

STRAKER (HOLDINGS) LIMITED

1994 REPORT AND ACCOUNTS

2848787

Company Number 2848787



DIRECTORS

Sir J D Alun-Jones (Chairman)
H E Sear (Chief Executive)
D P Gray
C J P Straker
S M Donald

SECRETARY

J C Parnell

REGISTERED OFFICE

310 Commonside East
Mitcham
Surrey
CR4 1HX

AUDITORS

Binder Hamlyn
20 Old Bailey
London
EC4M 7BH

BANKERS

National Westminster Bank Plc
57 Victoria Street
London
SW1H 0HP

SOLICITORS

Russell Jones & Walker
200 Grays Inn Road
London
WC1X 8HF

STRAKER (HOLDINGS) LIMITED

DIRECTORS' REPORT for the period ended 31 December 1994

FINANCIAL STATEMENTS

The directors present their report and financial statements for Straker (Holdings) Limited for the period from incorporation to 31 December 1994 and consolidated financial statements for the year ended 31 December 1994.

DIRECTORS' RESPONSIBILITIES

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 its profit or loss for that period. In preparing those financial statement, 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; and
- 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 maintaining proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INCORPORATION

The company was incorporated on 27 August 1993 as Refal 397 Limited, and changed its name to Straker (Holdings) Limited on 23 September 1993.

On 28 September 1993, the company acquired the whole of the issued share capital of Straker (Group) Limited (formerly Straker (Holdings) Limited) on a 1:1 share exchange.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activities of the group are that of supplying commercial stationery, furniture and commercial printing.

The directors are pleased with the year's trading performance and, subject to unforeseen circumstances, are confident of a further significant increase in pre-tax profit in 1995.

STRAKER (HOLDINGS) LIMITED

DIRECTORS' REPORT

for the period ended 31 December 1994

RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 6. The directors recommend that the profit be dealt with as follows:

	£000
Preference dividends	
- Interim paid	35
- Final proposed	25
Ordinary dividends	
- Interim paid	11
- Final proposed	11
Capital redemption reserve	160
Transfer to Reserves	107
	349

FIXED ASSETS

Changes in fixed assets during the year are detailed in notes 8 and 9 to the financial statements.

DIRECTORS

The current directors of the company are set out on page 1. All were appointed on 23 September 1993 except for Mr S M Donald who was appointed on 28 September 1993.

Mr G Sanders was appointed on 27 August 1993 and resigned on 23 September 1993. Mr K W Landsberg was appointed on 23 September 1993 and resigned on 28 September 1993.

DIRECTORS' INTERESTS

The interests of the directors, holding office at the year end, in the share capital of the company on appointment and at the end of the period, were as follows:

	10p ordinary shares fully paid		£1 preference shares fully paid	
	1994	on appt	1994	on appt
Sir J D Alun-Jones	65,596	65,596	10,424	13,030
C J P Straker	255,095	255,895	8,860	11,075
H E Sear	285,715	285,715	31,159	38,949
D P Gray	245,996	245,996	6,888	8,610
S M Donald	-	-	-	-

The directors also had the following interests in the share options of Straker (Holdings) Limited.

	Options to acquire 10p ordinary shares	
	1994	1993
Sir J D Alun-Jones	10,000	10,000
C J P Straker	25,000	25,000
H E Sear	25,000	25,000
D P Gray	10,000	10,000

STRAKER (HOLDINGS) LIMITED

DIRECTORS' REPORT for the period ended 31 December 1994

POST BALANCE SHEET EVENT

Since the year end, the group has acquired the customer base of a stationery and office equipment supplier, operating in Hampshire. The terms of the acquisition included the payment of goodwill of £55,000 and the payment of deferred consideration based on turnover achieved over the next nine months, from the customer base acquired. The acquisition is expected to generate additional turnover of approximately £850,000 per annum and further strengthen the group's operating capability.

POLITICAL AND CHARITABLE DONATIONS

During the year the group made charitable donations in the UK of £250 (1993 £372). There were no political donations.

AUDITORS

On 1 October 1994 our auditors, BDO Binder Hamlyn, joined the Arthur Andersen worldwide organisation and now practice in the name, Binder Hamlyn. They have signed their audit report in their new name. In accordance with section 384 of the Companies Act 1985, a resolution proposing that Binder Hamlyn be re-appointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 27 APRIL 1995.



J C Parnell
Secretary

BINDER HAMLYN

20 Old Bailey
London EC4M 7BH

AUDITORS REPORT

to the Members of Straker (Holdings) Limited

We have audited the financial statements on pages 6 to 25 which have been prepared on the basis of the accounting policies set out on pages 11 and 12.

Respective responsibilities of directors and auditors:

As described on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion:

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in 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 company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance 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 the group and the company's affairs as at 31 December 1994 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Binder Hamlyn

Chartered Accountants
Registered Auditors

28 April 1995

STRAKER (HOLDINGS) LIMITED**PROFIT AND LOSS ACCOUNT**
for the year ended 31 December 1994

	Notes	1994	1993
		£000	£000
Turnover	1	14,393	11,673
Cost of Sales		(10,792)	(8,681)
Gross Profit		3,601	2,992
Distribution costs		(1,373)	(1,100)
Administrative expenses		(1,624)	(1,396)
Operating profit	2	604	496
Interest payable and similar charges	3	(93)	(98)
Profit on ordinary activities before taxation		511	398
Tax on profit on ordinary activities	5	(162)	(90)
Profit for the financial year	6	349	308
Dividends	7	(82)	(21)
Retained profit for the year		267	287

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Except for the results as shown above, the group had no other recognised gains or losses during the year.

