

Bravado International Group Limited

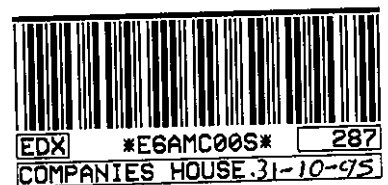
Report and Accounts

31 December 1994

MARTIN GREENE RAVDEN

*Chartered Accountants
and Registered Auditors*
55 Loudoun Road
St John's Wood
London NW8 0DL

Company No. 2567714



Brayado International Group Limited

REPORT AND ACCOUNTS

For the year ended 31 December 1994

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Bravado International Group Limited

COMPANY INFORMATION

Directors

A E Crux
B M Drinkwater
K A Drinkwater

Secretary

C E Stone

Business address

12 Deer Park Road
South Wimbledon
London SW19 3TU

Registered office

55 Loudoun Road
St John's Wood
London NW8 0DL

Auditors

Martin Greene Ravden
Chartered Accountants
and Registered Auditors
55 Loudoun Road
St John's Wood
London NW8 0DL

Solicitors

Statham Gill Davies
6 & 7 Inverness Mews
London W2 3JQ

Principal bankers

Coutts & Co
440 Strand
London WC2R 0QS

National Westminster Bank plc
30 Tooting High Street
London SW17 0RG

Bravado International Group Limited

DIRECTORS' REPORT

For the year ended 31 December 1994

The directors present their report and the audited accounts for the year ended 31 December 1994.

Principal activity and business review

The principal activity of the group is that of merchandising products mainly related to the music industry.

The directors are satisfied with the results for the year and the group's future trading prospects. The directors believe that the group is soundly based to take advantage of opportunities arising in the coming year.

Results and dividends

The results for the year are set out in the profit and loss account on page 5. An interim dividend of £8,000 per share was paid on 29 November 1994 (1993 - £8,500 per share). The directors recommend that no final dividend be paid for the year. The retained profit of £271,779 will be added to the profit and loss account reserve.

Directors and their interests

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

	Number of £1 Ordinary Shares at	
	1 January 1994	31 December 1994
A E Crux	1	1
B M Drinkwater	1	1
K A Drinkwater	1	1

Fixed assets

The movements in fixed assets during the year are set out in Notes 13 and 14 to the accounts.

Auditors

A resolution to re-appoint the auditors, Martin Greene Raven, will be proposed at the forthcoming annual general meeting.

By order of the Board

C E Stone
Secretary



26 October 1995

STATEMENT OF DIRECTORS' RESPONSIBILITIES in relation to the accounts

The following statement, which should be read in conjunction with the auditors' statement of their responsibilities set out on page 4, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the accounts.

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 the group at the end of the year and of the profit or loss 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;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group 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 the group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors, having prepared the accounts, are required to provide to the auditors such information and explanations as the auditors think necessary for the performance of their duty.

Bravado International Group Limited

AUDITORS' REPORT

to the shareholders of Bravado International Group Limited

We have audited the accounts on pages 5 to 22 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

Respective responsibilities of directors and auditors

As described on page 3, the directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 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 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 the group at 31 December 1994 and of the profit and cash flow of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MARTIN GREENE RAVDEN

*Chartered Accountants
and Registered Auditors*

55 Loudoun Road
St John's Wood
London NW8 0DL

26 October 1995

Bravado International Group Limited

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 1994

		1994	1993
	Notes	£	<i>as restated</i> £
Turnover	2	4,600,122	7,133,230
Cost of sales		(3,533,523)	(6,166,566)
Gross profit		1,066,599	966,664
Administrative expenses		(921,706)	(1,151,742)
		144,893	(185,078)
Other operating income	3	244,984	340,796
Operating profit	5	389,877	155,718
Exceptional item			
Profit on disposal of investments in overseas subsidiary undertakings	4	-	108,256
Profit before interest		389,877	263,974
Interest receivable		42,643	26,739
Interest payable	8	(24,847)	(75,303)
Profit on ordinary activities before taxation		407,673	215,410
Taxation	9	(87,119)	(62,195)
Profit on ordinary activities after taxation		320,554	153,215
Minority interests		(775)	(4,187)
Profit attributable to members of the parent company	10	319,779	149,028
Dividends	11	(48,000)	(51,000)
Adjustment in respect of dividend waiver in a UK subsidiary undertaking	12	-	(5,657)
Retained profit for the year	22	271,779	92,371

