

HUNTERS & FRANKAU LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1994



HUNTERS & FRANKAU LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31st December 1994.

REVIEW OF THE BUSINESS

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

The company continued to consolidate its position during 1994 following the acquisition of Joseph Samuel and Son Limited in the previous year. The directors consider the result for the year and the financial position at the end of the year to be satisfactory.

The directors anticipate a similar level of activity during 1995.

RESULTS AND DIVIDENDS

The results for the year ended 31st December 1994 are shown in the profit and loss account on page 4. The group profit for the year after taxation was £2,061,688.

Interim dividends totalling 44.25p per 'A' and 'B' ordinary shares were paid in the year.

The directors recommend that a final dividend of 29.5p per 'A' and 'B' ordinary shares 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)
J.G. Simonds (Joint Managing Director)
S.G. Chase
J.H. Darnton
P.J. Hambidge
D.G. Lewis
D.A.J. Baxter
E. Mendez Perez

No director had any beneficial interest in the shares of the company at 1st January 1994 or 31st December 1994.

HUNTERS & FRANKAU LIMITED

REPORT OF THE DIRECTORS (continued)

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 pages 13 and 14 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 £7,600.

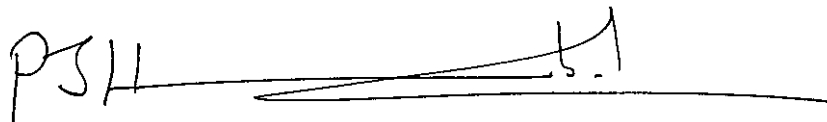
CLOSE COMPANY STATUS

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



Secretary

11th May 1995

REPORT OF THE AUDITORS

to the members of

HUNTERS & FRANKAU LIMITED

We have audited the financial statements on pages 4 to 18 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on pages 10 and 11.

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 1994 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

126 May 1995

HUNTERS & FRANKAU LIMITED AND SUBSIDIARIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
		£	£
TURNOVER	2	18,202,933	17,786,889
Cost of sales		<u>12,117,552</u>	<u>11,875,659</u>
Gross profit		6,085,381	5,911,230
Distribution costs		986,786	1,181,901
Administrative expenses		1,781,465	2,058,643
Other operating income		<u>(25,317)</u>	<u>-</u>
		<u>2,742,934</u>	<u>3,240,544</u>
Operating profit		3,342,447	2,670,686
Interest payable	3	<u>234,339</u>	<u>472,064</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	3,108,108	2,198,622
Tax on profit on ordinary activities	7	<u>(1,046,420)</u>	<u>(706,579)</u>
PROFIT FOR THE FINANCIAL YEAR		2,061,688	1,492,043
DIVIDENDS	8	<u>(1,200,000)</u>	<u>(640,000)</u>
RETAINED PROFIT FOR THE YEAR		<u>£ 861,688</u>	<u>£ 852,043</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 10 to 18 form part of these financial statements.

HUNTERS & FRANKAU LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
		£	£
FIXED ASSETS			
Tangible assets	9	1,402,283	1,424,755
CURRENT ASSETS			
Stocks	11	2,556,794	2,935,073
Debtors	12	4,122,407	4,629,601
Cash at bank and in hand		<u>8,168</u>	<u>18,350</u>
		6,687,369	7,583,024
CREDITORS: amounts falling due within one year	13	<u>(4,218,075)</u>	<u>(4,878,095)</u>
NET CURRENT ASSETS		<u>2,469,294</u>	<u>2,704,929</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,871,577	4,129,684
CREDITORS: amounts falling due after more than one year	14	(1,561,503)	(2,698,006)
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	15	<u>(67,968)</u>	<u>(51,260)</u>
		<u>£2,242,106</u>	<u>£1,380,418</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	<u>1,562,855</u>	<u>701,167</u>
		<u>£2,242,106</u>	<u>£1,380,418</u>

Approved by the Board of Directors on

18th May 1995

N.D.J. FREEMAN

) Directors

P.J. HAMBIDGE

The notes on pages 10 to 18 form part of these financial statements.