STRAKER (HOLDINGS) LIMITED

GROUP BALANCE SHEET

as at 31 December 1994

	Notes	1994	1993
FIXED ASSETS		£000	£000
Intangible assets	8	215	88
Tangible assets	9	1,038	919
Investments	10(a)	39	39
		1,292	1,046
CURRENT ASSETS			
Stock of goods held for resale	1	684	591
Debtors	11	3,451	2,658
Cash at bank and in hand		1	1
		4,136	3,250
CREDITORS: amounts falling due within one year	12	(4,473)	(3,340)
CONVERTIBLE LOAN STOCK	15	-	(100)
Net current liabilities		(337)	(190)
Total assets less current liabilities		955	856
CREDITORS: amounts falling due after more than one year	13	(335)	(343)
Net assets		620	513

STRAKER (HOLDINGS) LIMITED

GROUP BALANCE SHEET

as at 31 December 1994

	Notes	1994	1993
CAPITAL AND RESERVES			
		£000	£000
Called up share capital	16	811	971
Capital redemption reserve	18(d)	160	-
Share premium account	18(b)	3	3
Profit and loss account	18(a)	(758)	(865)
Other reserve	18(c)	404	404
		620	513
Equity interests		(22)	(289)
Non-equity interests		642	802

The financial statements on pages 6 to 25 were approved by the Board on 27 April 1995.

H E Sear

)

)

) Directors

)

C J P Straker

)

Handwritten signatures:



STRAKER (HOLDINGS) LIMITED

GROUP CASH FLOW STATEMENT

for the year ended 31 December 1994

	Notes	1994	1993
		£000	£000
Net cash inflow from operating activities	23	423	802
Returns on investments and servicing of finance			
Interest paid		(67)	(98)
Interest element of finance lease rental payments		(26)	(14)
Dividends paid		(67)	-
Net cash outflow from returns on investments and servicing of finance		(160)	(112)
Taxation		(82)	
Investing activities			
Purchase of fixed asset investments	10	-	(8)
Purchase of tangible fixed assets	9	(153)	(543)
Acquisition of goodwill		(132)	(37)
Sale of tangible fixed assets		60	52
Net cash outflow from investing activities		(307)	(537)
Net cash (outflow)/inflow before financing		(44)	153
Financing			
Proceeds of share issue		-	(100)
New bank loans		-	(150)
Bank loans repaid		154	141
Unsecured loan stock repaid		100	100
Capital element of finance lease rental repayments		96	72
Cost of share issue		-	25
Preference share repayment		160	-
Net cash outflow from financing	25	510	88
(Decrease)/Increase in cash and cash equivalents	24	(554)	65
		(44)	153

STRAKER (HOLDINGS) LIMITED

COMPANY BALANCE SHEET

as at 31 December 1994

	Notes	1994	
		£000	£000
FIXED ASSETS			
Investments	10(b)		2,798
CURRENT ASSETS			
Debtors	11	120	
CREDITORS: amounts falling due within one year	12	(36)	
Net current assets			84
Total assets less current liabilities			2,882
CREDITORS: amounts falling due after one year	13		(1,900)
Net assets			982
CAPITAL AND RESERVES			
Called up share capital	16		811
Capital redemption reserve	18(d)		160
Share premium	18(b)		3
Profit and loss account	18(a)		8
			982
Equity interests			340
Non-equity interests			642

The financial statements on pages 6 to 25 were approved by the Board on 27 April 1995.

H E Sear

) *Hugh Sear*
)
) Directors
)
) *Jonathan Straker*

C J P Straker

STRAKER (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

Accounting Convention

The financial statements are prepared under the historical cost convention.

Basis of Consolidation

The group financial statements consolidate the financial statements of the company and its subsidiaries made up to 31 December each year. No profit and loss account for Straker (Holdings) Limited has been presented as permitted by Section 230 of the Companies Act 1985.

During the period, the company acquired all the issued share capital of Straker (Group) Limited. This acquisition has been accounted for using the principles of merger accounting and its results have been included for the entire year. Comparatives for the prior year have been stated as if it was a subsidiary undertaking throughout that period. Otherwise, the results of the other subsidiaries are dealt with using the principles of acquisition accounting.

Turnover

Turnover represents the amounts derived from the provision of goods and services, after deducting trade discounts and is stated net of value added tax. All turnover is in respect of continuing activities.

Goodwill

Goodwill (both paid and deferred consideration) is capitalised in the balance sheet and written off to the profit and loss account over its estimated useful life of 20 years.

This represents a change in accounting policy and follows the treatment outlined in FRS6. A prior year adjustment has arisen in respect of goodwill, previously written off to reserves in 1993.

Goodwill arises as follows:

- (i) Deferred consideration paid, based on turnover achieved following acquisition of a customer base.
- (ii) Where a company or trade is acquired, and accounted for using the principles of acquisition accounting, fair values are attributed to the group's share of the separable net assets acquired. Where the cost of acquisition exceeds the values attributable to such net assets, the difference is recognised as goodwill.

STRAKER (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES (Continued)

Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation.

Depreciation is provided on all tangible fixed assets when used, at rates calculated to write off the cost of each asset to its net realisable value evenly over its expected useful life, as follows:

Leasehold acquisition costs and improvements	Over the lease term or expected useful life, whichever is the shorter
Motor vehicles	Over 4 years
Fixtures, fittings and equipment	Over 3 to 10 years

Stock of Goods Held for Resale

Stock is valued at the lower of cost and net realisable value.

Leases and Hire Purchase Contracts

Assets acquired under hire purchase contracts or finance leases are capitalised at fair value and are depreciated over the shorter of the lease period or the asset's useful life. Interest implicit in the lease or hire purchase agreement is written off over the relevant lease period. Payments arising from operating leases are charged against income on a straight line basis over the lease term.

Deferred Taxation

Deferred taxation is provided at the current tax rate, to the extent that it is likely to be payable in the foreseeable future.