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

Bravado International Group Limited**CONSOLIDATED BALANCE SHEET
at 31 December 1994**

	Notes	1994		1993 <i>as restated</i>	
		£	£	£	£
Fixed assets					
Tangible assets	13		167,083		152,972
Investments	14		1		2
			<u>167,084</u>		<u>152,974</u>
Current assets					
Stocks	15	56,886		40,001	
Debtors (due within one year)	16	1,317,902		1,752,717	
Debtors (due after one year)	16	476,089		425,364	
Cash at bank and in hand		1,070,564		936,897	
		<u>2,921,441</u>		<u>3,154,979</u>	
Creditors due within one year					
Trade and other creditors	17	1,949,619		2,233,222	
Short term borrowings	19	126,199		293,160	
		<u>2,075,818</u>		<u>2,526,382</u>	
Net current assets			<u>845,623</u>		<u>628,597</u>
Total assets less current liabilities			<u>1,012,707</u>		<u>781,571</u>
Creditors due after one year					
Other creditors	18	8,005		51,033	
Loans and other borrowings	19	109,857		108,247	
			<u>117,862</u>		<u>159,280</u>
Net assets			<u><u>894,845</u></u>		<u><u>622,291</u></u>
Capital and reserves					
Called up share capital	21		6		6
Profit and loss account	22		883,908		612,129
			<u>883,914</u>		<u>612,135</u>
Shareholders' funds			<u>10,931</u>		<u>10,156</u>
Minority interests			<u><u>894,845</u></u>		<u><u>622,291</u></u>

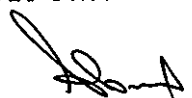
The accounts were approved by the Board
on 26 October 1995 and signed on its behalf by


A E Crux - Director

Bravado International Group Limited**COMPANY BALANCE SHEET**
at 31 December 1994

	Notes	£	1994 £	£	1993 £
Fixed assets					
Investments	14		203		203
Current assets					
Debtors	16	26,807		16,806	
Cash in hand		3		3	
		<u>26,810</u>		<u>16,809</u>	
Creditors due within one year					
Sundry creditors	17	26,507		16,006	
Net current assets			<u>303</u>		<u>803</u>
Net assets			<u>506</u>		<u>1,006</u>
Capital and reserves					
Called up share capital	21		6		6
Profit and loss account	22		500		1,000
Shareholders' funds			<u>506</u>		<u>1,006</u>

The accounts were approved by the Board
on 26 October 1995 and signed on its behalf by


A E Crux - Director

Bravado International Group Limited

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 1994

		1994		1993 <i>as restated</i>	
	Notes	£	£	£	£
Net cash inflow from operating activities	28.1		421,537		551,353
Returns on investments and servicing of finance					
Interest received		42,643		26,739	
Interest paid		(24,847)		(75,303)	
Dividends paid by:					
The company		(48,000)		(51,000)	
A subsidiary undertaking to a minority shareholder		(6,667)		-	
Net cash outflow from returns on investments and servicing of finance			(36,871)		(99,564)
Taxation					
UK corporation tax paid			(36,502)		(68,113)
Net cash inflow before investing activities			348,164		383,676
Investing activities					
Purchase of tangible fixed assets		(70,047)		(54,506)	
Disposal of tangible fixed assets		20,901		82,044	
Disposal of investments		-		123,058	
Net cash (outflow) inflow from investing activities			(49,146)		150,596
Net cash inflow before financing			299,018		534,272
Cash (outflow) from financing					
Borrowings	28.2		(105,001)		(530,948)
Increase in cash and cash equivalents	28.3		194,017		3,324

Bravado International Group Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 1994

1. ACCOUNTING POLICIES

1.1 Basis of accounting

The accounts are prepared under the historical cost convention.

1.2 Basis of consolidation

The consolidated accounts include the accounts of the parent company and its subsidiary undertakings for the year ended 31 December 1994. The parent company has not presented its own profit and loss account as permitted by Section 230 of the Companies Act 1985.

1.3 Turnover

Turnover represents the invoiced value of goods supplied by the group net of value added tax.

1.4 Royalties payable

Royalties payable are charged to the profit and loss account on an accruals basis. Advances to artists and licensors are assessed and the value of the unrecovered proportion to be included in debtors is determined by the prospects of future recoupment, based on past sales performance, current popularity and future touring plans. Provisions are made for unrecovered royalty advances in the accounting period in which they are regarded as irrecoverable.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	20%	straight line
Motor vehicles	20%	straight line
Fixtures and fittings	10%	straight line

1.6 Leasing and hire purchase

Assets acquired under hire purchase contracts or finance leases are capitalised at fair value as tangible fixed assets and depreciated over the shorter of the lease term and their estimated useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. Finance charges are taken to the profit and loss account on a straight line basis over the period of the lease.

