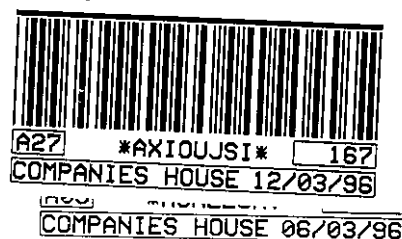


GENERAL AND MEDICAL FINANCE PLC

FINANCIAL STATEMENTS

31st December 1995



MACINTYRE HUDSON
Chartered Accountants & Registered Auditors
8-12 Priestgate
Peterborough
PE1 1JA

GENERAL AND MEDICAL FINANCE PLC
FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 1995

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The following pages do not form part of the financial statements

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GENERAL AND MEDICAL FINANCE PLC

COMPANY INFORMATION

THE BOARD OF DIRECTORS

D Wildman
G Wildman

COMPANY SECRETARY

D Wildman

REGISTERED OFFICE

Forest House
Pilton
PETERBOROUGH
PE8 5SN

AUDITORS

MacIntyre Hudson
Chartered Accountants & Registered Auditors
8-12 Priestgate
Peterborough
PE1 1JA

GENERAL AND MEDICAL FINANCE PLC**THE DIRECTORS' REPORT****YEAR ENDED 31st DECEMBER 1995**

The directors have pleasure in presenting their report together with the audited financial statements of the company for the year ended 31st December 1995.

PRINCIPAL ACTIVITIES

The principal activities of the company during the year were those of arranging finance and leasing, acting as a lessor and the management of a professional group scheme.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The directors are very encouraged with this years results, improved by the continuing growth of the professional group scheme.

RESULTS AND DIVIDENDS

The trading results for the year, and company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	1995 £	1994 £
Dividends paid on ordinary shares	<u>39,540</u>	<u>14,240</u>

The balance of the profits for the year amounting to £50,975 will be added to reserves and carried forward to the following year.

DIRECTORS

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 Dec 95	At 1 Jan 95
D Wildman	25,000	25,000
G Wildman	<u>25,000</u>	<u>25,000</u>

FIXED ASSETS

The movements in fixed assets are recorded in the notes to the financial statements.

GENERAL AND MEDICAL FINANCE PLC

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31st DECEMBER 1995

AUDITORS

A resolution to re-appoint MacIntyre Hudson as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:

Forest House
Pilton
PETERBOROUGH
PE8 5SN

Signed on behalf of the directors

A handwritten signature in dark ink, appearing to read 'D Wildman', with a long horizontal flourish extending to the right.

D Wildman
Company secretary

Approved by the directors on 9th February 1996

GENERAL AND MEDICAL FINANCE PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 31st DECEMBER 1995

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;
- 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. The directors 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.

GENERAL AND MEDICAL FINANCE PLC

AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31st DECEMBER 1995

We have audited the financial statements on pages 6 to 15.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on the previous page, the directors of the company are responsible for the preparation of the 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 circumstances of the company, 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 affairs of the company as at 31st December 1995 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

8-12 Priestgate
Peterborough
PE1 1JA

MACINTYRE HUDSON
Chartered Accountants
& Registered Auditors

9th February 1996



GENERAL AND MEDICAL FINANCE PLC**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31st DECEMBER 1995**

	Note	1995 £	1994 £
TURNOVER	1	691,430	588,455
Cost of sales		485,715	476,216
GROSS PROFIT		205,715	112,239
Administrative expenses		(108,046)	(89,739)
Other operating income	2	6,673	12,946
OPERATING PROFIT	3	104,342	35,446
Interest receivable and similar income	6	3,521	1,171
Interest payable and similar charges	7	(339)	(1,308)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		107,524	35,309
Tax on profit on ordinary activities	8	17,009	5,354
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		90,515	29,955
Dividends	9	39,540	14,240
RETAINED PROFIT FOR THE FINANCIAL YEAR		50,975	15,715

