

H. BRONNLEY & CO. LIMITED

DIRECTORS' REPORT
AND ACCOUNTS

YEAR ENDED 31ST DECEMBER 1993

MOORES ROWLAND
Chartered Accountants
LONDON

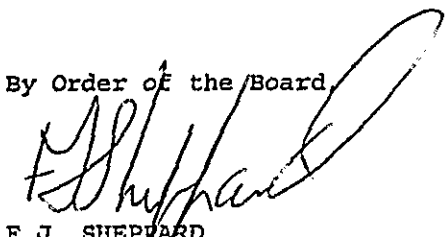


Moores
Rowland

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the members of the Company will be held at the office of the Company at Radstone Road, Brackley, on Thursday 13th October 1994 at 2.30 pm to transact the following business:-

1. To receive and consider the Directors' Report and Audited Accounts for the year ended 31st December 1993.
2. To confirm the Dividends as set out in the Audited Accounts for the year.
3. To re-elect Mr. F.J. Sheppard as a Director.
4. To resolve that the annual amount of Directors' fees to be paid to each Director under Article 88 shall be £3,478 per annum as from 1st January 1994.
5. To re-appoint auditors and authorise the Directors to determine their Remuneration.
6. To transact any other business which may be properly transacted at an Annual General Meeting of the Company.

By Order of the Board


F.J. SHEPPARD
Secretary
11th August 1994

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SHARES PER TYPE		
FOLIO.	NAME & ADDRESS..	NO. OF SHARES.
44	MR. WM COLVER FLAT 4 CRIMICAR COURT CRIMICAR DRIVE SHEFFIELD S10 4EG	590
45	DR. D SAMWAYS 2 PINE VIEW CLOSE HASLEMERE SURREY	84959
48	MRS. E. T. FALASCHI 184 CLARENCE GATE GARDENS LONDON NW1 6AR	660
49	MR. NEVILLE DAVID VANDYK 7 ADDISLAND COURT HOLLAND VILLAS ROAD LONDON W14 8DA	660
54	J PORTRAIT, A ROSSITER & FJ SHEPPARD 5 CHANCERY LANE CLIFFORDS INN, LONDON EC4A 1BU	11624
62	J PORTRAIT, A ROSSITER & FJ SHEPPARD C/O DENTON HALL 5 CHANCERY LANE LONDON EC4A 1BU	4361
73	MISS A. ROSSITER 62 WYNNSTAY GARDENS ALLEN STREET LONDON W8 6JU	141556
TOTAL SHARES THIS TYPE:		382371
TOTAL NUMBER OF SHARES:		450991

DIRECTORS

Miss A. Rossiter (Chairman)
A.R. Smith, C.A.
H.G. Blank, F.C.A.
F.J. Sheppard (Managing Director and Secretary)

SERVICE DIRECTORS

T.M. Stocker
Mrs. P. Swift
H. Lovett

REGISTERED OFFICE AND FACTORY

Radstone Road,
Brackley,
Northamptonshire.
NN13 5AU

LONDON OFFICE AND SHOWROOM

10 Conduit Street,
London.
W1R 0BR

AUDITORS

Messrs. Moores Rowland,
Clifford's Inn,
Fetter Lane,
London.
EC4A 1AS

SOLICITORS

Messrs. Denton Hall Burgin & Warren,
5 Chancery Lane,
London.
WC2A 1LF

PRINCIPAL BANKER

Midland Bank Limited,
17 Market Place,
Banbury,
Oxfordshire.
OX16 8ED

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DIRECTORS' REPORT

The directors submit their report and the accounts for the year ended 31st December 1993.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the group during the year continued to be the production and wholesale distribution of quality soap and toiletries.

The recession throughout Europe has been a significant factor in the reduction of export sales. Sales to Taiwan which had largely contributed to the increase in export sales in 1992 had virtually stopped in 1993.

U.K. sales were at a similar level to the previous year. The continued buying caution on the part of major retailers has been offset by an increase in the hotel and own label sectors of the business albeit at lower margins.

