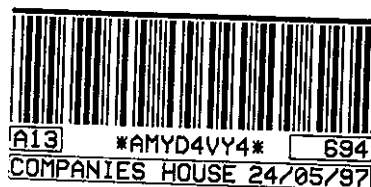
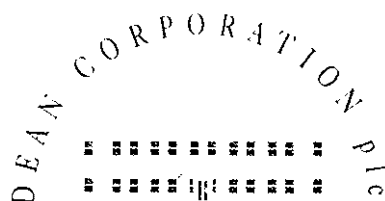


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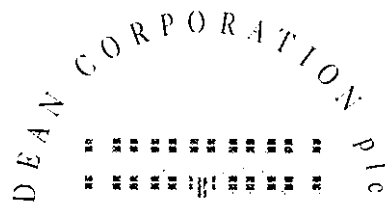


## FINANCIAL HIGHLIGHTS

*For the year ended 31 December 1996*

	31 DECEMBER 1996 £	31 DECEMBER 1995 £
TURNOVER	14,863,763	3,006,606
OPERATING PROFIT	894,862	223,859
PROFIT BEFORE TAX	931,248	212,506
DIVIDENDS PER SHARE	0.5p	0.2p
EARNINGS PER SHARE	1.66p	0.92p
NET ASSETS	3,001,536	1,339,512

ANNUAL GENERAL MEETING	21 MAY 1997
FINAL ORDINARY DIVIDEND	TO BE PAID ON 2 JULY 1997 TO SHAREHOLDERS REGISTERED 25 APRIL 1997
INTERIM RESULTS 1997	ANNOUNCEMENT EXPECTED SEPTEMBER 1997
INTERIM ORDINARY DIVIDEND	PAYMENT EXPECTED DECEMBER 1997
FINAL RESULTS 1997	APRIL 1998



## CHAIRMAN'S STATEMENT

I am pleased to report that the year under review has again seen the Group achieve new milestones in its development.

	31 December 1996 £'000	31 December 1995 £'000
Turnover	14,864	3,007
Profit Before Tax	931	213
Shareholders' Funds	3002	1,340
Total Dividend Per Share	0.5p	0.2p
Earnings Per Share	1.66p	0.92p

The Board proposes a final dividend of 0.3 p per share making a full year dividend of 0.5 p per share. The final dividend will be paid on 2 July 1997 to shareholders on the register at 25 April 1997. At the year end, the Group had cash balances of £1,190,760 and unused banking facilities of a further £1,440,000.

The Group has expanded substantially during the year. The first full year contribution from J C Tripp and the acquisitions of H Page and Speymill Tripp have meant that turnover, profit before tax and shareholders' funds have all increased significantly over 1995. The acquisitions are part of the Board's strategy of creating a broadly based property services group.

### PROPERTY SERVICES DIVISION

#### J C Tripp & Son Limited

J C Tripp provides property maintenance and facilities management services primarily to London Borough Councils.

The Company has contributed its first full year to the Group's profits. The senior management has been strengthened to enable it to capitalise on a significant number of opportunities developing in the repairs and maintenance market.

The Company has a number of contracts which will provide a platform for the Company's performance over the next three years. A number of further contracts are under consideration with the London Boroughs of Westminster, Barnet and

Merton. These contracts would help fulfil the strategy of developing a network of London branches.

J C Tripp also provided a gas servicing and repairs service to over 4,000 properties and this specialist area will be further developed in conjunction with H Page.

The Company's experience of working with the London Boroughs has enabled it to develop significant facilities management opportunities which have increased the use of its repair and maintenance depots.

#### H Page Engineering Services Limited

H Page is a multi-disciplined environmental and building services supplier.

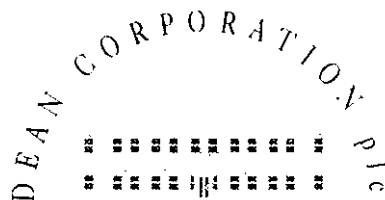
The Group acquired a 40 per cent holding in H Page in February 1996. In November 1996, the Group exercised a call option over the remaining 60 per cent which reflected a substantial improvement in the business. The Company has contributed pro-rata to the holding throughout the year. During the period, H Page carried out substantial projects for Lewisham NHS Trust, Glaxo Wellcome, London Underground, Guy's Hospital NHS Trust and the new leisure facilities at County Hall.

H Page is now focussing on several facilities management and maintenance of services contracts and expects to move substantially forward in this field in 1997 either organically or by acquisition.

### SPECIALIST CONTRACTING DIVISION

#### Speymill Tripp Limited

Speymill Tripp joined the Group in June 1996. The Company made a substantial contribution in the year with the themed public house and restaurant refurbishment programme continuing to expand. During the year, Speymill Tripp worked for Allied Domecq Leisure, JD Wetherspoon, Whitbread, Waterfall Holdings, Mill House Inns and a number of other leading brewing and leisure companies. The new year has opened well with secured orders in excess of budget.



## CHAIRMAN'S STATEMENT

### Speymill Services Limited

Speymill Services has developed its range of services which now includes high class joinery products, painting and specialist finishing and retail services. Speymill's customers are predominantly well established hotel and retail operators. Further services are currently under consideration including point of sale retail products.

This recent expansion has taken place utilising Speymill's existing premises and without major additional development costs.

### HOUSE BUILDING DIVISION

Dean Homes has continued to expand its house building activities with further "partnering" agreements in the area of both sheltered and social housing.

The market in speculative quality housing continues to improve and reservations have been running at six per month since 1 January 1997.

During the year under review, Dean Homes built 69 homes, of which 33 were in partnership with other developers or clients and 36 were built for speculative development, 22 of these were sold in the year.

The Company currently has partnering agreements, land or options for a further 70 homes. The Company intends to increase its land bank and partnering schemes in 1997 by the acquisition of further land.

### CURRENT TRADING

Trading conditions for all of the Group companies have firmed appreciably and all operating companies completed the first quarter ahead of expectations. As at 28 February 1997, the Group had secured contracts in excess of £15,000,000 and enquiry levels remain encouraging.

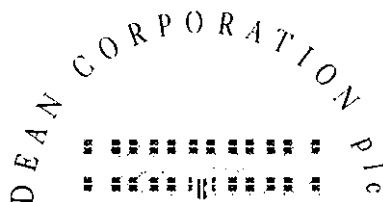
### FUTURE PROSPECTS

The Board continue to review potential acquisition opportunities as well as increasing the Group's land bank for development up to the millenium.

The Board are confident of the Company's future prospects.

Finally, I would like to take this opportunity of thanking the staff and the Group's advisers for their continued effort and support during 1996.

*Stephen Dean*  
Chairman



DIRECTORS  
AND ADVISERS

COMPANY REGISTRATION NUMBER:

2806007

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REGISTERED OFFICE:

Dean House, Sovereign Court, Ermine Business Park, Huntingdon, Cambridgeshire PE18 6WA.

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DIRECTORS:

S Dean	(CHAIRMAN)
P Holmes	(FINANCE DIRECTOR)
L Chapman	
N Saunders	FCA (NON-EXECUTIVE)
C Glass	B.Sc. (Econ), FCA (NON-EXECUTIVE)

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SECRETARY:

N Saunders	FCA
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BANKERS:

Bank of Scotland, 14 Friar Lane, Leicester LE1 5RA.