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

GENERAL AND MEDICAL FINANCE PLC

BALANCE SHEET

31st DECEMBER 1995

		1995		1994	
	Note	£	£	£	£
FIXED ASSETS					
Intangible assets	10		25,000		25,000
Tangible assets	11		36,259		27,520
			<u>61,259</u>		<u>52,520</u>
CURRENT ASSETS					
Debtors	12	13,795		19,663	
Cash at bank and in hand		80,890		41,282	
		<u>94,685</u>		<u>60,945</u>	
CREDITORS: Amounts falling due within one year	13	<u>12,009</u>		<u>20,505</u>	
NET CURRENT ASSETS			82,676		40,440
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>143,935</u>		<u>92,960</u>
CAPITAL AND RESERVES					
Equity share capital	15		50,000		50,000
Other reserves	16		25,000		25,000
Profit and loss account	16		68,935		17,960
SHAREHOLDERS' FUNDS (all equity interests)	17		<u>143,935</u>		<u>92,960</u>

Approved by the directors on the 9th February 1996

D WILDMAN



GENERAL AND MEDICAL FINANCE PLC

CASH FLOW STATEMENT

YEAR ENDED 31st DECEMBER 1995

	1995		1994	
	£	£	£	£
Net cash inflow from operating activities		108,246		83,914
Returns on investments and servicing of finance				
Interest received	3,521		1,171	
Interest paid	-		(779)	
Interest element of finance lease rental payments	(339)		(464)	
Dividends paid	(39,540)		(14,240)	
Net cash outflow from returns on investments and servicing of finance		(36,358)		(14,312)
Taxation				
Corporation tax paid	(9,885)		(9,926)	
Taxes paid		(9,885)		(9,926)
Investing activities				
Payments to acquire tangible fixed assets	(19,228)		(8,514)	
Receipts from sale of fixed assets	-		720	
Net cash outflow from investing activities		(19,228)		(7,794)
Net cash inflow before financing		42,775		51,882
Financing				
Repayments of amounts borrowed	-		(15,847)	
Net outflow in respect of finance leases	(3,167)		(4,750)	
Net cash outflow from financing		(3,167)		(20,597)
Increase in cash and cash equivalents		39,608		31,285

The notes on pages 11 to 15 form part of these financial statements.

GENERAL AND MEDICAL FINANCE PLC**CASH FLOW STATEMENT** *(continued)***YEAR ENDED 31st DECEMBER 1995****Reconciliation of operating profit to
net cash inflow from operating activities**

	1995	1994
	£	£
Operating profit	104,342	35,446
Depreciation	9,452	6,765
Loss/(Profit) on disposal of fixed assets	1,037	(17)
Decrease in debtors	3,470	41,258
Expense settled through loan account	-	884
Decrease in creditors	(10,055)	(422)
Net cash inflow from operating activities	108,246	83,914

**Analysis of the balances of cash and cash
equivalents as shown in the balance sheet**

	1995	1994	Change
	£	£	£
Cash at bank and in hand	80,890	41,282	39,608

**Analysis of changes in cash and cash
equivalents during the year**

	£
Balance brought forward	41,282
Net cash inflow	39,608
Balance carried forward	80,890

Analysis of financing during the year

	Share Capital £	Directors' Loan Account £	Other Loans £	Finance Lease Obligations £
Balance at 1st January 1995	50,000	15,537	266	3,167
Repayments in year	-	(11,400)	(266)	(3,167)
Balance at 31st December 1995	50,000	4,137	-	-
Balance at 1st January 1994	50,000	14,653	16,113	7,917
Repayments in the year	-	-	(15,847)	(4,750)
Expense settled through loan account	-	884	-	-
Balance at 31st December 1994	50,000	15,537	266	3,167

GENERAL AND MEDICAL FINANCE PLC**STATEMENT OF ACCOUNTING POLICIES****31st DECEMBER 1995**

The financial statements have been prepared under the historical cost convention using the following accounting policies:

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	- Reducing balance at 20%
Motor Vehicles	- Reducing balance at 25%
Office Equipment	- Reducing balance at 15%

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Leased assets as lessor

Assets leased to customers under agreements which transfer substantially all the risks and rewards associated with ownership, other than legal title, are classified as finance leases. The net investment in these finance leases is included under debtors and represents the total primary rentals outstanding less unearned income. Finance lease income is allocated to accounting periods on a straight line basis.