Trading conditions are difficult and therefore the directors do not feel able to recommend payment of an ordinary dividend.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

- (1) Select suitable accounting policies and then apply them consistently.
- (2) Make judgements and estimates that are reasonable and prudent.
- (3) State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.
- (4) Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company 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 to enable them to ensure that the accounts 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.

DIVIDENDS AND APPROPRIATIONS

Dividends have been paid on the preference shares for 1993. The directors do not recommend that a dividend be declared on the ordinary shares (1992 - 6 pence).

The loss for the year and the manner in which it has been dealt with is set out in the Profit and Loss Account on page 7.

DIRECTORS' REPORT - CONTINUEDDIRECTORS AND INTERESTS IN SHARES

The names of the present directors of the company are stated on page 2. The number of shares in the company in which the directors had an interest as defined by the Companies Act 1985, is as follows:-

<u>At end of year</u>	<u>Beneficial</u>		<u>Interest</u>		<u>Other</u>		<u>Interest</u>	
	<u>Ordinary</u>		<u>Preference</u>		<u>Ordinary</u>		<u>Preference</u>	
	<u>Voting</u>	<u>Non-Voting</u>	<u>6%B</u>	<u>5%</u>	<u>Voting</u>	<u>Non-Voting</u>	<u>6%B</u>	<u>5%</u>
*Miss A. Rossiter	17,365	141,556	15,797	125				
A.R. Smith	-	-	100	-				
H.G. Blank	-	-	-	-				
*F.J. Sheppard	500	-	-	-				
* Directors joint and collective interests					4,181	15,985	4,096	4,625

<u>At beginning of year</u>	<u>Beneficial</u>		<u>Interest</u>		<u>Other</u>		<u>Interest</u>	
	<u>Ordinary</u>		<u>Preference</u>		<u>Ordinary</u>		<u>Preference</u>	
	<u>Voting</u>	<u>Non-Voting</u>	<u>6%B</u>	<u>5%</u>	<u>Voting</u>	<u>Non-Voting</u>	<u>6%B</u>	<u>5%</u>
*Miss A. Rossiter	17,365	141,556	15,647	125				
A.R. Smith	-	-	100	-				
H.G. Blank	-	-	-	-				
*F.J. Sheppard	500	-	-	-				
* Directors joint and collective interests					4,181	15,985	4,096	4,625

* In respect of these shareholdings which are partly held through trusts, Miss A. Rossiter is beneficially interested in a proportion of trust shareholdings of 625 (1992 - 625) 5% Preference Shares, 2,610 (1992 - 2,610) 6% B Preference Shares, 4,181 (1992 - 4,181) Ordinary voting shares and 15,985 (1992 - 15,985) Ordinary non voting shares.

DIRECTORS INSURANCE

An insurance policy is maintained in respect of directors of the company for them to be indemnified in respect of liabilities incurred in the execution of their duties.

MARKET VALUE OF LAND AND BUILDINGS

The directors are of the opinion that the market value of land and buildings is in excess of book value but since there is no intention of selling the property, they do not consider the cost of obtaining a professional valuation is justified.

ENVIRONMENT STATEMENT

During 1993 an environmental review was carried out by David Bellamy Associates. The review found that the overall environmental impact associated with the company's manufacturing activities was relatively low. To quote from the report "The company does not operate any processes which produce significant polluting emissions to the atmosphere and produces little aquatic effluent. The processes operated do not produce by-product wastes and the main waste streams are caused by used packaging from raw materials. Recycling of wastes is well established in the factory which helps to reduce the output of waste for disposal".

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DIRECTORS' REPORT - CONTINUED

A number of recommendations contained within the report will be implemented in 1994 which will further improve the company's environmental performance.

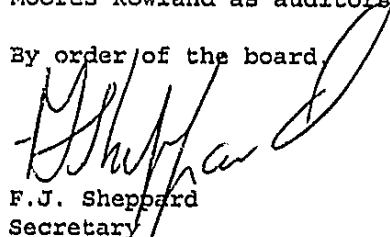
STAFF

The directors wish to thank the staff for their loyalty and co-operation during the year.