Rentals payable under operating leases are charged to the profit and loss account as incurred.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value.

Bravado International Group Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 1994

1. ACCOUNTING POLICIES

1.8 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences arising in the normal course of trade are included in the profit and loss account.

1.9 Deferred taxation

Provision is made under the liability method for taxation deferred by capital allowances and other material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that such a liability will not arise in the foreseeable future.

1.10 Pensions

The group operates a defined contribution pension scheme and contributions are charged to the profit and loss account in the year in which they are paid. The amount of contributions is determined by a qualified actuary.

2. TURNOVER AND OPERATING PROFIT

The whole of the turnover and profit before taxation is attributable to the group's principal activity as stated in the Directors' Report. An analysis of turnover and results before taxation has not been disclosed, as in the opinion of the directors, such disclosure would be prejudicial to the group's business.

3. OTHER OPERATING INCOME

	1994 £	1993 £
Other operating income includes:		
Share of profit from reciprocal trading arrangements with overseas merchandising partners	109,276	156,682
Profit on foreign exchange	55,795	33,534
Rental income	60,584	11,980
Management fees	19,329	138,600
	<u>244,984</u>	<u>340,796</u>

Bravado International Group Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 1994

4.	EXCEPTIONAL ITEM	1994 £	1993 £
	Profit on disposal of investments in overseas subsidiary undertakings	-	108,256
5.	OPERATING PROFIT	1994 £	1993 <i>as restated</i> £
	Operating profit after exceptional items is stated after charging:		
	Staff costs (Note 6)	479,268	621,608
	Depreciation of tangible fixed assets		
	owned by the group	24,519	64,766
	held under finance leases	9,318	4,446
	Provision for diminution in value of investments	-	3,737
	Loss (profit) on disposal of fixed assets	1,199	(28,559)
	Operating lease rentals		
	Hire of plant and equipment	-	14,707
	Property rents	50,400	50,400
	Auditors' remuneration		
	Audit fees	28,000	37,500
	Non-audit fees	24,878	44,926

Bravado International Group Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 1994

6. STAFF COSTS AND DIRECTORS' EMOLUMENTS	1994	1993
	£	£
Staff and directors' costs		
Wages and salaries	427,107	564,704
Social security costs	52,161	56,404
Other pension costs	-	500
	<u>479,268</u>	<u>621,608</u>
	No.	No.
Average weekly number of employees during the year		
Merchandising and administrative	<u>25</u>	<u>31</u>
	1994	1993
	£	£
Directors' emoluments		
Management remuneration (including pension contributions)	<u>114,583</u>	<u>165,500</u>
	1994	1993
	£	£
Management remuneration (excluding pension contributions) is attributable to:		
The chairman (and highest paid director in previous period)	4,583	55,000
The highest paid director	<u>55,000</u>	<u>-</u>
	No.	No.
Other directors who fell within the following range:		
£50,001 - £55,000	1	2
7. PENSION COSTS		
The group operates a defined contribution pension scheme for certain of its directors, the assets of which are held in an independently administered fund. Contributions paid in the year amounted to £nil (1993 - £500).		
8. INTEREST PAYABLE	1994	1993
	£	£
Bank loan, overdrafts and other loan wholly repayable within five years	25,414	46,213
Hire purchase contracts and finance leases	4,242	14,058
Overdue tax	(4,809)	15,032
	<u>24,847</u>	<u>75,303</u>

Bravado International Group Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 1994

9. TAXATION	1994	1993 <i>as restated</i>
	£	£
Taxation on profit on ordinary activities:		
UK corporation tax at 33% (1993 - 33%)	116,500	71,029
Overseas tax	(219)	1,088
Prior year adjustments	(29,162)	(9,922)
	<u>87,119</u>	<u>62,195</u>

The tax charge for the year has been reduced by £11,283 (1993 - £4,161) in respect of accelerated capital allowances, for which no deferred tax has been provided.

10. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY	1994	1993
	£	£
Profit (loss) dealt with in the accounts of:		
The parent company	(500)	(500)
Subsidiary undertakings	320,279	149,528
	<u>319,779</u>	<u>149,028</u>

The parent company's own profit and loss account is not shown as permitted by Section 230 of the Companies Act 1985.

