

Company number : 22169

**HUNTERS & FRANKAU
LIMITED**

**Financial statements
31 December 1996**

CHANTREY VELLACOTT



HUNTERS & FRANKAU LIMITED

Directors' Report for the year ended 31 December 1996

The directors present their report and the financial statements for the year ended 31st December 1996.

Review of the business

The company is engaged in importing and selling cigars and allied products.

The directors consider the result for the year and the financial position at the end of the year to be satisfactory.

The prospects for 1997 largely depend on the volume of shipments from Cuba. With adequate shipments the directors anticipate a satisfactory result for 1997.

Results and dividends

The results for the year ended 31st December 1996 are shown in the profit and loss account on page 4. The group profit for the year after taxation was £3,355,295.

An interim dividend of 73.7p per ordinary share was paid in the year. A further interim dividend of 53.3p per ordinary share was paid on 21 April 1997.

The directors recommend that a final dividend of 73.7p per ordinary share be paid for the year.

Directors and their interests

The directors who served during the year were:

N.D.J. Freeman (Chairman)
S.A. Morera Gonzalez (Joint Managing Director) (resigned 31 December 1996)
J.G. Simonds (Joint Managing Director) (resigned 31 March 1997)
S.G. Chase
J.H. Darnton
P.J. Hambidge
D.G. Lewis
D.A.J. Baxter
E. Mendez Perez (resigned 7th May 1996)
J Blanco Lamelas (appointed 14 May 1996)

Mr. W.H. Carver was appointed a director on 1 May 1997.

No director had any beneficial interest in the shares of the company at 1st January 1996 or 31st December 1996.

HUNTERS & FRANKAU LIMITED

Directors' Report for the year ended 31 December 1996

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Tangible fixed assets

The movements in tangible fixed assets are set out in note 9 on page 12 of the financial statements. Additions to tangible fixed assets during the year comprised normal replacements and additions.

Donations

Donations to charity during the year amounted to £7,500.

Close company status

The close company provisions of the Income and Corporation Taxes Act 1988 apply to the company.

Auditors

Chantrey Vellacott have indicated their willingness to continue as auditors of the company and a resolution to reappoint them will be proposed at the Annual General Meeting.

Signed on behalf of the
Board of Directors

P.J. HAMBIDGE

Secretary

13 May 1997



HUNTERS & FRANKAU LIMITED

Auditors' Report to the Members of Hunters & Frankau Limited

We have audited the financial statements on pages 4 to 17 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group'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 presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31st December 1996 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



CHANTREY VELLACOTT

Chartered Accountants
Registered Auditor

13th May 1997

HUNTERS & FRANKAU LIMITED AND SUBSIDIARIES

Consolidated profit and loss account For the year ended 31 December 1996

		1996 £	1995 £
Turnover	2	22,505,200	20,599,254
Cost of sales		14,281,066	13,518,566
Gross profit		<u>8,224,134</u>	<u>7,080,688</u>
Distribution costs		1,168,073	1,030,092
Administrative expenses		2,104,550	1,958,451
		<u>3,272,623</u>	<u>2,988,543</u>
Operating profit		4,951,511	4,092,145
Profit on sale of surplus leasehold property		-	259,461
Interest receivable		128,549	98,133
Interest payable	3	(53,926)	(144,139)
Profit on ordinary activities before taxation	4	5,026,134	4,305,600
Tax on profit on ordinary activities	7	1,670,839	1,348,736
Profit for the financial year		<u>3,355,295</u>	<u>2,956,864</u>
Dividends	8	2,750,000	2,500,000
Retained profit for the year	17	<u>605,295</u>	<u>456,864</u>

The company has no recognised gains and losses other than those included in the profits above, and therefore no separate statement of total recognised gains and losses has been presented. There is no difference between the profits shown above and their historical cost equivalents.

The notes on pages 8 to 17 form part of these financial statements.

