

Haydock Finance Limited

Annual report

for the year ended

28 February 1999

Registered no. 1526882



Haydock Finance Limited

Annual report and accounts for the year ended 28 February 1999

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Directors and advisers

Executive Directors

J H Wilkinson

Managing Director

T R Entwistle

Sales Director

D Porter (Appointed 1 May 1998)

Operations Director

Non Executive Directors

J A Wight

Chairman

D R S Lamond

Secretary and registered office

J H Wilkinson

Challenge House

Challenge Way

Greenbank Business Park

Blackburn BB1 5QB

Bankers

National Westminster Bank Plc

35 King William Street

Blackburn BB1 7DL

Auditors

Ernst & Young

Ten George Street

Edinburgh EH2 2DZ

Haydock Finance Limited

Directors' Report 1999

The Directors submit their report and accounts of Haydock Finance Limited for the year ended 28 February 1999.

Results and Dividend

The profit before tax from the continuing business of the Company amounted to £2.1 million. After a tax charge of £0.7 million and dividends paid of £0.2 million, retained profits of £1.2 million remain. The profit before tax compares with a figure of £1.5 million achieved for a 14 month period up to 28 February 1998.

Partial Buy-Out

On the 26 February the company share capital was restructured and with effect from that date it ceased to be a subsidiary of the Bank of Scotland Group.

Bank of Scotland continues to hold 50% of the equity shares with various management holding the remaining 50% and having voting control.

Bank of Scotland in addition holds £16 million of preference shares and has made available a revolving credit facility of £95 million.

Principal Activity and Review of the Business

The Company's principal business during the year was the provision of financial services for consumers and business users.

Year 2000

The Directors are fully aware of the potential of the century date change and other risk-sensitive date changes in the new millennium to cause disruption to IT systems. The Company commenced its review to ensure that its systems are "Year 2000 compliant" in 1998. The vast majority of its systems, equipment and premises have been tested (including the in-house testing of third party supplied software) and modified where necessary with the remaining business critical systems scheduled to be completed by the end of September 1999. The Company is also developing continuity plans which set out how business processes will be handled in the event of system-related, or other failures.

The Directors believe that the action taken and planned will reduce Year 2000 business and operational risks to acceptable levels.

The total cost of the project to date, excluding internal staff costs, is estimated to be £15,000, of which, £6,000 has been spent to date.

The Year 2000 Information and Readiness Disclosure Act (USA) (the Act) was signed into law on 19 October 1998. Pursuant to the Act, the foregoing statement is being designated as a "Year 2000 Readiness Disclosure" as defined in the Act.

Directors' Report 1999**Directors and their interests**

The directors at 28 February 1999, and their beneficial interests in the share capital of the Company other than with respect to options to acquire ordinary shares, which are detailed in the analysis of options included in the notes to the accounts, were as follows:

	At 28 February 1999 or subsequent date of appointment		
	Golden Share	Ordinary Shares	'B' Ordinary Shares
J H Wilkinson	1	799,999	875,000
T R Entwistle	-	-	62,500
D Porter	-	-	62,500

Neither J A Wight nor D R S Lamond had any beneficial interest at either date in the share capital of the company. No director had any interest in shares at 28 February 1998. No director has any interest in the preference shares of the company.

In addition, R Bell and P Critchley resigned as directors of the company on 11 May 1998 and 6 August 1998 respectively.

SUPPLIERS

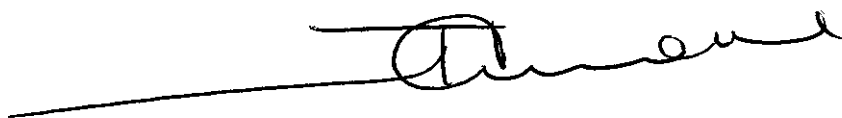
The Company recognises the importance of maintaining good business relationships with its suppliers and is committed to paying all invoices within 30 days of invoice date, or otherwise in accordance with agreed terms. At the 28 February 1999, the company had an average of 5 days purchases outstanding in creditors.

AUDITORS

The Company has decided to seek approval at the Annual General Meeting to the appointment of Garbutt & Elliott as Auditors.

The Board wish to acknowledge the assistance provided by Ernst & Young as Auditors over the last two years.