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AUDITORS:

Ernst & Young, Cambridge House, 26 Tombland, Norwich NR3 1RH.

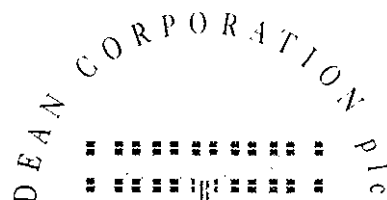
Spokes & Company, Hilden Park House, 79 Tonbridge Road, Hildenborough, Kent TN11 9BH.

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SOLICITORS:

Palmer Wheelodon, Daedalus House, Station Road, Cambridge CB1 2RE.

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## REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 December 1996.

### PRINCIPAL ACTIVITY

The principal activities of the Group during the period were the provision of building services, property maintenance and residential house building.

### REVIEW OF THE BUSINESS

Financial highlights are given on page 1 and further details of the activities in the year are given in the Chairman's Statement on page 3.

### RESULTS AND DIVIDENDS

The profit on ordinary activities after taxation was £676,358, (1995: £168,160). The directors propose to pay a final dividend of £138,894, being 0.3p per share making the aggregate dividend for the year 0.5p per share, £231,490, (1995: £72,516), and the remaining £444,868 (1995: £95,644) has been taken to reserves.

### DIRECTORS

The directors who held office during the year are as follows: S Dean, P Holmes, L Chapman, N Saunders, C Glass.

The directors' interests in the share capital of the Company are shown in the report of the remuneration committee on page 8.

### FIXED ASSETS

An analysis of changes in fixed assets is set out in notes 8 & 9.

### CHANGES IN SHARE CAPITAL

Details of changes in the Company's share capital in the year are given in note 17.

### CORPORATE GOVERNANCE

The directors have considered the Code of Best Practice, published in December 1992 by the Cadbury Committee on the Financial Aspects of Corporate Governance and, following a review of the company's procedures, whenever possible conduct the Company's business in accordance with the spirit of the recommendations therein.

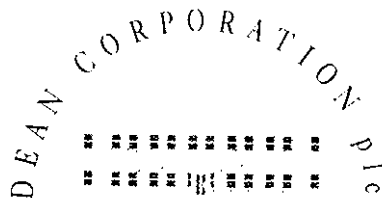
The Board however, feels it is important to recognise that what may be appropriate for larger companies may not be practical for smaller companies and this point has been made in the Cadbury Report. In deciding the extent to which such recommendations should be implemented, the board have in addition taken into account the cost of implementation. In view of the Group's present size a number of the Cadbury proposals would not be appropriate. An audit committee has been set up comprising C Glass, non-executive director, N Saunders, non-executive director, and P Holmes, finance director. A remuneration committee has also been established and the committees' report is included on page 8.

### GOING CONCERN

After making enquiries, the directors have reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the Going Concern basis in preparing the accounts.

### PAYMENT OF SUPPLIERS

It is the Company's policy to agree appropriate terms and conditions with suppliers and, subject to their compliance, to comply with the agreement.



## REPORT OF THE DIRECTORS

### DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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 the Group and of the profit and loss of the Group for that period. In preparing these 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
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements 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, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

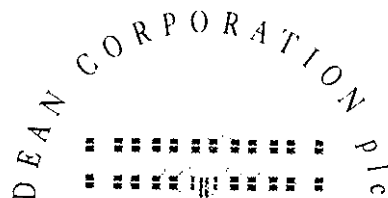
The directors confirm that they have complied with the above requirements in preparing these financial statements.

### AUDITORS

Grant Thornton resigned as auditors during the year. Ernst & Young and Spokes & Company were appointed to fill the casual vacancy and a resolution to appoint Ernst & Young and Spokes & Company as auditors in accordance with section 385 of the Companies Act will be proposed at the Annual General Meeting.

ON BEHALF OF THE BOARD

  
P Holmes  
Director  
21 April 1997



## REPORT OF THE REMUNERATION COMMITTEE

The remuneration committee is responsible for determining and reviewing the terms of appointment and the remuneration of executive directors. The committee also reviews the decisions of the chairman on the remuneration of the other senior executives to ensure that reasonable and consistent criteria are applied to the management and review of all senior executive benefits packages. The committee takes external advice, as appropriate, on remuneration issues and takes cognizance of major surveys covering all aspects of the pay and benefits of directors and senior executives in many companies. The committee's composition, responsibilities and operation comply with section A of the best practice provisions annexed to the Listing Rules of the London Stock Exchange. In implementing its policy, the committee has given full consideration to the provisions of section B of that annexe.

The committee aims to provide base salaries and benefits which are competitive in the relevant external market and which take account of company and individual performance thus enhancing the Group's ability to recruit and retain individuals of the calibre required for the continuing business success. It is the policy of the committee to provide financial incentives and reward superior performance over the medium and long term by creating opportunities to enable senior executives to earn cash bonuses and share-related payments which result from achievement of stretching performance targets.

The remuneration committee consists of Norman Saunders and Colin Glass, both of whom are non-executive directors of the Company.

The executive directors' service contracts, for a maximum 3 year term, provide notice periods of six months duration, which is considered appropriate to the current needs of the Company. No other director has a service contract.

*For the year ended 31 December 1996*

### DIRECTORS' REMUNERATION

Executives	Fees	Salary	Benefits	Total		Pensions Contribution	
				1996	1995	1996	1995
STEPHEN DEAN (CHAIRMAN)	-	-	74,703	74,703	16,342	40,000	2,000
PETER HOLMES	-	30,767	3,378	34,145	10,825	3,600	-
LYNDON CHAPMAN	-	40,400	3,698	44,098	11,872	4,200	-
<b>Non-Executives</b>							
NORMAN SAUNDERS	6,750	-	-	6,750	-	-	-
COLIN GLASS	3,000	-	-	3,000	-	-	-
<b>TOTAL</b>							
1996	9,750	71,167	81,779	162,696	-	47,800	-
1995	-	19,500	19,539	-	39,039	-	2,000



## REPORT OF THE REMUNERATION COMMITTEE

For the year ended 31 December 1996

ALL DIRECTORS Excluding pension and pension contributions		1996	1995
£0 -£5,000		1	2
£5,001 -£10,000		1	-
£10,001 -£15,000		-	2
£15,001 -£20,000		-	1
£20,001 -£25,000		1	-
£25,001 -£30,000		1	-
£30,001 -£35,000		1	-
£35,001 -£40,000		1	-
£40,001 -£45,000		1	-
£45,001 -£50,000		1	-
£50,001 -£55,000		1	-
£55,001 -£60,000		1	-
£60,001 -£65,000		1	-
£65,001 -£70,000		1	-
£70,001 -£75,000		1	-

### Benefits

Stephen Dean's emoluments were principally benefits in kind this year. The principal benefits provided to the other directors were a fully expensed car and medical insurance.

### Pensions

The executive directors each have money purchase personal pension arrangements. These arrangements are continually reviewed to ensure that they are appropriate.

