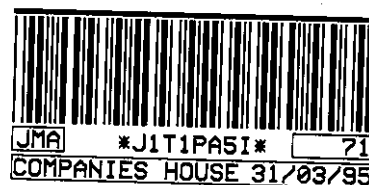


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RATHBONE BROS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 1994



RATHBONE BROS LIMITED

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RATHBONE BROS LIMITED

COMPANY INFORMATION

Directors:

A Green
D Rees

Secretary:

A Green

Registered Office:

Central Bakery
Winstanley Street
Newtown
Wigan
WN5 9AP

Auditors:

John Fairhurst & Co
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
WN1 2TB

Bankers:

National Westminster Bank PLC
Warrington Bridge Street Branch
31 Bridge Street
Warrington
WA1 2HA

Solicitors:

Platt & Fishwick
The Old Bank
47 King Street
Wigan
WN1 1DB

Alsop Wilkinson
11 St James's Square
Manchester

RATHBONE BROS LIMITED

REPORT OF THE DIRECTORS

The directors present their report with the audited financial statements of the company for the year ended 31 May 1994.

STATEMENT OF 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 profit or loss of the company 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 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 financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of manufacture and distribution of bread and related products.

REVIEW OF BUSINESS

The results for the year, financial position of the company, and recommended transfer to reserves are as shown in the annexed financial standards.

The company recorded an operating profit before interest and exceptional items of £462,352 compared to £852,952 last year, on sales which were up year on year by 3.4% at £23.2 million. The deterioration in performance was owing to downward pressure on margins under strong competitive market conditions.

On 3 June 1994, a wholly owned subsidiary - Rathbone Bros (Retail) Ltd was placed into Administrative Receivership. Under a cross guarantee structure in force with National Westminster Bank, Rathbone Bros Ltd is liable for any shortfall in the banks position. A total of £1.2m has been provided to cover potential exposures from Rathbone Bros (Retail) Ltd.

The directors anticipate a modest profit for 1994/95 given that the year started against a backdrop of falling sales and the impact caused by Retail's receivership. The year will be one of establishing a renewed base from which to progress in 1995/96.

RATHBONE BROS LIMITED
REPORT OF THE DIRECTORS (CONTINUED)

POST BALANCE SHEET EVENTS

Following the sale to Whelco Ltd of the Rathbone family shareholding interests in Rathbone Bros (Holdings) Ltd, the parent company of Rathbone Bros Ltd, Mr T A Rathbone resigned as director of the company on 23 December 1994. Further, the Inn Club of Lancashire Ltd was released from the cross guarantee structure with National Westminster Bank

DIVIDEND

The directors do not recommend that a dividend be paid for the year (1993 - £Nil) and the retained loss of £1,471,553 will be transferred to reserves.

DIRECTORS

The directors in office during the year were as follows :

T A Rathbone	- (resigned 23.12.94)
Mrs L W Rathbone	- (resigned 21.7.94)
I F Campbell	- (resigned 26.4.94)
P Yeates	- (resigned 19.11.93)
J A Bridson	- (resigned 9.6.94)
Mrs A P Allen	- (appointed 24.1.94, resigned 1.7.94)
A Green	- (appointed 25.7.94)
D Rees	- (appointed 25.7.94)

The directors have no interests in the issued share capital. The interests of the directors in the shares of the holding company are disclosed in the financial statements of Rathbone Bros (Holdings) Limited.

In accordance with the articles of association, Mr D Rees and Mr A Green will retire at the forthcoming annual general meeting, and being eligible, will stand for re-election.

FIXED ASSETS

Details of the changes in tangible fixed assets are set out in the notes to the annexed financial statements.

The directors have considered the carrying values of the freehold, long leasehold and short leasehold properties of 31 May 1994 and are of the opinion that permanent diminutions in value exist. Accordingly appropriate provisions have been made in these financial statements.