HUNTERS & FRANKAU LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
		£	£
FIXED ASSETS			
Tangible assets	9	335,842	310,673
Investments	10	<u>3,399,664</u>	<u>3,399,664</u>
		3,735,506	3,710,337
CURRENT ASSETS			
Stocks	11	2,556,794	2,819,712
Debtors	12	4,079,058	4,394,373
Cash at bank and in hand		<u>7,929</u>	<u>9,223</u>
		6,643,781	7,223,308
CREDITORS: amounts falling due within one year	13	<u>(6,515,158)</u>	<u>(6,827,284)</u>
NET CURRENT ASSETS		<u>128,623</u>	<u>396,024</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,864,129	4,106,361
CREDITORS: amounts falling due after more than one year	14	(1,561,503)	(2,698,006)
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	15	<u>(44,231)</u>	<u>(28,950)</u>
		<u>£2,258,395</u>	<u>£1,379,405</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	<u>1,579,144</u>	<u>700,154</u>
		<u>£2,258,395</u>	<u>£1,379,405</u>

Approved by the Board of Directors on

11th May 1995

N.D.J. FREEMAN

) Directors

P.J. HAMBIDGE

The notes on pages 10 to 18 form part of these financial statements.

HUNTERS & FRANKAU LIMITED AND SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 1994

	£	<u>1994</u>	£	£	<u>1993</u>	£
Net cash inflow from operating activities (note 1)			4,574,039			3,229,782
Returns on investments and servicing of finance						
Interest paid	(247,869)			(451,339)		
Dividend paid	<u>(1,040,000)</u>			<u>(440,000)</u>		
Net cash outflow from returns on investments and servicing of finance			(1,287,869)			(891,339)
Taxation						
Corporation tax paid			(691,764)			(385,593)
Investing activities						
Purchase of tangible fixed assets	(266,096)			(198,625)		
Sale of tangible fixed assets	137,237			273,316		
Disposal/(purchase) of subsidiary undertakings (note 5)	<u>108,028</u>			<u>(3,801,514)</u>		
Net cash outflow from investing activities			<u>(20,831)</u>			<u>(3,726,823)</u>
Net cash inflow/(outflow) before financing			2,573,575			(1,773,973)
Financing						
Issue of ordinary share capital	-			452,000		
New unsecured loan notes repayable in 1998/99	-			1,100,000		
Bank loans	-			1,500,000		
Loans repaid	<u>(1,586,503)</u>			<u>(900,000)</u>		
Net cash (outflow)/inflow from financing activities			<u>(1,586,503)</u>			<u>2,152,000</u>
Increase in cash and cash equivalents (note 2)			<u>£ 987,072</u>			<u>£ 378,027</u>

The notes to the consolidated cash flow statement are on pages 8 and 9.

HUNTERS & FRANKAU LIMITED AND SUBSIDIARIES

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 1994

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>1994</u>	<u>1993</u>
	£	£
Operating profit	3,342,447	2,670,686
Depreciation	178,187	234,480
Profit on sale of tangible fixed assets	(38,172)	(62,495)
Decrease in stocks	262,918	1,307,522
Decrease/(increase) in debtors	384,738	(122,948)
Increase/(decrease) in creditors	443,921	(797,463)
Net cash inflow from operating activities	<u>£4,574,039</u>	<u>£3,229,782</u>

2. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

Balance at 1st January 1994	(1,707,908)	(2,085,935)
Net cash inflow	<u>987,072</u>	<u>378,027</u>
Balance at 31st December 1994	<u>£(720,836)</u>	<u>£(1,707,908)</u>

3. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	<u>1994</u>	<u>1993</u>	Changes in year
	£	£	£
Cash at bank and in hand	8,168	18,350	(10,182)
Bank overdrafts	<u>(729,004)</u>	<u>(1,726,258)</u>	<u>997,254</u>
	<u>£(720,836)</u>	<u>£(1,707,908)</u>	<u>£987,072</u>

HUNTERS & FRANKAU LIMITED AND SUBSIDIARIES

NOTES TO THE CASH FLOW STATEMENT (continued)
FOR THE YEAR ENDED 31ST DECEMBER 1994

4. DISPOSAL OF SUBSIDIARY UNDERTAKING

£

Net assets disposed

Tangible fixed assets	11,316
Stocks	115,361
Debtors	172,456
Cash at bank and in hand	7,267
Creditors	(154,905)
Taxation payable	(33,700)
Deferred taxation	<u>(2,500)</u>
	<u>£115,295</u>

Satisfied by

Cash	<u>£115,295</u>
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5. ANALYSIS OF THE NET INFLOW OF CASH AND CASH
EQUIVALENTS IN RESPECT OF THE DISPOSAL OF
A SUBSIDIARY UNDERTAKING

£

Cash consideration	115,295
Cash at bank and in hand disposed	<u>(7,267)</u>
Net cash inflow in respect of the disposal of subsidiary	<u>£108,028</u>

HUNTERS & FRANKAU LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1994

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 (continued) FOR THE YEAR ENDED 31ST DECEMBER 1994