11. DIVIDENDS	1994	1993
	£	£
Interim paid of £8,000 per share (1993 - £8,500)	<u>48,000</u>	<u>51,000</u>
12. ADJUSTMENT IN RESPECT OF DIVIDEND WAIVER IN UK SUBSIDIARY UNDERTAKING	1994	1993
	£	£
Proportion of proposed final dividend receivable by minority shareholder borne by parent company	<u>-</u>	<u>(5,657)</u>

During the previous year, the group waived its entitlement to a final dividend of £37,335 in respect of its holding of 84 shares in B.M.S. (Mail Order) Limited. The amount of £5,657 represents the proportion of proposed final dividend receivable by the minority shareholder borne by the group.

Bravado International Group Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 1994

13. TANGIBLE FIXED ASSETS

	Office equipment	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£
Group				
Cost				
At 1 January 1994	334,034	196,814	108,676	639,524
Additions	11,454	58,593	-	70,047
Disposals	-	(26,000)	-	(26,000)
At 31 December 1994	<u>345,488</u>	<u>229,407</u>	<u>108,676</u>	<u>683,571</u>
Depreciation				
At 1 January 1994	261,832	122,032	102,688	486,552
Charge for the year	16,299	16,928	610	33,837
Disposals	-	(3,901)	-	(3,901)
At 31 December 1994	<u>278,131</u>	<u>135,059</u>	<u>103,298</u>	<u>516,488</u>
Net book value				
At 31 December 1994	<u>67,357</u>	<u>94,348</u>	<u>5,378</u>	<u>167,083</u>
At 31 December 1993	<u>72,202</u>	<u>74,782</u>	<u>5,988</u>	<u>152,972</u>

Included in the total net book value of tangible fixed assets at 31 December 1994 are amounts of £67,209 (1993 - £46,445) in respect of assets held by subsidiary undertakings under finance leases and hire purchase contracts. The depreciation charged on these assets for the year was £9,318 (1993 - £4,446).

Bravado International Group Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 1994

14. FIXED ASSET INVESTMENTS

	<i>Group</i>		<i>Company</i>	
	1994	1993	1994	1993
	£	£	£	£
Investments comprise:				
Subsidiary undertakings	1	1	203	203
Associated undertaking	-	1	-	-
	<u>1</u>	<u>2</u>	<u>203</u>	<u>203</u>

Subsidiary undertakings

	1994	1993	1994	1993
	£	£	£	£
Cost of shares				
At 1 January 1994				
and 31 December 1994	1	1	203	203
	<u>1</u>	<u>1</u>	<u>203</u>	<u>203</u>

The company's principal subsidiaries at 31 December 1994 were:

Name	Holding of Ordinary Shares %	Country of incorporation	Nature of business
Big Tours Limited	100.00	England	Merchandising
Big Contracts Limited	100.00	England	Merchandise licensing
Bravado Merchandising Services Limited	100.00	England	Merchandising
B.M.S. (Mail Order) Limited	84.85	England	Wholesale and mail order
Bravado SARL	75.00	France	Concert hall concessionaires

The group accounts for the previous year excluded overseas subsidiary undertaking as audited accounts had not been received from them. The directors were of the opinion that their inclusion would have involved expense and delay out of proportion to the value to the members.

Associated undertaking

	<i>Group</i> £
Cost of shares	
At 1 January 1994	1
Disposal	(1)
	<u>-</u>
At 31 December 1994	<u>-</u>

The group disposed of its 50% holding in International Licensing Syndicate Limited, which was incorporated in England and carried on the business of merchandise licensing.

The directors are not aware of any other permanent diminution in the value of the investments in subsidiaries undertakings nor of any qualifications in the reports of the auditors of those undertakings.

Bravado International Group Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 1994

15. STOCKS

	<i>Group</i>	
	1994	1993
	£	£
Goods for resale	56,886	40,001

There is no material difference between the replacement cost and historical cost of stocks.

