

Companies
House

DAVID MOULSDALE (HOLDINGS) LIMITED AND SUBSIDIARIES

FINANCIAL STATEMENTS

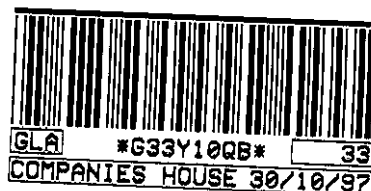
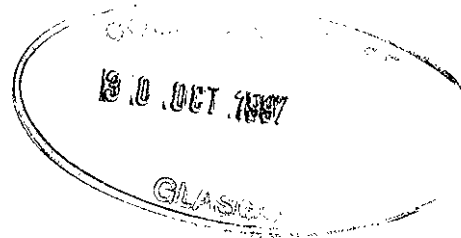
31 DECEMBER 1996

Registered number: 146610

KIDSONS IMPEY

CHARTERED ACCOUNTANTS

Glasgow



DAVID MOULSDALE (HOLDINGS) LIMITED AND SUBSIDIARIES

FINANCIAL STATEMENTS

for the year ended 31 December 1996

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The following page does not form part of the statutory accounts

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DAVID MOULSDALE (HOLDINGS) LIMITED AND SUBSIDIARIES**COMPANY INFORMATION****31 December 1996**

NUMBER	146610
DIRECTOR	D. Mouldsdale
SECRETARY	G. Murdoch
REGISTERED OFFICE	Breckenridge House 274 Sauchiehall Street Glasgow G2 3EH
AUDITORS	Kidsons Impey Chartered Accountants Breckenridge House 274 Sauchiehall Street Glasgow G2 3EH

DAVID MOULSDALE (HOLDINGS) LIMITED AND SUBSIDIARIES

DIRECTORS' REPORT

31 December 1996

The director presents his report and the audited financial statements for the year ended 31 December 1996.

Principal activity

The principal activity of the company is that of a holding company. The principal activity of the subsidiaries is that of opticians.

Business review

The company's balance sheet as detailed on page 8 shows a satisfactory position, shareholders' funds amounting to £2. The group balance sheet on page 7 shows shareholders' funds amounting to £887,409.

Results and dividends

The results for the year are shown in the profit and loss account on page 5. An ordinary dividend amounting to £35,000 was declared.

Future developments

The director is satisfied with the performance of the group in the year. The rapid growth experienced is set to continue with the acquisition of Specialeyes Plc (detailed in note 22).

Fixed assets

In the opinion of the director there is no significant difference between the present market value of the company's assets and the amounts at which they are stated in the accounts. Details are set out in note 10.

Director

The director of the company during the year and his interests in the shares of the company as recorded in the register of directors' interests was as follows

	31 December 1996 Ordinary shares	1 January 1996 Ordinary shares
D. Mouldale	2	2

continued

DAVID MOULSDALE (HOLDINGS) LIMITED AND SUBSIDIARIES

DIRECTORS' REPORT

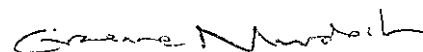
(continued)

31 December 1996

Auditors

Kidsons Impey have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board

G. Murdoch
Secretary

Breckenridge House
274 Sauchiehall Street
Glasgow
G2 3EH

9 October 1997

DAVID MOULSDALE (HOLDINGS) LIMITED AND SUBSIDIARIES**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to

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

The director is 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. He is 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.

On behalf of the board

9 October 1997


D. Moulds
Director

DAVID MOULSDALE (HOLDINGS) LIMITED AND SUBSIDIARIES**AUDITORS' REPORT****Auditors' report to the members of****David Mouldsdaie (Holdings) Limited and Subsidiaries**

We have audited the financial statements on pages 5 to 20 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 and 11.

