

RMA (HOLDINGS) LIMITED

FINANCIAL STATEMENTS AND REPORTS

FOR THE YEAR ENDED 31ST DECEMBER, 1999

Company Number 2890236



RMA (HOLDINGS) LIMITED

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RMA (HOLDINGS) LIMITED
REPORT OF THE DIRECTORS FOR THE YEAR
ENDED 31ST DECEMBER, 1999

The directors present their report and the audited financial statements of the company and group for the year ended 31st December, 1999.

Principal Activity

The principal activity of the group remains that of life, pensions and general insurance broking.

Review of the Business

Details of the results for the year are set out in the attached statements and reports.

The directors consider the state of affairs of the company and group to be satisfactory.

Dividends

Preference dividends of £10,500 (1998-£17,673) have been paid during the year and ordinary dividends of £71,325 (1998-£66,350) are proposed, leaving a retained profit of £57,815 (1998 - £87,683) to be taken to reserves.

Directors and their Interests

The following are the persons who have served as directors during the year together with their interests in the company:

	£1 Ordinary Shares	
	1999	1998
R.S. Johnson (Chairman)	7,098	7,098
C.S. Beaumont	7,098	7,098
I.G. Logan	7,098	7,098
J.W. Marshall	7,098	7,098
J.D. Mutch	7,098	7,098

None of the directors had any interest in the share capital of other group companies.

Auditors

A resolution to re-appoint Messrs. Dutton Moore Atkin Gilbert as auditors will be put to the members at the Annual General Meeting in accordance with Section 384 of the Companies Act 1985.

BY ORDER OF THE BOARD



R.N. GILLINGWATER
COMPANY SECRETARY

HULL
24th JULY, 2000

**AUDITORS' REPORT TO THE SHAREHOLDERS' OF
RMA (HOLDINGS) LIMITED**

We have audited the financial statements on pages 4 to 20 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of the directors and auditors

As described on page 3 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.

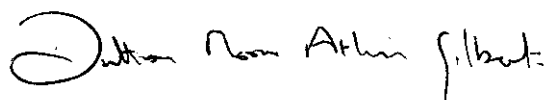
Basis of Opinion

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 significance 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 and the group's affairs as at 31st December, 1999 and of its profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



DUTTON MOORE ATKIN GILBERT

CHARTERED ACCOUNTANTS AND

REGISTERED AUDITORS

HULL
24th JULY, 2000

RMA (HOLDINGS) LIMITED

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

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d) 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 of fraud and other irregularities.

RMA (HOLDINGS) LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDED 31ST DECEMBER, 1999

	Notes	1999	1998
Turnover	2	2,287,962	2,345,235
Administrative Expenses		(2,110,574)	(2,163,250)
Operating Profit	3	177,388	181,985
Interest Receivable	4a	37,461	40,713
Interest Payable	4b	(14,293)	(30,800)
Profit on Ordinary Activities, before Taxation		200,556	191,898
Tax on Profit on Ordinary Activities	5	(60,916)	(20,192)
Profit on Ordinary Activities, after Taxation		139,640	171,706
Dividends	6	(81,825)	(84,023)
Retained Profit for the Financial Year		57,815	87,683
Retained Profits, brought forward		152,361	134,678
Transfer to Capital Redemption Reserve		210,176 (70,000)	222,361 (70,000)
Retained Profits, carried forward		<u>£140,176</u>	<u>£152,361</u>

All of the activities undertaken by the company during 1999 and 1998 are continuing activities.

The company has no recognised gains or losses for 1999 and 1998 other than those included in the profit and loss account, therefore no separate statement of total recognised gains and losses is required.

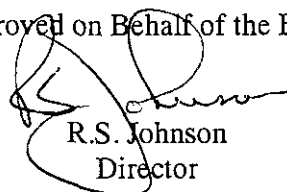
In accordance with the exemption allowed under S.230 of the Companies Act 1985, as amended, the company's profit and loss account is not separately presented.