By order of the Board



J H Wilkinson
Secretary

30 April 1999

Statement of Directors' Responsibilities in respect of the accounts

The Directors are required by the Companies Act 1985 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 year and of the profit or loss for the year. The Directors consider that in preparing the financial statements on pages 8 to 21, the Company has used appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider applicable have been followed.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy, the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are satisfied that it is appropriate for these accounts to have been prepared on a going concern basis.

The Directors acknowledge their responsibility for the systems of internal control, the effectiveness of which they regularly review. These controls are designed to provide reasonable assurance on the accuracy and reliability of the information systems and on the maintenance of proper control over the assets and liabilities of the Company. They are based on the principles of tiered levels of authority for credit approvals and for capital and revenue expenditure.

By order of the Board

A handwritten signature in dark ink, appearing to read 'J H Wilkinson', is written over a horizontal line.

J H Wilkinson
Secretary

30 April 1999

Report of the Auditors to the Members of Haydock Finance Limited

We have audited the accounts on pages 8 to 21 which have prepared under the historical cost convention and on the basis of the accounting policies set out on pages 11 and 12.

Respective responsibilities of directors and auditors

As described on page 6, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

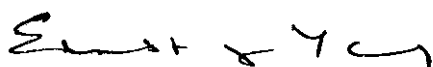
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 28 February 1999 and of the profit of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor
Edinburgh
30 April 1999

Haydock Finance Limited

**Profit and loss account
for the year ended 28 February 1999**

		Year ended 28 February 1999	14 Month Period Ended 28 February 1998
	Notes	£'000	£'000
Hire purchase and loan interest and leasing charges		15,739	12,527
Commission receivable		<u>1,083</u>	<u>1,045</u>
Gross income	4	16,822	13,572
Interest and commission charges	5	10,135	8,284
Administrative expenses		4,524	3,734
Profit on ordinary activities before taxation	2	<u>2,163</u>	<u>1,554</u>
Tax on profit on ordinary activities	8	716	502
Profit on ordinary activities after taxation		<u>1,447</u>	<u>1,052</u>
Dividends	9	264	206
Retained profit for the period		<u>1,183</u>	<u>846</u>
Retained profits brought forward		3,603	2,757
Retained profit carried forward	19	<u><u>4,786</u></u>	<u><u>3,603</u></u>

All activities derive from continuing operations.

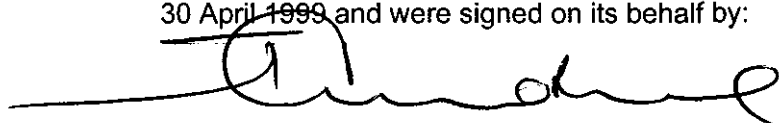
The company's total recognised gains and losses for the year are those stated in the profit and loss account, and consequently no statement of recognised gains and losses is given.

Haydock Finance Limited

Balance sheet at 28 February 1999

	Notes	At 28 February 1999 £'000	At 28 February 1998 £'000
Fixed assets			
Tangible assets	10	1,537	875
Current assets			
Debtors falling due within one year	12	42,845	36,017
Debtors falling due after more than one year	12	67,229	53,164
Cash at bank and in hand		-	1
		<u>110,074</u>	<u>89,182</u>
Creditors : amounts falling due within one year	13	<u>1,315</u>	<u>2,351</u>
Net current assets		108,759	86,831
Total assets less current liabilities		<u>110,296</u>	<u>87,706</u>
Creditors : amounts falling due after more than one year	14	91,500	79,866
Provisions for liabilities and charges	17	<u>35</u>	<u>262</u>
		<u>18,761</u>	<u>7,578</u>
Capital and reserves			
Called up share capital	18	18,000	3,975
Profit and loss account		761	3,603
Total shareholders' funds	19	<u>18,761</u>	<u>7,578</u>
Equity interests		2,761	5,603
Non-equity interests		<u>16,000</u>	<u>1,975</u>
		<u>18,761</u>	<u>7,578</u>

The financial statements on pages 8 to 21 were approved by the Board of Directors on 30 April 1999 and were signed on its behalf by:



