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Bayer U K Limited

REPORT AND ACCOUNTS

FOR THE YEAR

ENDED 31st DECEMBER, 1976.



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FOR THE YEAR
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BAYER UK LIMITED

REPORT AND ACCOUNTS.

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BAYER UK LIMITED

DIRECTORS

Mr. V.F.W. Cavendish-Bentinck, C.M.G. (Chairman)

Mr. J.V. Webb (Managing)

Mr. W. Meyerheim

Lord Walston

Mr. F.J. Weitkemper

BANKERS

Barclays Bank Limited

Hambros Bank Limited

AUDITORS

Kingston Smith & Co.
Chartered Accountants

SOLICITORS

Kenneth Brown Baker Baker

SECRETARY

Mr. M.J. Mills, F.C.A.

REGISTERED OFFICE

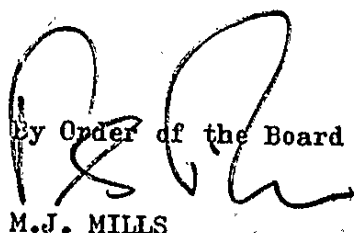
Bayer House
Richmond
Surrey
TW9 1SJ



BAYER UK LIMITED

NOTICE is hereby given that the Ninth Annual General Meeting of the Members of the Company will be held at Bayer House, Richmond, Surrey, on Tuesday, 24th May, 1977, at 12.30 p.m. for the purpose of transacting the following business:-

- 1) To receive the Directors' Report, the Balance Sheet and Accounts and the Auditors' Report for the Year Ended the 31st December, 1976.
- 2) To Declare a Dividend.
- 3) To elect Directors.
- 4) To re-appoint Kingston Smith & Co. as Auditors to the Company for the ensuing Year.
- 5) To transact any other business of an Annual General Meeting.


By Order of the Board
M.J. MILLS

Secretary

14th March, 1977.

A Member entitled to attend and vote may appoint one or more proxies to attend, and on a poll to vote instead of him.

A proxy need not be a Member of the Company.

BAYER UK LIMITED

REPORT OF THE DIRECTORS

The Directors submit their Report with the Balance Sheet of the Company as at the 31st December, 1976, and the Group Accounts for the Year Ending on that date.

ACTIVITIES

The Company's main activity is the marketing throughout the United Kingdom of the products manufactured by Bayer AG. of the Federal Republic of Germany, and its Subsidiaries.

SUBSIDIARY COMPANY

During the year the re-organisation of Bayer UK Limited was finalised by the completion of the Members Voluntary Liquidation of the non-trading Subsidiaries, resulting in an addition to the Reserves of Bayer UK Limited amounting to £302,970.

Haarmann & Reimer Limited incorporated in England is the sole remaining subsidiary company of Bayer UK Limited.

SALES

The total Sales for the year under review were £74,928,827, a record for the Group. The Export Sales including Sales to Bayer Companies abroad totalled £494,660.

RESULTS

The Group Profit, after making appropriate provision for Depreciation and Audit Fees, together with Taxation provision of £912,543 amounted to £749,201.

DIVIDEND

The Directors recommend the payment of a Dividend of 20% - £184,960 (1975 - 17% £157,216).

FIXED ASSETS

The movement of Fixed Assets is set out in Note 3 to the Accounts.

Following the acquisition of the Leasehold Premises, held on a Long Lease, at Fieldhouse Lane, Marlow, improvements to these premises were carried out amounting to £37,282 (including £11,609 Capital Work in Progress at 31st December, 1975).

MARKET VALUE OF LAND AND BUILDINGS

Freehold and Leasehold properties which are included in Fixed Assets in the Consolidated Balance Sheet as at 31st December, 1976, at the Net Book Value of £844,135 had, in the opinion of the Directors, at that date a market value of approximately £1,660,000.

CHARITABLE DONATIONS

During the financial year the sum of £1,646 was donated to United Kingdom charitable organisations. No payments were made for political purposes.

DIRECTORS AND EMPLOYEES

Mr. V.F.W. Cavendish-Bentinck, Mr. J.V. Webb, Mr. W. Meyerheim, Lord Walston and Mr. F.J. Weitkemper, served as Directors during the year. Under the Articles of Association Lord Walston and Mr. F.J. Weitkemper retire at the Annual General Meeting, and being eligible, offer themselves for re-election.