HUNTERS & FRANKAU LIMITED AND SUBSIDIARIES

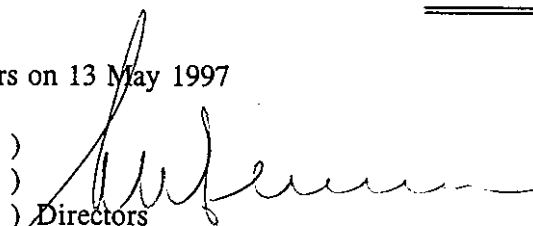
Consolidated balance sheet

As at 31 December 1996

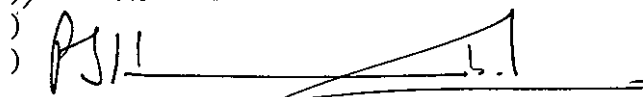
	Notes	1996 £	1995 £
Fixed assets			
Tangible assets	9	<u>940,047</u>	<u>889,186</u>
Current assets			
Stocks	11	2,242,374	1,773,301
Debtors	12	5,600,028	5,559,670
Cash at bank and in hand		<u>385,549</u>	<u>61,324</u>
		8,227,951	7,394,295
Creditors: amounts falling due within one year	13	<u>5,813,678</u>	<u>4,989,796</u>
Net current assets		<u>2,414,273</u>	<u>2,404,499</u>
Total assets less current liabilities		3,354,320	3,293,685
Creditors: amounts falling due after more than one year	14	-	(550,000)
Provision for liabilities and charges			
Deferred taxation	15	<u>(50,055)</u>	<u>(44,715)</u>
		3,304,265	2,698,970
Capital and reserves			
Called up share capital	16	678,001	678,001
Share premium account		1,250	1,250
Profit and loss account	17	<u>2,625,014</u>	<u>2,019,719</u>
Equity shareholders' funds		3,304,265	2,698,970

Approved by the Board of Directors on 13 May 1997

N.D.J. FREEMAN

) 
) Directors

P.J. HAMBIDGE

) 
)

The notes on pages 8 to 17 form part of these financial statements.

HUNTERS & FRANKAU LIMITED

Balance sheet as at 31 December 1996

	Notes	1996 £	1995 £
Fixed assets			
Tangible assets	9	498,221	436,217
Investments	10	399,664	3,399,664
		<u>897,885</u>	<u>3,835,881</u>
Current assets			
Stocks	11	2,242,374	1,773,301
Debtors	12	5,594,153	5,095,560
Cash at bank and in hand		383,240	61,205
		<u>8,219,767</u>	<u>6,930,066</u>
Creditors: amounts falling due within one year	13	6,022,139	7,727,338
Net current assets/(liabilities)		<u>2,197,628</u>	<u>(797,272)</u>
Total assets less current liabilities		<u>3,095,513</u>	<u>3,038,609</u>
Creditors: amounts falling due after more than one year	14	-	(550,000)
Provision for liabilities and charges			
Deferred taxation	15	(33,517)	(32,989)
		<u>3,061,996</u>	<u>2,455,620</u>
Capital and reserves			
Called up share capital	16	678,001	678,001
Share premium account		1,250	1,250
Profit and loss account	17	2,382,745	1,776,369
Equity shareholders' funds		<u>3,061,996</u>	<u>2,455,620</u>

Approved by the Board of Directors on 13 May 1997

N.D.J. FREEMAN

)

) Directors

P.J. HAMBIDGE

)

The notes on pages 8 to 17 form part of these financial statements.