1. ACCOUNTING POLICIES (continued)

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:-

	<u>1994</u>	<u>1993</u>
	£	£
United Kingdom	17,905,601	17,229,565
Europe	297,332	557,324
	<u>£18,202,933</u>	<u>£17,786,889</u>

Turnover and profit on ordinary activities before taxation is derived from the differing classes of business as follows:

	<u>1994</u>		<u>1993</u>	
	Turnover	Profit on	Turnover	Profit on
	£	ordinary	£	ordinary
		activities		activities
		before		before
		taxation		taxation
	£	£	£	£
Importing and selling cigars and tobacco products	18,202,933	3,108,108	17,305,619	2,090,486
Importing and selling gift items	-	-	481,270	108,136
	<u>£18,202,933</u>	<u>£3,108,108</u>	<u>£17,786,889</u>	<u>£2,198,622</u>

3. INTEREST PAYABLE

	<u>1994</u>	<u>1993</u>
	£	£
Interest on bank loans and overdrafts and loans wholly repayable within 5 years	234,339	418,119
Interest on loan notes repayable after 5 years	-	53,945
	<u>£234,339</u>	<u>£472,064</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1994</u>	<u>1993</u>
	£	£
Is stated after charging:		
Depreciation	178,187	234,480
Directors' emoluments (note 6)	540,142	554,750
Auditors' remuneration	18,700	19,500
Property rentals	<u>182,242</u>	<u>177,588</u>

Fees charged by the group's auditors for other services were £5,300 (1993 : £8,748).

HUNTERS & FRANKAU LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31ST DECEMBER 1994

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (continued)

	<u>1994</u>	<u>1993</u>
	£	£
and after crediting:		
Profit on disposal of freehold property	-	20,318
Profit on disposal of other tangible fixed assets	<u>38,172</u>	<u>42,177</u>

5. STAFF COSTS

	<u>1994</u>	<u>1993</u>
	£	£
a) Staff costs during the year amounted to:		
Wages and salaries	1,477,237	1,664,178
Social security costs	133,167	155,888
Other pension costs	<u>215,081</u>	<u>145,058</u>
	<u>£1,825,485</u>	<u>£1,965,124</u>

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

	<u>1994</u>	<u>1993</u>
	Number	
Warehousing and distribution	41	46
Office and management	<u>21</u>	<u>26</u>
	<u>62</u>	<u>72</u>

6. DIRECTORS' EMOLUMENTS

	<u>1994</u>	<u>1993</u>
	£	£
a) Fees	16,250	17,500
Management remuneration	447,536	483,925
Contributions to pension schemes	<u>76,356</u>	<u>53,325</u>
	<u>£540,142</u>	<u>£554,750</u>

b) Fees and management remuneration only:

	<u>1994</u>	<u>1993</u>
	£	£
Chairman and highest paid director (1993 Chairman only)	<u>£105,187</u>	<u>£93,000</u>

Highest paid director (1994 : Chairman)	<u>£ -</u>	<u>£100,000</u>
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Number

Other directors received emoluments in the following ranges:

£Nil to £5,000	1	1
£10,001 to £15,000	1	-
£15,001 to £20,000	-	1
£25,001 to £30,000	1	-
£50,001 to £55,000	2	3
£55,001 to £60,000	1	1
£65,001 to £70,000	1	-
£80,001 to £85,000	-	1
£85,001 to £90,000	<u>1</u>	<u>-</u>

HUNTERS & FRANKAU LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31ST DECEMBER 1994

7. TAX ON PROFIT ON ORDINARY ACTIVITIES	<u>1994</u> £	<u>1993</u> £
U.K. corporation tax based on		
the profit for the year at 33% (1993 - 33%)	1,025,796	701,283
Under/(over) provision in prior year	1,416	(10,345)
Transfer to deferred taxation	19,208	15,641
	<u>£1,046,420</u>	<u>£706,579</u>

8. DIVIDENDS	<u>1994</u> £	<u>1993</u> £
On the 'A' and 'B' ordinary shares:		
First interim paid 6th October 1994	300,000	200,000
Second interim paid 21st November 1994	300,000	200,000
Proposed final	600,000	240,000
	<u>£1,200,000</u>	<u>£640,000</u>