No Director has any interest in shares or debentures and unsecured loan stock as defined by the Companies Act 1967 in any Group Company.

EMPLOYEES

The average number of employees of the Group during the year was 699 (1975 - 694) to whom aggregate remuneration of £2,540,684 (1975 - £2,172,581) was paid.

V. Cavendish-Bentinck

V.F.W. CAVENDISH-BENTINCK
CHAIRMAN

REPORT OF THE AUDITORS

TO THE MEMBERS OF BAYER UK LIMITED

We have examined the Accounts set out on Pages seven to twenty two which have been prepared under the historical cost convention. In our opinion, the said Accounts give so far as concerns the Members of Bayer UK Limited, under the convention stated above a true and fair view of the state of affairs at 31st December 1976, and of the Profit and Source and Application of Funds for the Year Ended on that date of the Company and of the Group and comply with the Companies Acts 1948 and 1967.

30 Bush Lane,
London,
EC4R 0ET.

Kingston Smith & Co.
Chartered Accountants.

14th March, 1977.

BAYER UK LIMITED AND SUBSIDIARY.

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 1976

	<u>Notes</u>	<u>1976</u> £	<u>1975</u> £
Gross Turnover	2B	£ 74,928,827	£ 50,971,989
Group Trading Profit before Interest	2C	3,439,366	2,308,450
Interest Charges	2D	1,777,622	1,595,021
Group Profit before Taxation		1,661,744	713,429
Taxation	2E	912,543	447,667
Group Profit after Taxation		749,201	265,762
Prior Year Adjustment		-	2,039
		749,201	267,801
Balance brought forward		723,673	612,488
		1,472,274	880,289
Proposed Dividend		184,960	157,216
		£ 1,287,314	£ 723,073
Retained in Bayer UK Limited		1,089,598	216,206
Retained in Subsidiary		197,716	506,867
		£ 1,287,314	£ 723,073

BAYER UK LIMITED AND SUBSIDIARY

CONSOLIDATED BALANCE SHEET AS AT 31st DECEMBER 1976

	<u>Notes</u>	<u>1976</u> £	<u>1975</u> £
FIXED ASSETS	3	1,517,482	1,484,360
UNQUOTED INVESTMENT	5	15,150	15,150
CURRENT ASSETS	6	27,691,173	19,726,758
CURRENT LIABILITIES	7	21,279,808	18,009,371
NET CURRENT ASSETS		6,411,365	1,717,387
MEDIUM-TERM LIABILITY		3,317,726	
		3,093,639	
DEFERRED LIABILITIES	8	2,210,553	1,393,164
		883,086	324,223
		2,415,718	1,823,733
PROPOSED DIVIDEND		184,960	157,216
		£ 2,230,758	£ 1,666,517
FINANCED BY:-			
SHARE CAPITAL	9	924,800	924,800
RESERVES	10	1,305,958	741,717
		£ 2,230,758	£ 1,666,517

V. Cavendish-Bentinck.

V. Cavendish-Bentinck)

John V. Webb

John V. Webb)

) Directors

BAYER UK LIMITED

BALANCE SHEET AS AT 31st DECEMBER 1976

	<u>Notes</u>	<u>1976</u> £	<u>1975</u> £
FIXED ASSETS	3	1,317,969	
SUBSIDIARY COMPANY	4		1,322,885
Shares at Cost		16,969	924,343
Due on Current Account		197,955	163,164
		<u>214,924</u>	<u>1,087,507</u>
Payable on Current Accounts		-	1,210,344
		<u>214,924</u>	(122,837)
UNQUOTED INVESTMENT	5	15,150	15,150
		<u>1,548,043</u>	<u>1,215,198</u>
CURRENT ASSETS	6	27,227,305	19,450,314
CURRENT LIABILITIES	7	21,086,605	17,885,660
		<u>6,140,700</u>	<u>1,564,654</u>
NET CURRENT ASSETS		3,317,726	
MEDIUM-TERM LIABILITY		2,822,974	
DEFERRED LIABILITIES	8	2,151,048	1,387,201
		<u>671,926</u>	<u>177,453</u>
PROPOSED DIVIDEND		2,219,969	1,392,651
		184,960	157,216
		<u>£ 2,035,009</u>	<u>£ 1,235,435</u>
FINANCED BY:-			
SHARE CAPITAL	9	924,800	924,800
RESERVES	10	1,110,209	310,635
		<u>£ 2,035,009</u>	<u>£ 1,235,435</u>