AUDITORS

A resolution will be proposed at the Annual General Meeting to re-appoint Messrs. Moores Rowland as auditors for the ensuing year.

By order of the board,


F.J. Sheppard
Secretary

Radstone Road,
Brackley,
Northants.
NN13 5AU

11th August 1994

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H. BRONNLEY & CO. LIMITED

We have audited the accounts on pages 7 to 19 which have been prepared under the historical cost convention.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3 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 Practices 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 and the group as at 31st December 1993 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and
Registered Auditor

LONDON
11th August 1994

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CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year Ended 31st December 1993

	Note	1993	1992
		£	£
TURNOVER - Continuing operations	2	5,754,238	6,079,166
Cost of sales		(3,206,597)	(3,111,978)
GROSS PROFIT		2,547,641	2,967,188
Selling and distribution costs		(1,570,389)	(1,461,541)
Administrative expenses		(979,169)	(1,050,481)
		(2,549,558)	(2,512,022)
		(1,917)	455,166
Other operating (expenses)/income	3	(20,075)	71,783
		(21,992)	526,949
Interest payable	4	(68,652)	(102,842)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(90,644)	424,107
Tax credit on loss (1992 profit) on ordinary activities	6	43,756	(206,689)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(46,888)	217,418
Dividends	8	(1,982)	(27,010)
LOSS (1992 PROFIT) FOR THE YEAR		(48,870)	190,408
Retained profits brought forward		835,965	645,557
RETAINED PROFITS CARRIED FORWARD		£787,095	£ 835,965
		=====	=====

The company has no recognised gains and losses other than the loss for the year.

There is no difference between the result on ordinary activities before taxation and the result for the year stated above and their historical cost equivalents.

There were no discontinued operations.

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CONSOLIDATED BALANCE SHEET
31st December 1993

	Note	£	1993 £	£	1992 £
TANGIBLE FIXED ASSETS	9		2,199,681		2,272,163
CURRENT ASSETS					
Stocks	11	916,920		931,335	
Debtors	12	1,292,088		1,710,080	
Cash at bank and in hand		128,774		101,259	
		2,337,782		2,742,674	
CREDITORS - amounts falling due within one year	13	1,148,185		1,541,003	
NET CURRENT ASSETS			1,189,597		1,201,671
TOTAL ASSETS LESS CURRENT LIABILITIES			3,389,278		3,473,774
CREDITORS - amounts falling due after more than one year	14	110,343		130,052	
PROVISION FOR LIABILITIES AND CHARGES	15	135,849		151,766	
			246,192		281,818
			£3,143,086		£3,191,956
			=====		=====
CAPITAL AND RESERVES					
Called up share capital	16		450,991		450,991
Other reserves			1,905,000		1,905,000
Profit and loss account			787,095		835,965
			£3,143,086		£3,191,956
			=====		=====

Approved by the board on 11th August 1994.

Ann Rossiter
 Ann Rossiter
 Director

Moores
 Rowland

BALANCE SHEET31st December 1993

	Note	£	1993 £	£	1992 £
FIXED ASSETS					
Tangible assets	9		2,192,275		2,261,225
Investments	10		202		202
			<u>2,192,477</u>		<u>2,261,427</u>
CURRENT ASSETS					
Stock	11	916,920		931,335	
Debtors	12	1,298,032		1,740,052	
Cash at bank and in hand		16,668		25,202	
		<u>2,231,620</u>		<u>2,696,589</u>	
CREDITORS - amounts falling due within one year	13	1,128,797		1,442,614	
NET CURRENT ASSETS			<u>1,102,823</u>		<u>1,253,975</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,295,300</u>		<u>3,515,402</u>
CREDITORS - amounts falling due after more than one year	14	110,343		130,052	
PROVISION FOR LIABILITIES AND CHARGES	15	135,849		151,766	
			<u>246,192</u>		<u>281,818</u>
			<u>£3,049,108</u>		<u>£3,233,584</u>
CAPITAL AND RESERVES					
Called up share capital	16		450,991		450,991
Other reserves			1,905,000		1,905,000
Profit and loss account			693,117		877,593
			<u>£3,049,108</u>		<u>£3,233,584</u>

Approved by the board on 11th August 1994.


