

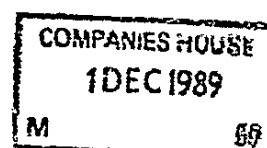
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H. BRONNLEY & CO. LIMITED

DIRECTORS' REPORT
AND ACCOUNTS

YEAR ENDED 31ST DECEMBER 1988

MOORES ROWLAND
Chartered Accountants
LONDON



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 Friday, 17th November 1989 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 1988.
2. To confirm the Dividends as set out in the Audited Accounts for the year.
3. To re-elect Mr. M.S. Gummer and Mr. H.G. Blank as Directors.
4. To approve that the annual amount of Directors' fees to be paid to each Director under Article 88 shall be £2,650 per annum as from 1st January 1989.
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

11/11/89
11/11/89

DIRECTORS

H. Rossiter (Chairman and Joint Managing Director)
Mrs. G.H. Rossiter (Deputy Chairman)
Miss A. Rossiter (Joint Managing Director)
A.R. Smith, C.A.
H.G. Blank, F.C.A.
M.S. Gummer (General Manager)
F.J. Sheppard

SERVICE DIRECTOR

T.M. Stocker

SECRETARY

F.J. Sheppard

REGISTERED OFFICE

Radstone Road,
Brackley,
Northamptonshire.

LONDON OFFICE AND SHOWROOMS

10 Conduit Street,
London,
W1R 0BR.

FACTORY

Radstone Road,
Brackley,
Northamptonshire.

AUDITORS

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

SOLICITORS

Messrs. Denton Hall Burg'n & Warren,
5, Chancery Lane,
London,
WC2A 1LF

PRINCIPAL BANKER

Midland Bank Limited,
17 Market Place,
Banbury,
Oxon.

DIRECTORS' REPORT

The directors submit their report and the accounts for the year ended 31st December 1988.

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 increase in UK and Export sales over the year exceeded £390,000 but the profits for the company were depressed by the interest charges incurred in connection with the new office and factory extension.

Further improvements to the design of the product range have significantly helped sales growth, but the current high interest rates will inevitably restrict sales growth to a more moderate increase.

DIVIDENDS AND APPROPRIATIONS

Dividends have been paid on the preference shares for 1988. The directors recommend that a final dividend of 3 pence per share (1987 - 6 pence) be paid on the ordinary shares.

POST BALANCE SHEET EVENTS

In the 1988 accounts it was noted that the company had sold their Bridge Street premises with completion to take place in 1989. Unfortunately the purchasers failed to complete on the agreed date and similarly failed to meet an agreed extension date. The directors are therefore in the process of re-marketing the property, but in the current high interest climate it may not be possible to achieve the original agreed price.

The deposit paid by the prospective purchasers of £178,315 will be credited to the profit and loss account in 1989. It is presently included in creditors due within one year.

TANGIBLE FIXED ASSETS - CHANGES

During the year expenditure of £1,841,323 was incurred in the construction of new office accommodation and increased productive facilities at the company's Radstone Road site to provide centralised administration and production. Other additions and disposals represented movements in the normal course of business.

DIRECTORS' REPORT - CONTINUED

DIRECTORS 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 they had an interest, as defined by the Companies Act 1985, were as follows:-

	Beneficial Interest				Other Interest			
	Ordinary Voting	Ordinary Non-Voting	Preference 6%B	Preference 5%	Ordinary Voting	Ordinary Non-Voting	Preference 6%B	Preference 5%
* H. Rossiter	2,394	14,334	-	-				
* Mrs. G.H. Rossiter	1,039	2,078	-	-				
* Miss. A. Rossiter	5,061	112,060	9,865	125				
* A.R. Smith	-	-	100	-				
* H.G. Blank	-	-	-	-				
* F.J. Sheppard	-	-	-	-				
* M.S. Gummer	-	-	-	-				
* Directors joint and collective interest					13,552	29,069	9,878	4,625

The directors holding office and their interests in the share capital of the company did not change 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.

STAFF

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

By order of the board.

F.J. Sheppard
Secretary

Radstone Road,
Brackley,
Northants.
NN13 5AG.

