

**Deloitte &
Touche**

Deloitte Touche
Tohmatsu
International



Company Registration No. 2864100

DBS NATIONWIDE PLC

Report and Financial Statements

31 December 1995

**Deloitte & Touche
10-12 East Parade
Leeds
LS1 2AJ**





REPORT AND FINANCIAL STATEMENTS 1995

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Auditors' report	5
Profit and loss account	6
Statement of total recognised gains and losses	7
Reconciliation of movements in shareholders' funds	7
Balance sheet	8
Cash flow statement	9
Notes to the cash flow statement	10
Notes to the accounts	12



REPORT AND FINANCIAL STATEMENTS 1995

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D J Wraith
M A Stanyard
W Gilmore

SECRETARY

M A Stanyard

REGISTERED OFFICE

Nationwide House
Faverdale Industrial Estate
Darlington
County Durham
DL3 0QL

BANKERS

Lloyds Bank plc
14/16 High Street
Huddersfield
West Yorkshire
HD1 2LE

SOLICITORS

Pinsent Curtis
41 Park Square
Leeds
LS1 2NS

Hammond Suddards
2 Park Lane
Leeds
LS3 1ES

AUDITORS

Deloitte & Touche
Chartered Accountants
10-12 East Parade
Leeds
LS1 2AJ

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 1995. The comparative figures are for the 62 week period ended on the 31 December 1994 which reflect the activities of the company since it commenced trading on 23 March 1994.

ACTIVITIES

The company hires and sells portable accommodation and storage units. In the period being reported on the company was also involved in the manufacture of timber framed portable accommodation units until that activity was sold on 7 April 1995 and, to the end of the previous reporting period, it also undertook the management of property repairs on behalf of an insurance company. The sale of both these activities is reflected in the results presented in these financial statements.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

During the year the directors completed a review of the company's operational management and product range. The directors are confident that the measures taken as a result of these reviews have left the company extremely well placed to capitalise on the growth opportunities that are available.

DIVIDENDS AND TRANSFERS TO RESERVES

The profit after taxation for the year is £510,000 (1994: £333,000). Provision is made for cumulative dividends, which accrue on a daily basis, for a total sum of £270,000 (1994: £202,000). The balance of £240,000 (1994: £131,000) is transferred to reserves.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year together with their interests in the share capital of the company are as follows:

		Ordinary shares of £1 each	
		31 December	31 December
		1995	1994
D J Wraith		92,500	92,500
M A Stanyard		15,000	15,000
N P Stickland	(resigned 11 January 1995)	-	15,000
Miss S M Reilly	(resigned 28 July 1995)	-	-
W Gilmore	(appointed 28 July 1995)	-	-

The company purchased 15,000 ordinary shares of £1 each (representing 10% of the ordinary share capital) for £30,000 from Mr N P Stickland on 21 August 1995 under agreements entered into on 11 January 1995 when he resigned as a director and was required to sell his shares in accordance with the Articles of Association.

POLITICAL AND CHARITABLE DONATIONS

Charitable donations in the period totalled £65. No political donations were made.

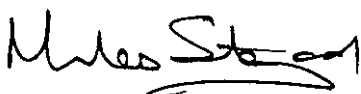


DIRECTORS' REPORT

AUDITORS

On 1 February 1996 our auditors changed the name under which they practise to Deloitte & Touche and, accordingly, have signed their report in their new name. A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



M A Stanyard

Secretary

10 April 1996



STATEMENT OF 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 as at the end of the financial period and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Approved by the Board of Directors
and signed on behalf of the Board



M A Stanyard

Secretary

10 April 1996



Chartered Accountants

Deloitte & Touche
10-12 East Parade
Leeds LS1 2AJ

Telephone: National 0113 243 9021
International + 44 113 243 9021
Fax: 0113 244 5580
DX 26423

AUDITORS' REPORT TO THE MEMBERS OF

DBS NATIONWIDE PLC

We have audited the financial statements on pages 6 to 21 which have been prepared under the accounting policies set out on page 12.