Pension Costs

Pension scheme contributions are written off in the period in which they fall due.

Compliance with Accounting Standards

The financial statements have been prepared in accordance with applicable accounting standards.

STRAKER (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2 OPERATING PROFIT

	1994	1993
Is stated after charging/(crediting)	£000	£000
Staff costs including directors' emoluments (note 4)	2,904	2,332
Depreciation		
- Assets under finance lease agreements	4	15
- Assets under hire purchase agreements	127	71
- Other assets	139	113
Profit on disposal of fixed assets	(23)	(4)
Payments under operating leases		
- Plant and machinery	96	137
- Other	315	280
Auditors' remuneration		
- Audit services	24	27
- Non audit services	13	12
Other income	(120)	(94)
Amortisation of goodwill	12	5

STRAKER (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3 INTEREST PAYABLE AND SIMILAR CHARGES	1994 £000	1993 £000
Interest payable on bank overdraft	40	32
Interest payable on mortgage and bank loans wholly repayable by instalments within five years	25	31
Interest payable on unsecured convertible loan stock 1992	1	21
Finance lease and hire purchases charges	26	14
Other interest	1	-
	93	98

**4 INFORMATION REGARDING EMPLOYEES
INCLUDING DIRECTORS**

The average number of persons employed by the group, including directors, during the year was made up as follows:	1994 Number	1993 Number
Sales and distribution	86	76
Administration and management	51	49
Production	7	6

	144	131
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The total staff costs, including directors' emoluments were:	£000	£000
Wages and salaries	2,560	2,055
Social security costs	258	205
Other pension costs	86	72

	2,904	2,332
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Directors' emoluments, including pension costs, consisted of:

Fees	12	12
Remuneration as executives	245	221

	257	233
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STRAKER (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

4 INFORMATION REGARDING EMPLOYEES INCLUDING DIRECTORS (Continued)

Directors' fees and remuneration disclosed above (excluding pension contributions) includes amounts paid to:

	1994 £000	1993 £000
The Chairman	6	6

The highest paid director	99	82
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Directors' remuneration fell within the following bands:	Number	Number
£ 0 - £ 5,000	-	3
£ 5,001 - £10,000	2	1
£ 40,001 - £45,000	-	1
£ 45,001 - £50,000	1	-
£ 80,001 - £85,000	-	2
£ 95,001 - £100,000	2	-

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	£000	£000
UK corporation tax at an effective rate of 35% (1993: 23%)	180	90
Less: overprovision of tax in 1993	(18)	-

	162	90
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6 PROFIT FOR THE FINANCIAL YEAR - COMPANY

A profit and loss account is not presented for Straker (Holdings) Limited as permitted by Section 230(3) of the Companies Act 1985. The amount of the profit for the financial year, dealt with in the financial statements of Straker (Holdings) Limited is £271 thousand.

7 DIVIDENDS

	1994 £000	1993 £000
Preference:		
Interim paid	35	-
Final proposed	25	16
Ordinary:		
Interim paid of 0.6p per share (1993: Nil)	11	-
Final proposed of 0.6p per share (1993: 0.3p)	11	5

	82	21
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STRAKER (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

8 GOODWILL

	1994 £000
Cost	
At 1 January 1994 - as restated	93
Additions	139
At 31 December 1994	232
Amortisation	
At 1 January 1994 - as restated	5
Charge for year	12
At 31 December 1994	17
Net book value	
At 31 December 1994	215
At 31 December 1993	88

STRAKER (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

9 TANGIBLE FIXED ASSETS - GROUP

	Short leasehold properties and improvements £000	Fixtures, fittings and equipment £000	Motor vehicles £000	Total £000
Cost				
1 January 1994	444	718	417	1,579
Additions	5	162	259	426
Disposals	(2)	(91)	(82)	(175)
31 December 1994	447	789	594	1,830
Depreciation				
1 January 1994	163	349	148	660
Charge for the year	34	95	141	270
Disposals	(1)	(67)	(70)	(138)
31 December 1994	196	377	219	792
Net book value				
31 December 1994	251	412	375	1,038
31 December 1993	281	369	269	919

Included in motor vehicles are assets held under hire purchase agreements with a net book value at 31 December 1994 of £357 thousand (1993: £246 thousand) and depreciation charge for the year of £115 thousand (1993: £69 thousand).

Included in fixtures, fittings and equipment are assets held under finance leases and hire purchase agreements with a net book value at 31 December 1994 of £89 thousand (1993: £18 thousand) and depreciation charge for the year of £9 thousand (1993: £17 thousand).

Capital commitments

At 31 December 1994, the group had authorised and contracted capital expenditure of £ Nil (1992: £ Nil).

STRAKER (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

10 INVESTMENTS

(a) Group:	1994 £000	1993 £000
Other investment		
Cost or valuation		
1 January 1994	39	31
Addition	-	8

31 December 1994	39	39
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(b) Company:	
Shares in subsidiary undertakings	£000
at 28 September 1993	
and 31 December 1994	2,798

The group's investment in other investments is stated at directors' valuation in the consolidated balance sheet.

(c) Principal subsidiary undertakings:

	Country of registration and operation	Class	Group holding %	Company holding %
Straker (Group) Limited	England	Ordinary	100	100
		Redeemable preference	100	100
		Convertible redeemable preference	100	100
Straker Office Supplies Plc	England	Ordinary	100	100
		Deferred	100	100

Straker (Group) Limited acted as a holding company until September 1993 when it was acquired by Straker (Holdings) Limited in a share for share exchange.

Straker Office Supplies Plc trades as a supplier of commercial stationery, office equipment and as commercial printers. Its wholly owned subsidiary, Nisbet Print Services Limited did not trade during the year. All subsidiary undertakings have been incorporated into the consolidated financial statements.

