 25% (1994: 25%).....	-	3,213	-	-
Under/(over) provision in previous years.....	(7,862)	-	(4,368)	-
Payment for group relief.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,262)</u>
	<u>(7,862)</u>	<u>3,213</u>	<u>(4,368)</u>	<u>(5,262)</u>
5.2 The company is a close company within the terms of the Income and Corporation Taxes Act, 1988.				

L.B. ELITE LIMITED

NOTES ON ACCOUNTS  
FOR THE YEAR ENDED 30th SEPTEMBER, 1995

## 6 TANGIBLE FIXED ASSETS (GROUP)

	Short term leasehold <u>property</u> £	Fixtures and <u>fittings</u> £	Motor <u>vehicles</u> £	<u>Total</u> £
COST				
As at 1st October, 1994....	8,965	236,279	66,369	311,613
Additions.....	-	55,021	-	55,021
Disposals.....	-	-	( - )	( - )
As at 30th September, 1995.	<u>8,965</u>	<u>291,300</u>	<u>66,369</u>	<u>366,634</u>
DEPRECIATION				
As at 1st October, 1994....	896	80,583	25,027	106,506
Charge for the period.....	448	64,119	11,578	76,145
Disposals.....	-	-	-	-
As at 30th September, 1995	<u>1,344</u>	<u>144,702</u>	<u>36,605</u>	<u>182,651</u>
NET BOOK VALUE				
As at 30th September, 1994.	<u>8,069</u>	<u>155,696</u>	<u>41,342</u>	<u>205,107</u>
As at 30th September, 1995.	<u>7,621</u>	<u>146,598</u>	<u>29,764</u>	<u>183,983</u>

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

	£
Cost as at 30.9.1995.....	193,840
Accumulated depreciation as at 30.9.1995.....	( <u>93,332</u> )
Net book value as at 30.9.1994.....	<u>100,508</u>
Depreciation charge for the year....	<u>46,360</u>

L.B. ELITE LIMITED

NOTES ON ACCOUNTS  
FOR THE YEAR ENDED 30th SEPTEMBER, 1995

## 7 TANGIBLE FIXED ASSETS (COMPANY)

	Short-term leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
COST				
As at 1st October, 1994....	8,965	226,809	38,474	274,248
Additions.....	-	55,021	-	55,021
As at 30th September, 1995.	<u>8,965</u>	<u>281,830</u>	<u>38,474</u>	<u>329,269</u>
DEPRECIATION				
As at 1st October, 1994....	897	79,290	14,942	95,129
Charge for the period.....	<u>448</u>	<u>61,751</u>	<u>5,999</u>	<u>68,198</u>
As at 30th September, 1995.	<u>1,345</u>	<u>141,041</u>	<u>20,941</u>	<u>163,327</u>
NET BOOK VALUE				
As at 30th September, 1994.	<u>8,068</u>	<u>147,519</u>	<u>23,532</u>	<u>179,119</u>
As at 30th September, 1995.	<u>7,620</u>	<u>140,789</u>	<u>17,533</u>	<u>165,942</u>

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

	£
Cost as at 30.9.1995.....	181,840
Accumulated depreciation as at 30.9.1995.....	( <u>86,799</u> )
Net book value as at 30.9.1995.....	<u>95,041</u>
Depreciation charge for the year....	<u>43,960</u>

## 8 INTANGIBLE FIXED ASSETS

	<u>1995</u> £	<u>1994</u> £
Deferred development expenditure....	<u>-</u>	<u>15,000</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

NOTES ON ACCOUNTS  
FOR THE YEAR ENDED 30th SEPTEMBER, 1995

10 DEBTORS

	Group		Company	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	£	£	£	£
Trade debtors.....	1,858,041	3,360,314	866,736	2,677,605
Amount owed by group undertaking.....	-	-	-	10,441
Other debtors.....	10,528	12,130	10,528	12,130
Prepayments and accrued income.....	98,834	29,822	94,126	23,453
Corporation tax recoverable.....	<u>9,282</u>	<u>2,126</u>	<u>9,282</u>	<u>2,126</u>
	<u>1,976,685</u>	<u>3,404,392</u>	<u>980,672</u>	<u>2,725,755</u>