V. Cavendish-Bentinck

V. Cavendish-Bentinck)

John V. Webb

John V. Webb)

) Directors

BAYER UK LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1976

1. Accounting Policies

- A. The Consolidated Accounts incorporate the accounts for the Year Ended 31st December, 1976, of Bayer UK Limited and Haarmann & Reimer Limited.
- B. Fixed Assets have been depreciated on a straight-line basis in such a way that they are fully depreciated over their estimated useful lives or less.
- C. Stocks have been valued at Cost or Net Realisable Value, whichever is lower.
- D. Provision is made for Taxation which is deferred as a result of the timing differences between the charge in the Accounts for material items of interest and depreciation of Fixed Assets and the dates of payment of such interest and the incidence of the corresponding Capital Allowances based on the liability method. Advance Corporation Tax available for set off against Tax and Future Profits is deducted from Deferred Taxation.
- E. Foreign Currencies have been converted into Sterling at the rates ruling at the Balance Sheet date.

2. Notes on the Consolidated Profit and Loss Account

- A. Bayer UK Limited is a wholly owned Subsidiary of Bayer Foreign Investments Limited of Canada.

B. Turnover

Group Turnover represents sales to third parties, less Returns.

BAYER UK LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1976

Note C

TRADING PROFIT BEFORE INTEREST

	<u>Bayer UK Limited</u>		<u>The Group</u>	
	<u>1976</u>	<u>1975</u>	<u>1976</u>	<u>1975</u>
	£	£	£	£
is stated after crediting:-				
Repayment Supplement Received on. Tax Refunds	<u>7,427</u>	<u>-</u>	<u>7,427</u>	<u>-</u>
is stated after charging:-				
Depreciation of Fixed Assets	232,403	209,467	257,849	221,486
Amount written off Fixed Assets	41,184	-	72,918	-
Hire of Plant and Equipment	139,731	107,829	139,731	107,829
Auditors Remuneration	<u>19,919</u>	<u>17,303</u>	<u>21,650</u>	<u>18,239</u>
Remuneration of Directors of Bayer UK Limited				
In respect of duties wholly or mainly discharged in the United Kingdom				
As Directors			6,501	6,501
As Executive			17,200	18,198
Contributions under a Pension Scheme			1,724	700
In respect of duties wholly or mainly discharged outside the United Kingdom				
As Directors			<u>3,000</u>	<u>3,000</u>
			28,425	28,399
Paid by Subsidiary Company			<u>1,000</u>	<u>1,000</u>
Paid by Bayer UK Limited			<u>£ 27,425</u>	<u>£ 27,399</u>

BAYER UK LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1976

	<u>1976</u>	<u>1975</u>
	£	£
<u>Note C (Continued)</u>		
Emoluments of Chairman	£ 5,001	£ 5,001
of Highest Paid Director	£ 17,200	£ 18,198
	<hr/>	<hr/>
Other Directors whose total remuneration was in the bracket:		
Up to £ 2,500	3	3
	<hr/>	<hr/>
Employees whose total emoluments were in the bracket:		
£10,000 to £12,500	9	5
	<hr/>	<hr/>

Note D

INTEREST CHARGES payable to

Company's Bankers in respect of:-

Acceptance Credit Facilities	1,068,693	991,819
Overdraft Facilities	499,446	524,905
Ultimate Holding Company	-	76,469
Third Parties - Medium-Term Liability	209,483	-
Other Charges	-	1,828
	<hr/>	<hr/>
	£ 1,777,622	£ 1,595,021
	<hr/>	<hr/>

BAYER UK LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1976

Note E

TAXATION

The charge for Corporation Tax is based on the adjusted Profits for the year at the rate of 52% (1975 - 52%)