STRAKER (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

10 INVESTMENTS (Continued)

(d) The group has an investment of more than 10% in the following company:

Channel Business Systems Plc	Country of registration	Class of shares	Percentage
	England	Ordinary	11.92%

11 DEBTORS

	Group		Company
	1994	1993	1994
	£000	£000	£000
Trade debtors	2,974	2,301	-
Amounts owed by group undertakings	-	-	78
Other debtors	294	293	-
Prepayments and accrued income	177	64	36
ACT recoverable	6	-	6
	3,451	2,658	120

12 CREDITORS: amounts falling due within one year

	1994	1993	1994
	£000	£000	£000
Bank overdraft (note 14)	894	340	-
Bank loans (note 14)	113	153	-
Trade creditors	2,627	2,150	-
Corporation tax	162	82	-
Other taxes and social security	245	255	-
Hire purchase and finance lease creditors	154	75	-
Other creditors	89	49	-
Accruals and deferred income	99	160	-
Dividends payable	36	21	36
Deferred consideration - goodwill	54	55	-
	4,473	3,340	36

STRAKER (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

13	CREDITORS: amounts falling due after more than one year	Group		Company
		1994 £000	1993 £000	1994 £000
	Bank loans (note 14)	135	249	-
	Hire purchase and finance lease creditors	192	94	-
	Amounts owed to Group undertaking	-	-	1,900
	Deferred consideration - goodwill	8	-	-
		335	343	1,900

14 BANK LOANS AND OVERDRAFT

The bank loans and overdraft are secured by specific charges over leasehold properties, shares in subsidiary companies, book debts and goodwill, and by a floating charge over the undertakings of group companies, and by intra group cross guarantees.

The loans are repayable by instalments and are wholly repayable within five years.

15 CONVERTIBLE LOAN STOCK - GROUP

	1994 £000	1993 £000
Convertible unsecured loan stock 1992	-	100

The loan stock is unsecured, bears interest at 12 1/2% per annum, and was repaid during the year.

16 CALLED UP SHARE CAPITAL

(a)	Authorised		Allotted, called up and fully paid	
	1994 Number	1993 Number	1994 £000	1993 £000
Authorised and allotted share capital				
10p ordinary shares	1,973,200	1,973,200	169	169
£1 cumulative redeemable participating preference shares	801,753	801,753	642	802
	2,774,953	2,774,953	811	971

STRAKER (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

16 CALLED UP SHARE CAPITAL (Continued)

b) Changes During the Year

Authorised share capital

100 ordinary £1 shares were issued on incorporation on 27 August 1993.

On 23 September 1993 the 100 £1 ordinary shares were sub-divided into 1,000 10p ordinary shares, and a further 1,972,200 10p ordinary shares were authorised. 601,753 £1 redeemable participating preference shares and 200,000 £1 convertible redeemable preference shares were also authorised.

On 28 September 1993 the 601,753 £1 redeemable participating preference shares and 200,000 £1 convertible redeemable preference shares were converted into 801,753 £1 cumulative redeemable participating preference shares.

Allotted, called up and fully paid share capital

On incorporation 1 £1 ordinary share was allotted.

On 28 September 1993 1,618,020 10p ordinary shares, 536,603 £1 redeemable participating preference shares, and 200,000 convertible redeemable preference shares were issued in consideration for the acquisition of all the share capital of Straker (Group) Limited. On the same date, the preference shares were converted into 736,606 cumulative redeemable participating preference shares of £1 each and a further 69,700 10p ordinary shares and 65,150 £1 cumulative redeemable participating preference shares were issued to provide further working capital. The ordinary shares were issued at 50p per share and the preference shares at par.

The cumulative redeemable participating preference shares are redeemable in five equal tranches annually starting on 1 October 1994 at issue price.

c) Share Options

Following the share for share exchange on the acquisition of Straker (Group) Limited the holders of share options in the Straker (Group) Limited share option scheme were eligible for share options in the share option scheme of Straker (Holdings) Limited and the share options were transferred on 28 March 1994. The number of share options in issue at the year end in Straker (Holdings) Limited was 190,000.

Date of Issue	Number of Ordinary 10p Shares	Option Price Per Share	Exercise Period Termination Date
28 March 1989	19,000	30p	28 March 1999
11 September 1990	15,000	80p	11 September 2000
19 April 1991	86,000	100p	19 April 2001
18 October 1991	8,000	100p	18 October 1996
29 November 1991	20,000	100p	29 November 2001
10 June 1992	10,000	100p	10 June 1999
28 September 1993	22,000	100p	28 September 1998
25 February 1994	10,000	100p	25 February 2004
	<u>190,000</u>		

STRAKER (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

**17 RECONCILIATION OF MOVEMENT
IN SHAREHOLDERS' FUNDS**

	1994 £000	1993 £000
Profit for the financial year	349	307
Dividends	(82)	(21)
	267	286
New share capital subscribed	-	100
Share issue costs written off to share premium	-	(25)
Transfer to Capital Redemption Reserve	(160)	-
Net addition to shareholders' funds	107	362
Opening shareholders' funds	513	151
Closing shareholders' funds	620	513

18 RESERVES

(a) Profit and loss account

	Company £000
Retained profit for the financial period	8
Retained profit at 31 December 1994	8
	Group £000
Accumulated loss	
At 1 January 1994 - as restated	(865)
Retained profit for the financial year	107
Accumulated loss at 31 December 1994	(758)
The loss as previously stated was:	
Accumulated loss at 31 December 1993	(898)
Add: Goodwill previously written off	38
Less: Amortisation of goodwill	(5)
Accumulated loss at 1 January 1994 - as restated	(865)

STRAKER (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

18 RESERVES (Continued)

(b) Share premium account

On shares issued during the period
- On 28 September 1993
Costs of share issue

**Company
£000**

28
(25)

At 31 December 1994

3

**Group
£000**

At 31 December 1994 and 1 January 1994

3

(c) Other reserve

**Group
£000**

**Company
£000**

At 31 December 1994 and 1 January 1994

404

-

This reserve is non distributable.