Respective responsibilities of directors and auditors

As described on page 3, the company's director is 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 director 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 error or other irregularity. 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's affairs as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Glasgow
27 October 1997

Kidsons Impey

Kidsons Impey
Registered Auditors
Chartered Accountants

DAVID MOULSDALE (HOLDINGS) LIMITED AND SUBSIDIARIES

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1996

		Continuing operations		Total	Total
		Acquisitions			
	Note	1996 £	1996 £	1996 £	1995 £
Turnover	2	3,373,338	3,448,035	6,821,373	2,519,762
Cost of sales		(779,347)	(835,095)	(1,614,442)	(564,384)
Gross profit		2,593,991	2,612,940	5,206,931	1,955,378
Net operating expenses					
Administrative expenses		(1,946,762)	(2,378,454)	(4,325,216)	(1,668,606)
Operating profit	3	647,229	234,486	881,715	286,772
Investment income	5			636	236
Interest payable	6			(63,615)	(24,889)
Profit on ordinary activities before taxation				818,736	262,119
Taxation	7			(159,253)	(79,246)
Profit on ordinary activities after taxation				659,483	182,873
Dividends	8			(35,000)	-
Retained profit for the year	19			624,483	182,873

Movements in reserves are shown in note 19.

There are no recognised gains and losses in 1996 or 1995 other than the profit for the year.

DAVID MOULSDALE (HOLDINGS) LIMITED AND SUBSIDIARIES

COMPANY PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1996

	Note	1996 £	1995 £
Administrative expenses		-	-
Operating profit		-	-
Investment income	5	43,750	-
Profit on ordinary activities before taxation		43,750	-
Taxation	7	(8,750)	-
Profit on ordinary activities after taxation		35,000	-
Dividends	8	(35,000)	-
Retained profit for the year	19	-	-

Movements in reserves are shown in note 19.

There are no recognised gains and losses in 1996 or 1995 other than the profit for the year.

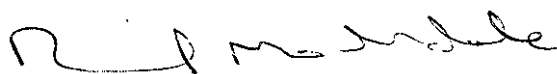
DAVID MOULSDALE (HOLDINGS) LIMITED AND SUBSIDIARIES

BALANCE SHEET

at 31 December 1996

	Note	£	1996 £	£	1995 £
Fixed assets					
Intangible assets	9		14,655		8,000
Tangible assets	10		2,002,784		544,650
			<u>2,017,439</u>		<u>552,650</u>
Current assets					
Stocks	12	710,409		182,635	
Debtors	13	505,761		324,690	
Cash at bank and in hand		9,985		132,271	
		<u>1,226,155</u>		<u>639,596</u>	
Creditors: amounts falling due within one year	14	<u>(1,790,119)</u>		<u>(801,200)</u>	
Net current liabilities			<u>(563,964)</u>		<u>(161,604)</u>
Total assets less current liabilities			<u>1,453,475</u>		<u>391,046</u>
Creditors: amounts falling due after more than one year	15		<u>(566,066)</u>		<u>(128,117)</u>
			<u>887,409</u>		<u>262,929</u>
Capital and reserves					
Called up share capital	18		2		2
Profit and loss account	19		887,407		262,927
Total shareholders' funds	17		<u>887,409</u>		<u>262,929</u>

The financial statements on pages 5 to 20 were approved by the director on 9 October 1997.



D. Mouldale
Director

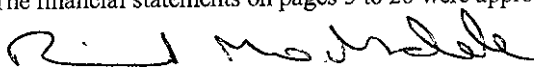
DAVID MOULSDALE (HOLDINGS) LIMITED AND SUBSIDIARIES

COMPANY BALANCE SHEET

at 31 December 1996

	Note	£	1996	£	£	1995	£
Fixed assets							
Investments	11			700			700
Current assets							
Debtors	13	3,492			2		
		<u>3,492</u>			<u>2</u>		
Creditors: amounts falling due within one year	14	(4,190)			(700)		
					<u>(698)</u>		
Net current liabilities				(698)			(698)
Total assets less current liabilities				<u>2</u>			<u>2</u>
Capital and reserves							
Called up share capital	18			2			2
Profit and loss account	19			-			-
				<u>2</u>			<u>2</u>
Total Shareholders' funds	17			<u>2</u>			<u>2</u>

The financial statements on pages 5 to 20 were approved by the director on 9 October 1997.