AUDITORS REPORT TO THE MEMBERS OF H. BRONNLEY & CO. LIMITED

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We have audited the accounts on pages 6 to 18 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the affairs of the company and of the group at 31st December 1988 and of the profit and source and application of funds of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Moore Smith

Chartered Accountants
LONDON

25th Oct 1989

H. BRONNLEY & CO. LIMITED

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CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year Ended 31st December 1988

	Note	1988 £	1987 £
TURNOVER	2	4,404,341	4,010,064
Cost of sales		(2,490,744)	(2,266,100)
GROSS PROFIT		1,913,597	1,743,964
Distribution costs		(748,258)	(684,997)
Administration expenses		(925,640)	(893,111)
		(1,673,898)	(1,578,108)
		239,699	165,856
Other operating income		13,156	3,788
		252,855	169,644
Interest payable	3	(135,115)	(22,728)
Other operating expenses		(19,039)	(28,194)
		(154,154)	(50,922)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	98,701	118,722
Tax on profit on ordinary activities	5	(79,048)	(62,205)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		19,653	56,517
Extraordinary income	6	-	224,098
PROFIT FOR THE FINANCIAL YEAR	7	19,653	280,615
TRANSFER TO RESERVES		-	(224,000)
		19,653	56,615
Dividends	8	(14,496)	(28,110)
RETAINED PROFITS FOR THE YEAR		5,157	28,505
Retained profits brought forward As previously reported		404,942	338,618
Prior year adjustment	9	(28,063)	-
As restated		376,879	338,618
Foreign currency adjustment	10	8,860	9,756
RETAINED PROFIT CARRIED FORWARD		£390,895	£376,879

H. BRONNLEY & CO. LIMITED

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CONSOLIDATED BALANCE SHEET
31st December 1988

	Note	£	1988	£	1987	£
TANGIBLE FIXED ASSETS	11		1,953,207		115,363	
CURRENT ASSETS						
Stocks	13	845,092		905,199		
Debtors	14	1,507,596		1,233,961		
Cash at bank and in hand		86,231		244,023		
		<u>2,438,919</u>		<u>2,383,183</u>		
CREDITORS - amounts falling due within one year	15	2,133,738		1,008,819		
NET CURRENT ASSETS			<u>305,181</u>		<u>1,374,364</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			2,258,388		1,489,727	
CREDITORS - amounts falling due after more than one year	16	742,672		6,857		
Provision for liabilities and charges	17	<u>18,829</u>		<u>-</u>		
			<u>761,501</u>		<u>6,857</u>	
			<u>£1,496,887</u>		<u>£1,482,870</u>	
CAPITAL AND RESERVES						
Called up share capital	18	450,991		450,991		
Reserves		655,000		655,000		
Profit and loss account		390,896		376,879		
		<u>£1,496,887</u>		<u>£1,482,870</u>		

Approved by the board on 19th September 1989

A. Morris
G. Robson

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) Directors
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21.09.89
H. Bronnley

H. BRONNLEY & CO. LIMITED

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BALANCE SHEET
31st December 1988

	Note	£	1988	£	1987	£
FIXED ASSETS						
Tangible assets	11		1,952,593		115,086	
Investments	12		202		3,760	
			<u>1,952,795</u>		<u>118,846</u>	
CURRENT ASSETS						
Stocks	13	845,092		893,048		
Debtors	14	1,495,842		1,347,710		
Cash at bank and in hand		62		16,224		
		<u>2,340,996</u>		<u>2,256,982</u>		
CREDITORS - amounts falling due within one year	15	<u>2,102,331</u>		<u>925,480</u>		
NET CURRENT ASSETS			<u>238,665</u>		<u>1,331,502</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,191,460</u>		<u>1,450,348</u>	
CREDITORS - amounts falling due after more than one year	16	742,672		6,857		
Provision for liabilities and charges	17	<u>18,829</u>		<u>-</u>		
			<u>761,501</u>		<u>6,859</u>	
			<u>£1,429,959</u>		<u>£1,443,491</u>	
CAPITAL AND RESERVES						
Called up share capital	18		450,991		450,991	
Reserves			655,000		655,000	
Profit and loss account			323,968		337,500	
			<u>£1,429,959</u>		<u>£1,443,491</u>	

Approved by the board on 19th September 1989

John H. H. H.
G. Rossiter

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) Directors
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1989
 1989