(d) Capital Redemption Reserve

Company

Group

£000

£000

At 1 January 1994

-

-

Transfer in period

160

160

At 31 December 1994

160

160

STRAKER (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

19 FINANCIAL COMMITMENTS

(a) Operating leases

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

	Land and buildings		Other leases	
	1994	1993	1994	1993
	£000	£000	£000	£000
Operating leases which expire:				
Within one year	-	25	52	35
In the second to fifth year inclusive	40	11	60	54
Over five years	283	135	-	-
	323	171	112	89

(b) Obligation under finance lease and hire purchase contracts

	1994	1993
	£000	£000
Gross obligations due:		
Within one year	155	87
Within two to five years	235	109

	390	196
<u>Less:</u> Finance charges attributable to future period	(45)	(27)

Net obligations	345	169
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20 CONTINGENT LIABILITIES

Companies within the group have provided cross guarantees in respect of operating lease and finance lease obligations, and bank facilities. At 31 December 1994, the following liabilities subject to the cross guarantees, given by Straker (Holdings) Limited, were outstanding:

	1994	1993
	£000	£000
Finance lease creditor	94	-
Bank loans and overdrafts	1142	742

21 POST BALANCE SHEET EVENT

Since the year end, the group has acquired the customer base of a stationery and office equipment supplier, operating in Hampshire. The terms of the acquisition included the payment of goodwill of £55,000 and the payment of deferred consideration based on turnover achieved over the next nine months, from the customer base acquired.

22 PENSION SCHEME

The group operates one defined contribution pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the group to the fund in the year and amounted to £86 thousand (1993: £91 thousand).

STRAKER (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

23 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1994	1993
	£000	£000
Operating profit	604	496
Depreciation	270	199
Amortisation of goodwill	12	5
Increase in stocks	(93)	(4)
Increase in debtors	(793)	(822)
Increase in creditors	446	932
Profit on disposal of fixed assets	(23)	(4)
Net cash inflow from continuing operating activities	423	802

24 CASH AND CASH EQUIVALENTS

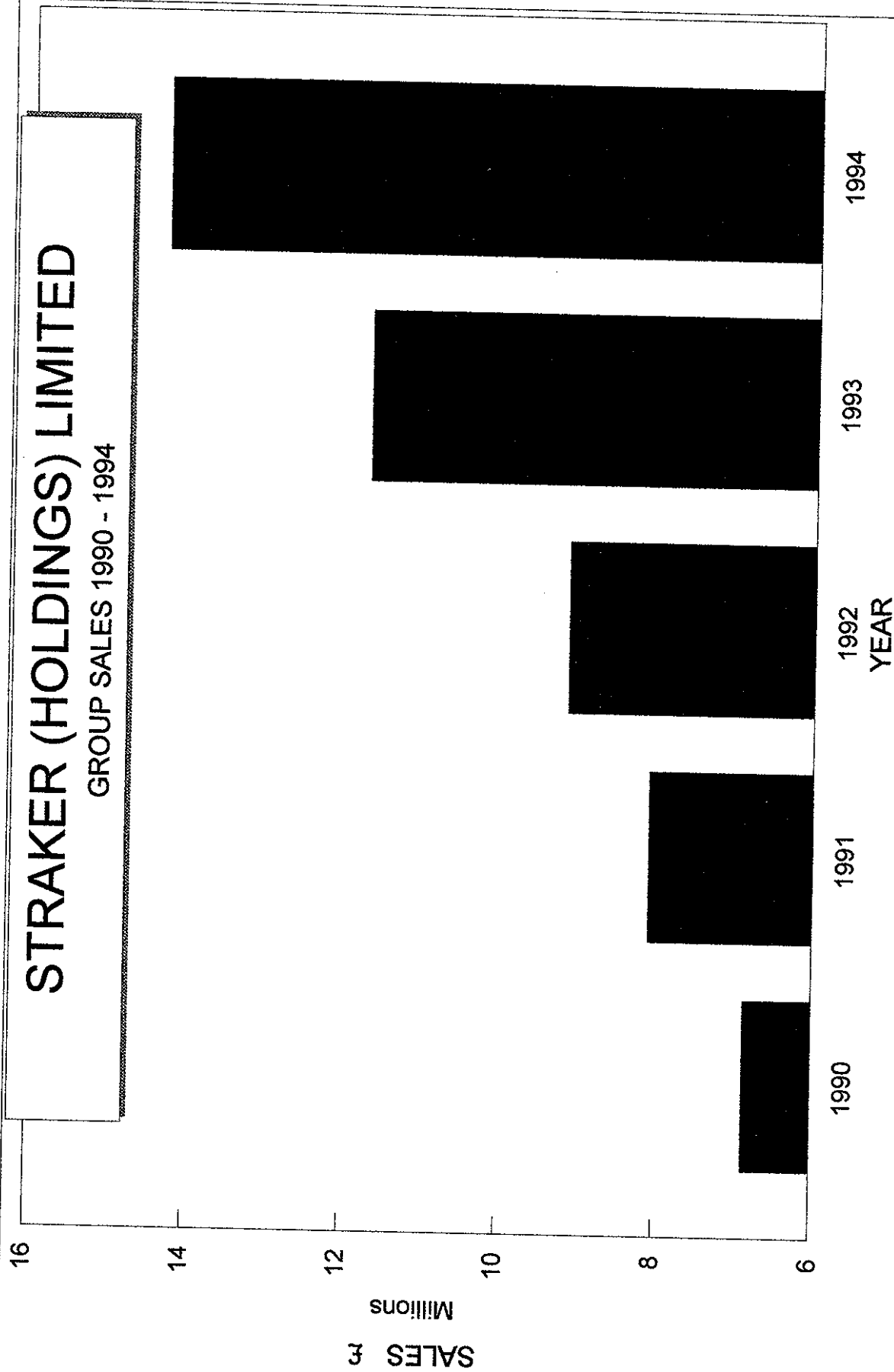
Balance of cash and cash equivalents		
Cash at bank and in hand	1	1
Bank overdrafts	(894)	(340)
	(893)	(339)
Change in the balance of cash and cash equivalents		
1 January 1994	(339)	(404)
Net cash (outflow)/inflow	(554)	65
31 December 1994	(893)	(339)