RMA (HOLDINGS) LIMITED

BALANCE SHEET AS AT 31ST DECEMBER, 1999

	Notes	Group 1999	Group 1998	Company 1999	Company 1998
FIXED ASSETS					
Intangible Assets	7	733,092	916,806	-	-
Tangible Assets	8	256,533	234,808	-	-
Investments	9	4,220	4,220	1,301,438	1,298,438
		<u>£993,845</u>	<u>£1,155,834</u>	<u>£1,301,438</u>	<u>£1,298,438</u>
CURRENT ASSETS					
Debtors	10	990,756	1,115,264	20,775	49,390
Cash at Bank and in Hand		622,809	520,320	-	19,950
		<u>1,613,565</u>	<u>1,635,584</u>	<u>20,775</u>	<u>69,340</u>
CREDITORS: amounts falling due within one year	11a	(1,900,103)	(2,072,899)	(941,513)	(987,078)
Net Current Liabilities		<u>£(286,538)</u>	<u>£(437,315)</u>	<u>£(920,738)</u>	<u>£(917,738)</u>
Total Assets less Current Liabilities		707,307	718,519	380,700	380,700
CREDITORS: amounts falling due after more than one year	11b	(74,431)	(73,458)	-	-
Provisions for Liabilities and Charges	15	(112,000)	(112,000)	-	-
		<u>£520,876</u>	<u>£533,061</u>	<u>£380,700</u>	<u>£380,700</u>
CAPITAL AND RESERVES					
Called Up Share Capital	17	120,700	190,700	120,700	190,700
Capital Redemption Reserve		260,000	190,000	260,000	190,000
Profit and Loss Account		140,176	152,361	-	-
Shareholders' Funds	18	<u>£520,876</u>	<u>£533,061</u>	<u>£380,700</u>	<u>£380,700</u>

Approved on Behalf of the Board


 R.S. Johnson
 Director

Dated: 24th July, 2000

The notes on pages 6 to 20 form part of these accounts.

RMA (HOLDINGS) LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31st DECEMBER, 1999

	Note	1999	1998
Net Cash Inflow from Operating Activities	21(a)	274,389	527,828
Return on Investments and Servicing of Finance	21(b)	16,168	(7,760)
Taxation	21(e)	(10,877)	(137,384)
Capital Expenditure and Financial Investment	21(c)	145,443	14,565
Equity Dividends Paid		(80,485)	(92,849)
Financing	21(d)	(242,149)	(265,363)
		<hr/>	<hr/>
Increase in Cash in the Year	21(f)	£102,489	£ 39,037
		<hr/>	<hr/>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

Increase in Cash in the Year	102,489	39,037
Cash Outflow from Decrease in Debt and Hire Purchase Financing Agreement	172,149	195,363
	<hr/>	<hr/>
Change in Net Debt resulting from Cash Flow Hire Purchase Agreements	274,638 (114,032)	234,400 (102,194)
	<hr/>	<hr/>
Movement in Net Debt in Year	160,606	132,206
Net Funds at 1 st January, 1999	339,008	206,802
	<hr/>	<hr/>
Net Funds at 31st December, 1999	21(f) £499,614	£339,008
	<hr/>	<hr/>

RMA (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER, 1999

1. **Principal Accounting Policies:**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of Accounting

a) **Accounts** have been prepared under the historical cost convention.

b) **Turnover** represents brokerage and commissions receivable by the company during the year. Credit is taken for general brokerage when the debit note is raised. Life and pensions commission is recognised at the onset of the policy.

Provision is made to recognise potential clawbacks in respect of policies written on indemnity terms and policies due for renewal in the following financial year.

c) **Goodwill** arising from the acquisition of insurance broking businesses is treated as an intangible fixed asset and amortised over 20 years.

d) **Fixed Assets** are included at cost. Depreciation is provided at rates calculated to write off all tangible fixed assets over their estimated useful lives. The rates applied are as follows:

Fixtures and Fittings	10% on cost
Motor Vehicles	25% reducing balance
Computer Equipment	25% on cost

e) **Deferred Taxation**

Provision for deferred tax liability is only made when there is reasonable probability that a liability will crystallise in the foreseeable future.

f) **Hire Purchase Agreements**

Assets obtained under hire purchase agreements are capitalised in the balance sheet and are depreciated over their useful lives. The interest element is charged to the profit and loss account over the period of the agreement.

g) **Loan Finance**

Loans are stated net of the costs of raising loan finance. These costs are amortised on a straight line basis over the period of the loans, the charge being made at each repayment date.

h) **Pensions**

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested in insurance policies.

Contributions to the scheme are made in accordance with the advice of an independent qualified actuary and are charged to the accounts in the year in which they fall due.

RMA (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

2. Turnover

Turnover as defined in note 1(b) and pre-tax profit are attributable to the principal activity as detailed in the Directors' Report.