D. Mouldale
Director

DAVID MOULSDALE (HOLDINGS) LIMITED AND SUBSIDIARIES

CASH FLOW STATEMENT

for the year ended 31 December 1996

	Note	1996		1995	
		£	£	£	£
Net cash inflow/(outflow) from operating activities	23		766,318		(77,319)
Returns on investments and servicing of finance					
Interest received		636		236	
Interest paid		(45,967)		(16,284)	
Interest element of finance lease rental payments		(17,648)		(8,605)	
			(62,979)		(24,653)
Taxation					
Corporation tax paid			(14,474)		-
Capital expenditure and financial investment					
Purchase of intangible fixed assets		(7,500)		-	
Purchase of tangible fixed assets		(1,136,370)		(112,164)	
Sale of tangible fixed assets		49,727		19,600	
			(1,094,143)		(92,564)
			(405,278)		(194,536)
			(35,000)		-
Equity dividends paid			(440,278)		(194,536)
Financing					
Debt due within a year:					
Bank loan repayments		(20,964)		-	
Debt due beyond a year:					
Bank loan advances/(repayments)		230,235		(13,287)	
Capital element of finance lease payments		(150,720)		(72,398)	
			58,551		(85,685)
Decrease in cash			(381,727)		(280,221)

DAVID MOULSDALE (HOLDINGS) LIMITED AND SUBSIDIARIES

NOTES ON FINANCIAL STATEMENTS

31 December 1996

1 Accounting policies**Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Leasehold improvements	25% reducing balance
Equipment	10% - 15% reducing balance
Motor vehicles	20% - 25% reducing balance
Fixtures and fittings	15% - 25% reducing balance
Goodwill	5 % straight line
Lease premium	5.5 % straight line

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions**Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

DAVID MOULSDALE (HOLDINGS) LIMITED AND SUBSIDIARIES

NOTES ON FINANCIAL STATEMENTS

31 December 1996

1 Accounting policies continued

Consolidation

These financial statements have been prepared by consolidating the following financial statements using the acquisition method:

Optical Express (Aberdeen) Limited
 Optical Express (Ayr) Limited
 Optical Express (Central) Limited
 Optical Express (Forge) Limited
 Optical Express (Gyle) Limited
 Optical Express (Leith) Limited
 Optical Express (Westfield) Limited

Optical Express (Central) Limited started trading on the 11 December 1995. The 13 month period of trade has been incorporated into these financial statements.

2 Turnover

The turnover for the year was derived from the group's principal activity. The whole of the turnover is attributable to the UK market.

3 Operating profit

	1996 £	1995 £
Operating profit is stated after crediting		
Profit on sale of assets	1,277	-
and after charging		
Staff costs (note 4)	2,648,703	952,016
Auditors' remuneration	18,800	16,250
Operating leases		
Hire of assets other than plant	5,879	1,382
Loss on sale of assets	-	4,097
Depreciation of tangible fixed assets (note 10)		
owned assets	111,680	80,327
leased assets	68,337	49,354
Amortisation of intangible fixed assets (note 9)	845	-
	180,862	129,681
The total amount charged against profits in respect of finance leases and hire purchase contracts is (of which part is shown as depreciation and the balance is shown as interest payable in note 6)	85,985	57,959

DAVID MOULSDALE (HOLDINGS) LIMITED AND SUBSIDIARIES

NOTES ON FINANCIAL STATEMENTS

31 December 1996

4 Directors and employees

Staff costs including directors' emoluments

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Wages and salaries	2,574,459	943,653	-	-
Pension costs	74,244	8,363	-	-
	<u>2,648,703</u>	<u>952,016</u>	<u>-</u>	<u>-</u>
Average monthly number employed including executive directors:	Number	Number		
Production	35	23		
Office and management	28	19		
Other	89	60		
	<u>152</u>	<u>100</u>		

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Director				
Emoluments	31,563	12,000	-	-
Company contributions to money purchase pension schemes	32,750	-	-	-
	<u>64,313</u>	<u>12,000</u>	<u>-</u>	<u>-</u>

Defined contribution pension scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £74,244 (1995 £8,363). Contributions totalling £0 (1995 £0) were payable to the fund at 31 December 1996 and are included in creditors.