### DIRECTORS' SHAREHOLDINGS

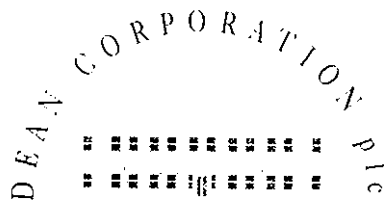
The directors' interests in the ordinary shares of the Company at the dates stated were as follows:-

	1996 Beneficial	1995 Beneficial	1996 Options	1995 Options
STEPHEN DEAN	24,240,013	25,000,000	-	3,000,000
PETER HOLMES	350,000	350,000	150,000	150,000
LYNDON CHAPMAN	250,000	-	250,000	250,000
NORMAN SAUNDERS	30,000	-	-	-
COLIN GLASS	116,666	41,666	-	-

At 31 December 1996 options were outstanding under the terms of the share option schemes to subscribe for ordinary shares as follows:

	At 31.12.95	Number Granted	Number Exercised	At 31.12.96	Exercise Price	Date from which Exercisable	Expiry Date
STEPHEN DEAN	3,000,000	-	3,000,000	-	-	-	-
PETER HOLMES	150,000	-	-	150,000	10p	04.10.98	04.10.05
LYNDON CHAPMAN	250,000	-	-	250,000	10p	04.10.98	04.10.05

Between 1 January 1997 and 21 April 1997 Stephen Dean purchased a further 300,000 shares.



REPORT OF THE AUDITORS  
TO THE MEMBERS OF DEAN CORPORATION PLC

We have audited the financial statements on pages 11 to 33 which have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and on the basis of the accounting policies set out on page 15.

RESPECTIVE RESPONSIBILITIES OF  
DIRECTORS AND AUDITORS

As described on page 7 the 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 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, 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 and of the Group at 31 December 1996 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

ERNST & YOUNG  
CHARTERED ACCOUNTANTS  
REGISTERED AUDITOR  
NORWICH  
21 APRIL 1997

*Ernst & Young*

SPOKES & COMPANY  
CHARTERED ACCOUNTANTS  
REGISTERED AUDITOR  
HILDENBOROUGH  
21 APRIL 1997

*Spokes & Company*

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 1996

NOTES

		52 WEEKS TO 31 DECEMBER 1996	51 WEEKS TO 31 DECEMBER 1995 AS RESTATED
	£	£	£
1 TURNOVER			
EXISTING OPERATIONS	9,953,973		1,464,242
ACQUISITIONS	4,624,584		1,511,251
DISCONTINUED OPERATIONS	285,206		31,113
		14,863,763	3,006,606
COST OF SALES		(12,091,991)	(2,390,208)
GROSS PROFIT		2,771,772	616,398
ADMINISTRATIVE EXPENSES		(1,901,368)	(392,539)
OTHER OPERATING INCOME		24,458	
OPERATING PROFIT			
EXISTING OPERATIONS	713,800		107,205
ACQUISITIONS	314,786		129,316
DISCONTINUED OPERATIONS	(133,724)		(12,662)
		894,862	223,859
INTEREST RECEIVABLE		37,000	16,151
3 INTEREST PAYABLE		(90,242)	(27,504)
23 INCOME FROM PARTICIPATING INTEREST		89,628	-
1 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		931,248	212,506
4 TAXATION		(254,890)	(44,346)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		676,358	168,160
6 DIVIDENDS		(231,490)	(72,516)
18 RETAINED PROFIT FOR THE YEAR		444,868	95,644
7 EARNINGS PER SHARE		1.66p	0.92p

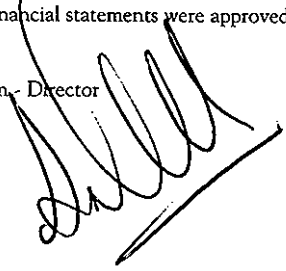
There were no recognised gains or losses other than the profit for the year.

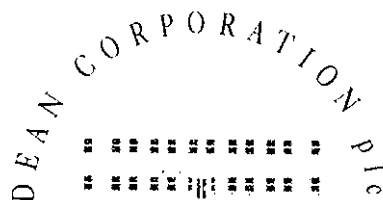
CONSOLIDATED BALANCE SHEET  
AT 31 DECEMBER 1996

NOTES	31 DECEMBER 1996	31 DECEMBER 1995
	£	£
<b>FIXED ASSETS</b>		
8 INTANGIBLE FIXED ASSETS	30,000	-
9 TANGIBLE FIXED ASSETS	897,995	555,321
10 INVESTMENTS	24,358	98,502
	952,353	653,823
<b>CURRENT ASSETS</b>		
11 STOCKS AND WORK IN PROGRESS	2,245,496	1,638,333
12 DEBTORS	4,426,248	1,015,434
CASH AT BANK AND IN HAND	1,790,455	255,635
	8,462,199	2,909,402
13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	(5,953,298)	(1,979,409)
<b>NET CURRENT ASSETS</b>	2,508,901	929,993
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	3,461,254	1,583,816
14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	(457,492)	(243,454)
16 PROVISION FOR LIABILITIES AND CHARGES	(2,226)	(850)
	3,001,536	1,339,512
<b>CAPITAL AND RESERVES</b>		
17 CALLED UP SHARE CAPITAL	231,490	147,460
18 SHARE PREMIUM ACCOUNT	1,440,684	1,754,106
18 CAPITAL RESERVE	664,889	(661,499)
18 PROFIT AND LOSS ACCOUNT	496,603	99,445
19 EQUITY SHAREHOLDERS' FUNDS	2,833,666	1,339,512
MINORITY INTERESTS (Non Equity)	167,870	-
	3,001,536	1,339,512

The financial statements were approved by the Board of Directors on 21 April 1997

S Dean, Director



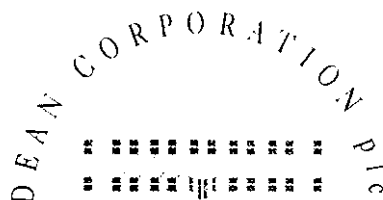


# B A L A N C E   S H E E T A T   3 1   D E C E M B E R   1 9 9 6

NOTES		31 DECEMBER 1996	31 DECEMBER 1995
		£	£
FIXED ASSETS			
9	TANGIBLE FIXED ASSETS	378,434	3,228
10	INVESTMENTS	1,352,216	1,025,148
		1,730,650	1,028,376
CURRENT ASSETS			
11	STOCKS AND WORK IN PROGRESS	—	58,000
12	DEBTORS	1,953,740	1,211,653
	CASH AT BANK AND IN HAND	689,807	145,500
		2,643,547	1,415,153
13	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	(525,643)	(495,481)
	NET CURRENT ASSETS	2,117,904	919,672
	TOTAL ASSETS LESS CURRENT LIABILITIES	3,848,554	1,948,048
14	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	(146,666)	—
16	PROVISION FOR LIABILITIES AND CHARGES	(2,226)	(850)
		3,699,662	1,947,198
CAPITAL AND RESERVES			
17	CALLED UP SHARE CAPITAL	231,490	147,460
18	SHARE PREMIUM ACCOUNT	1,440,684	1,754,106
18	CAPITAL RESERVE	1,992,025	—
18	PROFIT AND LOSS ACCOUNT	35,463	45,632
	EQUITY SHAREHOLDERS' FUNDS	3,699,662	1,947,198

The financial statements were approved by the Board of Directors on 21 April 1997