Respective responsibilities of directors and auditors

As described on page 4 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 company's affairs as at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and
Registered Auditors

10 April 1996.

PROFIT AND LOSS ACCOUNT
Year ended 31 December 1995

	Note	Year ended 31 December 1995			62 week period ended 31 December 1994 £'000 (as restated) (Note 17)
		Continuing activities £'000	Discontinued activities £'000	Total £'000	
TURNOVER	2	7,812	54	7,866	6,505
Change in work in progress		-	(53)	(53)	(82)
		<u>7,812</u>	<u>1</u>	<u>7,813</u>	<u>6,423</u>
Own work capitalised		-	159	159	836
Charges to continuing activities		(285)	285	-	-
Other operating income - exceptional	4	-	45	45	-
Raw materials and consumables		-	(273)	(273)	(1,148)
Other external charges		(2,843)	(20)	(2,863)	(1,781)
		<u>4,684</u>	<u>197</u>	<u>4,881</u>	<u>4,330</u>
Staff costs		(1,569)	(142)	(1,711)	(1,648)
Depreciation		(1,492)	(15)	(1,507)	(1,206)
Other operating charges - continuing		(960)	(60)	(1,020)	(823)
- exceptional	4	-	-	-	(150)
OPERATING PROFIT	4	<u>663</u>	<u>(20)</u>	<u>643</u>	<u>503</u>
Provision for loss on a discontinued activity				20	(20)
Profit on disposal of a business				167	-
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST				<u>830</u>	<u>483</u>
Interest payable and similar charges	5			(227)	(125)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION				<u>603</u>	<u>358</u>
Tax on profit on ordinary activities	6			(93)	(25)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR				<u>510</u>	<u>333</u>
Equity and non-equity dividends	7			(270)	(202)
PROFIT RETAINED FOR THE FINANCIAL YEAR	15			<u>240</u>	<u>131</u>

Charges to continuing activities comprise the charges for units purchased from a discontinued business prior to its disposal which were sold to third parties. The company has continued to purchase units from the discontinued business since its disposal with the equivalent amounts being included in other external charges.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year ended 31 December 1995

There are no recognised gains or losses for the financial year or the preceding financial period other than the profit on ordinary activities after taxation. Accordingly, no statement of total recognised gains or losses is given.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
Year ended 31 December 1995

	Year ended 31 December 1995 £'000	62 week period ended 31 December 1994 £'000
Profit for the financial year	510	333
Dividends	(270)	(202)
	<hr/>	<hr/>
	240	131
Share capital issued	-	4,410
Issue costs	-	(236)
Goodwill written off	-	(97)
Purchase of own shares	(30)	-
	<hr/>	<hr/>
Net addition to shareholders' funds	210	4,208
Opening shareholders' funds	4,208	-
	<hr/>	<hr/>
Closing shareholders' funds	4,418	4,208
	<hr/>	<hr/>

BALANCE SHEET
31 December 1995

	Note	1995 £'000	1994 £'000
FIXED ASSETS			
Tangible assets	8	7,722	7,105
CURRENT ASSETS			
Stocks	9	-	159
Debtors	10	1,625	1,978
Cash at bank and in hand		583	399
		2,208	2,536
CREDITORS: amounts falling due within one year	11	(2,925)	(3,616)
NET CURRENT LIABILITIES		(717)	(1,080)
TOTAL ASSETS LESS CURRENT LIABILITIES		7,005	6,025
CREDITORS: amounts falling due after more than one year			
Bank loans	12	(1,818)	(1,799)
Obligations under hire purchase and finance lease contracts	16	(769)	(18)
PROVISIONS FOR LIABILITIES AND CHARGES	13	-	-
		4,418	4,208
CAPITAL AND RESERVES			
Called up share capital	14	3,885	3,900
Share premium account	15	274	274
Capital redemption reserve	15	15	-
Profit and loss account	15	244	34
TOTAL SHAREHOLDERS' FUNDS		4,418	4,208
Attributable to equity shareholders		818	608
Attributable to non-equity shareholders		3,600	3,600
		4,418	4,208

These financial statements were approved by the Board of Directors on 10 April 1996.