11 CREDITORS: amounts falling due within one year

Bank loans and overdrafts.....	9,918	8,890	9,918	8,890
Trade creditors.....	1,951,567	3,691,690	882,817	2,869,736
Amounts owed to group undertakings.....	-	-	7,349	-
Corporation tax.....	-	5,244	-	5,244
Other taxation and social security costs.	28,023	30,600	28,023	30,600
Other creditors.....	64,299	37,450	63,233	35,494
Accruals.....	<u>145,396</u>	<u>49,759</u>	<u>128,099</u>	<u>34,239</u>
	<u>2,199,203</u>	<u>3,823,633</u>	<u>1,119,439</u>	<u>2,984,203</u>

12 CREDITORS: amounts falling due after more than one year

Bank loans.....	23,614	30,795	23,614	30,796
Other creditors.....	111,053	111,052	111,053	111,052
Obligations under hire purchase contracts....	<u>30,298</u>	<u>52,723</u>	<u>30,298</u>	<u>51,657</u>
	<u>164,965</u>	<u>194,570</u>	<u>164,965</u>	<u>193,505</u>

L.B. ELITE LIMITED

NOTES ON ACCOUNTS  
FOR THE YEAR ENDED 30th SEPTEMBER, 1995

13 OBLIGATIONS UNDER HIRE  
PURCHASE CONTRACTS

	Group		Company	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	£	£	£	£
Obligations are due as follows:				
Within 1 year.....	46,597	37,427	45,530	35,471
Within 1 to 2 years...	26,139	34,573	26,139	33,506
Within 2 to 5 years...	<u>4,160</u>	<u>18,151</u>	<u>4,160</u>	<u>18,151</u>
	<u>76,896</u>	<u>90,151</u>	<u>75,829</u>	<u>87,128</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>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	£	£	£	£
Retained (loss)/profit for the financial period.....	( 28,546)	( 9,891)	(18,009)	( 14,484)
Opening shareholders' funds.....	<u>26,934</u>	<u>36,825</u>	<u>2,675</u>	<u>17,159</u>
Closing shareholders' funds.....	<u>( 1,612)</u>	<u>26,934</u>	<u>(15,334)</u>	<u>2,675</u>

L.B. ELITE LIMITED

NOTES ON ACCOUNTS  
FOR THE YEAR ENDED 30th SEPTEMBER, 1995

	Group		Company	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	£	£	£	£
16 RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/ INFLOW FROM OPERATING ACTIVITIES				
Operating profit/(loss) .	( 25,876)	6,833	( 6,906)	( 7,486)
Depreciation charges....	76,144	50,084	68,197	43,125
(Profit)/Loss on sale of fixed assets.....	- ( 74)	-	-	-
Increase in debtors.....	1,458,156 ( 598,233)	1,771,446 ( 452,961)		
Increase in creditors...	(1,623,892)	739,350	(1,864,970)	534,932
Net cash inflow/ (outflow) from operating activities..	( 115,468)	197,960	( 32,233)	117,610
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>
17 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE PERIOD				
Balance at 1st October, 1994.....	381,657	363,442	210,823	245,237
Net cash inflow/(outflow)	(213,302)	18,215	(131,899)	( 34,414)
Balance at 30th September, 1995...	168,355	381,657	78,924	210,823
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>
18 ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET				
	<u>1995</u>	<u>1994</u>	Change in	
	£	£	<u>Period</u>	
			£	
Group:-				
Cash at bank and in hand.....	168,355	381,657	(213,302)	
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>	
Company:-				
Cash at bank and in hand.....	78,924	210,823	(131,899)	
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>	

L.B. ELITE LIMITED

NOTES ON ACCOUNTS  
FOR THE YEAR ENDED 30th SEPTEMBER, 1995

19 ANALYSIS OF CHANGES IN FINANCING  
 DURING THE PERIOD

	Group		Company	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	£	£	£	£
Hire purchase obligations:-				
As at 1st October, 1994...	90,151	67,467	87,128	57,594
Cash outflow from financing.....	(50,745)	( 38,165)	(48,789)	( 31,492)
Inception of hire purchase contracts.....	<u>37,488</u>	<u>60,849</u>	<u>37,489</u>	<u>61,026</u>
As at 30th September, 1995	<u>76,894</u>	<u>90,151</u>	<u>75,828</u>	<u>87,128</u>
Loans:-				
As at 1st October, 1994...	111,052	111,052	111,052	111,052
Cash inflow from financing.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at 30th September, 1995	<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.