RATHBONE BROS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

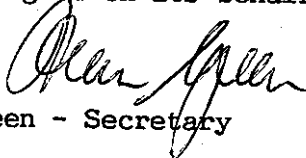
EMPLOYEES

The company's policy is, whenever practicable, to encourage and assist the employment of disabled people, having regard to the nature of the work and their disability. Regular meetings are held involving directors, managers and supervisory staff to convey information about the business. Frequent meetings are also held with representatives of recognised trade unions.

AUDITORS

The auditors, John Fairhurst & Co, will be proposed for re-appointment in accordance with section 385 of the Companies Act, 1985.

This report was approved by the Board of Directors on 30.3.95
and signed on its behalf:



A Green - Secretary

RATHBONE BROS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF

RATHBONE BROS LIMITED

We have audited the financial statements on pages 6 to 19 which have been prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets and the accounting policies set out in note 1.

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 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 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 the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 May 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

John Fairhurst & Co.

JOHN FAIRHURST AND CO
Registered Auditor
Chartered Accountants
Wigan Lane
Wigan
WN1 2TB

Date: 30 March 1995

RATHBONE BROS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 1994

	Notes	1994 £	1993 As restated £
TURNOVER		23,172,909	22,416,915
Cost of Sales		(15,788,113)	(14,181,145)
GROSS PROFIT		<u>7,384,796</u>	<u>8,235,770</u>
Distribution Costs		(3,213,922)	(3,159,511)
Administrative Expenses		(3,755,293)	(4,234,263)
Other Operating Income		46,771	10,956
OPERATING PROFIT	2	<u>462,352</u>	<u>852,952</u>
EXCEPTIONAL ITEMS	3		
Profit on Sale of Fixed Assets		43,350	91,344
Provision for Losses on Properties		(67,694)	(137,128)
Provision for Losses on Disposal of Subsidiary Company		<u>(1,677,197)</u>	<u>(716,900)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		(1,239,189)	90,628
Other Interest Receivable and Similar Income	4	3,953	23,913
Interest Payable	5	<u>(236,317)</u>	<u>(326,393)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,471,553)	(212,212)
Tax on Loss on Ordinary Activities	8	<u>-</u>	<u>469,709</u>
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR		(1,471,553)	257,497
Retained Profit brought forward		3,224,135	2,966,638
RETAINED PROFIT CARRIED FORWARD		<u><u>1,752,582</u></u>	<u><u>3,224,135</u></u>

The notes form part of these financial statements

RATHBONE BROS LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MAY 1994

	1994	1993
	£	£
(Loss)/Profit for the financial year	(1,471,553)	257,497
Permanent Diminutions in Value of Properties	(74,555)	-
Realised Deficit on Disposals of Properties	-	(87,182)
Total Recognised Gains and Losses relating to the year	<u>(1,546,108)</u>	<u>170,315</u>

The notes form part of these financial statements

RATHBONE BROS LIMITED
BALANCE SHEET AS AT 31 MAY 1994

		1994		1993	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	9	6,219,900		6,420,204	
Investments	10	74,745		74,745	
		<u>6,294,645</u>		<u>6,494,949</u>	
CURRENT ASSETS					
Stocks	11	609,927		647,423	
Debtors	12	2,935,834		4,485,312	
Cash at Bank and In Hand		437		1,789	
		<u>3,546,198</u>		<u>5,134,524</u>	
CREDITORS: Amounts falling due within one year	13	<u>(5,494,857)</u>		<u>(5,432,891)</u>	
NET CURRENT LIABILITIES		<u>(1,948,659)</u>		<u>(298,367)</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES		4,345,986		6,196,582	
CREDITORS: Amounts falling due after more than one year	15	(1,772,965)		(1,974,731)	
PROVISION FOR LIABILITIES AND CHARGES	16	-		(102,722)	
		<u>2,573,021</u>		<u>4,119,129</u>	
CAPITAL AND RESERVES					
Called Up Share Capital	17	50,000		50,000	
Revaluation Reserve	18	770,439		844,994	
Profit and Loss Account		1,752,582		3,224,135	
Shareholders' Funds	19	<u>2,573,021</u>		<u>4,119,129</u>	

Approved by the Board of Directors on 30.3.95
and signed on its behalf:


..... DIRECTOR

The notes form part of these financial statements

RATHBONE BROS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1994

1 ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets and in accordance with applicable accounting standards.