GROUP STATEMENT OF SOURCE AND APPLICATION OF FUNDS
Year Ended 31st December 1988

	1988	1987
	£	£
SOURCE OF FUNDS		
Profit on ordinary activities before taxation	98,701	118,722
Extraordinary income	-	224,098
	<u>98,701</u>	<u>342,820</u>
Adjustment for items not involving the movement of funds:-		
Depreciation of tangible fixed assets	30,698	19,878
Foreign exchange adjustments	<u>8,860</u>	<u>9,795</u>
	21,838	29,673
TOTAL GENERATED FROM OPERATIONS	<u>120,539</u>	<u>372,493</u>
FUNDS FROM OTHER SOURCES		
Long term bank loan	738,822	-
Net book value of tangible fixed assets disposed of	-	4,256
	<u>859,361</u>	<u>376,749</u>
APPLICATION OF FUNDS		
Purchase of tangible fixed assets	1,868,572	27,265
Dividends paid	27,010	28,110
Tax paid	<u>155,860</u>	<u>19,491</u>
	(2,051,442)	(74,866)
	<u>(1,192,081)</u>	<u>301,883</u>
INCREASE IN WORKING CAPITAL		
Stocks	60,107	(240,099)
Debtors	(281,978)	(364,219)
Creditors due within one year	718,510	253,817
Creditors due after more than one year	<u>(3,007)</u>	<u>(11,181)</u>
	493,632	(361,682)
	<u>£(698,449)</u>	<u>£(59,799)</u>
Represented by:		
DECREASE IN NET LIQUID FUNDS		
Cash and bank balances	<u>£(698,449)</u>	<u>£(59,799)</u>

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Consolidation:

The group accounts comprise the consolidated accounts of the holding company and all its subsidiaries made up to 31st December 1988.

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

Plant and machinery: - plant and fixtures
- computer and vehicles

- 2% Straight Line
- 10% Reducing Balance
- 20% Straight Line

Stock and work in progress:

Stock and work in progress are valued at the lower of cost, including appropriate overhead expenses, and 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 reserves of foreign subsidiaries is adjusted on reserves.

Deferred taxation:

Provision is made at current rates of corporation tax for deferred liabilities arising from timing differences, except where the directors consider the deferment is likely to continue.

Leased assets:

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

NOTES TO THE ACCOUNTS - CONTINUED

2. TURNOVER AND PROFIT ON ORDINARY
ACTIVITIES BEFORE TAXATION

	1988	1987
	£	£
Geographical analysis of turnover.		
Sales to:		
United Kingdom	2,970,367	2,495,577
Rest of Europe	848,274	877,323
North and South America	433,851	458,909
Africa, Asia and Australia	151,849	178,185
	<u>£4,404,341</u>	<u>£4,010,064</u>

Profit on ordinary activities has been arrived
at after charging:-

	£	£
Depreciation of tangible fixed assets	30,698	19,878
Directors emoluments	174,004	154,282
Auditors remuneration	23,175	25,227
Hire of plant and machinery	100,061	66,510
Rent of property	32,600	62,400

3. INTEREST PAYABLE

	1988	1987
	£	£
Hire purchase interest	997	1,242
Bank loans and overdrafts and other loans wholly payable within 5 years	134,118	21,486
	<u>£135,115</u>	<u>£22,728</u>

4. DIRECTORS AND OTHER EMPLOYEES

The average number of persons employed by the
group during the year was as follows:-

	1988	1987
Production	77	75
Selling and distribution	41	42
Administration	31	33
	<u>149</u>	<u>150</u>

Staff costs include the following:-

	£	£
Wages and salaries	1,308,468	1,227,558
Social Security costs	144,447	108,586
Other pension costs	17,131	6,446
	<u>£1,470,046</u>	<u>£1,342,590</u>

NOTES TO THE ACCOUNTS - CONTINUED

4. DIRECTORS AND OTHER EMPLOYEES - CONTINUED

	1988	1987
The emoluments of the directors were as follows:-	£	£
For services as executives	149,759	131,106
For services as directors	19,171	18,102
Pensions	5,074	5,074
	<u>£174,004</u>	<u>£154,282</u>

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

	1988	1987
£ 0 - £ 5,000	1	1
£ 5,001 - £10,000	1	1
£10,001 - £15,000	1	1
£25,001 - £30,000	1	2
£30,001 - £35,000	1	-
£35,001 - £40,000	-	2
£40,001 - £45,000	2	-

The emoluments, excluding pension contributions, of the chairman amounted to £27,054 (1987 - £25,328) and those of the highest paid director amounted to £43,852 (1987 - £37,525).

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1988	1987
	£	£
U.K. Corporation tax at 35% (1987 - 35%)	54,767	61,581
Overseas tax	1,281	624
Deferred tax	23,200	-
	<u>£79,048</u>	<u>£62,205</u>

The tax charge is high in relation to the profits because UK tax relief for losses of one overseas subsidiary has not been anticipated (see note 23). In addition a deferred tax provision has been set up and £13,400 of the charge for this would have been charged in previous years if a provision had been required previously.