Ann Rossiter
DirectorMoores
Rowland

CONSOLIDATED CASH FLOW STATEMENT31st December 1993

	1993	1992
	£	£
NET CASH FLOW FROM OPERATIONS	351,949	377,189
CASH FLOW ON INVESTMENTS AND SERVICING OF FINANCE:		
Interest received	3,472	1,376
Interest paid	(68,652)	(102,842)
Dividends paid	(27,010)	(14,496)
	(92,190)	(115,962)
TAXATION		
UK paid	(144,519)	(38,174)
Overseas paid	(937)	(613)
	(145,456)	(38,787)
INVESTING ACTIVITIES		
Payments to acquire tangible fixed assets	(66,172)	(114,447)
Receipts from sales of tangible fixed assets	335	6,752
FINANCING		
Capital elements of finance		
lease rentals	(31,069)	(33,471)
	(31,069)	(33,471)
INCREASE IN CASH EQUIVALENTS	£17,397	£81,274
	=====	=====

NOTES1. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO
NET FLOW FROM OPERATIONS:

Operating (loss)/profit	(1,917)	455,166
Exchange (loss)/gain	(22,106)	66,120
Depreciation	136,818	135,163
Decrease/(increase) in stock	14,415	(115,366)
Decrease/(increase) in debtors	417,992	(223,262)
(Decrease)/increase in creditors	(193,253)	59,368
	351,949	377,189

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	1993	1992	Change
Cash at bank and in hand	128,774	101,259	27,515
Bank overdraft	(365,818)	(355,700)	(10,118)
	(237,044)	(254,441)	17,397

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NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Basis of accounting:

The group accounts are prepared on the historic cost basis and in accordance with applicable Accounting Standards.

Consolidation:

The group accounts comprise the consolidated accounts of the holding company and all its subsidiary undertakings made up to 31st December 1993.

Depreciation of tangible fixed assets:

Fixed assets other than freehold land are being depreciated so as to write them off over their anticipated useful lives at the following annual rates:-

Freehold buildings	- 2%-5% Straight Line
Plant and machinery: - plant and fixtures	- 10% Straight Line
- computer and vehicles	- 20% Straight Line

Stock, work in progress and finished goods:

Stock and work in progress are valued at the lower of cost, including appropriate overhead expenses, and estimated net realisable value.

Foreign currency translation:

Foreign currency assets, liabilities and trading results have been translated into sterling at the end of year exchange rates. Transactions in foreign currency are translated at the rates at the time of a transaction and ensuing differences taken to profit and loss account. The difference arising on restatement of the accumulated losses of foreign subsidiaries is also taken to profit and loss account because the losses have been financed by the holding company.

Deferred taxation:

Provision is made, at current rates of corporation tax, for net deferred liabilities arising from timing differences, principally on depreciation of fixed assets.

Leased assets:

Assets the subject of hire purchase contracts are capitalised and all other leasing payments are charged to profit and loss account.

Pension costs:

Contributions to the defined benefit pension scheme are charged to the profit and loss account on a systematic and rational basis so as to spread the cost of providing pensions over the employees' working lives with the group.