J H Wilkinson
Managing Director

Haydock Finance Limited

Statement of Cash Flows for the year ended 28 February 1999

	Notes	1999 £'000	1998 £'000
Net Cash Outflow from Operating Activities	3	(12,015)	(23,600)
Returns on Investments and Servicing of Finance			
Dividends Paid on Preference Shares		(174)	(177)
Interest Paid		(6,903)	(5,793)
		<u>(7,077)</u>	<u>(5,970)</u>
Taxation			
Corporation Tax Paid (including Advance Corporation Tax)		<u>(511)</u>	<u>(677)</u>
		<u>(511)</u>	<u>(677)</u>
Capital Expenditure			
Payments to acquire tangible fixed assets		(1,309)	(726)
Receipts from sale of tangible fixed assets		98	100
		<u>-</u>	<u>-</u>
		<u>(1,211)</u>	<u>(626)</u>
Equity Dividends paid		<u>(90)</u>	<u>-</u>
Net Cash Outflow Before Financing		<u>(20,904)</u>	<u>(30,873)</u>
Financing			
Repayment of Borrowings BLB Group		(101,500)	-
Re-finance of Borrowings BoS		91,500	-
New Preference Shares issued		10,000	-
Net Borrowings raised		<u>21,634</u>	<u>30,118</u>
		<u>21,634</u>	<u>30,118</u>
Increase / (Decrease) in cash	15	<u>730</u>	<u>(755)</u>

Haydock Finance Limited

Notes to the accounts at 28 February 1999

1. Accounting Policies

(a) Basis of Preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

As permitted by section 229 of the Companies Act 1985, no group accounts have been prepared.

(b) Finance Leases, Instalment Credit and Operating Leases

Income from assets leased to customers, and from instalment credit agreements is determined by spreading interest and charges over the period of repayment in proportion to the net cash investment.

(c) Depreciation

Tangible fixed assets are stated at cost less amounts written off. Depreciation is provided on a straight line basis.

Freehold and Long Leasehold Property	2%
Improvements to Short-term leaseholds, Fixtures	
Fittings and Equipment	25%
Motor Cars	25%

(d) Bad and Doubtful Debts

Specific provisions are made for finance lease receivables, instalment credit receivables which are recognised to be bad or doubtful. A general provision, to cover finance lease and instalment credit receivables, which are latently bad or doubtful but not yet identified as such, is also maintained. Provisions made during the period are charged to revenue, net of recoveries.

Finance lease receivables and instalment credit receivables are stated net of specific and general provisions in the balance sheet.

Haydock Finance Limited

(e) Deferred Taxation

The charge for taxation takes into account the timing differences in the accounting and taxation treatment of certain items to the extent that they are expected to reverse in the future. Deferred taxation is provided on the liability method.

(f) Pension Contributions

Contributions payable to defined contribution schemes are charged against profits as they fall due.

(g) Deferred Commissions

Time apportionable commission paid is written off on a 'Rule of 78' basis over the average contract length, commencing one month after the date of each agreement.

2. Operating Profit and Segmental Reporting

The Company operates in the activity of providing finance within the United Kingdom.

The company operating profit is stated:

	Year ended 28 February 1999	14 Month Period Ended 28 February 1998
	£'000	£'000
After crediting:		
Finance lease rentals	1,335	782
Loss/(Profit) on disposal of tangible fixed assets	31	(23)
and after charging:		
Auditors' remuneration:		
Audit	20	12
Regulatory tax and accounting fees - within UK	5	2
Payment for early settlement of operating lease	150	-
Depreciation of Fixed Assets	337	248
Accelerated Depreciation on computer software	181	-

Haydock Finance Limited

3. Reconciliation of Operating Profit to Net Cash Outflow from Operating Activities

	1999 £'000	1998 £'000
Operating Profit	9,066	7,347
Increase in general and specific provisions	1,113	569
Depreciation	518	248
Loss / (Profit) on Disposal of fixed assets	31	(23)
(Decrease) / Increase in creditors	(737)	604
(Increase) in debtors	(762)	(950)
Capital advanced on instalment credit agreements & finance leases	(81,688)	(83,688)
Capital reduction on instalment credit agreements & finance leases	60,444	52,293
Net Cash Outflow from Operating Activities	<u>(12,015)</u>	<u>(23,600)</u>

4. Gross Income

Gross income consists entirely of interest, commission and charges earned in the United Kingdom. Gross income includes additional income to reflect the change from a monthly to a daily calculation of income.