9. TANGIBLE FIXED ASSETS

a) Group

	Freehold property £	Long leasehold property £	Short leasehold improvements £	Plant, equipment, fixtures & fittings £	Motor vehicles £	Total £
COST						
At 1st January 1994	548,434	841,795	71,478	468,339	533,930	2,463,976
Disposal of subsidiary	-	-	-	(31,792)	(10,669)	(42,461)
Additions	-	-	3,315	26,911	235,870	266,096
Disposals	-	-	-	(195)	(282,558)	(282,753)
At 31st December 1994	<u>548,434</u>	<u>841,795</u>	<u>74,793</u>	<u>463,263</u>	<u>476,573</u>	<u>2,404,858</u>
DEPRECIATION						
At 1st January 1994	73,702	227,546	64,049	406,376	267,548	1,039,221
Disposal of subsidiary	-	-	-	(26,254)	(4,891)	(31,145)
Provision for year	10,969	16,836	2,650	29,432	118,300	178,187
Adjustment for disposals	-	-	-	(195)	(183,493)	(183,688)
At 31st December 1994	<u>84,671</u>	<u>244,382</u>	<u>66,699</u>	<u>409,359</u>	<u>197,464</u>	<u>1,002,575</u>
NET BOOK VALUE						
At 31st December 1994	<u>£463,763</u>	<u>£597,413</u>	<u>£ 8,094</u>	<u>£53,904</u>	<u>£279,109</u>	<u>£1,402,283</u>
At 31st December 1993	<u>£474,732</u>	<u>£614,249</u>	<u>£ 7,429</u>	<u>£61,963</u>	<u>£266,382</u>	<u>£1,424,755</u>

HUNTERS & FRANKAU LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31ST DECEMBER 1994

9. TANGIBLE FIXED ASSETS (continued)

b) Company	Short leasehold <u>improvements</u> £	Plant, equipment, fixtures & <u>fittings</u> £	Motor vehicles £	<u>Total</u> £
COST				
At 1st January 1994	71,478	233,504	523,261	828,243
Additions	3,315	26,911	235,870	266,096
Disposals	-	-	(282,558)	(282,558)
Inter-group transfers	-	1,326	-	1,326
At 31st December 1994	<u>74,793</u>	<u>261,741</u>	<u>476,573</u>	<u>813,107</u>
DEPRECIATION				
At 1st January 1994	64,049	190,864	262,657	517,570
Provision for year	2,650	20,912	118,300	141,862
Adjustment for disposals	-	-	(183,493)	(183,493)
Inter-group transfers	-	1,326	-	1,326
At 31st December 1994	<u>66,699</u>	<u>213,102</u>	<u>197,464</u>	<u>477,265</u>
NET BOOK VALUE				
At 31st December 1994	<u>£ 8,094</u>	<u>£48,639</u>	<u>£279,109</u>	<u>£335,842</u>
At 31st December 1993	<u>£ 7,429</u>	<u>£42,640</u>	<u>£260,604</u>	<u>£310,673</u>

10. INVESTMENTS

£

Shares in subsidiary undertakings:

COST

At 1st January 1994 and 31st December 1994 4,120,714

**PROVISION FOR REDUCTION TO
NET ASSET VALUE**

At 1st January 1994 and 31st December 1994 721,050

NET BOOK VALUE

At 31st December 1994 and 31st December 1993 £3,399,664

HUNTERS & FRANKAU LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31ST DECEMBER 1994

10. INVESTMENTS

At 31st December 1994 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

	<u>1994</u>	<u>1993</u>
Stocks consist of goods purchased for resale	<u>£2,556,794</u>	<u>£2,819,712</u>

12. DEBTORS

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£	£	£	£
Amounts receivable within one year:				
Trade debtors	3,485,143	3,911,812	3,485,142	3,751,398
Amounts due from subsidiary undertakings	-	-	-	20,437
Other debtors	100,512	191,634	75,504	125,561
Prepayments and accrued income	<u>386,752</u>	<u>416,155</u>	<u>368,412</u>	<u>386,977</u>
	3,972,407	4,519,601	3,929,058	4,284,373
Amounts receivable after more than one year:				
Advance corporation tax recoverable	<u>150,000</u>	<u>110,000</u>	<u>150,000</u>	<u>110,000</u>
	<u>£4,122,407</u>	<u>£4,629,601</u>	<u>£4,079,058</u>	<u>£4,394,373</u>

13. CREDITORS: amounts falling due within one year

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£	£	£	£
Bank loans and overdrafts	729,004	2,176,258	726,534	2,150,163
Amount owed to subsidiary undertaking	-	-	2,327,202	2,099,740
Trade creditors	462,828	565,889	445,513	542,499
Corporation tax	1,062,849	711,101	1,056,136	652,856
Other taxes and social security costs	1,084,832	641,155	1,082,411	630,621
Proposed 2nd interim dividend	-	200,000	-	200,000
Proposed final dividend	600,000	240,000	600,000	240,000
Other creditors	54	9,423	54	9,330
Accruals	<u>278,508</u>	<u>334,269</u>	<u>277,308</u>	<u>302,075</u>
	<u>£4,218,075</u>	<u>£4,878,095</u>	<u>£6,515,158</u>	<u>£6,827,284</u>