NOTES TO THE ACCOUNTS - CONTINUED

2.	TURNOVER AND (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1993 £	1952 £
	Geographical analysis of turnover. Sales to:-		
	United Kingdom	3,810,985	3,820,981
	Rest of Europe	1,333,281	1,468,068
	North and South America	397,848	364,745
	Africa, Asia and Australia	212,124	425,372
		<u>5,754,238</u>	<u>6,079,166</u>
	(Loss)/profit on ordinary activities has been arrived at after charging:-		
	Depreciation of tangible fixed assets	136,819	135,163
	Directors' emoluments	140,024	168,531
	Auditors' remuneration - audit	23,750	25,800
	- other professional services	19,300	16,550
	Hire of plant and equipment	93,491	107,959
	Rent of property	48,114	48,441
3.	OTHER OPERATING (EXPENSES)/INCOME	1993 £	1992 £
	(Loss)/gain on exchange	(22,621)	68,167
	Interest received	3,472	1,376
	(Loss)/profit on disposal of fixed assets	(926)	2,240
		<u>£(20,075)</u>	<u>£71,783</u>
4.	INTEREST PAYABLE	1993 £	1992 £
	Hire purchase interest	12,013	13,843
	Bank overdrafts and other loans repayable within five years	45,682	77,867
	Bank loans repayable after more than five years	10,957	11,132
		<u>£68,652</u>	<u>£102,842</u>
5.	DIRECTORS AND OTHER EMPLOYEES		
	The average number of persons employed by the group during the year was as follows:-	1993	1992
	Production	75	80
	Selling and distribution	41	37
	Administration	26	27
		<u>142</u>	<u>144</u>

NOTES TO THE ACCOUNTS - CONTINUED

5. DIRECTORS AND OTHER EMPLOYEES - CONTINUED	1993	1992
Staff costs include the following:-	£	£
Wages and salaries	1,902,786	1,900,354
Social Security costs	194,988	200,060
Other pension costs	87,326	77,197
	<u>£2,185,100</u>	<u>£2,177,611</u>

The emoluments of the directors were as follows:-

	£	£
For services as executives	126,112	154,893
For services as directors	13,912	13,638
	<u>140,024</u>	<u>£168,531</u>

The individual emoluments, excluding pension contributions of all the directors fell into the following brackets:

	1993	1992
£ 1 - £5,000	-	1
£10,001 - £15,000	1	1
£15,001 - £20,000	1	1
£45,001 - £50,000	1	-
£55,001 - £60,000	1	-
£60,001 - £65,000	-	1
£65,001 - £70,000	-	1

The emoluments, excluding pension contributions, of the chairman amounted to £49,870 and those of the highest paid director amounted to £57,345. In 1992 the emoluments of the chairman, who was also the highest paid director, amounted to £66,567.

6. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	1993	1992
	£	£
Based on (loss)/profit for the year:-		
U.K. Corporation tax based on the profit for the year at 33%	-	171,575
Deferred tax	(23,183)	34,946
Overseas tax	729	168
	<u>(22,454)</u>	<u>206,689</u>
U.K. Corporation tax credit in respect of prior years	(21,302)	-
	<u>£ (43,756)</u>	<u>£206,689</u>

NOTES TO THE ACCOUNTS - CONTINUED

7. (LOSS)/PROFIT FOR THE FINANCIAL YEAR

As permitted by Section 228 (7) of the Companies Act 1985, the profit and loss account of the holding company is not presented as part of these financial statements. The accounts of the holding company include a loss for the financial year of £182,494 (1992 - £298,538 profit).

8. DIVIDENDS	1993 £	1992 £
5% Preference shares	250	250
6% 'B' Preference shares	1,732	1,732
Ordinary shares - Nil pence per share (1992 - 6 pence)	-	25,028
	<u>£1,982</u>	<u>£27,010</u>