5 Investment income

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Interest receivable	636	236	-	-
Dividends received	-	-	43,750	-
	<u>-</u>	<u>-</u>	<u>43,750</u>	<u>-</u>

6 Interest payable

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Bank interest	20,593	16,284	-	-
Bank loan interest	25,374	-	-	-
Hire purchase interest	17,648	8,605	-	-
	<u>63,615</u>	<u>24,889</u>	<u>-</u>	<u>-</u>

DAVID MOULSDALE (HOLDINGS) LIMITED AND SUBSIDIARIES

NOTES ON FINANCIAL STATEMENTS

31 December 1996

7 Taxation

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Corporation tax on profit on ordinary activities at 24.25% (1995 25%)	159,253	79,246	-	-
Tax on franked investment income	-	-	8,750	-
	<u>159,253</u>	<u>79,246</u>	<u>8,750</u>	<u>-</u>

8 Dividends

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Equity - final	<u>35,000</u>	<u>-</u>	<u>35,000</u>	<u>-</u>

9 Intangible fixed assets

Group

	Goodwill	Lease Premium	Total
	£	£	£
Cost			
1 January 1996	3,000	5,000	8,000
Additions	-	7,500	7,500
31 December 1996	<u>3,000</u>	<u>12,500</u>	<u>15,500</u>
Amortisation			
Charge for the year	<u>150</u>	<u>695</u>	<u>845</u>
31 December 1996	<u>150</u>	<u>695</u>	<u>845</u>
Net book amount			
31 December 1996	<u>2,850</u>	<u>11,805</u>	<u>14,655</u>
1 January 1996	<u>3,000</u>	<u>5,000</u>	<u>8,000</u>

DAVID MOULSDALE (HOLDINGS) LIMITED AND SUBSIDIARIES

NOTES ON FINANCIAL STATEMENTS

31 December 1996

10 Tangible fixed assets

Group

Cost	Motor Vehicles £	Equipment £	Fixtures and Fittings £	Leasehold Improve- ments £	Total £
1 January 1996	170,355	310,050	164,113	29,813	674,331
Additions	158,122	707,773	815,648	5,057	1,686,600
Disposals	(64,600)	-	-	-	(64,600)
31 December 1996	<u>263,877</u>	<u>1,017,823</u>	<u>979,761</u>	<u>34,870</u>	<u>2,296,331</u>
Depreciation					
1 January 1996	42,588	42,602	37,038	7,453	129,681
Charge for year	36,475	53,796	84,033	5,713	180,017
Disposals	(16,150)	-	-	-	(16,150)
31 December 1996	<u>62,913</u>	<u>96,398</u>	<u>121,071</u>	<u>13,166</u>	<u>293,548</u>
Net book amount					
31 December 1996	<u>200,965</u>	<u>921,425</u>	<u>858,690</u>	<u>21,704</u>	<u>2,002,784</u>
1 January 1996	<u>127,767</u>	<u>267,448</u>	<u>127,075</u>	<u>22,360</u>	<u>544,650</u>

The net book amount of fixed assets includes £732,926 (1995 £232,914) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 3.