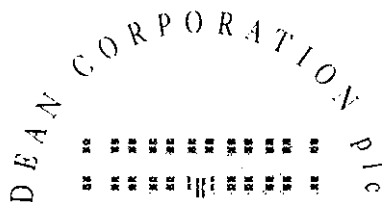
S Dean - Director



# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 1996

NOTES	YEAR TO		51 WEEKS TO	
	31 DECEMBER 1996		31 DECEMBER 1995	
	£		£	
20 NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	379,531		(168,979)	
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
INTEREST RECEIVED	37,000		16,151	
INTEREST PAID	(90,242)		(27,495)	
DIVIDENDS PAID	(165,112)		-	
NET CASH (OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(218,354)		(11,344)	
TAXATION				
UK CORPORATION TAX PAID	(37,697)		(20,050)	
INVESTING ACTIVITIES				
PURCHASE/SALE OF TANGIBLE FIXED ASSETS	(460,310)		(147,274)	
PURCHASE OF INTANGIBLE FIXED ASSETS	(30,000)		-	
22,23 PURCHASE OF SUBSIDIARY UNDERTAKINGS	(396,403)		(893,858)	
DISPOSAL OF SUBSIDIARY UNDERTAKINGS	99,387		-	
SALE/PURCHASE OF INVESTMENT IN OTHER ENTITIES	74,144		(100,000)	
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES	(713,182)		(1,141,132)	
NET CASH (OUTFLOW) BEFORE FINANCING	(589,702)		(1,341,505)	
FINANCING				
ISSUE OF SHARES/COSTS	1,762,633		1,532,441	
ADDITIONS TO/(REPAYMENT OF) BORROWING	84,851		(465,646)	
CAPITAL ELEMENT OF FINANCE LEASES	20,657		(23,304)	
24 NET CASH INFLOW FROM FINANCING	1,868,141		1,043,491	
25, 26 INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,278,439		(298,014)	



## P R I N C I P A L A C C O U N T I N G P O L I C I E S

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention. The principal accounting policies of the group have remained unchanged from the previous period and are set out below.

### BASIS OF CONSOLIDATION

The Group financial statements consolidate those of the Company and of its subsidiary undertakings (see note 10) drawn up to 31 December 1996. The results of subsidiary undertakings acquired or disposed of during the year have been included from the date of acquisition or up until the date of disposal. Profits or losses on intra-group transactions are eliminated in full. On acquisition of a subsidiary, all of the subsidiary's assets and liabilities which exist at the date of acquisition are recorded at their fair values reflecting their condition at that date.

Goodwill arising on consolidation, representing the excess of the fair value of the consideration given over the fair values of the identifiable net assets acquired, is written off to reserves immediately on acquisition.

### TURNOVER

Turnover represents the value of work done for customers during the year excluding VAT.

Profit is recognised on work-in progress contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as

that proportion of total contract value which costs to date bear to total expected costs for that contract.

### STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost is determined on a purchase cost basis. Work in progress includes materials and labour costs and an appropriate proportion of overheads incurred on incomplete contracts at the year end. Profit is recognised on long term contracts, if the final outcome can be assessed with reasonable certainty by including in the profit and loss account turnover and related costs as contract activity progresses.

### LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments made under them are charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

### DEFERRED TAXATION

Deferred taxation is provided for under the liability method using tax rates estimated to apply when timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise.

### DEPRECIATION

Depreciation has been provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Freehold Buildings	2% per annum on the straight line basis
Leasehold improvements	33% per annum on the straight line basis
Motor vehicles	20-25% per annum on the straight line basis
Fixtures and fittings	15-25% per annum on the straight line basis
Office equipment	25% per annum on the straight line basis
Plant and machinery	15% per annum on the straight line basis

Purchased goodwill is capitalised and amortised over its useful economic life, which is assessed at 5 years. An annual review is made by the directors as to the economic life of all assets.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1996

### 1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover is generated from property-related activities within the UK, the analysis between existing operations, acquisitions and discontinued operations is shown on page 11.

The following analysis relates to the 52 weeks ended 31 December 1996.

	31 DECEMBER 1996			31 DECEMBER 1995 AS RE-STATED		
	EXISTING OPERATIONS	ACQUISITIONS	DISCONTINUED OPERATIONS	EXISTING OPERATIONS	ACQUISITIONS	DISCONTINUED OPERATIONS
COST OF SALES	8,047,614	3,852,088	192,289	1,150,424	1,220,866	18,918
GROSS PROFIT	1,906,359	772,496	92,917	313,818	290,385	12,195
ADMINISTRATIVE EXPENSES	1,192,559	457,710	226,641	206,613	161,069	24,857

Profit on ordinary activities before taxation is stated after charging/(crediting) the following:

	31 DECEMBER 1996	31 DECEMBER 1995
	£	£
DEPRECIATION	87,805	29,282
LOSS ON DISPOSAL OF FIXED ASSETS	22,594	-
RENT RECEIVABLE	(21,458)	-
AUDITORS' REMUNERATION - AUDIT SERVICES	35,000	19,840
- OTHER SERVICES	14,496	19,015
HIRE OF PLANT AND MACHINERY	134,080	112,770
OTHER OPERATING LEASE RENTALS	94,827	29,354

### 2 EMPLOYEES

	31 DECEMBER 1996	31 DECEMBER 1995
	£	£
Staff costs (including directors) during the year were as follows:		
WAGES AND SALARIES	1,570,552	259,217
SOCIAL SECURITY COSTS	149,727	24,962
OTHER PENSION COSTS	83,140	11,893
	1,803,419	296,072

	Number	Number
The average weekly number of employees of the Group during the year was as follows:		
ADMINISTRATION	29	19
OPERATIONS	95	28
	124	47



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1996

	52 WEEKS TO 31 DECEMBER 1996	51 WEEKS TO 31 DECEMBER 1995
<b>3 INTEREST PAYABLE</b>	£	£
HIRE PURCHASE AND FINANCE LEASES	8,777	542
BANK OVERDRAFTS REPAYABLE OTHERWISE THAN BY INSTALMENTS WITHIN 5 YEARS	62,301	17,499
BANK OVERDRAFTS REPAYABLE OTHERWISE THAN BY INSTALMENTS AFTER 5 YEARS	19,164	9,463
	<u>90,242</u>	<u>27,504</u>
<b>4 TAXATION</b>	£	£
CORPORATION TAX CHARGE AT 25%-33%	260,728	44,346
ADJUSTMENT TO PRIOR PERIOD	(7,811)	-
DEFERRED TAX	1,973	-
	<u>254,890</u>	<u>44,346</u>
<b>5 PROFIT FOR THE FINANCIAL YEAR</b>		
The Parent Company has taken advantage of section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The Group result for the year includes a loss of £10,169 (1995: profit £114,347) which is dealt with in the financial statements of the Company.		
<b>6 DIVIDENDS</b>	£	£
PROPOSED EQUITY DIVIDEND AT 0.3p PER SHARE (1995 0.2p)	138,894	72,516
INTERIM EQUITY DIVIDEND AT 0.2p PER SHARE (1995 Nil)	92,596	-
	<u>231,490</u>	<u>72,516</u>

### 7 EARNINGS PER SHARE

The calculation of earnings per share is based on the profit for the financial year and on a weighted average number of shares in issue during the year of 40,708,950 ordinary shares of 1/2p. (1995 weighted average 18,183,328).