25 ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Share capital (including premiums)	Loans and finance lease obligations
	1994 £000	1994 £000
Balance at 1 January 1994	974	671
Cash outflow from financing	(160)	(350)
Transfer to other reserves	160	-
Inception of finance lease contracts	-	273
Balance at 31 December 1994	974	594

STRAKER (HOLDINGS) LIMITED

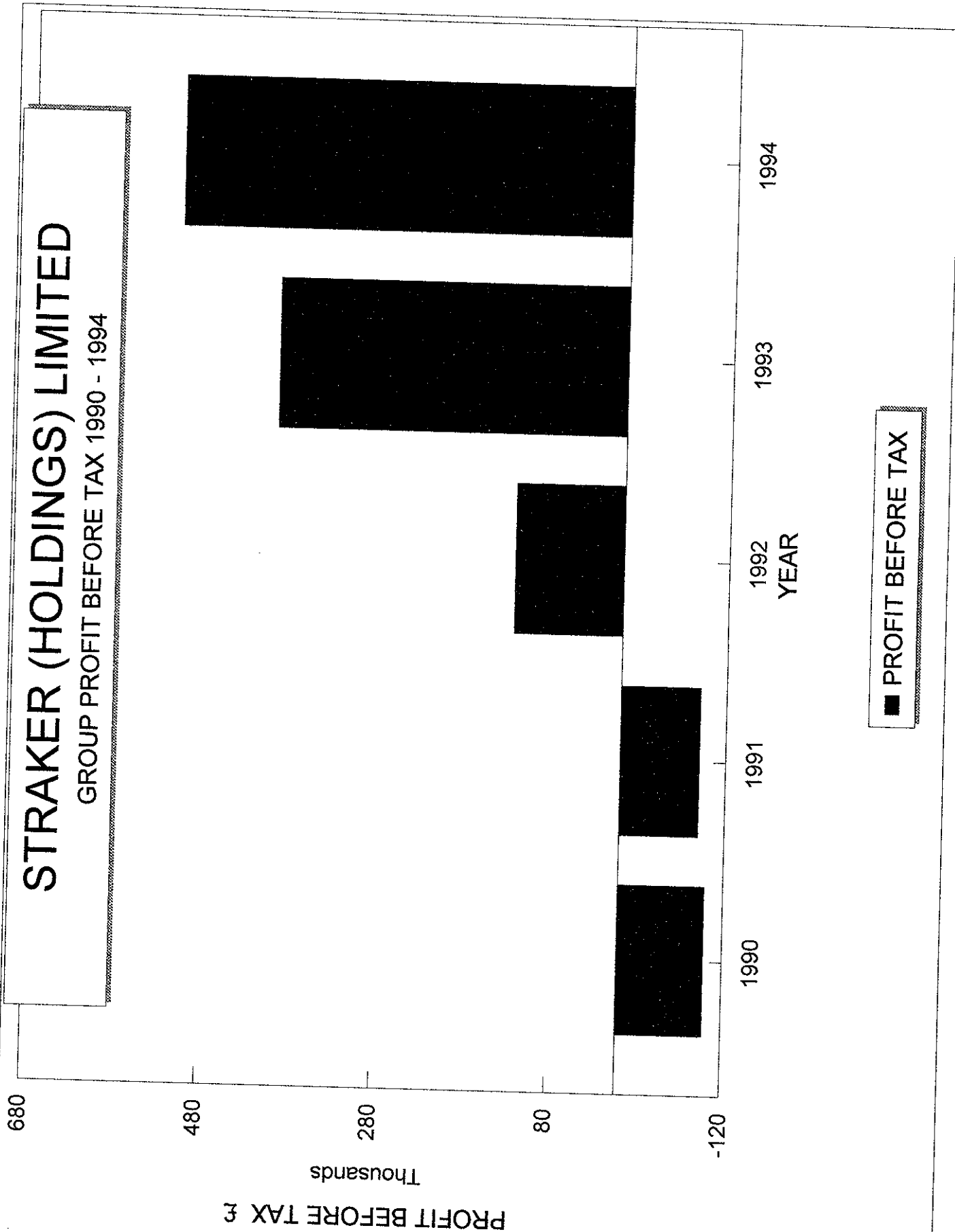
GROUP SALES 1990 - 1994



■ SALES

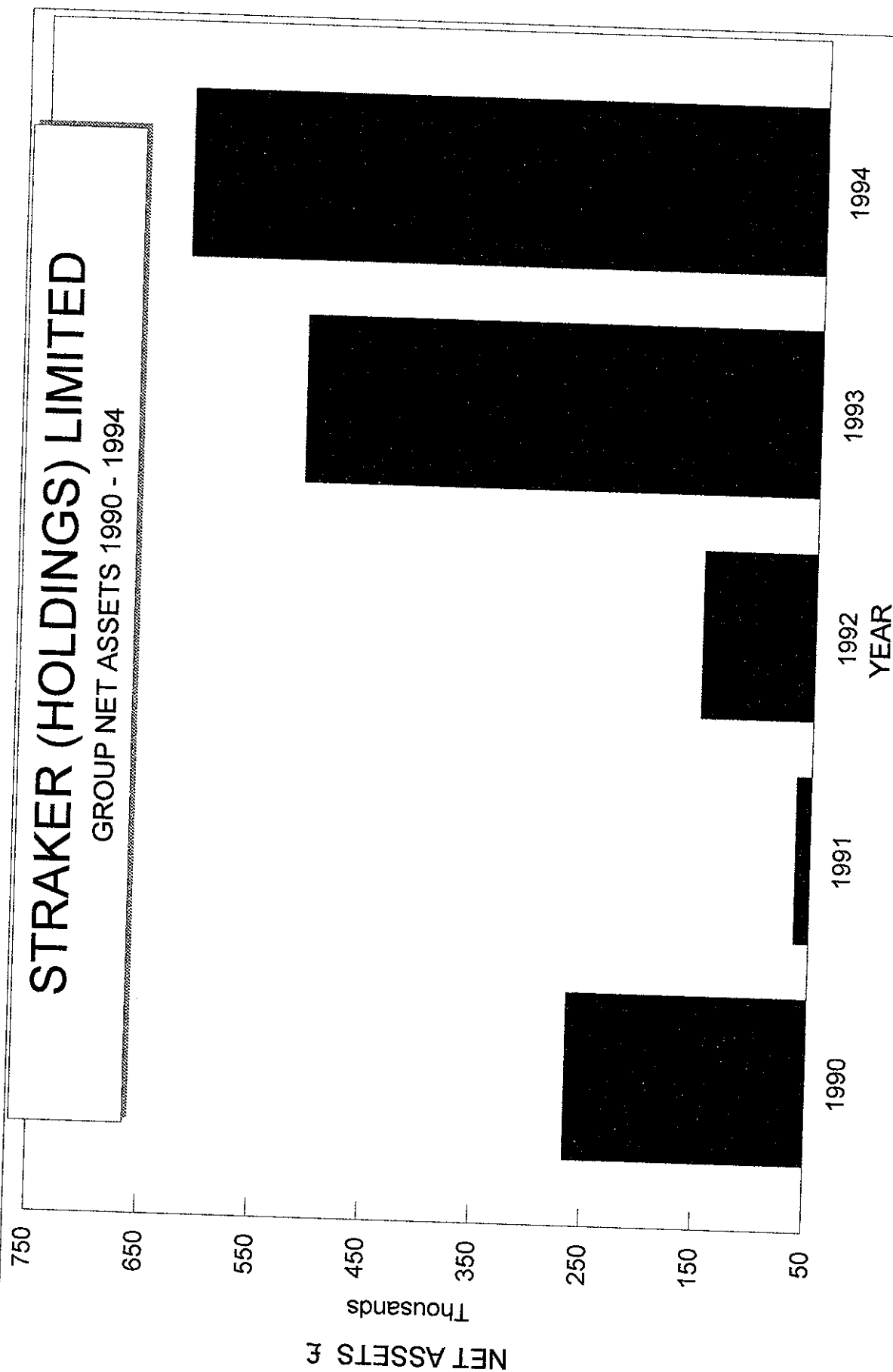
STRAKER (HOLDINGS) LIMITED

GROUP PROFIT BEFORE TAX 1990 - 1994



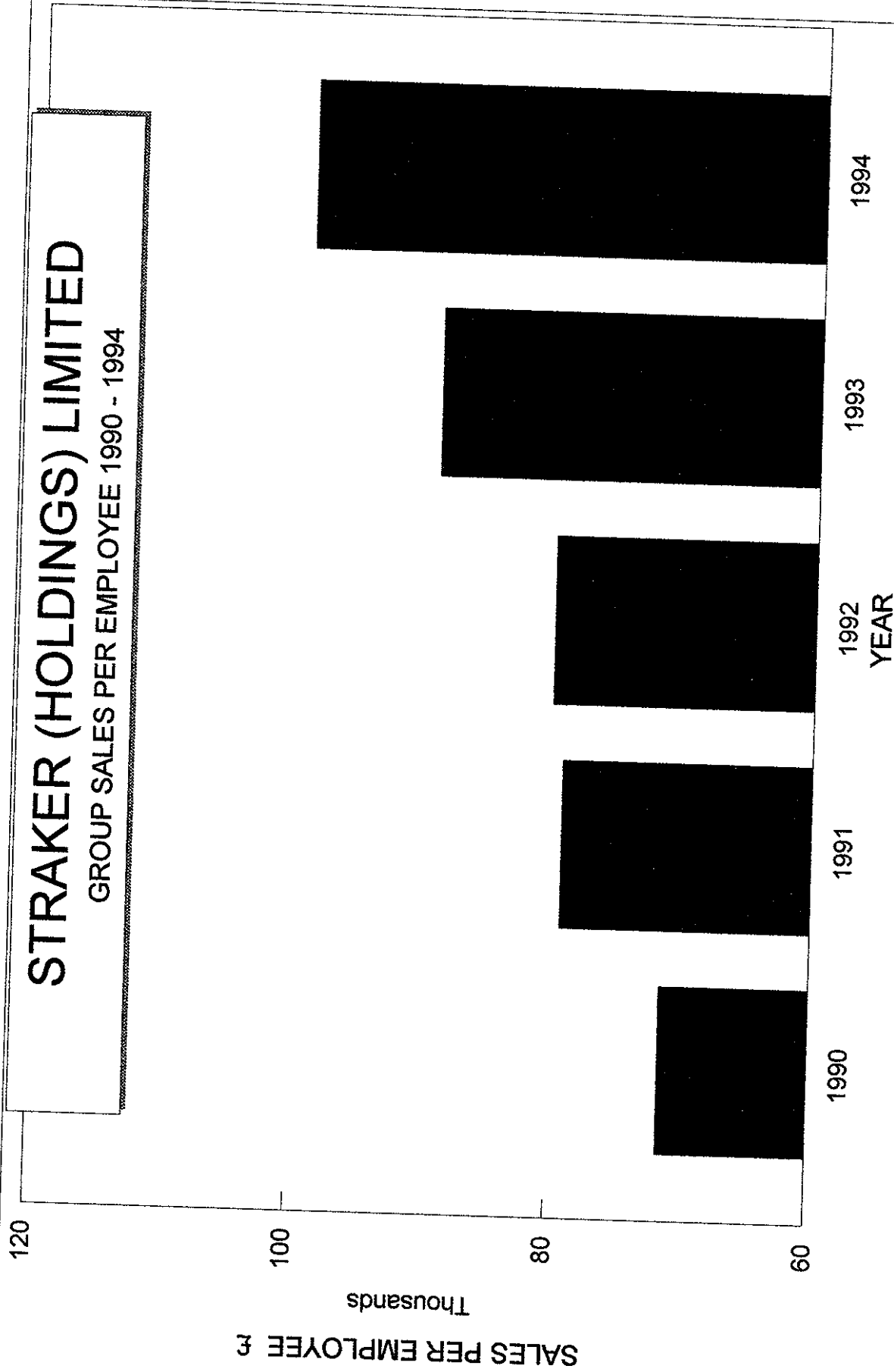