NOTES TO THE ACCOUNTS - CONTINUED

9. TANGIBLE FIXED ASSETS	Under <u>Construction</u>	Freehold land <u>and buildings</u>	Plant and <u>machinery</u>	<u>Total</u>
<u>The Group</u>	£	£	£	£
COST				
At 1st January 1993	6,500	2,027,375	813,390	2,847,265
Exchange rate adjustments	-	-	(515)	(515)
Additions	(6,500)	15,539	57,133	66,172
Disposals	-	-	(4,283)	(4,283)
At 31st December 1993	-	2,042,914	865,725	2,908,639
DEPRECIATION				
At 1st January 1993	-	210,492	364,670	575,162
Charge for year	-	50,920	85,898	136,818
On disposals	-	-	(3,022)	(3,022)
At 31st December 1993	-	261,412	447,546	708,958
NET BOOK VALUE				
At 31st December 1993	-	1,781,502	418,179	2,199,681
At 1st January 1993	6,500	1,816,883	448,720	2,272,103
<u>The Company</u>	Under <u>Construction</u>	Freehold land <u>and buildings</u>	Plant and <u>machinery</u>	<u>Total</u>
	£	£	£	£
COST				
At 1st January 1993	6,500	2,027,375	795,257	2,829,132
Additions	(6,500)	15,539	57,133	66,172
Disposals	-	-	(4,283)	(4,283)
At 31st December 1993	-	2,042,914	848,107	2,891,021
DEPRECIATION				
At 1st January 1993	-	210,492	357,415	567,907
Charge for year	-	50,920	82,941	133,861
On disposals	-	-	(3,022)	(3,022)
At 31st December 1993	-	261,412	437,334	698,746
NET BOOK VALUE				
At 31st December 1993	-	1,781,502	410,773	2,192,275
At 1st January 1993	6,500	1,816,883	437,842	2,261,225

NOTES TO THE ACCOUNTS - CONTINUED

9. TANGIBLE FIXED ASSETS - CONTINUED

Included in the above tangible fixed assets are items of plant and machinery purchased under hire purchase agreements. The depreciation charged and net book value of these assets are as follows:-

	Group and Company
	£
Depreciation charged for year	12,214
Net Book Value at 31st December 1993	74,903
Net Book Value at 31st December 1992	129,449

10. FIXED ASSET INVESTMENTS -
SUBSIDIARY UNDERTAKINGS

Shares in Group
Undertakings
£

Cost at 1st January and 31st December 1993	6,503
Less provision for diminution in value	6,301
Net book value at 31st December 1993	202

The subsidiary undertakings are as follows:-

Country of Incorporation

H. Bronnley (Africa) (Proprietary) Limited	South Africa
Bronnley of London Limited	Great Britain
Bronnley France SARL	France
Bronnley of London Inc.	U.S.A.
Bronnley of London Inc. - U.S.A.	U.S.A.
A.R. Sales Limited	Great Britain

All of the subsidiary undertakings are wholly owned.

All of the companies are engaged in trading activities which complement those of the holding company, with the exception of A.R. Sales Limited, Bronnley of London Limited and Bronnley of London Inc. which have not traded in the year.

11. STOCKS

	The Group and The Company	
	1993	1992
	£	£
Raw materials	234,132	216,351
Work in progress	211,733	244,004
Finished goods	471,055	470,980
	<u>£916,920</u>	<u>£931,335</u>

NOTES TO THE ACCOUNTS - CONTINUED

12. DEBTORS	The Group		The Company	
	1993	1992	1993	1992
	£	£	£	£
Trade debtors	1,139,633	1,544,508	1,118,761	1,501,931
Other debtors	57,654	68,109	29,934	33,759
Prepayments	94,801	97,463	82,372	94,943
Subsidiary undertakings	-	-	57,310	109,419
Taxation recoverable	-	-	9,655	-
	<u>£1,292,088</u>	<u>£1,710,080</u>	<u>£1,298,032</u>	<u>£1,740,052</u>

13. CREDITORS - amounts falling due within one year	The Group		The Company	
	1993	1992	1993	1992
	£	£	£	£
Bank loan and overdrafts	365,818	355,700	365,818	320,869
Pension fund loan	100,000	100,000	100,000	100,000
Subsidiary undertakings	-	-	55,194	55,194
Corporation tax	941	166,971	-	156,165
Other taxes and social security	267,542	308,781	218,332	231,884
Trade creditors	259,669	388,716	239,388	367,506
Other creditors	36,386	57,561	33,273	47,722
Accruals	117,829	138,246	116,792	138,246
Proposed dividend	-	25,028	-	25,028
	<u>£1,148,185</u>	<u>£1,541,003</u>	<u>£1,128,797</u>	<u>£1,442,614</u>

The bank loan and overdrafts are secured on property. £19,709 (1992 £31,069) of hire purchase creditors, included in other creditors above, are secured by charges over the assets purchased.