The financial statements include the results of the company's activities described in the directors' report all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that the parent company produces consolidated financial statements incorporating a consolidated cash flow statement.

Group Financial Statements

The company has not prepared group financial statements as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary of Rathbone Bros (Holdings) Limited, a company registered in England and Wales, and is included in the consolidated financial statements of that company.

Turnover

Turnover represents sales of goods and services net of discounts and value added tax, and arose wholly in the United Kingdom.

Tangible Fixed Assets

It is the policy of the company to maintain its properties in a sound state of repair and to extend and improve selected properties from time to time. The directors, therefore, consider that given due regard to the lives of the properties are so long, and their residual values, their depreciation is not significant. Accordingly, no depreciation is provided on freehold and long leasehold properties. Any permanent diminution in value of such properties is charged to the profit and loss account as appropriate.

Depreciation on other fixed assets is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short Leasehold Property	- 5% on reducing balance
Plant and Machinery	- 20% on reducing balance
Fixtures and Fittings	- 15% on reducing balance
Motor Vehicles	- 25% on reducing balance

Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value. Current asset investments are stated at the lower of cost and net realisable value.

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Government Grants

Grants towards capital expenditure are released to the profit and loss account over the expected useful lives of the assets to which they relate. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

RATHBONE BROS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1994

1 ACCOUNTING POLICIES (cont)

Deferred Taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

Leased Assets

Assets acquired under finance leases are included in tangible fixed assets and depreciated in accordance with the company's normal policy. The capital element of future lease rentals is included in creditors and the finance element is charged to the profit and loss account over the period of the lease.

Rentals paid under operating leases are charged against income on a straight line basis over the lease term.

Pension Costs

The company operates two schemes, a defined benefit scheme and a defined contribution scheme. Company pension contributions are charged to the profit and loss account as they are incurred.

The last formal actuarial valuation of the defined benefit scheme was carried out at 1 December 1993. At that date on an on-going basis the assets of the scheme were sufficient to cover its liabilities, showing a funding level of 131%.

2 OPERATING PROFIT

The Operating Profit is stated after charging/(crediting):-

	<u>1994</u>	<u>1993</u>
	£	£
Exceptional Costs:		
Redundancy and Employment Termination Costs	5,051	47,032
Computer Consultancy	-	85,691
Operating Lease Rentals:		
Plant and Machinery	31,994	45,318
Motor Vehicles	301,282	186,137
Computer Equipment	75,886	73,244
Depreciation	537,503	543,425
Auditors' Remuneration - audit work	17,500	20,000
- non audit work	9,700	12,209
Government Grant Release	(2,656)	(10,956)
	<u> </u>	<u> </u>

RATHBONE BROS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1994

3 EXCEPTIONAL ITEMS

	1994	1993
	£	£
Provision for losses on sale and closure of:		
Leigh Street Factory	-	88,608
Shop Properties	67,694	48,520
	<u>67,694</u>	<u>137,128</u>
Gain on Sale of Land and Buildings	(29,364)	(87,182)
Profit on Sale of Other Tangible Fixed Assets	(13,986)	(4,162)
	<u>24,344</u>	<u>45,784</u>
Provision for losses re subsidiary, Rathbone Bros (Retail) Ltd (see note 22):		
Permanent diminution in value of investment	-	716,900
Amounts owed written off	677,197	-
Shortfall under bank cross guarantee	1,000,000	-
	<u>1,701,541</u>	<u>762,684</u>

4 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	1994	1993
	£	£
Investment Income	-	1,927
Rents Receivable	3,953	3,206
Profit on Sale of Quoted Investments	-	18,780
	<u>3,953</u>	<u>23,913</u>