5. Interest and commission charges

	Year ended 28 February 1999 £'000	14 Month Period Ended 28 February 1998 £'000
Commission	3,187	2,440
Interest payable on sums repayable within 5 years	-	51
Interest paid to British Linen Asset Finance Group	6,903	5,793
Interest payable to Bank of Scotland	45	-
	<u>10,135</u>	<u>8,284</u>

6. Directors' Emoluments

	Year ended 28 February 1999 £'000	14 Month Period Ended 28 February 1998 £'000
Emoluments	282	313
Company contributions paid to defined contributions schemes	17	18
	<u>1999</u>	<u>1998</u>
	No.	No.
Members of defined contributions scheme	3	4

The amounts in respect of the highest paid Director are as follows:

	1999 £'000	1998 £'000
Emoluments	149	143
Company contributions paid to defined contributions scheme	14	12

Haydock Finance Limited

7. Employee information

The average weekly number of persons (including executive directors) employed by the company during the year was:

	Year ended 28 February 1999	14 Month Period Ended 28 February 1998
	Number	Number
By activity		
Sales	18	30
Administration	70	48
	<u>88</u>	<u>78</u>

	Year ended 28 February 1999	14 Month Period Ended 28 February 1998
	£'000	£'000
Staff costs		
Wages and Salaries	1,506	1,525
Social security costs	141	150
Other pension costs	57	51
	<u>1,704</u>	<u>1,726</u>

8. Tax on profit on ordinary activities

	Year ended 28 February 1999	14 Month Period Ended 28 February 1998
	£'000	£'000
United Kingdom corporation tax at 31% (1998 31%) based on the profit in the year		
Current	840	400
Provisions (note 17)	(227)	102
Under provision in respect of prior years	103	-
	<u>716</u>	<u>502</u>

Haydock Finance Limited

9. Dividends

	Year ended 28 February 1999	14 Month Period Ended 28 February 1998
	£'000	£'000
Ordinary dividends paid	90	-
Variable rate preference dividends paid	174	136
Variable rate preference dividends proposed	-	70
	<u>264</u>	<u>206</u>

Dividends payable to equity shareholders during the period amounted to £90,000 (1998: £nil) and to non-equity shareholders £174,000 (1998: £206,000).

10. Tangible fixed assets

	Freehold property	Long Leasehold property	Improvements to short leasehold property	Motor Vehicles	Fixtures, fittings and computers	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 March 1998	76	-	16	421	920	1,433
Additions	-	639	-	128	542	1,309
Disposals	-	-	(16)	(172)	(356)	(544)
At 28 February 1999	<u>76</u>	<u>639</u>	<u>-</u>	<u>377</u>	<u>1106</u>	<u>2198</u>
Depreciation						
At 1 March 1998	4	-	3	136	415	558
Charge for the year	-	8	1	104	405	518
Disposals	-	-	(4)	(90)	(321)	(415)
At 28 February 1999	<u>4</u>	<u>8</u>	<u>-</u>	<u>150</u>	<u>499</u>	<u>661</u>
Net book value at 28 February 1999	<u>72</u>	<u>631</u>	<u>-</u>	<u>227</u>	<u>607</u>	<u>1537</u>
Net book value at 28 February 1998	<u>72</u>	<u>-</u>	<u>13</u>	<u>285</u>	<u>505</u>	<u>875</u>

Haydock Finance Limited

11. Investment in Subsidiary Undertakings

The Company has the following interests in the issued share capital of the following company which is registered and operates in the United Kingdom:

	Principal activity	Proportion of ordinary share capital and voting rights held	Accounting reference date
H F Direct Limited	Non-trading	100%	28 February

12. Debtors

	1999 £'000	1998 £'000
Finance leases	6,421	3,569
Less: unearned interest	(1,087)	(597)
	<u>5,334</u>	<u>2,972</u>
Hire Purchase contracts	122,597	100,218
Less: unearned interest	(21,969)	(17,776)
	<u>100,628</u>	<u>82,442</u>
Loans and other instalment credit contracts	<u>1,300</u>	<u>1,717</u>
Total trade debtors	107,262	87,131
Prepayments and accrued income	1,096	695
Deferred commissions	1,716	1,355
	<u>110,074</u>	<u>89,181</u>
Amounts falling due within one year	42,845	36,017
Amounts falling due after more than one year	67,229	53,164
	<u>110,074</u>	<u>89,181</u>