HUNTERS & FRANKAU LIMITED AND SUBSIDIARIES

Consolidated cash flow statement For the year ended 31 December 1996

	1996 £	1995 £
Net cash inflow from operating activities (note 22)	5,578,014	3,418,741
Returns on investments and servicing of finance		
Interest received	128,549	98,133
Interest paid	(53,926)	(144,139)
Dividend paid	(3,000,000)	(1,100,000)
Net cash outflow from returns on investments and servicing of finance	(2,925,377)	(1,146,006)
Taxation		
Corporation tax paid	(1,529,560)	(1,061,956)
Investing activities		
Purchase of tangible fixed assets	(301,980)	(297,282)
Sale of tangible fixed assets	55,870	877,424
Net cash inflow/(outflow) from investing activities	(246,110)	580,142
Net cash inflow before financing	876,967	1,790,921
Financing		
Loans repaid	(550,000)	(1,011,503)
Net cash (outflow)/inflow from financing activities	(550,000)	(1,011,503)
Increase in cash and cash equivalents (note 22)	326,967	779,418

The notes to the consolidated cash flow statement are on page 16 and 17.

HUNTERS & FRANKAU LIMITED AND SUBSIDIARIES

Notes to the financial statements

For the year ended 31 December 1996

1. Accounting policies

a) Basis of accounting

The financial statements are prepared on the historical cost basis of accounting, and in accordance with applicable accounting standards.

b) Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings. The subsidiary undertakings prepare their financial statements to 31st December and are consolidated using the acquisition method of accounting.

c) Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is the purchase cost on a first-in, first-out basis. Net realisable value is the price at which the stock can be realised in the normal course of business. Provision is made for slow moving stocks.

d) Depreciation of tangible fixed assets

Depreciation is provided at the following annual rates, on a straight line basis, so as to write off the cost of tangible fixed assets over their expected useful lives as follows:

Freehold property	- 2%
Long leasehold property	- 2%
Leasehold improvements	- 15%
Plant, equipment, fixtures and fittings	- 15 - 25% according to category
Motor vehicles	- 25 - 33% according to category

e) Deferred taxation

Deferred taxation is provided under the liability method in respect of all material timing differences between the profits as computed for taxation purposes and the profits as stated in the financial statements, to the extent that it is probable that a liability or asset will crystallise. The rate of tax used is that which is expected to be applied when the liability or asset is expected to crystallise.

f) Foreign currencies

Assets and liabilities in foreign currencies have been translated into sterling at the rate of exchange ruling at the date of the balance sheet. Gains and losses on exchange on transactions in foreign currencies are dealt with in the profit and loss account.

g) Goodwill

Purchased goodwill arising on the acquisition of a subsidiary represents the difference between the fair value of the consideration given for the company and the aggregate of the fair values of the separable net assets acquired.

The group eliminates positive purchased goodwill by immediate write off to reserves on acquisition.

h) Leases

Rentals under operating leases are charged to profit and loss account as they fall due.

HUNTERS & FRANKAU LIMITED AND SUBSIDIARIES

Notes to the financial statements

For the year ended 31 December 1996

1. Accounting policies

i) Pension costs

The expected cost of pensions in respect of the group's pension schemes is charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees. Variations from the regular cost are spread over the expected service lives of current employees in the scheme.

2. Turnover

Turnover represents the amount receivable for goods sold during the year and is exclusive of V.A.T. Turnover arose as follows:-

	1996 £	1995 £
United Kingdom	22,218,974	20,235,797
Europe	286,226	363,457
	<u>22,505,200</u>	<u>20,599,254</u>

Turnover and profit on ordinary activities before taxation is derived from importing and distributing cigars and allied products.

3. Interest payable

	1996 £	1995 £
Interest on bank overdrafts and loans wholly repayable within 5 years	53,926	144,139

4. Profit on ordinary activities before taxation

	1996 £	1995 £
Is stated after charging:		
Depreciation	229,289	200,320
Directors' emoluments (note 6)	634,436	587,739
Auditors' remuneration	18,700	19,700
Property rentals	179,500	180,103

Fees charged by the group's auditors for other services were £4,825 (1995 : £5,300).

and after crediting:

Profit on disposal of tangible fixed assets (Other than surplus leasehold property)	<u>34,040</u>	<u>7,904</u>
--	---------------	--------------