5 INTEREST PAYABLE

	1994	1993
	£	£
Interest Payable on bank loans and overdrafts and other loans repayable within five years	39,227	99,499
Interest Payable on bank loans repayable partly after five years	143,398	212,130
Finance Lease and Hire Purchase Interest	53,692	14,764
	<u>236,317</u>	<u>326,393</u>

RATHBONE BROS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1994

6	EMPLOYEES	1994	1993
	The average weekly number of employees, including directors, during the year was as follows:-		
	Production	No	No
	Sales and Distribution	201	204
	Administration	162	165
		<u>37</u>	<u>42</u>
		<u>400</u>	<u>411</u>

Staff Costs, including directors, were as follows:-

	£	£
Wages and Salaries	4,972,037	5,081,899
National Insurance	493,651	507,672
Other Pension, Healthcare and Life Assurance Costs	<u>82,908</u>	<u>152,933</u>
	5,548,596	5,742,504
Redundancy and Employment Termination Costs	<u>5,051</u>	<u>47,032</u>
	<u>5,553,647</u>	<u>5,789,536</u>

Other Pension, Healthcare and Life Assurance Costs includes the following in respect of pension costs:

Defined Benefit Scheme	24,296	67,217
Defined Contribution Scheme	<u>46,379</u>	<u>51,067</u>
	<u>70,675</u>	<u>118,284</u>

7	DIRECTORS	1994	1993
	Directors' Emoluments were:-	£	£
	Management Remuneration	58,492	40,353
	Pension Costs	<u>8,104</u>	<u>3,700</u>
		<u>66,596</u>	<u>44,053</u>

The emoluments of the chairman, excluding pension contributions, were £Nil (1993 - £Nil). The emoluments of the highest paid director, excluding pension contributions, were £36,630 (1993 - £40,353). Other directors' emoluments, excluding pension contributions, fell within the following ranges:-

	1994	1993
	No	No
£0 to £ 5,000	3	3
£20,001 to £25,000	1	-
	<u> </u>	<u> </u>

8	TAX ON LOSS ON ORDINARY ACTIVITIES	1994	1993
	Based on the results for the year:-	£	£
	Deferred Taxation	-	(498,600)
	Adjustment to Prior Year Corporation Tax Charge	<u>-</u>	<u>28,891</u>
		<u>-</u>	<u>(469,709)</u>

There is no Corporation Tax liability on the results for the year, due to the surrender of losses from group companies.

RATHBONE BROS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1994

9 TANGIBLE FIXED ASSETS

LAND AND BUILDINGS

	Freehold Property £	Long Leasehold Property £	Short Leasehold Property £
COST OR VALUATION			
As at 30 May 1993	2,134,187	398,395	90,000
Additions	3,945	-	-
Disposals	(186,507)	-	-
Intergroup Transfers	-	-	-
Permanent Diminutions in Value	(15,005)	(45,000)	(90,000)
As at 31 May 1994	<u>1,936,620</u>	<u>353,395</u>	<u>-</u>
DEPRECIATION			
As at 30 May 1993	-	-	8,686
Charge for Year	-	-	441
Disposals	-	-	-
Intergroup Transfers	-	-	-
Permanent Diminutions in Value	-	-	(9,127)
As at 31 May 1994	<u>-</u>	<u>-</u>	<u>-</u>
NET BOOK VALUES			
As at 31 May 1994	<u>1,936,620</u>	<u>353,395</u>	<u>-</u>
As at 29 May 1993	<u>2,134,187</u>	<u>398,395</u>	<u>81,314</u>

The freehold, long leasehold and short leasehold properties were revalued on an existing use basis at 31 May 1991 by Thornburn and Co, Valuers.

On an historical cost basis the net book values would be as follows:

	Freehold Property £	Long Leasehold Property £	Short Leasehold Property £
Cost	1,738,816	289,165	434,011
Accumulated Depreciation	(632,629)	(104,150)	(434,011)
Net Book Value	<u>1,106,187</u>	<u>185,015</u>	<u>-</u>

The directors have considered the carrying values of the freehold, long leasehold and short leasehold properties at 31 May 1994 and are of the opinion that permanent diminutions in value exist. Accordingly appropriate provisions have been made and the deficits below historical cost have been charged to the profit and loss account.