GENERAL AND MEDICAL FINANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 1995

1. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company. All turnover derives from activities within the United Kingdom.

2. OTHER OPERATING INCOME

	1995	1994
	£	£
Finance lease income	<u>6,673</u>	<u>12,946</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

	1995	1994
	£	£
Depreciation	9,452	6,765
Loss/(Profit) on disposal of fixed assets	1,037	(17)
Auditors' remuneration - as auditors	<u>2,300</u>	<u>1,200</u>

4. STAFF

The average number of staff employed by the company during the financial year amounted to:

	1995	1994
	No.	No.
Number of management staff	2	2
Number of other staff	<u>1</u>	<u>1</u>
	<u>3</u>	<u>3</u>

The aggregate payroll costs of the above were:

	1995	1994
	£	£
Wages and salaries	14,037	18,912
Social security costs	333	1,122
Other pension costs	<u>9,200</u>	<u>5,200</u>
	<u>23,570</u>	<u>25,234</u>

GENERAL AND MEDICAL FINANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 1995

5. DIRECTORS' EMOLUMENTS

The directors' emoluments were:

	1995	1994
	£	£
Remuneration as directors	<u>18,235</u>	<u>20,212</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	1995	1994
	£	£
Bank interest receivable	<u>3,521</u>	<u>1,171</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	1995	1994
	£	£
HP/Finance lease charges	339	464
Other similar charges payable	-	844
	<u>339</u>	<u>1,308</u>

8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1995	1994
	£	£
Corporation tax based on the results for the year at 25% (1994: - 25%)	18,171	5,000
Adjustment to provision in previous years	(1,162)	354
	<u>17,009</u>	<u>5,354</u>

9. DIVIDENDS

The following dividends have been paid during the year:

	1995	1994
	£	£
Dividends paid on ordinary shares	<u>39,540</u>	<u>14,240</u>

GENERAL AND MEDICAL FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 1995

10. INTANGIBLE FIXED ASSETS

This represents the "brand value" of the company's name and is the amount which has been offered by a competitor for the use of it. The directors believe the value is still appropriate and no amortisation charge is therefore provided.

	Brand Value £
COST	
At 1st January 1995 and 31st December 1995	<u>25,000</u>
NET BOOK VALUE	
At 31st December 1995	<u>25,000</u>
At 31st December 1994	<u>25,000</u>

11. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Motor Vehicles £	Office Equipment £	Total £
COST				
At 1st January 1995	647	21,450	23,145	45,242
Additions	-	-	19,228	19,228
Disposals	-	-	(1,283)	(1,283)
At 31st December 1995	<u>647</u>	<u>21,450</u>	<u>41,090</u>	<u>63,187</u>
DEPRECIATION				
At 1st January 1995	436	9,385	7,901	17,722
Charge for year	42	3,017	6,393	9,452
On disposals	-	-	(246)	(246)
At 31st December 1995	<u>478</u>	<u>12,402</u>	<u>14,048</u>	<u>26,928</u>
NET BOOK VALUE				
At 31st December 1995	<u>169</u>	<u>9,048</u>	<u>27,042</u>	<u>36,259</u>
At 31st December 1994	<u>211</u>	<u>12,065</u>	<u>15,244</u>	<u>27,520</u>

Hire purchase agreements

Included within the net book value £36,259 is £9,048 (1994 - £12,066) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £3,017 (1994 - £4,022).

