

RDM Factors Limited

Annual report and accounts

For the year ended 31 December 1999

Registered number: 2414417



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Directors and Officers

Directors

DA Marsden (Chairman)
JM Bush (Managing Director)
MJ Austin
JP Curtis
MC Alexander
JA Ackroyd
AM Walker
CB Hillier

Secretary

JA Ackroyd

Registered office

Fairfax House
461-465 North End Road
London
SW6 1NZ

Auditors

Binder Hamlyn
17 Lansdowne Road
Croydon
CR9 2PL

Bankers

Lloyds TSB Bank plc
P O Box 2566
Reading
Berkshire
RG1 2RS

Solicitors

Paul Davidson Taylor
Chancery Court
Queen Street
Horsham
West Sussex
RH13 5AD

Directors' report

For the year ended 31 December 1999

The directors present their annual report on the affairs of the group, together with the accounts and auditor's report for the year ended 31 December 1999.

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. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 enable them to ensure the accounts 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.

Principal activities

The principal activities of the group are the provision of debt factoring, asset finance and payroll services.

Review of the business

1999 was another successful year for the group. In December 1999, the group's asset base was further strengthened when NMB-Heller invested £2m in new preference share capital as well as acquiring an existing minority shareholding in the company. This additional capital provides the group with the financial base for the next stage of its development. The directors view the future with confidence.

Share capital

On 31 October 1999, the remaining 299,490 of 'A' Cumulative Redeemable Preference Shares of £1 were redeemed at par. On 10 December 1999, both the authorised and issued share capital were increased, details of which are set out in note 13.

Results and dividends

The profit for the year after taxation amounted to £652,186 (1998: £794,232). Dividends on the 'A' cumulative redeemable preference shares of £29,949 (1998: £39,960) were paid up to the date of their redemption on 31 October 1999 and in 1998, £3,993 had also been provided for at the year end. Entitlement to dividends on the 'B' cumulative redeemable preference shares was waived. £15,821 has been provided at the year end in respect of dividends for convertible 'A' and 'B' preference shares as well as the redeemable preference shares.

Directors' report (continued)

Directors and directors' interests

JA Ackroyd and AM Walker were appointed directors on 10 December 1999 and RG Gabriel resigned on the same date. CB Hillier was appointed a director on 28 January 2000.

The directors at the balance sheet date and their interests in the share capital of the company were as follows:

	1p (1998: £1) Ordinary shares		1p Preference shares	
	31 December 1999	1 January 1999	31 December 1999	1 January 1999
DA Marsden	-	-	-	-
JM Bush	24,000	240	-	-
JP Curtis	-	-	-	-
MC Alexander	-	-	-	-
MJ Austin	-	-	1,326	-
JA Ackroyd	-	-	3,060	-
AM Walker	-	-	-	-

At the balance sheet date, 71,000 of the ordinary shares were held by Rennie Davies and Marsden Holdings Limited. DA Marsden is a director of that company and his interest in its shares is disclosed in the directors' report of that company.

The following share options were granted to directors during the year:

	'B' ordinary 1p shares 31 December 1999
JP Curtis	1,460
MC Alexander	1,211
MJ Austin	<u>1,211</u>

Year 2000

The directors are pleased to report that the Group's IT systems are Year 2000 compliant and no problems have been encountered.

Political and charitable donations

During the year, the company made charitable donations in the UK of £1,662 (1998: £1,608). There were no political donations.

Liability insurance

With effect from 1 April 1999, insurance has been taken out under Section 310(3) of the Companies Act 1985, for officers of the Company against liabilities in relation to the Company.

Directors' report (continued)

Auditors

The directors will place a resolution before the annual general meeting to re-appoint Binder Hamlyn as auditors for the ensuing year.

This report was approved by the Board on 18th April 2020

A handwritten signature in black ink, appearing to be 'J. A. H. S.', written over the printed text 'Company Secretary'.