Haydock Finance Limited

13. Creditors: amounts due within one year

	1999 £'000	1998 £'000
Bank overdraft	64	795
Trade creditors	89	75
Amount due to British Linen Asset Finance Group	-	484
Taxation and social security	692	261
Dividends payable	-	71
Accruals and deferred income	470	665
	<u>1,315</u>	<u>2,351</u>

Taxation and social security is made up as follows:

	1999 £'000	1998 £'000
United Kingdom corporation tax payable	652	214
PAYE	40	47
	<u>692</u>	<u>261</u>

14. Creditors: amounts falling due in more than one year

	1999 £'000	1998 £'000
Loans Repayable:		
< 1 year, or on demand	60,100	34,316
> 1 year but not < 2 years	26,750	32,900
> 2 year but not < 5 years	4,650	12,650
	<u>91,500</u>	<u>79,866</u>
Amounts due to British Linen Asset Finance Group	-	79,866
Amounts due to Bank of Scotland	<u>91,500</u>	<u>-</u>

Haydock Finance Limited

15. Reconciliation of Net Cash Flow to Movement in Net Debt

	Changes in Year	
	1999 £'000	1998 £'000
Increase / (Decrease) in Cash	730	(755)
Cash Inflow from Increase in Borrowings	(21,634)	(30,118)
Repayment of Borrowings	101,500	-
Re-Financing of Borrowings	(91,500)	-
Movement in Net Debt	(10,904)	(30,873)
Net Debt at 1 March	(80,660)	(49,787)
Net Debt at 28 February	(91,564)	(80,660)

16. Analysis of Changes in Net Debt

	At 1 March 1998 £'000	Cash Flow £'000	At 28 February 1999 £'000
Cash	1	(1)	-
Overdraft	(795)	731	(64)
Debt due within one year	(34,316)	(25,784)	(60,100)
Debt due after one year	(45,550)	14,150	(31,400)
	<u>(80,660)</u>	<u>(10,904)</u>	<u>(91,564)</u>

17. Provisions for liabilities and charges

Deferred taxation

	Amount provided		Total potential liability	
	1999 £'000	1998 £'000	1999 £'000	1998 £'000
Tax effect of timing differences:				
Short term timing differences	206	220	206	233
Excess lease repayments over capital allowances	(171)	42	(171)	57
	<u>35</u>	<u>262</u>	<u>35</u>	<u>290</u>

The movement in the provision for deferred tax comprises:

	£'000
At 1 March 1998	262
Charge for the period (note 8)	(227)
At 28 February 1999	35

Haydock Finance Limited

18. Share Capital

	1999 £'000	1998 £'000
Authorised		
799,999 Dividend Ordinary Shares of £1 each	800	-
1 Golden Share of £1	-	-
1,100,000 'A' Ordinary Shares of £1 each	1,100	-
1,100,000 'B' Ordinary Shares of 20p. each	220	-
6,000,000 Ordinary Shares of £1 each	-	6,000
6,000,000 'A' Preference Shares of £1 each	6,000	-
10,000,000 'C' Preference Shares of £1 each	10,000	-
2,000,000 10% Cumulative Redeemable Preference Shares of £1 each	-	2,000
2,000,000 12% Cumulative Redeemable Preference Shares of £1 each	-	2,000
6,000,000 Variable Rate Cumulative Redeemable Preference Shares of £1 each	-	6,000
2,000,000 Deferred Shares of £1 each	2,000	-
	<u>20,120</u>	<u>16,000</u>
	1999 £'000	1998 £'000
Allotted, called up and fully paid		
799,999 Dividend Ordinary Shares of £1 each	800	-
1 Golden Share of £1	-	-
1,000,000 'A' Ordinary Shares of £1 each	1,000	-
1,000,000 'B' Ordinary Shares of 20p. each	200	-
2,000,000 Ordinary Shares of £1 each	-	2,000
6,000,000 'A' Preference Shares of £1 each	6,000	-
10,000,000 'C' Preference Shares of £1 each	10,000	-
1,975,000 Variable Rate Cumulative Redeemable Preference Shares of £1 each	-	1,975
2,000,000 Deferred Shares at nil value	-	-
	<u>18,000</u>	<u>3,975</u>