	<u>1976</u>	<u>1975</u>
	£	£
Bayer UK Limited	958,759	359,315
Subsidiary Company	63,842	53,605
Transfer to (from) Deferred Taxation		
Bayer UK Limited	(131,873)	2,867
Subsidiary Company	21,815	1,083
	<u>912,543</u>	<u>416,870</u>
Provision for additional deferred Corporation Tax (see below)	-	31,543
Prior Year Adjustments in respect of:-		
Corporation Tax		
Bayer UK Limited	-	(3,361)
Deferred Taxation		
Bayer UK Limited	-	2,615
	<u>£ 912,543</u>	<u>£ 447,667</u>

The charge for Corporation Tax (with the exception of £32,115 in respect of the Subsidiary) is deferred indefinitely under the provisions of the Finance Acts relating to stock appreciation relief. Unutilised stock appreciation relief at 31st December 1976 available to be carried forward to future years was approximately £94,000 which at the current rate of Corporation Tax has a value of £48,880. The provision in 1975 for additional deferred Corporation Tax of £31,543 is in respect of stock appreciation relief received at rates less than the current rate of 52% but which under existing legislation will eventually be "clawed-back" at the current rate.

BAYER UK LIMITED AND SUBSIDIARY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1976

Note 3

FIXED ASSETS - Summary of Movements

	Freehold Properties	Premises Held on Long Lease	Premises Held on Short Lease	Improvements to Rented & Leasehold Properties	Capital Work in Progress	Plant & Machinery	Office Furniture & Equipment	Motor Vehicles	TOTAL
<u>The Group</u>									£
<u>Cost</u>									
1st January 1976	782,404	136,201	45,000	92,532	11,609	390,040	514,913	332,298	2,304,197
Additions	5,285	-	-	40,455	-	47,219	94,093	265,302	452,354
	787,689	136,201	45,000	132,987	11,609	437,259	609,006	597,620	2,757,351
	-	-	-	9,949	11,609	16,701	10,822	133,277	182,358
Disposals and Transfers	787,689	136,201	45,000	123,038	-	420,558	598,184	464,323	£ 2,574,993
<u>AGGREGATE DEPRECIATION</u>									
1st January 1976	138,861	1,198	28,775	18,074	-	224,436	288,598	120,695	820,637
Depreciation for the Year	20,045	6,351	6,427	5,828	-	49,832	63,897	105,469	257,849
Amounts written off	-	-	-	31,734	-	41,184	-	-	72,918
	158,906	7,549	35,202	55,636	-	315,452	352,495	226,164	1,151,404
	-	-	-	9,500	-	9,419	7,524	67,450	93,893
Elimination on Disposals	158,906	7,549	35,202	46,136	-	306,033	344,971	158,714	£ 1,057,511
<u>NET BOOK VALUE</u>									
31st December 1976	628,783	128,652	9,798	76,902	-	114,525	253,213	305,609	£ 1,517,482
31st December 1975	643,543	135,003	16,225	74,458	11,609	165,604	226,315	211,603	£ 1,484,360

BAYER UK LIMITED AND SUBSIDIARY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1976.

Note 3 (Continued)

FIXED ASSETS - Summary of Movements

	Freehold Properties	Premises Held on Long Lease	Premises Held on Short Lease	Improvements to Rented & Leasehold Properties	Plant & Machinery	Office Furniture & Equipment	Motor Vehicles	TOTAL
								£
<u>Bayer UK Limited</u>								
<u>Cost</u>								
1st January 1976	782,404	17,332	45,000	82,583	354,853	499,357	314,426	2,095,955
Additions	5,285	-	-	3,173	25,774	47,720	258,869	340,821
Disposals	787,689	17,332	45,000	85,756	380,627	547,077	573,295	2,436,776
	-	-	-	-	14,863	2,045	130,675	147,583
	787,689	17,332	45,000	85,756	365,764	545,032	442,620	£ 2,289,193
<u>AGGREGATE DEPRECIATION</u>								
1st January 1976	138,861	1,198	28,775	8,574	202,461	273,278	113,923	773,070
Provision for the Year	20,045	432	6,427	5,549	41,530	58,379	100,041	232,403
Amount written off	-	-	-	-	41,184	-	-	41,184
	158,906	1,630	35,202	14,123	285,175	337,657	213,964	1,046,657
	-	-	-	-	7,660	1,625	66,148	75,433
Elimination on Disposals	158,906	1,630	35,202	14,123	277,515	336,032	147,816	£ 971,224
<u>NET BOOK VALUE</u>								
31st December 1976	628,783	15,702	9,798	71,633	83,249	209,000	294,804	£ 1,317,969
31st December 1975	643,543	16,134	16,225	74,009	152,392	220,079	200,503	£ 1,322,885

BAYER UK LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1976

Note 4

THE SUBSIDIARY COMPANY: Haarmann & Reimer Limited, incorporated in England, has one class of share wholly owned by Bayer UK Limited.