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1996

### 8 INTANGIBLE FIXED ASSETS

	1996	1995
GROUP AND COMPANY	Purchased Goodwill	Purchased Goodwill
ACQUIRED IN YEAR AT COST - DECORATING DIVISION	30,000	—

Goodwill is to be written off in equal instalments over its estimated useful economic life of 5 years. The trade acquired is anticipated to exist for at least 5 years from 31 December 1996. No amortisation charge has been made in these accounts due to the proximity of the purchase to 31 December 1996.

### 9 TANGIBLE FIXED ASSETS

The Group	Freehold land and buildings	Leasehold improve- ments	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£	£	£
<b>COST</b>						
AT 31 DECEMBER 1995	200,000	30,470	122,022	188,842	177,869	719,203
ADDITIONS	334,090	11,255	42,088	25,663	104,146	517,242
ACQUISITION OF SUBSIDIARY UNDERTAKINGS	—	—	—	65,459	282,809	348,268
DISPOSALS OF SUBSIDIARY UNDERTAKINGS	—	(7,096)	(38,463)	(13,331)	(39,025)	(97,915)
DISPOSALS	—	—	(3,690)	(81,234)	(20,319)	(105,243)
AT 31 DECEMBER 1996	534,090	34,629	121,957	185,399	505,480	1,381,555
<b>DEPRECIATION</b>						
AT 31 DECEMBER 1995	—	1,009	33,907	68,779	60,187	163,882
PROVIDED IN THE YEAR	3,392	10,704	16,243	21,216	36,250	87,805
ACQUISITION OF SUBSIDIARY UNDERTAKINGS	—	—	—	46,992	245,423	292,415
DISPOSALS OF SUBSIDIARY UNDERTAKINGS	—	(1,161)	(9,953)	(10,887)	(12,824)	(34,825)
ELIMINATED ON DISPOSALS	—	—	—	(22,274)	(3,443)	(25,717)
AT 31 DECEMBER 1996	3,392	10,552	40,197	103,826	325,593	483,560
<b>NET BOOK VALUE</b>						
AT 31 DECEMBER 1996	530,698	24,077	81,760	81,573	179,887	897,995
AT 31 DECEMBER 1995	200,000	29,461	88,115	120,063	117,682	555,321

The figures above include assets held under finance leases as follows:

NET BOOK VALUE AT 31 DECEMBER 1996	—	—	69,375	11,235	—	80,610
NET BOOK VALUE AT 31 DECEMBER 1995	—	—	12,562	91,431	—	103,993
DEPRECIATION PROVIDED IN THE YEAR	—	—	5,625	3,160	—	8,785



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1996

### 10 FIXED ASSET INVESTMENTS

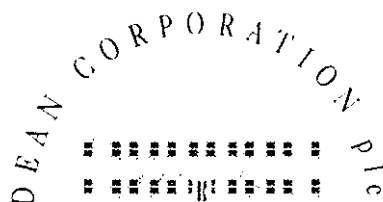
	THE GROUP		THE COMPANY	
	31 DECEMBER 1996	31 DECEMBER 1995	31 DECEMBER 1996	31 DECEMBER 1995
	£	£	£	£
INVESTMENTS IN SUBSIDIARY UNDERTAKINGS (a)	-	-	1,327,858	926,646
LISTED INVESTMENTS AT COST (b)	24,358	98,502	24,358	98,502
	24,358	98,502	1,352,216	1,025,148

(a) At 31 December 1996 the Company held the following interests in subsidiary undertakings all of which are included within the consolidated accounts.

NAME	COUNTRY OF REGISTRATION	CLASS OF SHARE CAPITAL HELD	PROPORTION HELD	NATURE OF BUSINESS
DEAN HOMES LIMITED	ENGLAND AND WALES	ORDINARY	100%	HOUSE BUILDING
JC TRIPP AND SON LIMITED	ENGLAND AND WALES	ORDINARY	100%	PROPERTY MAINTENANCE
SPEYMILL TRIPP LIMITED	ENGLAND AND WALES	ORDINARY	100%	REFURBISHMENT CONTRACTORS
SPEYMILL SERVICES LIMITED	ENGLAND AND WALES	ORDINARY	100%	BUILDING SERVICES
H. PAGE ENGINEERING SERVICES LIMITED	ENGLAND AND WALES	ORDINARY PREFERENCE	100% 55%	BUILDING SERVICES

For details of the acquisitions of Speymill Tripp Limited and H. Page Engineering Services Limited see notes 22 and 23 respectively.

(b) The listed investment had a market value at 31st December 1996 of £27,665 (1995: £66,000).



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1996

	THE GROUP		THE COMPANY	
	31 DECEMBER 1996	31 DECEMBER 1995	31 DECEMBER 1996	31 DECEMBER 1995
	£	£	£	£
<b>11 STOCKS AND WORK IN PROGRESS</b>				
MATERIALS	142,900	32,993	-	-
WORK IN PROGRESS	869,634	554,123	-	-
FINISHED PROPERTIES	1,232,962	1,051,217	-	58,000
	<u>2,245,496</u>	<u>1,638,333</u>	<u>-</u>	<u>58,000</u>
<b>12 DEBTORS</b>				
TRADE DEBTORS	2,456,414	285,976	10,997	19,576
AMOUNTS OWED BY SUBSIDIARY UNDERTAKINGS	-	-	1,146,107	1,138,088
RECOVERABLE CORPORATION TAX	34,723	19,950	34,723	18,129
AMOUNTS RECOVERABLE ON CONTRACTS	614,253	154,219	-	-
OTHER DEBTORS	186,276	86,776	92,591	10,425
DIVIDEND RECEIVABLE	-	-	650,000	-
PREPAYMENTS AND ACCRUED INCOME	1,134,582	468,513	19,322	25,435
	<u>4,426,248</u>	<u>1,015,434</u>	<u>1,953,740</u>	<u>1,211,653</u>
<b>13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>				
BANK OVERDRAFT	599,695	343,314	-	-
OTHER LOANS (NOTE 15)	43,500	11,600	40,000	-
TRADE CREDITORS	3,242,072	619,089	51,067	108,645
AMOUNTS OWED TO SUBSIDIARY UNDERTAKINGS	-	-	119,783	5,000
CORPORATION TAX	293,193	62,601	34,723	18,129
SOCIAL SECURITY AND OTHER TAXES	777,446	273,880	15,137	13,858
PROPOSED DIVIDENDS	138,894	72,516	138,894	72,516
OTHER CREDITORS	5,706	320,846	-	242,000
ACCRUALS	810,827	223,621	126,039	35,333
AMOUNTS DUE UNDER FINANCE LEASES (NOTE 15)	41,965	51,942	-	-
	<u>5,953,298</u>	<u>1,979,409</u>	<u>525,643</u>	<u>495,481</u>

The bank overdrafts and loans are secured by a fixed and floating charge over the assets of the Group.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1996

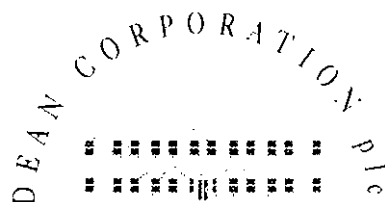
	THE GROUP		THE COMPANY	
	31 DECEMBER 1996 £	31 DECEMBER 1995 £	31 DECEMBER 1996 £	31 DECEMBER 1995 £
14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR				
BANK LOANS AND MORTGAGES (NOTE 15)	401,049	217,645	146,666	-
AMOUNTS DUE UNDER FINANCE LEASES (NOTE 15)	56,443	25,809	-	-
	457,492	243,454	146,666	-

The mortgages, which are secured on the freehold properties of the group are at a commercial rate of interest.