HUNTERS & FRANKAU LIMITED AND SUBSIDIARIES

Notes to the financial statements

For the year ended 31 December 1996

5.	Staff costs	1996	1995
		£	£
a)	Staff costs during the year amounted to:		
	Wages and salaries	1,714,189	1,587,778
	Social security costs	156,899	149,019
	Other pension costs	250,868	226,886
		<u>2,121,956</u>	<u>1,963,683</u>

b) The average number of employees during the year was made up as follows:

	1996	1995
	Number	
Warehousing and distribution	41	41
Office and management	24	23
	<u>65</u>	<u>64</u>

6.	Directors' emoluments	1996	1995
		£	£
a)	Fees	17,500	17,500
	Management remuneration	535,036	494,158
	Contributions to pension schemes	81,900	76,081
		<u>634,436</u>	<u>587,739</u>
b)	Fees and management remuneration only:	1996	1995
	Chairman and highest paid director	<u>153,000</u>	<u>138,000</u>

Other directors received emoluments in the following ranges:

		Number
£Nil to £5,000	3	2
£10,001 to £15,000	1	1
£55,001 to £60,000	-	2
£60,001 to £65,000	1	-
£65,001 to £70,000	2	1
£75,001 to £80,000	-	1
£80,001 to £85,000	1	-
£95,001 to £100,000	1	1
	<u>1</u>	<u>1</u>

HUNTERS & FRANKAU LIMITED AND SUBSIDIARIES

Notes to the financial statements For the year ended 31 December 1996

7.	Tax on profit on ordinary activities	1996	1995			
		£	£			
	U.K. corporation tax based on the profit for the year at 33% (1995 - 33%)	1,671,321	1,373,558			
	(Over) provision in prior year	(5,822)	(1,569)			
	Transfer to/(from) deferred taxation	5,340	(23,253)			
		<u>1,670,839</u>	<u>1,348,736</u>			
8.	Dividends	1996	1995			
		£	£			
	On the 'A' and 'B' ordinary shares:					
	First interim paid	1,000,000	500,000			
	Second interim proposed	750,000	1,500,000			
	Proposed final	1,000,000	500,000			
		<u>2,750,000</u>	<u>2,500,000</u>			
9.	Tangible fixed assets					
	a) Group					
		Freehold property £	Short leasehold improvements £	Plant, equipment, fixtures & fittings £	Motor vehicles £	Total £
	Cost					
	At 1 January 1996	548,434	143,855	420,504	513,058	1,625,851
	Additions	-	1,665	142,945	157,370	301,980
	Disposals	-	-	(498)	(145,249)	(145,747)
	At 31 December 1996	<u>548,434</u>	<u>145,520</u>	<u>562,951</u>	<u>525,179</u>	<u>1,782,084</u>
	Depreciation					
	At 1 January 1996	95,640	79,535	280,014	281,476	736,665
	Provision for year	10,968	13,085	73,781	131,455	229,289
	Adjustment for disposals	-	-	(200)	(123,717)	(123,917)
	At 31 December 1996	<u>106,608</u>	<u>92,620</u>	<u>353,595</u>	<u>289,214</u>	<u>842,037</u>
	Net book value					
	At 31 December 1996	<u>441,826</u>	<u>52,900</u>	<u>209,356</u>	<u>235,965</u>	<u>940,047</u>
	At 31 December 1995	<u>452,794</u>	<u>64,320</u>	<u>140,490</u>	<u>231,582</u>	<u>889,186</u>

HUNTERS & FRANKAU LIMITED AND SUBSIDIARIES

Notes to the financial statements

For the year ended 31 December 1996

9. Tangible fixed assets

b) Company

	Short leasehold improvements £	Plant, equipment, fixtures & fittings £	Motor vehicles £	Total £
Cost				
At 1 January 1996	143,855	329,894	513,058	986,807
Additions	1,665	142,945	157,370	301,980
Disposals	-	(498)	(145,249)	(145,747)
At 31 December 1996	<u>145,520</u>	<u>472,341</u>	<u>525,179</u>	<u>1,143,040</u>
Depreciation				
At 1 January 1996	79,535	189,579	281,476	550,590
Provision for year	13,085	73,606	131,455	218,146
Adjustment for disposals	-	(200)	(123,717)	(123,917)
At 31 December 1996	<u>92,620</u>	<u>262,985</u>	<u>289,214</u>	<u>644,819</u>
Net book value				
At 31 December 1996	<u>52,900</u>	<u>209,356</u>	<u>235,965</u>	<u>498,221</u>
At 31 December 1995	<u>64,320</u>	<u>140,315</u>	<u>231,582</u>	<u>436,217</u>