RATHBONE BROS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1994

9 TANGIBLE FIXED ASSETS (CONTINUED)

	Plant Machinery £	Fixtures and Fittings £	Commercial Vehicles £	Motor Cars £	Totals £
COST					
As at 30 May 1993	7,941,503	697,307	244,701	133,117	11,639,210
Additions	368,241	231,387	245,183	72,141	920,897
Disposals	(71,640)	-	(210,088)	(24,101)	(492,336)
Intergroup Transfers	-	-	-	(56,442)	(56,442)
Permanent Diminutions in Value	-	-	-	-	(150,005)
As at 31 May 1994	8,238,104	928,694	279,796	124,715	11,861,324
DEPRECIATION					
As at 30 May 1993	4,473,071	529,889	116,269	91,091	5,219,006
Charge for Year	460,455	24,867	34,634	17,106	537,503
Disposals	(28,173)	-	(11,451)	(10,216)	(49,840)
Intergroup Transfers	-	-	-	(56,118)	(56,118)
Permanent Diminutions in Value	-	-	-	-	(9,127)
As at 31 May 1994	4,905,353	554,756	139,452	41,863	5,641,424
NET BOOK VALUES					
As at 31 May 1994	3,332,751	373,938	140,344	82,852	6,219,900
As at 29 May 1993	3,468,432	167,418	128,432	42,026	6,420,204

The above amounts include the following in respect of finance leases and hire purchase contracts:

	Plant & Machinery £	Commercial Vehicles £	Motor Cars £	Total £
Cost	466,694	177,627	102,331	746,652
Accumulated Depreciation	(100,993)	(56,175)	(23,405)	(180,573)
Net Book Value	365,701	121,452	78,926	566,079
Depreciation charge in year	55,561	26,112	12,557	94,230

10 INVESTMENTS

(a) QUOTED INVESTMENTS

Investments listed on
a recognised stock
exchange:

Cost at 1 June 1993

Disposals

As at 31 May 1994

1994
£

1993
£

- 10,819
- (10,819)

RATHBONE BROS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1994

10 INVESTMENTS (CONTINUED)

(b) INVESTMENTS IN SUBSIDIARY COMPANIES

	1994	1993
	£	£
Shares at Cost	75,098	75,098
Loan Accounts	<u>751,552</u>	<u>751,552</u>
	826,650	826,650
Less Provision for permanent diminution in value	<u>(751,905)</u>	<u>(751,905)</u>
At 31 May 1994	<u><u>74,745</u></u>	<u><u>74,745</u></u>

In the opinion of the directors, the aggregate value of the company's investments is not less than the value included in the balance sheet.

The company has investments in the following subsidiary companies which are included in the consolidated accounts of the holding company:

	Activities	Percentage of Ordinary Capital Owned
Rathbone Bros (Retail) Limited (in receivership)	Bakers and Confectioners	100%
John Dean (Menswear) Limited	Dormant	96%
J C & H E Speak & Co Limited	Dormant	100%
Valicel Limited	Dormant	95%
Stoncroft Limited	Dormant	99%

All the companies are registered in England and Wales and are unlisted.

RATHBONE BROS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1994

11	STOCKS	1994	1993
		£	£
	Raw Materials and Consumables	<u>609,927</u>	<u>647,423</u>
12	DEBTORS	1994	1993
		£	£
	Trade Debtors	1,516,541	1,604,440
	Amount Owed by Holding Company	1,096,534	920,244
	Amount Owed by Subsidiary Company	-	1,510,064
	Other Debtors	190,459	169,500
	Prepayments and Accrued Income	<u>132,300</u>	<u>281,064</u>
		<u>2,935,834</u>	<u>4,485,312</u>
13	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1994	1993
		£	£
	Bank Overdrafts (See Note 14)	812,928	570,049
	Trade Creditors	2,934,325	2,756,212
	Amount Owed to Holding Company	319,527	435,936
	Amount Owed to Subsidiary Companies	53,069	480,246
	Other Taxes and Social Security	389,200	226,179
	Other Creditors	<u>194,355</u>	<u>151,872</u>
	Amounts due under Finance Leases and Hire		
	Purchase Contracts	274,204	108,787
	Accruals and Deferred Income		
	- Government Grants	2,656	2,656
	- Other	<u>514,593</u>	<u>700,954</u>
		<u>5,494,857</u>	<u>5,432,891</u>