HUNTERS & FRANKAU LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31ST DECEMBER 1994

13. CREDITORS: amounts falling due within one year (continued)

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

	<u>1994</u>	<u>1993</u>
	£	£
Due within one year	729,004	2,176,258
Due after more than one year (see note 14)	-	675,000

	<u>1994</u>	<u>1993</u>
	£	£
14. CREDITORS: amounts falling due after more than one year		
£1,100,000 10% Unsecured loan stock 1998/99	1,100,000	1,100,000
9% Unsecured loan stock 1996/97	461,503	923,006
Bank loan (secured - see note 13)	-	675,000
	<u>£1,561,503</u>	<u>£2,698,006</u>

15. DEFERRED TAXATION

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£	£	£	£
Accelerated capital allowances	(1,065)	19,762	22,672	38,572
Other timing differences	(66,903)	(71,022)	(66,903)	(67,522)
Deferred tax liability	<u>£(67,968)</u>	<u>£(51,260)</u>	<u>£(44,231)</u>	<u>£(28,950)</u>

The provision for deferred taxation has been calculated based on a corporation tax rate of 33% (1993 : 33%).

The movement during the year is analysed as follows:

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£	£	£	£
Balance at 1st January 1994	(51,260)	(9,619)	(28,950)	(9,619)
Acquisition of subsidiary	-	(26,000)	-	-
Disposal of subsidiary	2,500	-	-	-
Provided in year	(19,208)	(15,641)	(15,281)	(19,331)
Balance at 31st December 1994	<u>£(67,968)</u>	<u>£(51,260)</u>	<u>£(44,231)</u>	<u>£(28,950)</u>

HUNTERS & FRANKAU LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31ST DECEMBER 1994

16. CALLED UP SHARE CAPITAL

	Authorised, allotted and fully paid	
	1994	1993
	£	£
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	
	1994	1993	1994	1993
	£	£	£	£
Retained profit at 1st January 1994	701,167	625,324	700,154	624,311
Retained profit for the year	861,688	852,043	878,990	75,843
Goodwill written off on acquisition of subsidiary	-	(776,200)	-	-
Retained profit at 31st December 1994	<u>£1,562,855</u>	<u>£701,167</u>	<u>£1,579,144</u>	<u>£700,154</u>

The company's retained profit for 1993 is stated after a provision of £578,041 for reduction to net asset value of an investment in a subsidiary undertaking.

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	GROUP		COMPANY	
	1994	1993	1994	1993
	£	£	£	£
Profit for the financial year	2,061,688	1,492,043	2,078,990	715,843
Dividends	(1,200,000)	(640,000)	(1,000,000)	(640,000)
	861,688	852,043	1,078,990	75,843
New share capital subscribed	-	452,000	-	452,000
Goodwill written off	-	(776,200)	-	-
Net addition to shareholders' funds	861,688	527,843	1,078,990	527,843
Opening shareholders' funds	701,167	852,575	700,154	851,562
Closing shareholders' funds	<u>£1,562,855</u>	<u>£1,380,418</u>	<u>£1,779,144</u>	<u>£1,379,405</u>

19. LEASE COMMITMENTS

	GROUP		COMPANY	
	1994	1993	1994	1993
	£	£	£	£
Annual property rentals payable under leases which expire:				
Within one year	10,833	6,825	10,833	6,825
After five years	164,500	161,560	159,500	156,560
	<u>£175,333</u>	<u>£168,385</u>	<u>£170,333</u>	<u>£163,385</u>

HUNTERS & FRANKAU LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31ST DECEMBER 1994

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 1991. 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 1% per annum. This is consistent with assumptions usually used for longer term funding.

The pension charge for the year was £215,081 (1993 : £131,181).

The most recent actuarial valuation showed that the market value of the scheme's assets was £1,630,100 and that the actuarial value of those assets represented 112 per cent of the benefits that had accrued to members.

At 31st December 1994, the group has prepaid a contribution of £202,736 (1993: £215,270) 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. POST BALANCE SHEET EVENT

On 13th February 1995 Joseph Samuel and Son Limited completed the sale of its long leasehold property for a consideration of £885,000.