### 15 BORROWINGS

*Borrowings are repayable as follows*

WITHIN ONE YEAR				
BANK AND OTHER BORROWINGS	643,195	354,914	40,000	-
FINANCE LEASES	41,965	51,942	-	-
AFTER ONE AND WITHIN TWO YEARS				
BANK AND OTHER BORROWINGS	61,462	11,600	40,000	-
FINANCE LEASES	18,943	24,871	-	-
AFTER TWO AND WITHIN FIVE YEARS				
BANK AND OTHER BORROWINGS	171,051	34,550	106,666	-
FINANCE LEASES	37,500	938	-	-
AFTER FIVE YEARS				
BANK AND OTHER BORROWINGS	168,536	171,495	-	-
FINANCE LEASES	-	-	-	-
	1,142,252	650,310	186,666	-
BORROWINGS REPAYABLE AFTER FIVE YEARS COMPRISE:				
REPAYABLE BY INSTALMENTS				
BANK LOANS AND OTHER BORROWINGS	168,536	171,495	-	-
The total value of borrowings repayable by instalments any part of which falls due after five years is as follows:				
BANK LOANS AND OTHER BORROWINGS	186,036	189,495	-	-



DEAN CORPORATION PLC

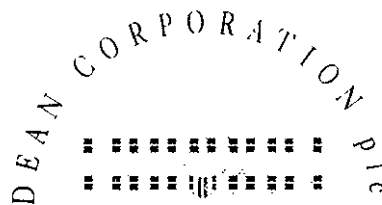
NOTES TO THE  
FINANCIAL STATEMENTS

For the year ended 31 December 1996

	THE GROUP		THE COMPANY	
	31 DECEMBER 1996 £	31 DECEMBER 1995 £	31 DECEMBER 1996 £	31 DECEMBER 1995 £
16 PROVISIONS FOR LIABILITIES AND CHARGES				
<i>Deferred taxation provided for in the financial statements is set out below:</i>				
ACCELERATED CAPITAL ALLOWANCES	2,226	850	2,226	850
There are no unprovided deferred taxation liabilities.				

	31 DECEMBER 1996 £	31 DECEMBER 1995 £
17 SHARE CAPITAL		
AUTHORISED:		
60,000,000 ORDINARY SHARES OF 1/2 PENCE (31 DECEMBER 1995:		
40,000,000 ORDINARY SHARES OF 1/2 PENCE EACH)	300,000	200,000
ALLOTTED CALLED UP AND FULLY PAID:		
46,298,123 ORDINARY SHARES OF 1/2 PENCE EACH (31 DECEMBER 1995:		
29,492,123 ORDINARY SHARES OF 1/2 PENCE EACH)	231,490	147,460

	AGGREGATE NOMINAL VALUE £	CONSIDERATION £
ALLOTMENTS DURING THE YEAR		
(A) ISSUE OF 400,000 1/2 PENCE ORDINARY SHARES FOR CASH TO WORKING CAPITAL	2,000	40,000
(B) ISSUE OF 250,000 1/2 PENCE ORDINARY SHARES TO A DIRECTOR AT PAR	1,250	1,250
(C) 13 PLACINGS TO ISSUE 13,140,000 1/2 PENCE ORDINARY SHARES FOR CASH TO WORKING CAPITAL	65,700	1,437,400
(D) ISSUE OF 16,000 1/2 PENCE ORDINARY SHARES FOR CASH TO WORKING CAPITAL	80	1,920
(E) ISSUE OF 3,000,000 1/2 PENCE ORDINARY SHARES TO A DIRECTOR TO SATISFY A WARRANT @ 12P PER SHARE	15,000	360,000



## NOTES TO THE FINANCIAL STATEMENTS

*For the year ended 31 December 1996*

### 17 SHARE CAPITAL (Continued)

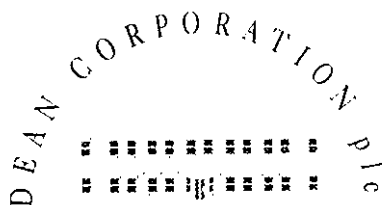
#### CONTINGENT RIGHTS TO THE ALLOTMENT OF SHARES

On 4 October 1995, the Company issued options to subscribe for 1/2p ordinary shares at a subscription price of 10p per share to the following directors:

	NUMBER
Peter Holmes	150,000
Lyndon Chapman	250,000

These options are exercisable at any time between 4 October 1998 to 4 October 2005 and all remained unexercised at the year end.





## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1996

### 18 SHARE PREMIUM ACCOUNT AND RESERVES

NOTES	The Group			The Company		
	Share premium account	Capital reserve	Profit and loss account	Share premium account	Profit and loss account	Capital reserve
	£	£	£	£	£	£
AT 31 DECEMBER 1995	1,754,106	(661,499)	99,445	1,754,106	45,632	-
(A) TRANSFER TO CREATE CAPITAL RESERVE	(2,000,000)	2,000,000	-	(2,000,000)	-	2,000,000
(B) COSTS OF COURT APPLICATION	-	(7,975)	-	-	-	(7,975)
(C) PREMIUM ON ALLOTMENTS DURING PERIOD	1,756,540	-	-	1,756,540	-	-
ISSUE COSTS	(69,962)	-	-	(69,962)	-	-
(D) GOODWILL ON ACQUISITIONS	-	(777,288)	-	-	-	-
(E) GOODWILL WRITTEN OFF	-	111,651	(47,710)	-	-	-
RETAINED PROFIT FOR THE YEAR	-	-	444,868	-	(10,169)	-
AT 31 DECEMBER 1996	1,440,684	664,889	496,603	1,440,684	35,463	1,992,025

(A) Following the Court approval obtained on 27 November 1996, £2,000,000 was transferred from the Share Premium Account to a Capital Reserve Account to be used to eliminate goodwill on acquisitions.

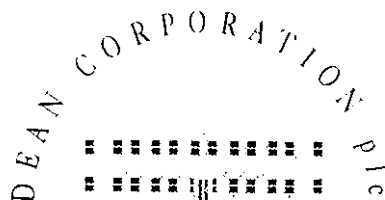
(B) Costs associated with (A).

(C) Premium on Share Issues (see Note 17).

(D) See notes 22 & 23.