14. CREDITORS - amounts falling due after more than one year	The Group and The Company	
	1993	1992
	£	£
Hire purchase commitments	10,343	30,052
Bank loan	100,000	100,000
	<u>£110,343</u>	<u>£130,052</u>

The bank loan (secured on property) is repayable in 1999. Interest is payable at 1.5% above Bank Base Rate. The hire purchase commitments are secured by charges over the assets purchased.

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NOTES TO THE ACCOUNTS - CONTINUED

15. PROVISIONS FOR LIABILITIES AND CHARGES

	The Group and The Company	
	1993	1992
	£	£
Deferred Tax	135,849	159,032
Advance corporation tax recoverable	-	(7,266)
	<u>£135,849</u>	<u>£151,766</u>

There is a potential deferred tax liability, not provided in the accounts, in respect of the capital gain on sale of property rolled over onto new capital expenditure. The potential amount is estimated at £112,323 after rebasing at 1982 values where appropriate and indexation allowance. (1992 £92,000).

16. CALLED UP SHARE CAPITAL

	1993 and 1992	
	Authorised	Allotted & Fully paid
	£	£
5½ Preference Shares of £1 each	5,000	5,000
6½ "B" Preference Shares of £1 each	68,000	28,859
Ordinary voting shares of £1 each	47,000	34,761
Ordinary non-voting shares of £1 each	400,000	382,371
	<u>£520,000</u>	<u>£450,991</u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	The Group		The Company	
	1993	1992	1993	1992
	£	£	£	£
(Loss)/profit for the financial year	(48,870)	190,408	(184,476)	271,528
Net (reduction)/addition to shareholders' funds	(48,870)	190,408	(184,476)	271,528
Shareholders' funds at 1st January 1993	3,191,956	3,001,548	3,233,584	2,962,056
Shareholders' funds at 31st December 1993	3,143,086	3,191,956	3,049,108	3,233,584
	=====	=====	=====	=====

NOTES TO THE ACCOUNTS - CONTINUED

18. LEASE COMMITMENTS

The Group and The Company
1993
£

Annual commitments under operating leases
for plant and equipment, expiring:-

Within one year	26,113	55,144
Between one and five years	39,652	26,701
	<u>£65,765</u>	<u>£81,845</u>

Annual commitments under property lease
agreements, expiring:-

Between one and five years	39,000	39,000
Over five years	9,281	11,703
	<u>£48,281</u>	<u>£50,703</u>

19 FUTURE CAPITAL EXPENDITURE

Capital expenditure on fixed assets authorised by
the directors at the year end, but not provided for
in the accounts was as follows:-

	1993	1992
Contracts placed	<u>£7,784</u>	<u>£12,200</u>
Contracts not placed	<u>-</u>	<u>£41,831</u>

20. PENSIONS

The company operates a defined benefit pension scheme, the assets of which are held in a separate trustee administered fund.

The pension cost is assessed in accordance with triennial valuations by a professionally qualified actuary using the "Attained Age" method. The principal assumptions used were that the average investment return would be 9% per annum, that salary increases would average 7.5% per annum and that present and future pensions would increase at 3% per annum.

The most recent investigation was as at 1st December 1991. This showed that the market value of the scheme's assets was £1,655,261 and that the actuarial value of those assets represented 106% of the benefits that had accrued to members to the valuation date, allowing for future salary increases to retirement. Pension cost for the period was £77,700 after allowing for a variation to normal cost of £10,400 in respect of amortisation of experience surplus over the average remaining service lives of the members and interest on the prepayment. The excess of contributions paid over pensions cost has created a prepayment in the accounts of £29,200 (1992 £24,300).

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