10. Investments

£

Shares in subsidiary undertakings:

Cost

At 1st January 1996 and 31st December 1996 4,120,714

Provisions

At 1st January 1996 721,050
Dividend receivable out of pre-acquisition profits 3,000,000

At 31 December 1996 3,721,050

Net book value

At 31st December 1996 399,664

At 31 December 1995 3,399,664

HUNTERS & FRANKAU LIMITED AND SUBSIDIARIES

Notes to the financial statements

For the year ended 31 December 1996

10. Investments

At 31st December 1996 the principal subsidiary undertaking is Joseph Samuel & Son Limited, a company wholly owned and incorporated in Great Britain.

Dormant subsidiary company details are not disclosed as in the directors' opinion, this information is of excessive length.

11. Stocks	1996	1995
Stocks consist of goods purchased for resale	<u>2,242,374</u>	<u>1,773,301</u>

12. Debtors	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Amounts receivable within one year:				
Trade debtors	4,607,088	4,336,181	4,607,088	4,336,181
Other debtors	136,011	547,478	132,974	84,735
Prepayments and accrued income	419,429	363,511	416,591	362,144
	<u>5,162,528</u>	<u>5,247,170</u>	<u>5,156,653</u>	<u>4,783,060</u>
Amounts receivable after more than one year:				
Advance corporation tax recoverable	437,500	312,500	437,500	312,500
	<u>5,600,028</u>	<u>5,559,670</u>	<u>5,594,153</u>	<u>5,095,560</u>

13. Creditors: amounts falling due within one year	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Bank loans and overdrafts	-	2,742	-	2,625
Amount owed to subsidiary undertaking	-	-	216,298	2,753,379
Trade creditors	1,085,068	334,921	1,081,168	334,921
Corporation tax	1,796,321	1,535,382	1,793,899	1,520,646
Other taxes and social security costs	807,375	730,547	807,060	730,197
Proposed 2nd interim dividend	750,000	1,500,000	750,000	1,500,000
Proposed final dividend	1,000,000	500,000	1,000,000	500,000
Other creditors	-	25	-	25
Accruals	374,914	386,179	373,714	385,545
	<u>5,813,678</u>	<u>4,989,796</u>	<u>6,022,139</u>	<u>7,727,338</u>

HUNTERS & FRANKAU LIMITED AND SUBSIDIARIES

Notes to the financial statements

For the year ended 31 December 1996

13. Creditors: amounts falling due within one year

The bank loans and overdrafts secured by a mortgage debenture over the group's assets are as follows:-

	1996	1995
	£	£
Due within one year	-	2,742
	<u> </u>	<u> </u>

14. Creditors: amounts falling due after more than one year
10% Unsecured loan stock 1998/99

1996	1995
£	£
-	550,000
<u> </u>	<u> </u>

15. Deferred taxation

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Accelerated capital allowances	15,576	23,313	37,114	35,039
Other timing differences	(70,631)	(68,028)	(70,631)	(68,028)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Deferred tax liability	(50,055)	(44,715)	(33,517)	(32,989)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The provision for deferred taxation has been calculated based on a corporation tax rate of 33% (1995 : 33%).