(E) Goodwill written off on disposal of Protec Industrial Coatings LTD

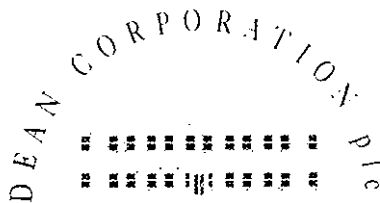
The Capital Reserve is a non-distributable reserve.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1996

	31 DECEMBER 1996	31 DECEMBER 1995
	£	£
<b>19 RECONCILIATION OF SHAREHOLDERS' FUNDS</b>		
PROFIT FOR THE YEAR	444,868	95,644
NET MOVEMENT ON SHARE ISSUES	1,762,633	1,188,942
GOODWILL ON ACQUISITIONS	(777,288)	—
GOODWILL ON DISPOSALS	63,941	—
<b>NET MOVEMENT IN SHAREHOLDERS' FUNDS</b>	<b>1,494,154</b>	<b>1,284,586</b>
OPENING SHAREHOLDERS' FUNDS	1,339,512	54,926
<b>CLOSING SHAREHOLDERS' FUNDS (EQUITY)</b>	<b>2,833,666</b>	<b>1,339,512</b>
	31 DECEMBER 1996	31 DECEMBER 1995
	£	£
<b>20 NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>		
OPERATING PROFIT	894,862	223,859
DEPRECIATION	87,805	29,282
LOSS ON SALE OF TANGIBLE FIXED ASSETS	22,594	18,670
DECREASE/(INCREASE) IN STOCK	550,977	(609,384)
(INCREASE) IN DEBTORS	(2,192,967)	(150,764)
INCREASE IN CREDITORS	1,016,260	317,860
WRITE DOWN IN INVESTMENTS	—	1,498
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>379,531</b>	<b>(168,979)</b>



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1996

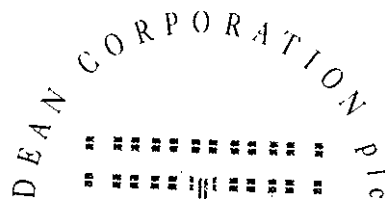
### 21 DISPOSAL OF PROTEC INDUSTRIAL COATINGS LIMITED

On 12 September 1996, the Company disposed of its holding of 15,000 ordinary £1 shares of £1 each in Protec Industrial Coatings Limited for a consideration of £1.

	YEAR ENDED 31 DECEMBER 1996 £
NET CASH FLOW FROM OPERATING ACTIVITIES	(67,936)
RETURNS ON INVESTMENT AND SERVICING OF FINANCE	(3,618)
CAPITAL EXPENDITURE	15,853
	(55,701)
FINANCING	(10,637)
MOVEMENT IN CASH	(66,338)

Analysis of the net inflow of cash and cash equivalents in respect of the disposal of the subsidiary undertaking:

	£
CASH CONSIDERATION	1
BANK OVERDRAFT	99,386
NET CASH INFLOW	99,387



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1996

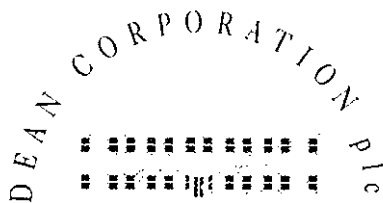
### 22 ACQUISITION OF SPEYMILL TRIPP LIMITED

On 30 June 1996, the Company acquired 100 ordinary shares of £1 in Speymill Tripp Limited, being 100% of its nominal share capital for a consideration of £245,000, satisfied by cash. Goodwill arising on the acquisition of Speymill Tripp Limited has been written off to reserves. The purchase of Speymill Tripp Limited has been accounted for by the acquisition method of accounting.

The profit after taxation of Speymill Tripp Limited for the period from 1 January to the date of the acquisition was £4,134.

The assets and liabilities of Speymill Tripp Limited acquired were as follows.

	BOOK VALUE
	£
TANGIBLE FIXED ASSETS	
CURRENT ASSETS	12,541
STOCKS AND WIP	
DEBTORS	2,867
<b>TOTAL ASSETS</b>	<b>717,933</b>
	<b>733,341</b>
BANK OVERDRAFT	
TRADE CREDITORS	115,972
OTHER CREDITORS	522,803
<b>TOTAL LIABILITIES</b>	<b>116,557</b>
	<b>755,332</b>
NET LIABILITIES	
PURCHASED GOODWILL TAKEN TO RESERVES	(21,991)
CONSIDERATION SATISFIED IN FULL BY CASH	266,991
	<b>245,000</b>



DEAN CORPORATION PLC

NOTES TO THE  
FINANCIAL STATEMENTS

For the year ended 31 December 1996

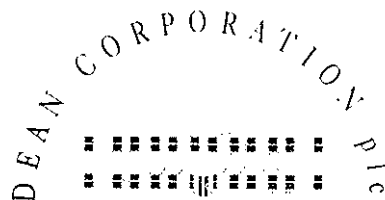
22 ACQUISITION OF SPEYMILL TRIPP LIMITED (Continued)

*Speymill Tripp Limited made the following contribution to, and utilisation of, Group cash flow:*

	£
NET CASH FLOW FROM OPERATING ACTIVITIES	935,559
RETURNS ON INVESTMENT AND SERVICING OF FINANCE	2,526
CAPITAL EXPENDITURE	(16,828)
MOVEMENT IN CASH	921,257

Analysis of the net outflow of cash and cash equivalents in respect of the purchase of the subsidiary undertaking

	£
CASH CONSIDERATION	245,000
BANK OVERDRAFT	115,972
NET CASH OUTFLOW	360,972



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1996

### 23 ACQUISITION OF H PAGE ENGINEERING SERVICES LIMITED

On 16 February 1996, the Company acquired 42,597 ordinary shares of £1 each in H Page Engineering Services Limited, being 40% of its share capital, for a consideration of £42,597, satisfied in cash. The Company has accounted for H Page Engineering Services Limited as an associated undertaking from 17 February 1996 to 14 November 1996.

On 14 November 1996, the Company acquired the balance of the ordinary shares of £1 each in H Page Engineering Services Limited. The consideration is calculated in accordance with the share purchase agreement which provided for the purchase price being determined by a multiple of the 1997 pre tax profits, subject to other various restrictions and adjustments. At 31 December 1996, the Company held 203,661 preference shares of £1 each in H Page Engineering Services Limited.

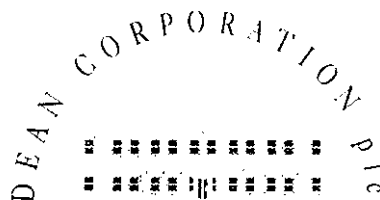
The loss after taxation for H Page Engineering Services Limited for the year ended 31 March 1996 was £212,420, of which £19,462 related to the period of ownership and is accounted for in the Group results.

The assets and liabilities of H Page Engineering Services Limited acquired were as follows:

	BOOK VALUE £	ADJUSTMENTS £	FAIR VALUE £
TANGIBLE FIXED ASSETS	43,312		43,312
CURRENT ASSETS			
STOCKS AND WIP	1,233,231	(75,000)	1,158,231
DEBTORS	634,583	(50,418)	584,165
CASH AT BANK	37,512		37,512
<b>TOTAL ASSETS</b>	<b>1,948,638</b>	<b>(125,418)</b>	<b>1,823,220</b>
TRADE CREDITORS	(1,697,682)		(1,697,682)
OTHER CREDITORS	(135,886)		(135,886)
<b>TOTAL LIABILITIES</b>	<b>(1,833,568)</b>	<b>0</b>	<b>(1,833,568)</b>
<b>NET ASSETS/(LIABILITIES)</b>	<b>115,070</b>	<b>(125,418)</b>	<b>(10,348)</b>
PURCHASED GOODWILL TAKEN TO RESERVES			420,669
			410,321
<b>SATISFIED BY:</b>			
DEFERRED CONTINGENT CONSIDERATION PROVIDED			
CASH			42,597
EXPENSES			24,346
CONSIDERATION PAID FOR EQUITY INTEREST			66,943
PREFERENCE SHARES			100,000
LOANS CONVERTED TO PREFERENCE SHARES			243,378
			410,321

Purchased goodwill in the year is increased by the Company's share of profits in the period 17 February 1996 to 13 November 1996, when H Page was classified as an associated undertaking.