Note 5

UNQUOTED INVESTMENT represents 15% of the Ordinary Share Capital of Bulstrode Plastics & Chemical Co.Ltd. (Registered in England). In the opinion of the Directors the market value of the investment is £15,150 (1975 - £15,150).

BAYER UK LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1976

Note 6

	<u>The Group</u>		<u>Bayer UK Limited</u>	
	<u>1976</u>	<u>1975</u>	<u>1976</u>	<u>1975</u>
	£	£	£	£
<u>CURRENT ASSETS</u>				
Stocks on Hand	8,177,109	6,967,907	8,083,150	6,910,711
Stocks in Transit	2,213,808	1,209,893	2,171,925	1,208,237
Debtors - Trade	16,549,357	10,712,613	16,292,353	10,569,661
Miscellaneous	375,590	370,057	368,161	364,608
Due from Group Companies not members of the Bayer UK Limited Sub-Group	25,160	180,278	25,160	180,124
Bills Receivable	281,388	210,096	281,388	210,096
Balances at Banks and in Hand	68,761	75,914	5,168	6,877
	<u>£27,691,173</u>	<u>£19,726,758</u>	<u>£27,227,305</u>	<u>£19,450,514</u>

Note 7

<u>CURRENT LIABILITIES</u>				
Bayer AG.	3,018,836	3,513,419	3,018,836	3,513,419
Due to Group Companies not members of the Bayer UK Limited Sub-Group	682,131	485,353	592,282	453,789
Creditors - Trade	2,435,993	1,354,367	2,409,457	1,325,100
Miscellaneous	351,492	244,395	309,532	205,874
Current Taxation	34,858	24,359	-	-
Loan Interest Accrued	209,483	-	209,483	-
Bills Payable	10,000,000	8,000,000	10,000,000	8,000,000
Bank Overdrafts	4,547,015	4,387,478	4,547,015	4,387,478
	<u>£21,279,808</u>	<u>£18,009,371</u>	<u>£21,086,605</u>	<u>£17,885,660</u>

BAYER UK LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1976

Note 8

THE DEFERRED LIABILITIES OF THE GROUP COMPRISE:-

Corporation Tax deferred under the provisions of the Finance (No: 2) Act 1975 and the Finance Act 1976 relating to stock appreciation as follows:

	<u>1976</u> £	<u>1975</u> £
Based on the Profits of prior years	1,288,078	932,023
Formerly due on 1st January 1978 in respect of the Profits of the Year Ended 31st December 1976	990,486	356,055
	<hr/>	<hr/>
<u>Deduct:</u> Advanced Corporation Tax	2,278,564	1,288,078
	165,198	102,159
	<hr/>	<hr/>
Deferred Taxation (see Note 1D)	2,113,366	1,185,919
	97,187	207,245
	<hr/>	<hr/>
	£ 2,210,553	£ 1,393,164
	<hr/> <hr/>	<hr/> <hr/>

- (i) The amount of Advanced Corporation Tax shown above has been reduced by £21,616 (1975 - £50,150) surrendered under section 92 of the Finance Act 1972 to Haarmann & Reimer Limited.
- (ii) Reference should also be made to Note 2E to the Consolidated Profit and Loss Account.

BAYER UK LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1976

	<u>1976</u>	<u>1975</u>
	£	£
<u>Note 9</u>		
<u>SHARE CAPITAL OF BAYER UK LIMITED</u>		
<u>Authorised</u>		
1,000,000 Ordinary Shares of £1 each	£ 1,000,000	£ 1,000,000
<u>Issued and Fully Paid</u>		
924,800 Ordinary Shares of £1 each	£ 924,800	£ 924,800

The whole of the Issued Share Capital is held by Bayer Foreign Investments Limited (incorporated in Canada). The Directors are informed that Bayer AG. (incorporated in the Federal Republic of Germany) is the Company's Ultimate Holding Company.