GENERAL AND MEDICAL FINANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 1995

12. DEBTORS

	1995 £	1994 £
Trade debtors	400	418
Investment in finance leases	15,685	
Corporation tax recoverable	1,162	3,560
	<u>13,795</u>	<u>19,663</u>

Included in the above are the following debtors due after more than one year:

Investment in finance leases	£4,557	£1,851
Costs of assets acquired in the year for letting under finance leases	£12,343	£2,280
Finance lease rentals receivable	£22,468	£51,062

13. CREDITORS: Amounts falling due within one year

	1995 £	1994 £
Debenture loans	-	266
Hire purchase agreements	-	3,167
Corporation tax	4,726	-
Other taxation & social security	676	-
Directors' loan accounts	4,137	15,537
Accruals and deferred income	2,470	1,535
	<u>12,009</u>	<u>20,505</u>

14. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	1995 £	1994 £
Amounts payable within 1 year	<u>-</u>	<u>3,167</u>

GENERAL AND MEDICAL FINANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 1995

15. SHARE CAPITAL

Authorised share capital:

	1995 £	1994 £
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid:

	1995 £	1994 £
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

16. RESERVES

	Profit and Loss Account £	Other £	Total £
At 1st January 1995	17,960	25,000	42,960
Profit for the year	<u>50,975</u>		<u>50,975</u>
At 31st December 1995	<u>68,935</u>	<u>25,000</u>	<u>93,935</u>

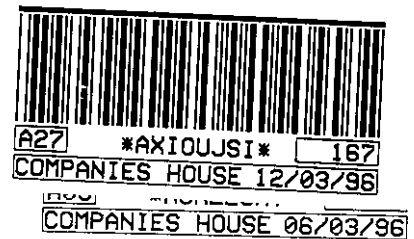
17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1995 £	1994 £
Profit for the financial period	90,515	29,955
Dividends	<u>(39,540)</u>	<u>(14,240)</u>
	50,975	15,715
Opening shareholders' equity funds	<u>92,960</u>	<u>77,245</u>
Closing shareholders' equity funds	<u>143,935</u>	<u>92,960</u>

GENERAL AND MEDICAL FINANCE PLC

FINANCIAL STATEMENTS

31st December 1995



MACINTYRE HUDSON
Chartered Accountants & Registered Auditors
8-12 Priestgate
Peterborough
PE1 1JA

GENERAL AND MEDICAL FINANCE PLC
FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 1995

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GENERAL AND MEDICAL FINANCE PLC

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THE BOARD OF DIRECTORS D Wildman
G Wildman

COMPANY SECRETARY D Wildman

REGISTERED OFFICE Forest House
Pilton
PETERBOROUGH
PE8 5SN

AUDITORS MacIntyre Hudson
Chartered Accountants & Registered Auditors
8-12 Priestgate
Peterborough
PE1 1JA

GENERAL AND MEDICAL FINANCE PLC**THE DIRECTORS' REPORT****YEAR ENDED 31st DECEMBER 1995**

The directors have pleasure in presenting their report together with the audited financial statements of the company for the year ended 31st December 1995.

PRINCIPAL ACTIVITIES

The principal activities of the company during the year were those of arranging finance and leasing, acting as a lessor and the management of a professional group scheme.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The directors are very encouraged with this years results, improved by the continuing growth of the professional group scheme.

RESULTS AND DIVIDENDS

The trading results for the year, and company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	1995 £	1994 £
Dividends paid on ordinary shares	<u>39,540</u>	<u>14,240</u>

The balance of the profits for the year amounting to £50,975 will be added to reserves and carried forward to the following year.

DIRECTORS

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 Dec 95	At 1 Jan 95
D Wildman	25,000	25,000
G Wildman	<u>25,000</u>	<u>25,000</u>

FIXED ASSETS

The movements in fixed assets are recorded in the notes to the financial statements.

GENERAL AND MEDICAL FINANCE PLC

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31st DECEMBER 1995

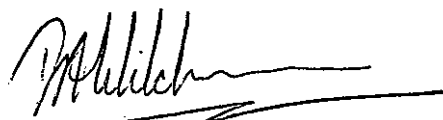
AUDITORS

A resolution to re-appoint MacIntyre Hudson as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:

Forest House
Pilton
PETERBOROUGH
PE8 5SN

Signed on behalf of the directors

A handwritten signature in dark ink, appearing to read 'D Wildman', with a horizontal line extending to the right.