6. EXTRAORDINARY INCOME

Profit on disposal of property	£ -	£224,098
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7. 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 consolidated profit for the financial year includes £964 (1987 - £244,676) which is dealt with in the accounts of the holding company.

NOTES TO THE ACCOUNTS - CONTINUED

8.	DIVIDENDS	1988 £	1987 £
	5% Preference shares - 5 pence per share (1987 - 5 pence)	250	250
	5% Preference shares - under payment in previous years	-	1,100
	6% 'B' Preference shares - 6 pence per share (1987 - 6 pence)	1,732	1,732
	Ordinary shares - 3 pence per share (1987 - 6 pence)	12,514	25,028
		<u>£14,496</u>	<u>£28,110</u>
9.	PRIOR YEAR ADJUSTMENT		
	Overstatement of sales and debtors in 1987 accounts (less tax relief)	<u>£28,063</u>	<u>£ -</u>
10.	FOREIGN CURRENCY ADJUSTMENT		
	The foreign currency adjustment has arisen due to the restatement of the opening balances of the profit and loss accounts of the foreign subsidiary companies at the closing exchange rate.		

H. BRONNLEY & CO. LIMITED

NOTES TO THE ACCOUNTS - CONTINUED

11. TANGIBLE FIXED ASSETS

	<u>Freehold land and buildings</u> £	<u>Plant and machinery</u> £	<u>Total</u> £
<u>The Group</u>			
COST			477,283
At 1st January 1988	34,061	443,222	(30)
Exchange rate adjustments	-	(30)	
Additions	1,841,323	27,249	1,868,572
Disposals	-	(12,839)	(12,839)
At 31st December 1988	£1,875,384	£457,602	£2,332,986
DEPRECIATION			361,920
At 1st January 1988	18,603	343,317	30,698
Charge for year	11,981	18,717	(12,839)
On disposals	-	(12,839)	
At 31st December 1988	£ 30,584	£349,195	£ 379,779
NET BOOK VALUE			£1,953,207
At 31st December 1988	£1,844,800	£108,407	
At 1st January 1988	£ 15,458	£ 99,905	£ 115,363
	<u>Freehold land and buildings</u> £	<u>Plant and machinery</u> £	<u>Total</u> £
<u>The Company</u>			
COST			475,067
At 1st January 1988	34,061	441,006	1,867,820
Additions	1,841,323	26,497	(12,839)
Disposals	-	(12,839)	
At 31st December 1988	£1,875,384	£454,664	£2,330,048
DEPRECIATION			359,981
At 1st January 1988	18,603	341,378	20,313
Charge for year	11,981	18,332	(12,839)
On disposals	-	(12,839)	
At 31st December 1988	£ 30,584	£346,871	£ 377,455
NET BOOK VALUE			£1,952,593
At 31st December 1988	£1,844,800	£107,793	
At 1st January 1988	£ 15,458	£ 99,628	£ 115,086

Expenditure on freehold land and buildings includes £565,000 paid to the trustees of the company's 1976 Retirement Fund to purchase the freehold of the Radstone Road site and factory previously leased to the company. The consideration was fixed by a professional valuation.

NOTES TO THE ACCOUNTS - CONTINUED

11. 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	£1,270
Net Book Value at 31st December 1988	£11,432
Net Book Value at 31st December 1987	£12,702

12. FIXED ASSET INVESTMENTS -
SUBSIDIARY COMPANIESShares in Group
Companies

	£
Cost at 1st January 1988	3,760
Additions at cost	2,743
Cost at 31st December 1988	6,503
Less provision for diminution in value made in 1988	6,301
Net book value at 31st December 1988	£ 202

The subsidiary companies are as follows:-

Country of Incorporation

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

All of the subsidiary companies are wholly owned.

All of the companies are engaged in trading activities which complement those of the holding company, with the exception of Bronnley London Limited, which has not traded in the year.

13. STOCKS	The Group		The Company	
	1988	1987	1988	1987
	£	£	£	£
Raw materials	251,543	218,082	251,543	218,082
Work in progress	174,910	251,669	174,910	251,669
Finished goods	418,639	435,448	418,639	423,297
	<u>£845,092</u>	<u>£905,199</u>	<u>£845,092</u>	<u>£993,048</u>
14. DEBTORS	The Group		The Company	
	1988	1987	1988	1987
	£	£	£	£
Trade debtors	1,417,698	1,120,679	1,264,695	986,402
Other debtors	21,844	43,338	576	18,306
Prepayments	68,054	61,601	58,154	61,601
Subsidiary company	-	-	172,417	273,056
	<u>1,507,596</u>	<u>1,225,618</u>	<u>1,495,842</u>	<u>1,339,365</u>
Debtors due after more than year	-	8,343	-	8,343
Taxation recoverable	-	-	-	-
	<u>£1,507,596</u>	<u>£1,233,961</u>	<u>£1,495,842</u>	<u>£1,347,710</u>