11 Fixed asset investments

Company

Cost	Total £
1 January 1996	700
Additions	-
Disposals	-
31 December 1996	<u>700</u>
Net book amount	
31 December 1996	<u>700</u>
1 January 1996	<u>700</u>

DAVID MOULSDALE (HOLDINGS) LIMITED AND SUBSIDIARIES

NOTES ON FINANCIAL STATEMENTS

31 December 1996

12	Stocks	1996 £	1995 £
	Stock	710,409	182,635
		<u>710,409</u>	<u>182,635</u>

13 Debtors

	Group		Company	
	1996 £	1995 £	1996 £	1995 £
Amounts falling due within one year				
Trade debtors	164,647	26,991	-	-
Other debtors	270,848	86,704	3,492	2
Prepayments and accrued income-	70,266	210,995	-	-
	<u>505,761</u>	<u>324,690</u>	<u>3,492</u>	<u>2</u>

14 Creditors: amounts falling due within one year

	Group		Company	
	1996 £	1995 £	1996 £	1995 £
Bank loans and overdrafts	690,719	407,490	-	-
Trade creditors	328,100	111,603	-	-
Corporation tax	238,625	93,846	-	-
Other taxation and social security	132,260	50,488	-	-
Other creditors	3,490	3,327	4,190	700
Accruals and deferred income	172,838	57,407	-	-
Obligations under finance leases and hire purchase contracts - note 15	224,087	77,039	-	-
	<u>1,790,119</u>	<u>801,200</u>	<u>4,190</u>	<u>700</u>

The following liabilities disclosed under creditors falling due within one year are secured by the group :

	1996	1995
Bank loans and overdrafts	<u>690,719</u>	<u>407,490</u>

The group has two bank loans. The first loan is being repaid by monthly instalments of £1,747 and bears interest at 11.3%. This loan will be repaid by August 1999. The second loan is being repaid at quarterly instalments of £7,500 and bears interest at base plus 2 percent. This loan will be repaid by December 2005. Both loans are secured by bonds and floating charges.

DAVID MOULSDALE (HOLDINGS) LIMITED AND SUBSIDIARIES

NOTES ON FINANCIAL STATEMENTS

31 December 1996

15 Creditors: amounts falling due after more than one year

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Bank loans	226,191	40,704	-	-
Obligations under finance leases	339,875	87,413	-	-
	<u>566,066</u>	<u>128,117</u>	<u>-</u>	<u>-</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company :

	1996	1995
Bank loans	<u>226,191</u>	<u>40,704</u>

Maturity of debt

In one year or less, or on demand		
- see note 14	44,748	20,964
Between one and two years	44,748	20,964
Between two and five years	107,424	19,740
In five years or more	74,019	-
	<u>270,939</u>	<u>61,668</u>

Amounts falling due after more than five years:

Bank loans	<u>74,019</u>	<u>-</u>
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Obligations under finance leases and hire purchase contracts

These are repayable over varying periods by monthly instalments as follows:

In the next year - see note 14	224,087	77,039
In the second to fifth years	339,875	87,413
	<u>563,962</u>	<u>164,452</u>

16 Deferred taxation

	1996		1995	
	Potential liability	Provision made	Potential liability	Provision made
	£	£	£	£
Corporation tax deferred by excess capital allowances	120,566	-	-	-
	<u>120,566</u>	<u>-</u>	<u>-</u>	<u>-</u>

The potential liability and provision are based on a corporation tax rate of 24.25% (1995 25%).

DAVID MOULSDALE (HOLDINGS) LIMITED AND SUBSIDIARIES

NOTES ON FINANCIAL STATEMENTS

31 December 1996

17 Reconciliation of movements in shareholders' funds

	Group		Company	
	1996 £	1995 £	1996 £	1995 £
Profit for the financial year	659,483	182,873	35,000	-
Dividends	(35,000)	-	(35,000)	-
Net addition to shareholders' funds	624,483	182,873	-	-
Opening shareholders' funds	262,926	80,056	2	2
Closing shareholders' funds	887,409	262,929	2	2

18 Called up share capital

	1996		1995	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1	100	100	100	100
Allotted called up and fully paid				
Ordinary shares of £1	2	2	2	2

19 Profit and loss account

	Group	Company
	1996 £	1996 £
1 January 1996	262,924	-
Retained profit for the year	624,483	-
31 December 1996	887,407	-