D Wildman
Company secretary

Approved by the directors on 9th February 1996

GENERAL AND MEDICAL FINANCE PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 31st DECEMBER 1995

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

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GENERAL AND MEDICAL FINANCE PLC
AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 31st DECEMBER 1995

We have audited the financial statements on pages 6 to 15.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on the previous page, the directors of the company are responsible for the preparation of the 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 circumstances of the company, 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 affairs of the company as at 31st December 1995 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

8-12 Priestgate
Peterborough
PE1 1JA

MACINTYRE HUDSON
Chartered Accountants
& Registered Auditors

9th February 1996



GENERAL AND MEDICAL FINANCE PLC**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31st DECEMBER 1995**

	Note	1995 £	1994 £
TURNOVER	1	691,430	588,455
Cost of sales		485,715	476,216
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Dividends	9	39,540	14,240
RETAINED PROFIT FOR THE FINANCIAL YEAR		50,975	15,715

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

GENERAL AND MEDICAL FINANCE PLC

BALANCE SHEET

31st DECEMBER 1995

	Note	1995		1994	
		£	£	£	£
FIXED ASSETS					
Intangible assets	10		25,000		25,000
Tangible assets	11		36,259		27,520
			<u>61,259</u>		<u>52,520</u>
CURRENT ASSETS					
Debtors	12	13,795		19,663	
Cash at bank and in hand		80,890		41,282	
		<u>94,685</u>		<u>60,945</u>	
CREDITORS: Amounts falling due within one year	13	12,009		20,505	
		<u>12,009</u>		<u>20,505</u>	
NET CURRENT ASSETS			82,676		40,440
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>143,935</u>		<u>92,960</u>
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Other reserves	16		25,000		25,000
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SHAREHOLDERS' FUNDS (all equity interests)	17		<u>143,935</u>		<u>92,960</u>

Approved by the directors on the 9th February 1996

D WILDMAN



GENERAL AND MEDICAL FINANCE PLC

CASH FLOW STATEMENT

YEAR ENDED 31st DECEMBER 1995

	1995		1994	
	£	£	£	£
Net cash inflow from operating activities		108,246		83,914
Returns on investments and servicing of finance				
Interest received	3,521		1,171	
Interest paid	-		(779)	
Interest element of finance lease rental payments	(339)		(464)	
Dividends paid	(39,540)		(14,240)	
Net cash outflow from returns on investments and servicing of finance		(36,358)		(14,312)
Taxation				
Corporation tax paid	(9,885)		(9,926)	
Taxes paid		(9,885)		(9,926)
Investing activities				
Payments to acquire tangible fixed assets	(19,228)		(8,514)	
Receipts from sale of fixed assets	-		720	
Net cash outflow from investing activities		(19,228)		(7,794)
Net cash inflow before financing		42,775		51,882
Financing				
Repayments of amounts borrowed	-		(15,847)	
Net outflow in respect of finance leases	(3,167)		(4,750)	
Net cash outflow from financing		(3,167)		(20,597)
Increase in cash and cash equivalents		39,608		31,285

GENERAL AND MEDICAL FINANCE PLC**CASH FLOW STATEMENT** *(continued)***YEAR ENDED 31st DECEMBER 1995****Reconciliation of operating profit to
net cash inflow from operating activities**

	1995	1994
	£	£
Operating profit	104,342	35,446
Depreciation	9,452	6,765
Loss/(Profit) on disposal of fixed assets	1,037	(17)
Decrease in debtors	3,470	41,258
Expense settled through loan account	-	884
Decrease in creditors	(10,055)	(422)
Net cash inflow from operating activities	108,246	83,914

Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	1995	1994	Change
	£	£	£
Cash at bank and in hand	80,890	41,282	39,608

Analysis of changes in cash and cash equivalents during the year

	£
Balance brought forward	41,282
Net cash inflow	39,608
Balance carried forward	80,890

Analysis of financing during the year

	Share Capital	Directors' Loan Account	Other Loans	Finance Lease Obligations
	£	£	£	£
Balance at 1st January 1995	50,000	15,537	266	3,167
Repayments in year	-	(11,400)	(266)	(3,167)
Balance at 31st December 1995	50,000	4,137	-	-
Balance at 1st January 1994	50,000	14,653	16,113	7,917
Repayments in the year	-	-	(15,847)	(4,750)
Expense settled through loan account	-	884	-	-
Balance at 31st December 1994	50,000	15,537	266	3,167