Company Secretary

BINDER HAMLYN

Andersen Worldwide

17 Lansdowne Road
Croydon CR9 2PL

Auditor's report

To the shareholders of RDM Factors Limited

We have audited the accounts on pages 6 to 19 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 to 11.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

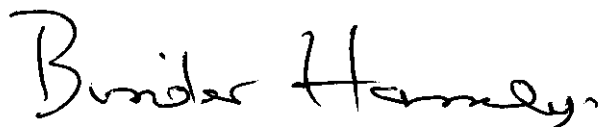
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the circumstances of the company and of the group, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group at 31 December 1999 and of the group's profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors



Consolidated profit and loss account

For the year ended 31 December 1999

	Notes	1999 £	1998 £
Turnover		6,977,742	6,853,005
Cost of sales		(1,407,194)	(1,776,281)
Gross profit		5,570,548	5,076,724
Administrative expenses		(4,569,024)	(3,890,520)
Operating profit	2	1,001,524	1,186,204
Interest receivable		111	442
Interest payable	5	(449)	(649)
Profit on ordinary activities before taxation		1,001,186	1,185,997
Taxation on profit on ordinary activities	6	(349,000)	(391,765)
Profit on ordinary activities after taxation		652,186	794,232
Dividends:			
Preference dividend on non-equity shares	7	(41,777)	(37,293)
		610,409	756,939
Transfer to Capital Redemption Reserve	15	(299,490)	(200,000)
Retained profit for the year	16	310,919	556,939

The results for the current and preceding year arise entirely from continuing operations.

Statement of total recognised gains and losses

for the year ended 31 December 1999

There are no recognised gains and losses in the current or preceding year, other than the reported results stated above.

The accompanying notes are an integral part of this profit and loss account.

Consolidated balance sheet

31 December 1999

	Notes	1999 £	1998 £
Fixed assets			
Tangible assets	8	665,511	661,782
Investments	9	178,025	140,000
		<u>843,536</u>	<u>801,782</u>
Current assets			
Debtors	10	17,874,894	16,074,202
Cash at bank		243,627	46,245
		<u>18,118,521</u>	<u>16,120,447</u>
Creditors: amounts falling due within one year	11	(13,234,999)	(13,487,040)
Net current assets		<u>4,883,522</u>	<u>2,633,407</u>
Total assets less current liabilities		<u>5,727,058</u>	<u>2,633,407</u>
Provision for liabilities and charges	12	(20,000)	-
Total assets		<u>5,707,058</u>	<u>3,435,189</u>
Capital and reserves			
Called up share capital	13	2,051,460	350,950
Share premium	14	-	39,050
Capital redemption reserve	15	999,490	700,000
Profit and loss account	16	2,656,108	2,345,189
Shareholders' funds:			
Equity		3,640,727	3,081,706
Non-equity		<u>2,066,331</u>	<u>353,483</u>
	17	<u>5,707,058</u>	<u>3,435,189</u>

The accompanying notes form an integral part of this consolidated balance sheet.

Company balance sheet

31 December 1999

	Notes	1999	1998
Fixed assets			
Tangible assets	8	611,889	616,280
Investments	9	188,027	150,002
		<u>799,916</u>	<u>766,282</u>
Current assets			
Debtors	10	17,891,489	16,115,544
Cash at bank		214,314	-
		<u>18,105,803</u>	<u>16,115,544</u>
Creditors: amounts falling due within one year	11	(13,223,352)	(13,432,474)
Net current assets		<u>4,882,451</u>	<u>2,683,070</u>
Total assets		<u>5,682,367</u>	<u>3,449,352</u>
Capital and reserves			
Called up share capital	13	2,051,460	350,950
Share premium	14	-	39,050
Capital redemption reserve	15	999,490	700,000
Profit and loss account	16	2,631,417	2,359,352
Shareholders' funds			
Equity		3,616,036	3,095,869
Non-equity		<u>2,066,331</u>	<u>353,483</u>
	17	<u>5,682,367</u>	<u>3,449,352</u>

The accounts on pages 6 to 19 were approved by the Board of Directors on 18th April 2000

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The accompanying notes form an integral part of this balance sheet.