DAVID MOULSDALE (HOLDINGS) LIMITED AND SUBSIDIARIES

NOTES ON FINANCIAL STATEMENTS

31 December 1996

20 Guarantees and other financial commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31 December 1997

	1996 Land and Buildings £	1995 Land and Buildings £
Expiring		
Within two to five years	8,000	-
After five years	437,675	98,950
	<u>445,675</u>	<u>98,950</u>

21 Investment in subsidiary companies

Name of Company	Country of Registration	Holding	Proportion Held	Nature of Business
Optical Express (Aberdeen) Ltd	Scotland	Ordinary Shares	100%	Opticians
Optical Express (Ayr) Ltd	Scotland	Ordinary Shares	100%	Opticians
Optical Express (Central) Ltd	Scotland	Ordinary Shares	100%	Opticians
Optical Express (Forge) Ltd	Scotland	Ordinary Shares	100%	Opticians
Optical Express (Gyle) Ltd	Scotland	Ordinary Shares	100%	Opticians
Optical Express (Leith) Ltd	Scotland	Ordinary Shares	100%	Opticians
Optical Express (Westfield) Ltd	Scotland	Ordinary Shares	100%	Central Buying Agent

22 Post balance sheet event

In January 1997 the company purchased the entire share capital of Specialeyes Plc, a company based in Greenford, Middlesex for the sum of £1.925 million, valuing the company at 6 pence per share with initial funding being supplied by the Clydesdale Bank Plc.

Specialeyes operated 63 retail opticians nationwide but had been identified as suffering from poor trading performance with reported losses despite occupying prime retail locations. In addition to the 63 stores above, a further six stores were obtained as a result of the termination of a joint venture with Opto Ltd.

The post implementation plan is to rebrand all stores to the proven total eyecare "Optical Express concept" with the substantial investment in new stock, refurbishment and re-equipping of all stores being funded through working capital.

DAVID MOULSDALE (HOLDINGS) LIMITED AND SUBSIDIARIES

NOTES ON FINANCIAL STATEMENTS

31 December 1996

23 Notes to the cash flow statement

Reconciliation of operating profit
to operating cash flows

	1996 £	1995 £
Operating profit	881,715	286,772
Depreciation charges	180,017	129,681
Amortisation	845	-
(Profit)/loss on sale of fixed assets	(1,277)	4,097
Increase in stocks	(527,774)	(87,335)
Increase in debtors	(181,071)	(272,266)
Increase/(decrease) in creditors	413,863	(138,268)
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	766,318	(77,319)
	<hr/>	<hr/>

DAVID MOULSDALE (HOLDINGS) LIMITED AND SUBSIDIARIES

NOTES ON FINANCIAL STATEMENTS

31 December 1996

24 Notes to the cash flow statement (continued)

Analysis of changes in net debt

	At start of year £	Cash flows £	Other changes £	At end of year £
Cash in hand, at bank	132,271	(122,286)	-	9,985
Overdrafts	(386,526)	(259,445)	-	(645,971)
		<u>(381,731)</u>		
Debt due within 1 year	(20,964)	20,964	(44,748)	(44,748)
Debt due after 1 year	(40,704)	(230,235)	44,748	(226,191)
Finance leases	(164,452)	150,720	(550,230)	(563,962)
		<u>(58,551)</u>		
Total	<u>(480,375)</u>	<u>(440,282)</u>	<u>(550,230)</u>	<u>(1,470,887)</u>

Reconciliation of net cash flow to movement in net debt

	1996 £	1995 £
Decrease in cash in the year	(381,731)	(254,255)
Cash inflow from increase in debt and lease financing	<u>(58,551)</u>	<u>(85,685)</u>
Change in net debt resulting from cash flows	(440,282)	(168,570)
New finance leases	<u>(550,230)</u>	<u>(175,242)</u>
Movement in net debt in the year	(990,512)	(343,812)
Net debt at 1 January 1996	<u>(480,375)</u>	<u>(136,563)</u>
Net debt at 31 December 1996	<u>(1,470,887)</u>	<u>(480,375)</u>