16. DEBTORS

	<i>Group</i>		<i>Company</i>	
	1994	1993	1994	1993
	£	£	£	£
Due within one year				
Trade debtors	424,508	272,742	-	-
Advances to artists and licensors	422,344	637,836	-	-
Amount owed by group undertaking	-	-	14,807	2,000
Amounts owed by connected undertakings	328,296	602,275	-	-
Corporation tax recoverable	5,697	18,442	-	14,806
Advance corporation tax recoverable	13,667	-	12,000	-
Value added tax recoverable	-	16,390	-	-
Loans to directors	5,000	19,469	-	-
Other debtors	56,310	109,093	-	-
Prepayments and accrued income	62,080	76,470	-	-
	<u>1,317,902</u>	<u>1,752,717</u>	<u>26,807</u>	<u>16,806</u>
Due after one year				
Amounts owed by connected undertakings	<u>476,089</u>	<u>425,364</u>	<u>-</u>	<u>-</u>

The loans to directors were interest free and comprised:

	<i>At year end</i>		<i>Highest balance during the year</i>	
	1994	1993	1994	1993
	£	£	£	£
A E Crux	5,000	-	5,000	-
K A Drinkwater	-	14,469	-	14,469

The loan of £5,000 to Mr Crux was repaid on 4 January 1995.

The amounts due after one year include interest free, unsecured loans to connected companies owned by the directors of the parent company.

Bravado International Group Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 1994

17. CREDITORS	<i>Group</i>		<i>Company</i>	
	1994	1993	1994	1993
	£	<i>as restated</i> £	£	£
Due within one year				
Trade creditors	741,210	860,747	-	-
Amount owed to group undertaking	-	-	12,807	-
Amount owed to associated undertaking	-	30,647	-	-
Amounts owed to connected undertakings	7,936	11,642	-	-
Corporation tax	146,703	92,358	-	-
Advance corporation tax	13,667	16,473	12,000	14,806
Other taxes and social security	88,154	263,805	-	-
Directors' loan accounts	1,667	12,476	-	-
Other creditors	425,728	322,737	200	200
Accruals	524,554	622,337	1,500	1,000
	<u>1,949,619</u>	<u>2,233,222</u>	<u>26,507</u>	<u>16,006</u>

18. CREDITORS	<i>Group</i>		<i>Company</i>	
	1994	1993	1994	1993
	£	£	£	£
Due after one year				
Amount owed to associated undertaking	-	1,921	-	-
Amounts owed to connected undertakings	8,005	49,112	-	-
	<u>8,005</u>	<u>51,033</u>	<u>-</u>	<u>-</u>

Bravado International Group Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 1994

19. BORROWINGS

	Due within one year		Due after one year	
	1994	1993	1994	1993
	£	£	£	£
<i>Group</i>				
Secured				
Bank loan and overdrafts	102,441	272,791	-	-
Unsecured				
Other loan	-	-	90,000	90,000
	<u>102,441</u>	<u>272,791</u>	<u>90,000</u>	<u>90,000</u>
Net obligations under hire purchase contracts and finance leases	23,758	20,369	19,857	18,247
	<u>126,199</u>	<u>293,160</u>	<u>109,857</u>	<u>108,247</u>
	<u><u>126,199</u></u>	<u><u>293,160</u></u>	<u><u>109,857</u></u>	<u><u>108,247</u></u>
	Bank loan and overdrafts		Other borrowings (excluding finance leases)	
	1994	1993	1994	1993
	£	£	£	£
Repayments fall due:				
<i>Group</i>				
Within one year or on demand	102,441	272,791	-	-
Between two and five years	-	-	90,000	90,000
	<u>102,441</u>	<u>272,791</u>	<u>90,000</u>	<u>90,000</u>
	<u><u>102,441</u></u>	<u><u>272,791</u></u>	<u><u>90,000</u></u>	<u><u>90,000</u></u>

The bank loan and overdrafts totalling £102,441 (1993 - £272,791) are secured by a fixed and floating charge over the assets of the group. The finance leases are secured on the assets concerned.

Bravado International Group Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 1994

20. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND FINANCE LEASES

	<i>Group</i>	
	1994 £	1993 £
Amounts payable:		
Within one year	26,915	24,064
Between one and two years	22,754	20,432
	<u>49,669</u>	<u>44,496</u>
Finance charges allocated to future periods	(6,054)	(5,880)
Net obligations	<u>43,615</u>	<u>38,616</u>
Net obligations are analysed as follows:		
Current obligations	23,758	20,369
Non-current obligations	19,857	18,247
	<u>43,615</u>	<u>38,616</u>

21. CALLED UP SHARE CAPITAL

	1994 £	1993 £
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid		
6 Ordinary shares of £1 each	6	6

22. RESERVES

	Note	<i>Group</i> £	<i>Company</i> £
Profit and loss account			
At 1 January 1994			
As previously reported		617,179	1,000
Prior year adjustment	23	(5,050)	-
As restated		612,129	1,000
Retained profit (loss) for the year		271,779	(500)
At 31 December 1994		<u>883,908</u>	<u>500</u>