Signed on behalf of the Board of Directors

D J Wraith
 Chairman

M A Stanyard
 Director



CASH FLOW STATEMENT
Year ended 31 December 1995

	Note	Year ended 31 December 1995 £'000	62 week period ended 31 December 1994 £'000 (as restated)
Net cash inflow from operating activities	1	2,209	1,715
Returns on investments and servicing of finance			
Interest received		6	7
Interest paid		(233)	(132)
Dividends paid		(329)	-
Net cash outflow from returns on investments and servicing of finance		(556)	(125)
Taxation			
Corporation tax paid (including advance corporation tax)		(80)	-
Tax paid		(80)	-
Investing activities			
Payments to acquire the business	5	(1,100)	(6,330)
Payments to acquire tangible fixed assets		(1,368)	(1,622)
Receipts from sales of tangible fixed assets		733	354
Receipts from disposal of a business		167	-
Net cash outflow from investing activities		(1,568)	(7,598)
Net cash inflow/(outflow) before financing		5	(6,008)
Financing	4		
Issue of share capital		-	4,410
Expenses paid in connection with share issue		-	(236)
Bank loans drawn		800	2,250
Bank loans repaid		(451)	-
Hire purchase and finance lease repayments		(140)	(26)
Purchase of own shares		(30)	-
Net cash inflow from financing		179	6,398
Increase in cash and cash equivalents	2	184	390

NOTES TO THE CASH FLOW STATEMENT
Year ended 31 December 1995

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Year ended 31 December 1995 £'000	62 week period ended 31 December 1994 £'000 (as restated)
Operating profit	643	503
Depreciation charges	1,507	1,206
Profit on sale of tangible fixed assets	(352)	(188)
Decrease in stocks	159	124
Decrease/(Increase) in debtors	303	(444)
(Decrease)/Increase in creditors	(51)	514
Net cash inflow from operating activities	2,209	1,715

2. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	1995 £'000	1994 £'000
Opening balance	399	-
Cash acquired with the business	-	9
Net cash inflow	184	390
Closing balance	583	399


NOTES TO THE CASH FLOW STATEMENT
Year ended 31 December 1995
3. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	1995 £'000	1994 £'000	Change in year 1995 £'000	Change in year 1994 £'000
Cash at bank and in hand	583	399	184	390

4. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Loans £'000	Hire purchase and finance leases £'000	Equity shares £'000	Non equity shares £'000	Share premium £'000	Capital redemption reserve £'000
Balance at 20 October 1993	-	-	-	-	-	-
Acquired with the business	-	44	-	-	-	-
Cash inflow	2,250	-	300	3,600	510	-
Cash outflow	-	(26)	-	-	(236)	-
Inception of hire purchase contracts	-	24	-	-	-	-
Balance at 31 December 1994	2,250	42	300	3,600	274	-
Cash inflow	800	-	-	-	-	-
Cash outflow	(451)	(140)	(15)	-	-	15
Inception of hire purchase and finance lease contracts	-	1,137	-	-	-	-
Balance at 31 December 1995	2,599	1,039	285	3,600	274	15

5. PAYMENTS TO ACQUIRE THE BUSINESS

The payment to acquire the business made in 1995 was a deferred payment under the Sale and Purchase Agreement dated 25 March 1994.

NOTES TO THE ACCOUNTS

Year ended 31 December 1995

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Freehold properties		4%
Short-term leasehold improvements		Over the term of the lease
Plant and machinery	- Accommodation and storage units	6.66% - 14.3%
	- Other	20% - 50%
Motor vehicles		28.5% - 33.33%

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

Hire purchase and finance lease contracts

Assets obtained under hire purchase and finance lease contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the contract in proportion to the capital element outstanding.

Operating lease rentals are charged to income in equal annual amounts over the lease term.