GENERAL AND MEDICAL FINANCE PLC**STATEMENT OF ACCOUNTING POLICIES****31st DECEMBER 1995**

The financial statements have been prepared under the historical cost convention using the following accounting policies:

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	- Reducing balance at 20%
Motor Vehicles	- Reducing balance at 25%
Office Equipment	- Reducing balance at 15%

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Leased assets as lessor

Assets leased to customers under agreements which transfer substantially all the risks and rewards associated with ownership, other than legal title, are classified as finance leases. The net investment in these finance leases is included under debtors and represents the total primary rentals outstanding less unearned income. Finance lease income is allocated to accounting periods on a straight line basis.

GENERAL AND MEDICAL FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 1995

1. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company. All turnover derives from activities within the United Kingdom.

2. OTHER OPERATING INCOME

	1995 £	1994 £
Finance lease income	<u>6,673</u>	<u>12,946</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

	1995 £	1994 £
Depreciation	9,452	6,765
Loss/(Profit) on disposal of fixed assets	1,037	(17)
Auditors' remuneration - as auditors	<u>2,300</u>	<u>1,200</u>

4. STAFF

The average number of staff employed by the company during the financial year amounted to:

	1995 No.	1994 No.
Number of management staff	2	2
Number of other staff	<u>1</u>	<u>1</u>
	<u>3</u>	<u>3</u>

The aggregate payroll costs of the above were:

	1995 £	1994 £
Wages and salaries	14,037	18,912
Social security costs	333	1,122
Other pension costs	<u>9,200</u>	<u>5,200</u>
	<u>23,570</u>	<u>25,234</u>

GENERAL AND MEDICAL FINANCE PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 1995

5. DIRECTORS' EMOLUMENTS

The directors' emoluments were:

	1995 £	1994 £
Remuneration as directors	<u>18,235</u>	<u>20,212</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	1995 £	1994 £
Bank interest receivable	<u>3,521</u>	<u>1,171</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	1995 £	1994 £
HP/Finance lease charges	339	464
Other similar charges payable	-	844
	<u>339</u>	<u>1,308</u>

8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1995 £	1994 £
Corporation tax based on the results for the year at 25% (1994: - 25%)	18,171	5,000
Adjustment to provision in previous years	(1,162)	354
	<u>17,009</u>	<u>5,354</u>

9. DIVIDENDS

The following dividends have been paid during the year:

	1995 £	1994 £
Dividends paid on ordinary shares	<u>39,540</u>	<u>14,240</u>

GENERAL AND MEDICAL FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 1995

10. INTANGIBLE FIXED ASSETS

This represents the "brand value" of the company's name and is the amount which has been offered by a competitor for the use of it. The directors believe the value is still appropriate and no amortisation charge is therefore provided.

	Brand Value £
COST	
At 1st January 1995 and 31st December 1995	<u>25,000</u>
NET BOOK VALUE	
At 31st December 1995	<u>25,000</u>
At 31st December 1994	<u>25,000</u>

11. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Motor Vehicles £	Office Equipment £	Total £
COST				
At 1st January 1995	647	21,450	23,145	45,242
Additions	-	-	19,228	19,228
Disposals	-	-	(1,283)	(1,283)
At 31st December 1995	<u>647</u>	<u>21,450</u>	<u>41,090</u>	<u>63,187</u>
DEPRECIATION				
At 1st January 1995	436	9,385	7,901	17,722
Charge for year	42	3,017	6,393	9,452
On disposals	-	-	(246)	(246)
At 31st December 1995	<u>478</u>	<u>12,402</u>	<u>14,048</u>	<u>26,928</u>
NET BOOK VALUE				
At 31st December 1995	<u>169</u>	<u>9,048</u>	<u>27,042</u>	<u>36,259</u>
At 31st December 1994	<u>211</u>	<u>12,065</u>	<u>15,244</u>	<u>27,520</u>

Hire purchase agreements

Included within the net book value £36,259 is £9,048 (1994 - £12,066) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £3,017 (1994 - £4,022).