NOTES TO THE ACCOUNTS - CONTINUED

15. CREDITORS - amounts falling due within one year	The Group		The Company	
	1988	1987	1988	1987
	£	£	£	£
Trade creditors	253,019	356,118	235,190	327,680
Payments received on account -				
Sale of property	178,315	-	178,315	-
Taxation and social security	198,040	295,500	231,707	313,068
Bank loan and overdrafts	675,719	135,062	675,719	135,062
Proposed dividend	12,514	25,028	12,514	25,028
Other creditors	603,407	12,430	602,496	11,876
Accruals	212,724	184,681	146,961	112,666
Subsidiary companies	-	-	19,429	100
	<u>£2,133,738</u>	<u>£1,008,819</u>	<u>£2,102,331</u>	<u>£925,480</u>

The bank loan and overdrafts are secured on property. £3,007 of hire purchase creditors, included in other creditors above, are secured by charges over the assets purchased.

16. CREDITORS - amounts falling due after more than one year	The Group		The Company	
	1988	1987	1988	1987
	£	£	£	£
Hire purchase commitments	3,850	6,857	3,850	6,857
Bank loan	738,822	-	738,822	-
	<u>£742,672</u>	<u>£6,857</u>	<u>£742,672</u>	<u>£6,857</u>

The bank loan (secured on property) is repayable in annual instalments of £100,000, of which £338,822 is repayable in more than 5 years time. Interest is payable at 1.5% above Bank Base Rate. The hire purchase commitments are secured by charges over the assets purchased.

17. PROVISIONS FOR LIABILITIES AND CHARGES	The Group and The Company	
	1988	1987
	£	£
Deferred Tax	46,500	-
Accelerated capital allowances	(23,500)	-
Other	23,000	-
	<u>(4,171)</u>	<u>-</u>
Advance corporation tax recoverable	£18,829	£ -

18. CALLED UP SHARE CAPITAL	1988 and 1987	
	Authorised	Allotted & Fully paid
	£	£
5% Preference Shares of £1 each	5,000	5,000
6% "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>

NOTES TO THE ACCOUNTS - CONTINUED

19. LEASE COMMITMENTS

The Group and The Company
1988 1987
£ £

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

Within one year

Between one and five years

15,466	19,372
69,254	65,038
<u>£84,720</u>	<u>£84,410</u>

Annual commitments under property lease
agreements, expiring:-

Within one year

Between one and five years

8,700	15,196
-	17,400
<u>£8,700</u>	<u>£32,596</u>

20. 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:-

Contracts placed

<u>£164,000</u>	<u>£ -</u>
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Contracts not placed

<u>£ -</u>	<u>£ -</u>
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21. POST BALANCE SHEET EVENTS

In the 1987 accounts it was noted that the company had sold their Bridge Street premises in 1988 with completion to take place in 1989. Unfortunately the purchasers failed to complete on the agreed date and similarly failed to meet an agreed extension date. The directors are therefore in the process of re-marketing the property, but in the current high interest climate it may not be possible to achieve the original agreed price.

The deposit paid by the prospective purchasers of £178,315 has been appropriated and, less expenses, will be credited to profit and loss account in 1989. It is presently included in these accounts in creditors due within one year. Corporation tax of £62,410 will be payable on the forfeited deposit.

H. BRONNLEY & CO. LIMITED

NOTES TO THE ACCOUNTS - CONTINUED

22. CONTINGENT LIABILITIES

	The Group and The Company 1988 £	1987 £
Discounted bills receivable	<u>£10,869</u>	<u>£79,940</u>
Guarantee of borrowing by trustees of company's retirement fund	<u>£ -</u>	<u>£117,000</u>
Deferred taxation:	-	20,400
Timing difference on depreciation of fixed assets	-	(7,000)
Other	-	-
Capital gains to be set off against further capital expenditure	<u>5,400</u>	<u>10,800</u>
	<u>£5,400</u>	<u>£24,200</u>

23. CONTINGENT ASSET

Credit has not been taken in the accounts for UK tax relief on the losses of one overseas subsidiary company because validity of a claim for relief loss has yet to be agreed by the Inland Revenue. The approximate amount involved is £40,000 (1987 - £28,000).