Goodwill

On the acquisition of a business, fair values are attributed to the net tangible assets acquired. Where the cost of acquisition exceeds the values attributable to such net assets, the difference is treated as purchased goodwill and is written off directly to reserves in the period of acquisition.

Pension costs

The company operates money purchase pension schemes for certain employees. The contributions to those schemes are charged to the profit and loss account as they accrue.

Restatement of comparative figures

The profit and loss account for the period to 31 December 1994 has been restated to comply fully with the requirements of FRS 3 (Reporting Financial Performance). This has a consequent effect on the cash flow statement.

2. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax. The turnover and profit before taxation all arises in the United Kingdom.

NOTES TO THE ACCOUNTS
Year ended 31 December 1995

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Year ended 31 December 1995 £'000	62 week period ended 31 December 1994 £'000
Directors' emoluments		
Remuneration	185	192
Compensation for loss of office	-	24
	<u>185</u>	<u>216</u>
 Remuneration of the chairman and highest paid director	 <u>94</u>	 <u>70</u>
	No	No
Scale of other directors' remuneration		
£ 0 - £ 5,000	1	1
£ 25,001 - £ 30,000	-	2
£ 50,001 - £ 55,000	-	1
£ 80,001 - £85,000	1	-
	<u>1</u>	<u>-</u>
 In addition, fees of £10,000 were paid to Murray Johnstone Limited during the year for the services of Miss S M Reilly and Mr W Gilmore who were and are respectively employees of that company.		
 Average number of persons employed		
Production	7	26
Operations	85	89
Administration	21	29
	<u>113</u>	<u>144</u>
	£'000	£'000
Staff costs during the year (including directors)		
Wages and salaries	1,544	1,474
Social security costs	140	142
Pension costs	27	32
	<u>1,711</u>	<u>1,648</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 1995

4. OPERATING PROFIT

	Year ended 31 December 1995 £'000	62 week period ended 31 December 1994 £'000
Operating profit is after charging/(crediting):		
Depreciation and amortisation		
Owned assets	1,432	1,183
Assets subject to hire purchase and finance lease contracts	75	23
Profit on sale of fixed assets	(352)	(188)
Rentals under operating leases:		
Hire of plant and machinery	127	83
Other operating leases	272	195
Auditors' remuneration	18	19
Exceptional operating income:		
Settlement of a claim regarding the acquisition of the business	(45)	-
Exceptional operating charges:		
Acquisition costs	-	107
Provision for reorganisation costs	-	43
	<hr/>	<hr/>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 December 1995 £'000	62 week period ended 31 December 1994 £'000
Bank loans, overdrafts and other loans repayable within five years	216	130
Hire purchase and finance lease contracts	17	2
Interest receivable	(6)	(7)
	<hr/>	<hr/>
	227	125
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS
Year ended 31 December 1995

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 31 December 1995 £'000	62 week period ended 31 December 1994 £'000
United Kingdom corporation tax at 33% (1994: 33%) based on the profit for the year	-	25
Advance corporation tax written off	118	-
Over provision in respect of prior period	(25)	-
	<u>93</u>	<u>25</u>

The tax charge for the year is disproportionately low due to timing differences on capital allowances not provided in accordance with the accounting policy set out on page 12. The advance corporation tax written off will be available to recover against the tax charge on future profits.

7. DIVIDENDS

	Year ended 31 December 1995 £'000	62 week period ended 31 December 1994 £'000
Dividends to 31 December 1995		
Equity dividend on cumulative convertible participating preferred ordinary shares	36	22
Non-equity dividend on cumulative redeemable preference shares	234	180
	<u>270</u>	<u>202</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 1995

8. TANGIBLE FIXED ASSETS

	Freehold properties £'000	Short-term leasehold improve- ments £'000	Plant and machinery £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 January 1995	358	46	7,762	91	8,257
Additions	3	54	2,363	85	2,505
Disposals	-	-	(720)	(46)	(766)
At 31 December 1995	361	100	9,405	130	9,996
Accumulated depreciation					
At 1 January 1995	1	5	1,121	25	1,152
Charge for the year	2	10	1,457	38	1,507
Disposals	-	-	(361)	(24)	(385)
At 31 December 1995	3	15	2,217	39	2,274
Net book value					
At 31 December 1995	358	85	7,188	91	7,722
Net book value					
At 31 December 1994	357	41	6,641	66	7,105

Included within the net book value at 31 December 1995 is £1,163,000 (1994: £65,000) of assets which are subject to hire purchase and finance lease agreements.