Consolidated cash flow statement

For the year ended 31 December 1999

	Notes	1999 £	1998 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		1,001,524	1,186,204
Depreciation charges		284,081	240,391
Increase in debtors		(1,800,692)	(779,367)
(Decrease)/increase in creditors		(189,525)	297,915
Net cash (outflow)/inflow from operating activities		<u>(704,612)</u>	<u>945,143</u>

Cash flow statement

Net cash (outflow)/inflow from operating activities		(704,612)	945,143
Returns on investments and servicing of finance	19	(30,287)	(40,167)
Taxation		(519,995)	(301,582)
Capital expenditure	19	<u>(325,835)</u>	<u>(461,587)</u>
		(1,580,729)	141,807
Financing	19	<u>1,708,827</u>	<u>(94,607)</u>
Increase in cash in the year		<u>128,098</u>	<u>47,200</u>
Reconciliation of net cash flow to movement in net debt			
Increase in cash in the year		<u>128,098</u>	<u>47,200</u>
Change in net debt	20	<u>128,098</u>	<u>47,200</u>

Notes to the accounts

For the year ended 31 December 1999

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout both the current and the preceding year.

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of consolidation

The group accounts consolidate the accounts of RDM Factors Limited and its subsidiary undertakings drawn up to 31 December each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

No profit and loss account for RDM Factors Limited has been presented as permitted by Section 230 of the Companies Act 1985.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and provision for permanent diminution in value.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold properties	Over the life of the lease
Furniture and fittings	10% - 20%
Computer equipment	20%
Motor vehicles	25% - 33.3%

Investments

Fixed asset investments are shown at cost less provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation is provided using the liability method on all timing differences only to the extent that they are expected to reverse in the future without being replaced, except that the deferred tax effects of timing differences arising from pensions and other post-retirement benefits are always recognised in full.

Turnover

Turnover represents amounts receivable for services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Notes to the accounts (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

2 Operating profit

	1999 £	1998 £
This is stated after charging/(crediting):		
Auditor's remuneration	15,500	15,000
Depreciation	284,081	240,391
Hire of plant and machinery	9,924	14,731
Aggregate finance lease rentals receivable	(47,769)	(14,493)
Discount charges (included in cost of sales)	862,435	1,165,336
(Profit)/loss on disposal of fixed assets	(4,551)	10,150

3 Directors emoluments

	1999 £	1998 £
Remuneration	627,211	570,988
Pension contributions	31,514	30,210
	<u>658,725</u>	<u>601,198</u>

The emoluments, excluding pension contributions, of the chairman and highest paid director for the year were £196,475 (1998: £183,716)

4 Staff costs

	1999 £	1998 £
Wages and salaries	1,999,490	1,742,453
Social security costs	204,678	182,242
Other pension costs	45,671	30,210
	<u>2,249,839</u>	<u>1,954,905</u>

Average number of employees during the year

	Number	Number
Administration and factoring	<u>67</u>	<u>59</u>

Notes to the accounts (continued)

5 Interest payable

	1999 £	1998 £
Bank loans and overdrafts	<u>449</u>	<u>649</u>

6 Tax on profit on ordinary activities

	1999 £	1998 £
Based on the profit for the year:		
UK corporation tax at effective rate of 30% (1998: 30.5%)	329,000	391,765
Deferred tax	<u>20,000</u>	<u>-</u>
	<u>349,000</u>	<u>391,765</u>

7 Dividends

	1999 £	1998 £
Non-equity dividends on preference shares paid	29,949	39,960
Increase in preference dividend accrual	<u>11,828</u>	<u>(2,667)</u>
	<u>41,777</u>	<u>37,293</u>

Entitlement to dividends on the 'B' cumulative redeemable preference shares from date of issue to 31 December 1999 has been waived.