The period over which the contingent consideration will be calculated and agreed extends to 1999. No provision has been made because the consideration is dependant upon future earnings and other related factors which cannot be quantified with any accuracy at this stage. The aggregate unprovided contingent consideration falling due between 1998 & 1999 is estimated to fall within the range of £nil to £500,000.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1996

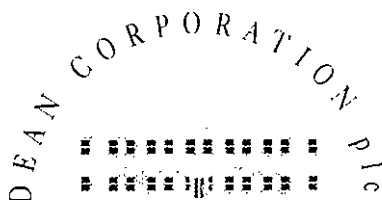
### 23 ACQUISITION OF H PAGE ENGINEERING SERVICES LIMITED (Continued)

*H Page Engineering Services Limited made the following contribution to, and utilisation of, Group cash flow.*

	£
NET CASH FLOW FROM OPERATING ACTIVITIES	241,603
RETURNS ON INVESTMENT AND SERVICING OF FINANCE	(1,793)
INVESTING ACTIVITIES	239,810
FINANCING	(552)
MOVEMENT IN CASH	239,258
Analysis of the net outflow of cash and cash equivalents in respect of the purchase of the subsidiary undertaking:	
CASH CONSIDERATION	42,597
CASH AT BANK ACQUIRED	(37,512)
	5,085
EXPENSES	24,346
NET CASH OUTFLOW	29,431







# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1996

## 26 ANALYSIS OF CASH AND CASH EQUIVALENTS

	31 DECEMBER 1996	31 DECEMBER 1995	6 JANUARY 1995	CHANGE IN 52 WEEKS TO 31 DECEMBER 1996	CHANGE IN 51 WEEKS 31 DECEMBER 1995
	£	£	£	£	£
CASH AT BANK AND IN HAND	1,790,455	255,635	210,335	1,534,820	45,300
BANK OVERDRAFTS	(599,695)	(343,314)	-	(256,381)	(343,314)
	<u>1,190,760</u>	<u>(87,679)</u>	<u>210,335</u>	<u>1,278,439</u>	<u>(298,014)</u>

## 27 CAPITAL COMMITMENTS

There were no capital commitments at 31 December 1996 or at 31 December 1995.

## 28 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 1996 (1995: Nil), other than the acquisition of H Page Engineering Services Limited, disclosed in note 23.

## 29 LEASING COMMITMENTS

Operating lease payments amounting to £337,951 are due within one year (1995 : £ 60,960). The leases to which these accounts relate expire as follows:

	31 DECEMBER 1996		31 DECEMBER 1995	
	LAND AND BUILDINGS	OTHER	LAND AND BUILDINGS	OTHER
	£	£	£	£
BETWEEN ONE AND FIVE YEARS	<u>60,000</u>	<u>277,951</u>	<u>9,576</u>	<u>51,384</u>

## 30 POST BALANCE SHEET EVENTS

Since the year end, the Company has acquired 1,640,362 ordinary 2p shares in Superframe plc and an option over a further 400,000 ordinary 2p shares. These holdings represent approximately 25.8% of the issued share capital of Superframe plc.

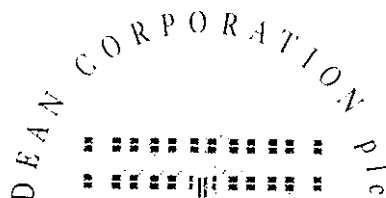
## 31 RELATED PARTY TRANSACTIONS

The Group acquired the entire issued share capital of Speymill Tripp LTD for £245,000 from Hemery Nominees LTD, a Company in which Stephen Dean had a beneficial interest.

Consultancy services to the value of £15,600 were provided by WG Investments LTD a Company in which Colin Glass had a beneficial interest.

During the year the Company disposed of certain listed company investments at full market value to Taurus Pension Fund, (The personal pension fund of Stephen Dean and other family members).

On the disposal of Protec Industrial Coatings LTD in September 1996 for £1, Stephen Dean retained a nominee interest in the shares of this Company in order to protect the financial interest of Dean Corporation PLC. At the date of disposal, the Company had a deficit of assets of £66,338 and shortly thereafter went into liquidation. No distribution is anticipated to be made by the liquidator to the unsecured creditors or Shareholders.



## N O T I C E O F M E E T I N G

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at The Old Bridge Hotel, Huntingdon, Cambridgeshire on Wednesday, 21st May 1997 at 12.00 am when the following ordinary business and special business will be considered:

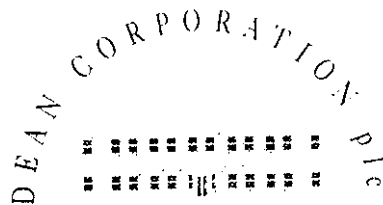
<u>ORDINARY BUSINESS</u>	<u>RESOLUTION ON PROXY FORM</u>
1 To receive and consider the report of the Directors and the audited accounts for the year ended 31st December 1996.	Res. No. 1
2 To declare a dividend.	Res. No. 2
3 To re-elect Stephen Dean as a Director of the Company.	Res. No. 3
4 To re-elect Peter Holmes as Director of the Company.	Res. No. 4
5 To determine the remuneration of the Directors.	Res. No. 5
6 To re-appoint Ernst & Young and Spokes and Company auditors and to authorise the Directors to determine the auditors' remuneration.	Res. No. 6

### SPECIAL BUSINESS

- 7 To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That the Directors be and are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (as defined in Section 80, Companies Act 1985) up to an aggregate nominal amount of £34,724; provided that –

- (a) this authority shall expire on 20th May 2002, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry, and the Directors may allot relevant securities in pursuant of such an offer or agreement as if this authority had not expired; and
- (b) all previous authorisations given to the Directors under Section 80, Companies Act 1985 shall now cease to have any effect, save that the Directors may allot relevant securities in pursuance of any offer or agreement made by the Company before today and which requires or might require relevant securities to be allotted after today, as if the Directors' previous authority had not ceased to have effect.



DEAN CORPORATION PLC

NOTICE  
OF MEETING

- 8 If resolution 7 has been passed to consider and, if thought fit, to pass the following resolution which will be proposed as a special resolution:

"That the Directors be and are hereby empowered to allot equity securities (as defined in Section 94. Companies Act 1985) for cash pursuant to the authority conferred by resolution 8, as if Section 89(1). Companies Act 1985 did not apply to any such allotment: provided that this power shall be limited to the Allotment of equity securities up to a total nominal value of £34,724".

And this power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry, and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power authority had not ceased to have effect.

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his place. A proxy need not also be a member of the Company.

BY ORDER OF THE BOARD

NORMAN SAUNDERS  
SECRETARY

Date: 21 April 1997

Registered Office:

Dean House  
Sovereign Court  
Ermine business park  
Huntingdon  
Cambs PE18 6WA

NOTE

Copies of the Directors' service contracts with the Company not expiring or determinable without payment of compensation within one year will be available for inspection at the Registered office during normal business hours from the date of this notice until 5pm on 20th May 1997, and on 21st May 1997 at venue from 11.30am until the conclusion of the meeting.