3. Operating Profit

1999

1998

a) This is stated after charging:

Depreciation	£67,867	£60,737
Amortisation	£56,784	£58,016
Auditors' Remuneration	£12,500	£9,000
Directors' Remuneration (see below)	£418,323	£359,796
Operating Leases	£81,850	£80,850
Pension Review Provision (Note 15)	£50,273	£110,515

b) Directors' Emoluments

Salaries	297,874	281,430
Fees	30,000	-
Benefits in Kind	31,525	25,641
Employer's National Insurance	35,199	30,210
Pension Scheme Contributions	23,725	22,515

£418,323 £359,796

Five directors (1998 - five) have retirement benefits accruing under defined benefit pension schemes.

The highest paid director received emoluments of £79,848 (1998 - £63,623).

c) Staff Costs

Wages and Salaries	769,390	792,346
Employer's NIC	68,195	66,501

£837,585 £858,847

The average number of people employed during the year, excluding directors was:

	1999 No.	1998 No.
Insurance Broking	50	48
Administration	11	9
	—	—
	61	57
	==	==

RMA (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

4. Interest Receivable and Payable	1999	1998
a) Interest Receivable		
Bank Interest	37,461	39,610
Interest on Corporation Tax Refunds	-	1,103
	<u>37,461</u>	<u>40,713</u>
	<u><u>£37,461</u></u>	<u><u>£40,713</u></u>
b) Interest Payable		
Bank Interest	5,767	23,543
Hire Purchase Interest	8,526	7,257
	<u>14,293</u>	<u>30,800</u>
	<u><u>£14,293</u></u>	<u><u>£30,800</u></u>
5. Tax on Profit on Ordinary Activities		
This is made up as follows:		
Corporation Tax on adjusted profits for the year at 20.25%	56,207	63,526
Adjustments for earlier years Corporation Tax	4,709	(43,334)
	<u>60,916</u>	<u>20,192</u>
	<u><u>£60,916</u></u>	<u><u>£20,192</u></u>
6. Dividends		
Paid-Non Equity Shares	10,500	17,673
Ordinary-Paid @ £1.35 per share (1998-£1.31 per share)	47,912	46,445
'A' Ordinary-Paid @ £1.54 per share (1998-£1.31 per share)	23,413	19,905
	<u>81,825</u>	<u>84,023</u>
	<u><u>£81,825</u></u>	<u><u>£84,023</u></u>

RMA (HOLDINGS) LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)

7. Intangible Assets	Goodwill
Cost	
At 1 st January, 1999	1,160,309
Disposals	(147,880)
	<hr/>
At 31 st December 1999	£1,012,429
	<hr/> <hr/>
Amortisation	
At 1 st January, 1999	243,503
Charge for the Year	56,784
Written Back Re Disposal	(20,950)
	<hr/>
At 31 st December, 1999	£279,337
	<hr/> <hr/>
Net Book Value	
At 31 st December, 1999	£733,092
	<hr/> <hr/>
At 31 st December, 1998	£916,806
	<hr/> <hr/>

RMA (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

8. Tangible Assets

	Office Furniture and Equipment	Motor Vehicles	Total
Cost			
At 1 st January, 1999	169,666	252,567	422,233
Additions during the Year	51,050	70,522	121,572
Disposals at Cost	-	(83,689)	(83,689)
	<hr/>	<hr/>	<hr/>
As at 31 st December, 1999	£220,716	£239,400	£460,116
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 st January, 1999	110,539	76,886	187,425
Added this Year	15,326	48,286	63,612
Eliminated in respect of disposals	-	(47,454)	(47,454)
	<hr/>	<hr/>	<hr/>
As at 31 st December, 1999	£125,865	£77,718	£203,583
	<hr/>	<hr/>	<hr/>
Net Book Value			
At 31 st December, 1999	£94,851	£161,682	£256,533
	<hr/>	<hr/>	<hr/>
At 31 st December, 1998	£59,127	£175,681	£234,808
	<hr/>	<hr/>	<hr/>

Included in the total net book value of motor vehicles is £161,682 (1998 - £164,767) and of computer equipment is £40,955 (1998 - £Nil) in respect of assets acquired under hire purchase agreements. Depreciation charged on such assets is £39,719 (1998 - £40,957) and £2,555 (1998 - £Nil) respectively.