8 Tangible fixed assets

Group	Short Leasehold	Vehicles, plant and machinery	Total
Cost	£	£	£
1 January 1999	109,092	1,112,310	1,221,402
Additions	-	326,434	326,434
Disposals	-	<u>(104,087)</u>	<u>(104,087)</u>
31 December 1999	<u>109,092</u>	<u>1,334,657</u>	<u>1,443,749</u>
Depreciation			
1 January 1999	30,787	528,833	559,620
Charge for the year	7,815	276,266	284,081
Disposals	-	<u>(65,463)</u>	<u>(65,463)</u>
31 December 1999	<u>38,602</u>	<u>739,636</u>	<u>778,238</u>
Net book value			
31 December 1999	<u>70,490</u>	<u>595,021</u>	<u>665,511</u>
31 December 1998	<u>78,305</u>	<u>583,477</u>	<u>661,782</u>

Notes to the accounts (continued)

8 Tangible fixed assets (continued)

Company	Short Leasehold	Vehicles, plant and machinery	Total
Cost			
1 January 1999	109,092	1,044,627	1,153,719
Additions	-	280,871	280,871
Disposals	-	(80,732)	(80,732)
31 December 1999	<u>109,092</u>	<u>1,244,766</u>	<u>1,353,858</u>
Depreciation			
1 January 1999	30,787	506,652	537,439
Charge for the year	7,815	249,856	257,671
Released on disposals	-	(53,141)	(53,141)
31 December 1999	<u>38,602</u>	<u>703,367</u>	<u>741,969</u>
Net book value			
31 December 1999	<u>70,490</u>	<u>541,399</u>	<u>611,889</u>
31 December 1998	<u>78,305</u>	<u>537,975</u>	<u>616,280</u>

9 Investments

Group

Subsidiary undertakings

At 31 December 1999, the company held 100% of the issued share capital of both RDM Asset Finance Limited and RDM Payroll Services Limited. Both companies are incorporated in England and trade in providing asset finance and factoring with payroll services respectively.

Company

The company holds an investment of 177,752 (1998: 146,136) 'B' redeemable preference shares in Fairfax Gerrard Holdings Limited.

Notes to the accounts (continued)

10 Debtors

	Group 1999 £	Company 1999 £	Group 1998 £	Company 1998 £
Factor debtors	16,880,821	16,617,549	15,243,350	15,173,064
Amounts owed by group undertakings	-	594,018	-	340,084
Investment in leased assets	281,545	-	182,792	-
Other debtors	331,583	299,628	201,271	156,258
Prepayments and accrued income	380,945	380,294	446,789	446,138
	<u>17,874,894</u>	<u>17,891,489</u>	<u>16,074,202</u>	<u>16,115,544</u>
Gross factored debts	32,607,086	32,156,439	31,241,500	31,108,629
Due to clients on collection	<u>(15,726,265)</u>	<u>(15,538,890)</u>	<u>(15,998,150)</u>	<u>(15,935,565)</u>
Factor debtors	<u>16,880,821</u>	<u>16,617,549</u>	<u>15,243,350</u>	<u>15,173,064</u>

£155,735 (1998: £137,571) of the investment in leased assets is due after more than one year.

11 Creditors: amounts falling due within one year

	Group 1999 £	Company 1999 £	Group 1998 £	Company 1998 £
Bank loans and overdrafts	12,638,509	12,638,509	12,521,858	12,521,858
Corporation tax	199,433	199,333	390,428	389,328
Other taxes and social security costs	206,057	199,878	268,834	268,562
Other creditors	51,501	50,051	172,460	109,235
Accruals and deferred income	123,678	119,760	129,467	139,498
Dividend accrual	15,821	15,821	3,993	3,993
	<u>13,234,999</u>	<u>13,223,352</u>	<u>13,487,040</u>	<u>13,432,474</u>

Bank borrowings are secured by a debenture over all the company's assets.