STRAKER (HOLDINGS) LIMITED

GROUP NET ASSETS 1990 - 1994



STRAKER (HOLDINGS) LIMITED

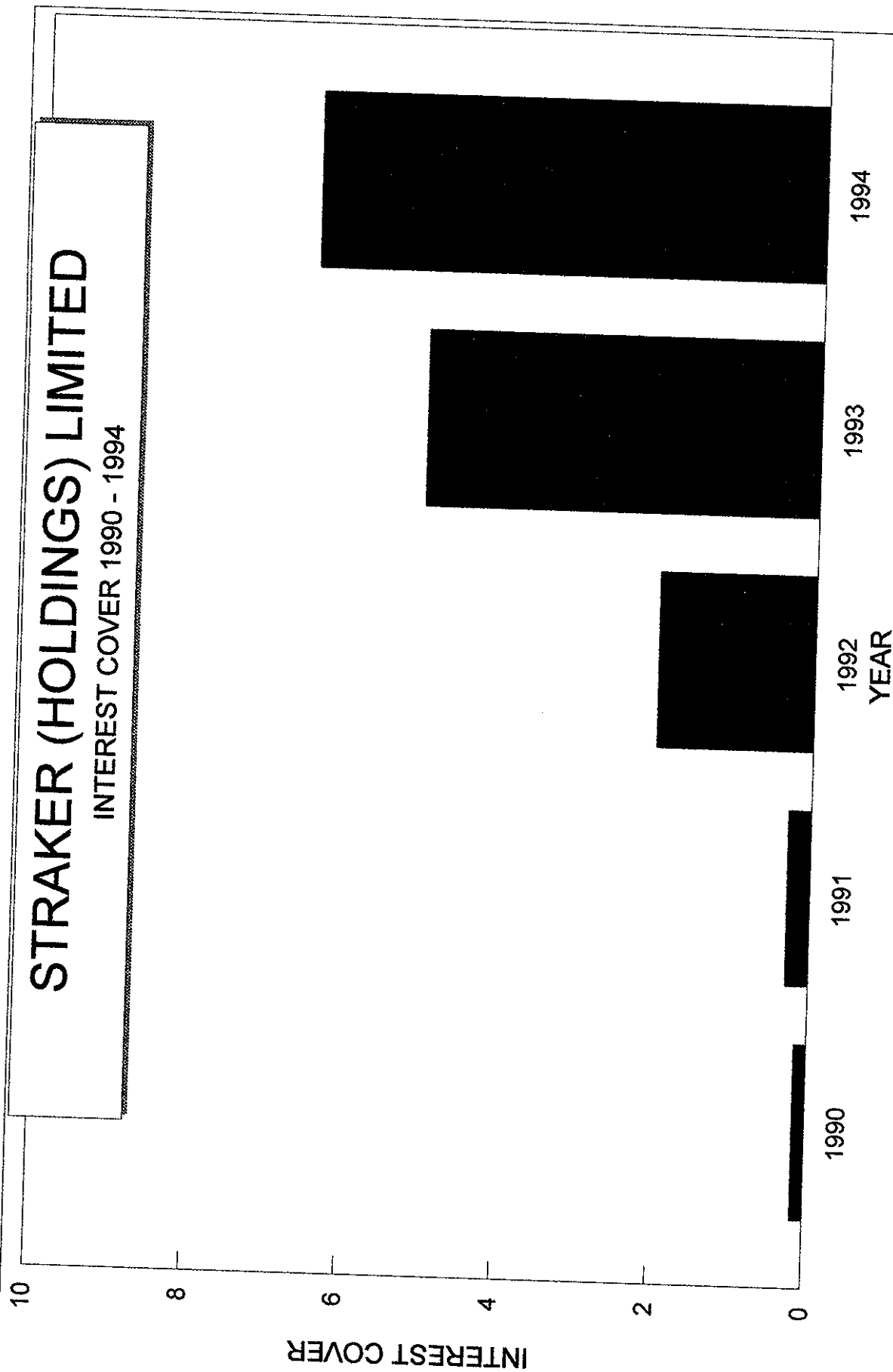
GROUP SALES PER EMPLOYEE 1990 - 1994



■ SALES PER EMPLOYEE

STRAKER (HOLDINGS) LIMITED

INTEREST COVER 1990 - 1994



■ INTEREST COVER