9. STOCKS

	1995 £'000	1994 £'000
Raw materials and consumables	-	106
Work-in-progress	-	53
	-	159

10. DEBTORS

	1995 £'000	1994 £'000
Trade debtors	1,532	1,872
Prepayments and accrued income	93	56
ACT recoverable	-	50
	1,625	1,978

NOTES TO THE ACCOUNTS
Year ended 31 December 1995

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1995	1994
	£'000	£'000
Bank loans (note 12)	781	451
Trade creditors	1,136	1,080
Obligations under hire purchase and finance lease contracts (note 16)	270	24
Current corporation tax	-	25
Other taxes and social security	348	384
Other creditors	-	1,300
Accruals and deferred income	247	150
Accrued dividends	143	202
	<u>2,925</u>	<u>3,616</u>

12. BANK LOANS

	1995	1994
	£'000	£'000
Wholly repayable within five years		
Secured	<u>2,599</u>	<u>2,250</u>
Due within one year	781	451
Due within one to two years	792	583
Due within two to five years	<u>1,026</u>	<u>1,216</u>
	<u>2,599</u>	<u>2,250</u>

The secured obligations comprise two bank loans secured by fixed and floating charges over the company's assets and a further bank loan secured by chattel mortgages over specific assets.

13. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred Tax

The amounts provided in the accounts and the amounts not provided are as follows:

	Provided	Not provided	Provided	Not provided
	1995	1995	1994	1994
	£'000	£'000	£'000	£'000
Capital allowances in advance of depreciation	-	369	-	143
Other timing differences	-	(97)	-	(29)
	<u>-</u>	<u>272</u>	<u>-</u>	<u>114</u>

The company has written off £118,000 of advance corporation tax which would be available to partially offset the effect if provision for the potential liability to deferred tax were to be made.

NOTES TO THE ACCOUNTS
Year ended 31 December 1995

14. CALLED UP SHARE CAPITAL

	1995 £'000	1994 £'000
Authorised		
150,000 ordinary shares of £1 each	150	150
150,000 cumulative convertible participating preferred ordinary shares of £1 each ("CCPPOs")	150	150
3,600,000 cumulative redeemable preference shares of £1 each ("CRPs")	3,600	3,600
	<u>3,900</u>	<u>3,900</u>
Called up, allotted and fully paid		
135,000 (1994 : 150,000) ordinary shares of £1 each	135	150
150,000 cumulative convertible participating preferred ordinary shares of £1 each	150	150
3,600,000 cumulative redeemable preference shares of £1 each	3,600	3,600
	<u>3,885</u>	<u>3,900</u>

The CCPPOs carry a cumulative net dividend of 5% on the subscription price of the shares calculated on a daily basis payable on 1 July and 31 December each year. In addition, the CCPPOs are entitled to receive a further dividend calculated at 6% of the profit before taxation for each period ending up to and including 31 December 1997 and 10% of the profit before taxation for each period thereafter, in each case deducting the fixed dividend already paid in respect of that period; such dividend to be paid four months after the period end or 14 days after the Annual General Meeting which approves the relevant accounts whichever is the sooner.

The CRPs are entitled to receive a cumulative net dividend of 6.5% of the subscription price paid for the shares calculated on daily basis payable on 1 July and 31 December in each year.

The CRPs are redeemable at par in six equal annual instalments commencing on 31 December 1996 or, if earlier, on the sale of the company or it obtaining a listing on a recognised stock exchange.