12 Provision for liabilities and charges

The full and potential liability for deferred tax is:

	Group 1999 £	Company 1999 £	Group 1998 £	Company 1998 £
Charged to profit and loss account	20,000	-	-	-
Balance at the end of year	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accelerated capital allowances	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the accounts (continued)

13 Share capital

Authorised	1999 number	1998 number
<i>Equity shares</i>		
Ordinary shares of 1p each	129,000	-
Ordinary shares of £1 each	-	950
'A' Ordinary shares of £1 each	-	459
'B' Ordinary shares of 1p each	16,000	-
'B' Ordinary shares of £1 each	-	51
<i>Non-equity shares</i>		
Convertible 'A' Preference shares of 1p each	50,000	-
Convertible 'B' Preference shares of 1p each	5,000	-
Cumulative Redeemable 'A' Preference shares of £1 each	2,000,000	-
Cumulative Redeemable 'B' Preference shares of £1 each	50,000	50,000
'A' Cumulative Redeemable Preference shares of £1 each	-	999,490
	<u>2,250,000</u>	<u>1,050,950</u>
 Issued		
Allotted, called up and fully paid	£	£
<i>Equity shares</i>		
95,000 Ordinary shares of 1p each	950	-
950 Ordinary shares of £1 each	-	950
459 'A' Ordinary shares of £1 each	-	459
51 'B' Ordinary shares of £1	-	51
<i>Non-equity shares</i>		
46,614 Convertible 'A' Preference shares of 1p each	466	-
4,386 Convertible 'B' Preference shares of 1p each	44	-
2,000,000 Cumulative Redeemable 'A' Preference shares of £1 each	2,000,000	-
50,000 Cumulative Redeemable 'B' Preference shares of £1 each	50,000	50,000
299,490 'A' Cumulative Redeemable Preference shares of £1 each	-	299,490
	<u>2,051,460</u>	<u>350,950</u>

On 31 October 1999, the remaining 299,490 'A' Cumulative Redeemable Preference shares of £1 were redeemed at par.

On 10 December 1999, the share capital of the company was re-organised as follows:

Ordinary shares

Each Ordinary share of £1 was sub-divided into and re-designated as 100 Ordinary shares of 1p.

Notes to the accounts (continued)

13 Share capital (continued)

'A' Ordinary shares

Each 'A' Ordinary share of £1 was sub-divided into and re-designated as 100 Convertible 'A' Preference shares of 1p.

'B' Ordinary shares

Each 'B' Ordinary share of £1 was sub-divided into 100 'B' Ordinary shares of 1p and 714 of such 'B' Ordinary shares were re-designated as Convertible 'A' Preference shares of 1p and 4,386 of such 'B' Ordinary shares were re-designated as Convertible 'B' Preference shares of 1p.

'A' Cumulative Redeemable Preference shares

The unissued 999,490 'A' Cumulative Redeemable Preference shares of £1 were cancelled and the authorised share capital reduced by that amount.

Authorised share capital

Following the cancellation referred to above, the Authorised Share Capital was increased from £51,460 to £2,052,000 by the creation of 34,000 Ordinary shares of 1p each, 16,000 'B' Ordinary shares of 1p each, 3,386 Convertible 'A' Preference shares of 1p each, 614 Convertible 'B' Preference shares of 1p each and 2,000,000 Cumulative Redeemable 'A' Preference shares of £1 each.

Cumulative Redeemable 'A' Preference shares

2,000,000 Cumulative Redeemable 'A' Preference shares were issued at par.

Redemption of Preference shares

The Cumulative Redeemable 'A' Preference shares are redeemable in 5 equal annual instalments of £400,000 commencing on 30 June 2006 and finishing on 30 June 2010.