RMA (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

9 Investments

	Listed on recognised Stock Exchange	Other Investments	Group Total	Company Shares in Subsidiary Undertakings
Cost				
At 31 st December, 1998	1,035	3,185	4,220	1,298,438
Additions during the Year	-	-	-	3,000
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st December, 1999	£1,035	£3,185	£4,220	£1,301,438
	<hr/>	<hr/>	<hr/>	<hr/>

The market value of listed investments at 31st December, 1999 was £12,104 (1998 - £7,244).

Subsidiary Undertakings	Country of Registration and Incorporation	Nature of Business	Holding of Ordinary Shares
Penmarch Limited	England	Holding of Investment	100%
Rockpride Limited	England	Holding of Investment	100%
J. Rixon Matthews & Appleyard Limited	England	Insurance Broking	100%
P.M. Elliott & Company Limited	England	Non-trading	100%

Rockpride Limited is held by a subsidiary undertaking.

The entire shareholding of J. Rixon Matthews and Appleyard Limited was transferred at its book value of £3,000 from Rockpride Limited on 17th November, 1999.

Subsequent to the financial year end the entire shareholding of J. Rixon Matthews & Appleyard Limited was transferred at the same book value of £3,000 to Penmarch Limited.

Penmarch Limited made a profit for the year of £151,825 (1998-£154,023) and at the year end had capital and reserves of £2,141,878 (1998-£2,141,878).

Rockpride Limited made a profit for the year of £Nil (1998-£154,023) and at the year end had capital and reserves of £10,000 (1998-£10,000).

J. Rixon Matthews & Appleyard Limited made a profit for the year of £162,012 (1998-£219,328) and at the year end had capital and reserves of £648,460 (1998-£638,273).

P.M. Elliot & Co. Limited did not trade during the year. At the year end it had capital and reserves of £(25,250) (1998-£(25,250)).

RMA (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

10. Debtors

	Group		Company	
	1999	1998	1999	1998
Trade Debtors	896,738	997,503	-	-
Amounts due from Group Undertakings	-	-	20,775	20,775
Corporation Tax	-	43,334	-	-
Prepayments and Accrued Income	46,556	44,588	-	-
Other Debtors	47,462	1,224	-	-
Advance Corporation Tax Recoverable	-	28,615	-	28,615
	<u>£990,756</u>	<u>£1,115,264</u>	<u>£20,775</u>	<u>£49,390</u>

11a. Creditors: amounts falling due within one year

Bank Loan (Note 14)	-	100,000	-	100,000
Trade Creditors	1,565,538	1,604,252	-	-
Amounts due to Subsidiary Undertaking	-	-	843,138	758,459
Corporation Tax	49,811	44,184	-	-
Advance Corporation Tax Payable	-	27,534	-	27,534
Other Creditors (Note 15)	38,550	62,600	23,550	20,600
Other Taxes	36,367	37,439	-	-
Dividends	74,825	80,485	74,825	80,485
Deferred Income	86,248	66,551	-	-
Hire Purchase Agreements (Note 13)	45,994	49,854	-	-
Other Loans (Note 12)	2,770	-	-	-
	<u>£1,900,103</u>	<u>£2,072,899</u>	<u>£941,513</u>	<u>£987,078</u>

11b. Creditors: amounts falling due after more than one year

	Group		Company	
	1999	1998	1999	1998
Hire Purchase Agreements (Note 13)	61,462	31,458	-	-
Other Creditors	-	42,000	-	-
Other Loans (Note 12)	12,969	-	-	-
	<u>£74,431</u>	<u>£73,458</u>	<u>£ -</u>	<u>£ -</u>

RMA (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

12. Other Loans

	1999		1998	
	Group	Company	Group	Company
Amounts payable:				
Within one year	2,770	-	-	-
Within one to two years	2,770	-	-	-
Within three to five years	8,312	-	-	-
Over five years	1,887	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£15,739	£ -	£ -	£ -
	<hr/>	<hr/>	<hr/>	<hr/>
Shown as:				
Current Obligations	2,770	-	-	-
Non-Current Obligations	12,969	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£15,739	£ -	£ -	£ -
	<hr/>	<hr/>	<hr/>	<hr/>

On 27th April, 1999 the group entered into an agreement with the Royal Bank of Scotland plc to provide a loan of up to £250,000 under the scheme operated with PASS Loans Limited company number 3530780 to meet compensation payments following the review of certain customers pensions.

The repayments, standing at £231 at the year end, are over 96 monthly instalments and interest is charged quarterly at 2% per annum above the Bank's Base Rate subject to a minimum rate of 6% per annum.