On a return of capital or winding up the priority for receipt of funds of the classes of shares is as follows:

- firstly, the CRP holders are to receive any accrued dividends and the subscription price paid for the CRPs;
- secondly, the CCPPO holders are to receive any accrued dividends and the subscription price paid for the CCPPOs;
- thirdly, the ordinary shareholders are to receive the subscription price paid for the ordinary shares; and
- finally, any balance is to be paid to the CCPPO holders and the ordinary shareholders in proportion as if the CCPPOs had been converted into ordinary shares.

NOTES TO THE ACCOUNTS
Year ended 31 December 1995

14. CALLED UP SHARE CAPITAL (Continued)

The CCPPOs are convertible into ordinary shares at any time at the option of the holders or automatically in the event of the sale of the company or it obtaining a listing on a recognised stock exchange.

The holders of the CCPPOs are entitled to one vote for each CCPPO at General Meetings of the company unless:

- the dividends on the CCPPOs and CRPs have not been paid on the due date; or
- the company is in breach of an Investment Agreement dated 25 March 1994; or
- the business of the General Meeting includes a resolution to wind the company up or to amend the rights of the CCPPOs,

in which case the holders of the CCPPOs gain the right to 75% of the votes capable of being cast at the meeting.

The holders of the CRPs are entitled to receive notice of General Meetings but not attend and vote unless:

- the dividend on the CRPs or a redemption of the CRPs has not been paid on the due date;
- the business of the General Meeting includes a resolution for the winding up of the company, a reduction of capital or to amend the rights of the CRPs in which case the holders of the CRPs gain one vote for each CRP. If the CRPs are enfranchised due to a resolution to amend the rights of the CRPs the holders will be entitled to vote on that resolution only.

15. RESERVES

	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000
Balance at 20 October 1993	-	-	-
Profit for the financial period	-	-	131
Premium on shares issued in the period	510	-	-
Goodwill written off	-	-	(97)
Share issue expenses	(236)	-	-
Balance at 31 December 1994	274	-	34
Profit for the financial year	-	-	240
Purchase of own shares	-	15	(30)
Balance at 31 December 1995	274	15	244

NOTES TO THE ACCOUNTS
Year ended 31 December 1995

16. FINANCIAL COMMITMENTS

	31 December 1995 £'000	31 December 1994 £'000
Capital commitments		
Contracted for but not provided	50	5
Authorised but not yet contracted for	985	-
Obligations under hire purchase and finance lease contracts		
Payments due:		
Within one year	371	26
Within 2 to 5 years	979	22
	1,350	48
Finance charges allocated to future periods	(311)	(6)
	1,039	42
Due within one year	270	24
Due after more than one year	769	18
	1,039	42
Operating lease commitments		
	Land and buildings £'000	Other £'000
Amounts payable within the following year in respect of leases which expire:		
Within one year	4	6
Within 2 to 5 years	244	92
After 5 years	403	-
	651	98

NOTES TO THE ACCOUNTS
Year ended 31 December 1995

17. ANALYSIS OF DISCONTINUED ACTIVITIES IN THE PERIOD TO 31 DECEMBER 1994

	Continuing activities £'000	Discontinued activities £'000	Total £'000 (as restated)
TURNOVER	5,936	569	6,505
Change in stocks of finished goods	-	(82)	(82)
	5,936	487	6,423
Own work capitalised	-	836	836
Charges to continuing activities	(904)	904	-
Raw materials	-	(1,148)	(1,148)
Other external charges	(1,413)	(368)	(1,781)
	3,619	711	4,330
Staff costs	(1,192)	(456)	(1,648)
Depreciation	(1,162)	(44)	(1,206)
Other operating charges - continuing	(673)	(150)	(823)
- exceptional	(150)	-	(150)
OPERATING PROFIT	442	61	503
Provision for disposal of business	-	(20)	(20)
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST	442	41	483

Changes to continuing activities comprise the charges for units purchased from a discontinued business prior to its disposal which were sold to third parties.