Dividend rights

The Cumulative Redeemable 'A' Preference shares are entitled to receive a dividend equal to the accrued interest calculated at 3% above bank base rate, payable half-yearly in arrears on 31 March and 30 September.

The Cumulative Redeemable 'B' Preference shares are entitled to receive a dividend of 10% per annum.

The Convertible 'A' and 'B' Preference shares are entitled to receive a dividend equal to 4% on £49.02 for each 1p of nominal value.

14 Share premium

	Group and company 1999 £	Group and company 1998 £
At 1 January	39,050	39,050
Share issue costs written off	(39,050)	-
	<u>-</u>	<u>39,050</u>

Notes to the accounts (continued)

15 Capital redemption reserve

	Group and company 1999 £	Group and company 1998 £
At 1 January	700,000	500,000
Transfer from the profit and loss account	299,490	200,000
At 31 December	<u>999,490</u>	<u>700,000</u>

16 Profit and loss account

	Group 1999 £	Company 1999 £	Group 1998 £	Company 1998 £
At 1 January	2,345,189	2,359,352	1,788,250	1,788,250
Retained profit for the year	310,919	272,065	556,939	571,102
At 31 December	<u>2,656,108</u>	<u>2,631,417</u>	<u>2,345,189</u>	<u>2,359,352</u>

17 Reconciliation of movements in shareholders' funds

	Group 1999 £	Company 1999 £	Group 1998 £	Company 1998 £
At 1 January	3,435,189	3,449,352	2,878,250	2,878,250
Profit for the financial year	652,186	613,332	794,232	808,395
Dividends	(41,777)	(41,777)	(37,293)	(37,293)
Preference shares redeemed	(299,490)	(299,490)	(200,000)	(200,000)
New shares issued	2,000,000	2,000,000	-	-
Share premium written off against share issue costs	(39,050)	(39,050)	-	-
At 31 December	<u>5,707,058</u>	<u>5,682,367</u>	<u>3,435,189</u>	<u>3,449,352</u>

Notes to the accounts (continued)

18 Other financial commitments

At the year end, the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	Land and buildings	Other	Other
	1999	1998	1999	1998
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	10,500	-
Within two to five years	-	-	11,688	36,342
In over five years	210,907	200,907	-	-
	<u>210,907</u>	<u>200,907</u>	<u>22,188</u>	<u>36,342</u>

19 Gross cash flows

Returns on investments and servicing of finance

	1999	1998
	£	£
Interest received	111	442
Interest paid	(449)	(649)
Preference dividends paid	<u>(29,949)</u>	<u>(39,960)</u>
	<u>(30,287)</u>	<u>(40,167)</u>

Capital expenditure

Payments to acquire tangible fixed assets	(326,434)	(424,759)
Payments to acquire investments	(38,025)	(139,998)
Receipts from sales of tangible fixed assets	43,175	93,020
(Profit)/loss on sale of tangible fixed assets	<u>(4,551)</u>	<u>10,150</u>
	<u>(325,835)</u>	<u>(461,587)</u>

Financing

Issue of share capital	2,000,000	-
Redemption of share capital	(299,490)	(200,000)
Share premium written off	(39,050)	-
New loans raised	<u>47,367</u>	<u>105,393</u>
	<u>1,708,827</u>	<u>(94,607)</u>

Notes to the accounts (continued)

20 Analysis of changes in net debt

	At 1 January 1999 £	Cash flows £	At 31 December 1999 £
Cash at bank and in hand	46,245	197,382	243,627
Overdrafts	(43,058)	(69,284)	(112,342)
	<u>3,187</u>	<u>128,098</u>	<u>131,285</u>

21 Related party disclosures

The company has taken advantage of the exemption in Financial Reporting Standard No. 8, 'Related party Disclosures', whereby disclosure is not required by a subsidiary undertaking, 90% or more of whose voting rights are controlled within a group, of transactions with other group undertakings.