13. Obligations under Hire Purchase Agreements

The maturity of these amounts is as follows:

	1999		1998	
	Group	Company	Group	Company
Amounts payable:				
Within One Year	54,980	-	52,130	-
Within Two to Five Years	70,448	-	33,735	-
	<hr/>	<hr/>	<hr/>	<hr/>
	125,428	-	85,865	-
Less Interest charges allocated to Future periods	(17,972)	-	(4,553)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£107,456	£ -	£81,312	£ -
	<hr/>	<hr/>	<hr/>	<hr/>
Shown as:				
Current Obligations	45,994	-	49,854	-
Non-Current Obligations	61,462	-	31,458	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£107,456	£ -	£81,312	£ -
	<hr/>	<hr/>	<hr/>	<hr/>

RMA (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

14. Bank Loan

	1999		1998	
	Group	Company	Group	Company
Due within one year	-	-	100,000	100,000
Due between one and two years	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£ -	£ -	100,000	100,000
Less Costs of raising finance			-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£ -	£ -	£100,000	£100,000
	<hr/>	<hr/>	<hr/>	<hr/>

15. Provisions for Liabilities and Charges

Provision is made for the potential cost of investigation and compensation arising from the group's review of pensions sold, as required by the Securities and Investment Board's report "Pension Transfers and Opt-outs, Review of Past Business". The provision is based on the group's review, to date, of all pensions sold and represents the best estimate of the potential compensation based on industry average payments, plus associated costs.

16. Deferred Taxation

	<-----1999----->		<-----1998----->	
	Full Potential Liabilities	Provision Made	Full Potential Liabilities	Provision Made
Accelerated Capital Allowances	7,241	7,241	8,375	8,375
Other Timing Differences	(33,600)	(7,241)	(33,600)	(8,375)
	<hr/>	<hr/>	<hr/>	<hr/>
	£(26,359)	£ -	£(25,225)	£ -
	<hr/>	<hr/>	<hr/>	<hr/>

The full potential liability and provision made are calculated at a rate of 20% (1998-30%).

RMA (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

17. Called Up Share Capital	1999	1998
Authorised, Allotted, Called Up and Fully Paid:		
Equity Shares		
Ordinary Shares of £1 each	35,490	35,490
'A' Ordinary Shares of £1 each	15,210	15,210
	<hr/>	<hr/>
	50,700	50,700
Non-Equity Shares		
Redeemable Preference Shares of £1 each	70,000	140,000
	<hr/>	<hr/>
	£120,700	£190,700
	<hr/> <hr/>	<hr/> <hr/>

The company redeemed 70,000 preference shares of £1 each at par during the year.

The rights to the equity and non equity shares are as follows:

Dividend

Cumulative Preferential	'Participating' dividend being 8% of net profit and 'Additional' dividend should directors' emoluments exceed pre-set limits.	'Preference' dividend being 10p per share net per annum.
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Ordinary	'Initial' dividend per share being equal to the 'Participating' dividend paid per share.
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Voting	One vote per share	One vote per share	No voting rights
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Capital

Winding up priority	Third	Second	First
Receivable upon winding-up	£4.86 per share plus any accrued dividend and the balance remaining shared pari pasu.	£4.54 per share plus any accrued dividend and the balance remaining shared pari pasu.	£1 per share plus any accrued dividend.

The 'A' ordinary shares carry the right to be converted at any time into ordinary shares on a one to one basis.

RMA (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

17. Called Up Share Capital (Continued)

To the extent that they have not previously been redeemed, the company must redeem the remaining preference shares in the proportions and on the dates set out below:

Redemption Date	Number of Shares
30 June 2000	£70,000
	<u> </u>

18. Reconciliation of Movements in Shareholders' Funds

	Group		Company	
	1999	1998	1999	1998
Opening Shareholders' Funds	533,061	515,378	380,700	380,700
Profit on Ordinary Activities, after Taxation	139,640	171,706	80,500	154,023
Dividends	(81,825)	(84,023)	(10,500)	(84,023)
Redemption of Preference Shares	(70,000)	(70,000)	(70,000)	(70,000)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Closing Shareholders' Funds	£520,876	£533,061	£380,700	£380,700
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Equity Interests	450,876	393,061	310,700	240,700
Non-Equity Interests	70,000	140,000	70,000	140,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	£520,876	£533,061	£380,700	£380,700
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

RMA (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

19. Contingent Liabilities and Commitments

The company's borrowings are guaranteed by its subsidiary undertakings.