Haydock Finance Limited

18. Share Capital (continued)

During the year, the authorised share capital was increased by £2,120,000, to £20,120,000. Authorised Ordinary Shares are subdivided as 799,999 Dividend Ordinary Shares of £1; one Golden Share of £1; 1,100,000 'A' Ordinary Shares of £1 each; 1,100,000 'B' Ordinary Shares of 20p each; and 2,000,000 Deferred Shares of £1 each. In addition, 6,000,000 existing Preference Shares were reclassified as 'A' Preference Shares, and 10,000,000 'C' Preference Shares were created.

Issued during the year were the 799,999 Dividend Ordinary Shares at £1; one Golden Share at £1; 1,000,000 'A' Ordinary Shares at £1; 1,000,000 'B' Ordinary Shares at 20p; and 2,000,000 Deferred Shares at nil value; 6,000,000 'A' Preference Shares at £1; and 10,000,000 'C' Preference Shares at £1 were also issued. Preference Shares carry no voting rights and are redeemable at par on 28 February 2006, or on an earlier sale of the Company.

'C' Preference Shares have priority over 'A' Preference Shares on redemption. Preference Shares are redeemed prior to Ordinary Shares. Once Ordinary Shares, Dividend Ordinary Shares and the Golden Share have been redeemed at par, the Deferred Shares are redeemable, prior to any residue being distributed among the Equity Shareholders.

The 'A' Preference Shares carry a nil dividend until 28 February 2004, with a 5% per annum cumulative dividend thereafter. 'C' Preference Shares carry a 5% per annum cumulative dividend from issue.

The Company has adopted an unapproved share option scheme, under which options to subscribe have been granted to certain executives. At 28 February 1999, options under this scheme were outstanding for 45,000 pairs of 'A' and 'B' Ordinary Shares, at the option price of £1.20 per pair of shares.

Haydock Finance Limited

19. Reconciliation of movements in shareholders funds

	Share capital £'000	Profit and loss account £'000	Total share- holders' funds £'000
At 1 January 1997	3,975	2,757	6,732
Profit for the period		1,052	1,052
Dividends		(206)	(206)
At 28 February 1998	3,975	3,603	7,578
Profit for the year		1,447	1,447
Dividends		(264)	(264)
Issue of Preference Shares	10,000		10,000
Bonus issue of Preference Shares	4,025	(4,025)	-
Closing retained profits at 28 February 1999	18,000	761	18,761

A bonus issue of 4,025,000 'A' Preference Shares of £1 each was transferred from revenue reserves.

20. Pension and similar obligations

The company has no employee pension scheme. However, the majority of employees maintain individual pension policies to which the company makes contributions under a deed of trust. The contributions made by the company during the year totalled £57,365 (1998: £51,480). The unpaid contributions outstanding at the year end, included within "Accruals and deferred income" (note 13), are £2,400. (1998 - £1,386)

21. Property Rental Obligations

There were annual commitments under non-cancellable operating leases as set out below:

	Land and Buildings	
	1999	1998
	£'000	£'000
Operating leases which expire:		
Within one Year	5	14
In the second to fifth years inclusive	6	5
Over five years	-	40
	<u>11</u>	<u>59</u>

Haydock Finance Limited

Administrative expenses for the period ended 28 February 1999

	1999 £	1998 £
Salaries, bonuses and national insurance contributions	1,724,736	1,005,702
Motor expenses	85,087	76,088
Travelling expenses	17,279	1,694
Printing stationary, advertising and telephone	223,342	112,161
Insurance	28,100	3,599
Computer costs	72,172	98,370
Sundry expenses	133,391	124,185
Audit and accountancy charges	31,477	11,300
Bank charges	46,134	25,911
Legal and professional charges	70,867	35,489
Bad debts less amount recovered	1,178,097	263,877
Depreciation	518,554	125,224
Payment for Early Termination of Operating Lease	150,000	-
Rent and rates	61,065	56,580
Light and heat	15,537	6,855
Loss/(Profit) on disposal of fixed assets	31,144	(16,148)
Credit checks	128,007	79,745
Repairs	9,018	12,662
	<u>4,524,007</u>	<u>2,023,294</u>