BAYER UK LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1976

Note 10

	<u>The Group</u>		<u>Bayer UK Limited</u>	
	<u>1976</u>	<u>1975</u>	<u>1976</u>	<u>1975</u>
	£	£	£	£
<u>RESERVES</u>				
At Commencement of the Year	741,717	631,132	310,635	245,657
Retained Profit of the Year	564,241	108,546	496,604	64,978
Transfer following Liquidation of Non-Trading Subsidiaries	-	-	302,970	-
	<u>1,305,958</u>	<u>739,678</u>	<u>1,110,209</u>	<u>310,635</u>
Prior Year Adjustment	-	2,039	-	-
	<u>£1,305,958</u>	<u>£741,717</u>	<u>£1,110,209</u>	<u>£310,635</u>
Represented by:-				
Profit and Loss Account	1,287,314	723,073	1,091,565	308,570
Capital Reserve	2,172	2,172	2,172	2,065
General Reserve	16,472	16,472	16,472	-
	<u>£1,305,958</u>	<u>£741,717</u>	<u>£1,110,209</u>	<u>£310,635</u>

BAYER UK LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1976

Note 11

BAYER GROUP INDEBTEDNESS

	<u>Ultimate Holding Company</u>		<u>Fellow Subsidiaries</u>	
	<u>1976</u>	<u>1975</u>	<u>1976</u>	<u>1975</u>
	£	£	£	£
The indebtedness of Bayer UK Limited to Companies which are members of the Bayer AG Group may be summarised as follows:-				
<u>Due by Bayer UK Limited and Subsidiary</u>				
Current Accounts	£3,018,836	£3,513,419	£682,131	£485,353
<u>Due to Bayer UK Limited and Subsidiary</u>				
Current Accounts	-	-	25,160	180,278
Bills Receivable	-	-	281,388	210,096
	£ -	£ -	£306,548	£390,374

Note 12

FUTURE CAPITAL EXPENDITURE

	<u>The Group</u>		<u>Bayer UK Limited</u>	
	<u>1976</u>	<u>1975</u>	<u>1976</u>	<u>1975</u>
	£	£	£	£
(i) Contracted for but not provided for in the Consolidated Accounts	107,616	125,922	105,748	42,952
(ii) Authorised but not contracted for	16,400	34,800	16,400	34,800

Note 13

CONTINGENT LIABILITIES

At the 31st December 1976 the Group had Contingent Liabilities amounting to £7,500 (1975 - £NIL). Bayer UK Limited had no Contingent Liabilities at the 31st December 1976 (1975 - £NIL).

BAYER UK LIMITED

CONSOLIDATED SOURCE AND APPLICATION OF FUNDS STATEMENT
FOR THE YEAR ENDED 31st DECEMBER, 1976

	<u>1976</u>	<u>1975</u>
	£	£
SOURCE OF FUNDS		
Profit before Tax but after prior year adjustment	1,661,744	715,468
Adjustments for items not involving the movement of funds		
Depreciation	257,849	221,486
Profit on Sale of Fixed Assets	(19,246)	(5,286)
Amount written off Fixed Assets	238,603	216,200
	72,918	-
TOTAL GENERATED FROM OPERATIONS	1,973,265	931,668
FUNDS FROM OTHER SOURCES		
Proceeds from Sale of Fixed Assets	96,102	65,837
Medium-Term Liability	3,317,726	-
	3,413,828	65,837
	5,387,093	997,505
APPLICATION OF FUNDS		
Dividends Paid	(157,216)	(138,720)
Purchases of Fixed Assets	(440,745)	(451,985)
Tax Received (paid)	1,042	100,696)
	(596,919)	(691,401)
	4,790,174	306,104
INCREASE/DECREASE IN WORKING CAPITAL		
Increase (Decrease) in Stocks	2,213,117	(1,531,989)
Increase (Decrease) in Debtors	5,844,148	(142,347)
Increase (Decrease) in Creditors - excluding taxation and proposed Dividends	(3,100,401)	377,173
Movement in net liquid funds:-		
Increase (Decrease) in Cash Balance	(166,690)	1,603,267
	<u>£4,790,174</u>	<u>£306,104</u>