Bravado International Group Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 1994

23. PRIOR YEAR ADJUSTMENT

The prior year adjustment relates to the disposal of certain fixed assets by a subsidiary undertaking in the previous year and is made up as follows:

	£
Net book value of assets disposed of	7,936
Attributable reduction in corporation tax	(1,984)
	<u>5,952</u>
Minority interest	902
	<u>5,050</u>
Prior year adjustment	<u>5,050</u>

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1994 £	1993 <i>as restated</i> £
Profit for the year attributable to shareholders	319,779	149,028
Dividends	(48,000)	(51,000)
Adjustment in respect of dividend waiver in a UK subsidiary undertaking	-	(5,657)
	<u>271,779</u>	<u>92,371</u>
Retained profit for the year	271,779	92,371
New share capital subscribed	-	3
	<u>271,779</u>	<u>92,374</u>
Net addition to shareholders' funds	271,779	92,374
Opening shareholders' funds (after prior year adjustment)	612,135	519,761
	<u>883,914</u>	<u>612,135</u>
Closing shareholders' funds	<u>883,914</u>	<u>612,135</u>

25. CONTINGENT LIABILITIES

	<i>Group</i>		<i>Company</i>	
	1994 £	1993 £	1994 £	1993 £
Bank guarantees				
Between fellow group undertakings	100,119	210,102	-	-
Connected undertaking - Strawhand Limited	202,858	228,215	-	-
	<u>302,977</u>	<u>438,317</u>	<u>-</u>	<u>-</u>

Strawhand Limited is owned by the directors of the parent company.

Bravado International Group Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 1994

26. COMMITMENTS UNDER OPERATING LEASES

At 31 December 1994, the group had annual commitments under non-cancellable operating leases as follows:

	<i>Group</i>	
	1994	1993
	£	£
Land and buildings		
On leases expiring after five years	50,400	50,400

27. TRANSACTIONS WITH DIRECTORS

During the year the group paid rent of £50,400 (1993 - £50,400) to Strawhand Limited which is owned by the directors of the parent company, in respect of the occupancy of its business premises.

At 31 December 1994, the group had made interest free loans totalling £293,443 (1993 - £348,207) to Strawhand Limited and to Bravado Holdings Limited and its wholly owned subsidiary undertaking, Concessions Management International Limited. The group had also received an interest free loan from Strawhand Limited of £8,005 (1993 - £49,112). Mr Crux, Mr B M Drinkwater and Mr K A Drinkwater have material interests in Strawhand Limited and Bravado Holdings Limited.

28. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

28.1	Reconciliation of operating profit to net cash inflow (outflow) from operating activities	1994	1993 <i>as restated</i>
		£	£
	Operating profit	389,877	155,718
	Depreciation	33,837	69,212
	Provision for diminution in value of investments	-	3,737
	Loss (profit) on sale of tangible fixed assets	1,199	(28,559)
	(Increase) decrease in stocks	(16,885)	165,120
	Decrease in debtors	385,012	534,089
	(Decrease) in creditors	(371,503)	(347,964)
	Net cash inflow from operating activities	421,537	551,353

Bravado International Group Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 1994

28. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

28.2 Analysis of changes in financing during the year	1994 £	1993 £
Loans and finance lease obligations:		
At 1 January 1994		
Bank loans and other borrowings	300,000	840,000
Finance lease obligations	38,616	29,564
	<u>338,616</u>	<u>869,564</u>
At 31 December 1994		
Bank loans and other borrowings	190,000	300,000
Finance lease obligations	43,615	38,616
	<u>233,615</u>	<u>338,616</u>
Cash inflow (outflow) from:		
Bank loans and other borrowings	(110,000)	(540,000)
Finance lease obligations	4,999	9,052
	<u>(105,001)</u>	<u>(530,948)</u>
	<u><u>(105,001)</u></u>	<u><u>(530,948)</u></u>
28.3 Analysis of changes in cash and cash equivalents during the year	1994 £	1993 £
At 1 January 1994		
Cash at bank and in hand	936,897	995,115
Bank overdrafts	(62,791)	(124,333)
	<u>874,106</u>	<u>870,782</u>
At 31 December 1994		
Cash at bank and in hand	1,070,564	936,897
Bank overdrafts	(2,441)	(62,791)
	<u>1,068,123</u>	<u>874,106</u>
Increase in cash and cash equivalents	<u><u>194,017</u></u>	<u><u>3,324</u></u>