The movement during the year is analysed as follows:

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Balance at 1 January 1996	(44,715)	(67,968)	(32,989)	(44,231)
Released/(provided) in year	(5,340)	23,253	(528)	11,242
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance at 31 December 1996	(50,055)	(44,715)	(33,517)	(32,989)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

HUNTERS & FRANKAU LIMITED AND SUBSIDIARIES

Notes to the financial statements

For the year ended 31 December 1996

16. Called up share capital

	Authorised, allotted and fully paid	
	1996	1995
	£	£
678,000 ordinary 'A' shares of 50p each	339,000	339,000
678,000 ordinary 'B' shares of 50p each	339,000	339,000
1 ordinary 'C' share of 50p	1	1
	<u>678,001</u>	<u>678,001</u>

17. Profit and loss account

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Retained profit at 1 January 1996	2,019,719	1,562,855	1,776,369	1,579,144
Retained profit for the year	605,295	456,864	606,376	197,225
Retained profit at 31 December 1996	<u>2,625,014</u>	<u>2,019,719</u>	<u>2,382,745</u>	<u>1,776,369</u>

18. Reconciliation of movements in shareholders' funds

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Profit for the financial year	3,355,295	2,956,864	3,356,376	2,697,225
Dividends	(2,750,000)	(2,500,000)	(2,750,000)	(2,500,000)
Net addition to shareholders' funds	605,295	456,864	606,376	197,225
Opening shareholders' funds	2,698,970	2,242,106	2,455,620	2,258,395
Closing shareholders' funds	<u>3,304,265</u>	<u>2,698,970</u>	<u>3,061,996</u>	<u>2,455,620</u>

19. Lease commitments

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Annual property rentals payable under leases which expire:				
Within one year	40,916	39,833	40,916	39,833
After five years	130,500	130,500	130,500	130,500
	<u>171,416</u>	<u>170,333</u>	<u>171,416</u>	<u>170,333</u>

HUNTERS & FRANKAU LIMITED AND SUBSIDIARIES

Notes to the financial statements

For the year ended 31 December 1996

20. Pension commitments

The group operates a pension scheme providing benefits based on final pensionable salary. The assets of the scheme are held separately from those of the company being invested with a major U.K. insurance group. The contributions are determined by a qualified actuary on the basis of triennial valuations using the "projected unit" method. The most recent valuation was as at 31st December 1995. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rate of increase in salaries and pensions. It was assumed the yield on the fund would exceed the rate of increase in pensionable salaries by 2% per annum. This is consistent with assumptions usually used for longer term funding.

The pension charge for the year was £250,868 (1995 : £226,886).

The most recent actuarial valuation showed that the market value of the scheme's assets was £4,629,000 and that the actuarial value of those assets represented 95 per cent of the benefits that had accrued to members.

At 31st December 1996, the group has prepaid a contribution of £214,034 (1995: £206,145) to the scheme.

21. Profit and loss account - parent company

As permitted by Section 230 of the Companies Act 1985, a separate profit and loss account for the parent company is not presented.

22. Notes to the cash flow statement For the year ended 31 December 1996

a. Reconciliation of operating profit to net cash inflow from operating activities

	1996	1995
	£	£
Operating profit	4,951,511	4,092,145
Depreciation	229,289	200,320
Profit on sale of tangible fixed assets	(34,040)	(7,904)
(Increase)/decrease in stocks	(469,073)	783,493
(Decrease)/increase in debtors	84,642	(1,274,763)
Increase/(decrease) in creditors	815,685	(374,550)
Net cash inflow from operating activities	<u>5,578,014</u>	<u>3,418,741</u>

HUNTERS & FRANKAU LIMITED AND SUBSIDIARIES

Notes to the financial statements

For the year ended 31 December 1996

22. Notes to the cash flow statement

b. Analysis of changes in cash and cash equivalents

	1996 £	1995 £
Balance at 1st January 1996	58,582	(720,836)
Net cash inflow	326,967	779,418
Balance at 31st December 1996	<u>385,549</u>	<u>58,582</u>

c. Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	1996 £	1995 £	Changes in year £
Cash at bank and in hand	385,549	61,324	324,225
Bank overdrafts	-	(2,742)	2,742
	<u>385,549</u>	<u>58,582</u>	<u>326,967</u>