The company has undertaken to provide financial support to J. Rixon Matthews & Appleyard Limited, a subsidiary undertaking, so as to enable that company to meet its liabilities as they fall due.

At 31st December, 1999 the group had commitments to make the following payments in the year to 31st December, 1999 in respect of non-cancellable operating leases.

	<-----1999----->		<-----1998----->	
	Land and Buildings	Other	Land and Buildings	Other
Expiring between one and five years	£39,850	£42,000	£38,500	£42,000
	=====	=====	=====	=====

Neither the group nor the company had any contracted capital commitments at 31st December, 1999 (1998-£Nil).

20. Pensions

The contributions to the defined benefit scheme operated by a group company are determined by an independent qualified actuary on the basis of valuations prepared using the attained age method. The most recent valuation was carried out by a qualified actuary at 31st March, 1999. The assumptions which have the most significant effect on the valuations are those relating to investment returns and increases in salaries and pensions. It was assumed that the investment returns would be 8% per annum, that salary increases would average 6.5% per annum and that present and future pensions would increase at a rate of 4% per annum.

The pension charge for the year was £102,511 (1998-£97,500).

The most recent actuarial valuation showed that the market value of the scheme's assets at 31st March, 1999 was £1,538,077 and that the actuarial value of those assets represented 104.6% of the benefits accrued to members after allowing for expected future increases in earnings.

RMA (HOLDINGS) LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)

	1999	1998
21. Notes to the Cash Flow Statement		
(a) Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities		
Operating Profit	177,388	181,985
Depreciation	63,612	60,650
Amortisation of Goodwill	56,784	58,016
Loss on Sale of Fixed Assets	4,255	87
Decrease/(Increase) in Debtors	52,559	410,289
(Decrease)/Increase in Creditors	(86,139)	(179,199)
(Decrease)/Increase in Provisions	-	(4,000)
Loss on Sale of Business	5,930	-
	<u>£274,389</u>	<u>£527,828</u>
Net Cash Inflow from Operating Activities		
(b) Returns of Investments and Servicing of Finance		
Interest Receivable	37,461	40,713
Interest Payable	(5,767)	(23,543)
Dividends Paid-Non Equity	(7,000)	(17,671)
Interest Element of Hire Purchase Agreement Payments	(8,526)	(7,213)
	<u>£16,168</u>	<u>£ (7,663)</u>
(c) Capital Expenditure and Financial Investment		
Purchase of Tangible Fixed Assets	-	(7,540)
Proceeds from Sales of Tangible Fixed Assets	-	31,983
Sale of Business	-	121,000
	<u>£145,443</u>	<u>£144,443</u>
(d) Financing		
Repayment of Secured Loan	-	(100,000)
Redemption of Preference Share Capital	-	(70,000)
Capital Element of Hire Purchase Agreement Payments	-	(87,888)
Other Loan - Capital Advance	-	16,864
- Repayments	-	(1,125)
	<u>£(242,143)</u>	<u>£(242,149)</u>

5

3,870)
-0,000)
04,493)

£(265,363)

RMA (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

21. Notes to the Cash Flow Statement (Continued)		1999	1998	
(e) Taxation				
Corporation Tax Paid		(48,093)	(137,384)	
Corporation Tax Received		45,405	-	
ACT Paid		(8,189)	-	
		<hr/>	<hr/>	
		£(10,877)	£(137,384)	
		<hr/> <hr/>	<hr/> <hr/>	
(f) Analysis of Net Funds				
	1998	Cashflows	Other Non-Cash Changes	1999
Cash at Bank and in Hand	520,320	102,489		622,809
Debts falling due after more than one year	-	-	(12,969)	(12,969)
Debts falling due in less than one year	(100,000)	84,261	12,969	(2,770)
Hire Purchase Agreements	(81,312)	87,888	(114,032)	(107,456)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	£339,008	£274,638	£(114,032)	£499,614
	<hr/>	<hr/>	<hr/>	<hr/>

22. Related Party Transactions

The company has taken advantage of the exemption provided by Financial Reporting Standard No.8 "Related Party Transactions" not to disclose transactions with members of the group.

Major Non-Cash Transactions

During the year the company entered into hire purchase arrangements in respect of assets with a capital value at the inception of the agreements of £114,032.