RATHBONE BROS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1994

14 SECURITY

The bank overdraft is secured by:-

- (i) legal mortgages creating fixed charges over freehold land and premises situated near to Winstanley Street, Newtown, Wigan and on the easterly side of Warrington Road, Newtown, Wigan, and
- (ii) mortgage debenture creating a fixed charge over book debts and a floating charge over all company assets.

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1994	1993
	£	£
Amount Owed to Holding Company	1,418,977	1,694,911
Amounts due under Finance Leases and Hire Purchase Contracts	338,065	162,240
Accruals and Deferred Income		
- Government Grants	15,923	18,580
- Other	-	99,000
	<u>1,772,965</u>	<u>1,974,731</u>

The finance leases and hire purchase contracts are repayable by instalments in between two and five years.

RATHBONE BROS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1994

16 PROVISION FOR LIABILITIES AND CHARGES

	1994 £	1993 £
Provision for loss on disposal of properties	-	102,722

Deferred Taxation

Provision is not made on the revaluation of the Freehold, Long Leasehold and Short Leasehold Properties where there is no intention to dispose of these properties in the foreseeable future. The directors consider that no provision is required in respect of accelerated capital allowances as any liabilities are unlikely to crystallise in the foreseeable future.

Provision at year end:-

	Provided 1994 £	1993 £	Potential 1994 £	1993 £
Accelerated Capital Allowances	-	-	859,217	743,423
Revaluation Surplus on Land and Buildings	-	-	254,245	278,848
	-	-	1,113,462	1,022,271

17 CALLED UP SHARE CAPITAL

	1994 £	1993 £
Authorised 75,000 Ordinary Shares of £1 each	75,000	75,000
Allotted, Issued and Fully Paid 50,000 Ordinary Shares of £1 each	50,000	50,000

18 REVALUATION RESERVE

	£
Movement in the year:-	
At 1 June 1993	
Permanent diminutions in value of properties	844,994
	(74,555)
At 31 May 1994	770,439

19. MOVEMENT OF SHAREHOLDERS' FUNDS

	1994 £	1993 £
(Loss)/Profit for the financial year	(1,471,553)	257,497
Other recognised gains and losses	(74,555)	(87,182)
Movement for the year	(1,546,108)	170,315
Shareholders' Funds at 30 May 1993	4,119,129	3,948,814
Shareholders' Funds at 31 May 1994	2,573,021	4,119,129

RATHBONE BROS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1994

20 CAPITAL COMMITMENTS

	1994 £	1993 £
(a) Capital Expenditure		
Contracted for but not provided	Nil	63,000
Authorised but not contracted for	Nil	25,000
(b) Contract Hire Agreements		

The company has annual commitments under contract hire agreements as follows:-

	1994 £
Expiry Date:	
Within one year	75,740
Between two and five years	224,066
	<u>299,806</u>

21 CONTINGENT LIABILITIES

- (a) Second legal mortgages have been created over the freehold and leasehold properties and floating charges over all other assets as security for the repayment of debentures by the holding company. The amount owing at 31 May 1994 is £880,000 (1993 - £980,000).
- (b) Composite cross guarantees have been given in favour of Rathbone Bros (Holdings) Limited and Rathbone Bros (Retail) Limited to secure bank borrowings.

21 ULTIMATE HOLDING COMPANY

The ultimate holding company is Whelco Limited, a company registered in England and Wales.

22. POST BALANCE SHEET EVENTS

On 3 June 1994, subsidiary Rathbone Bros (Retail) Ltd was put into administrative receivership by the company's bankers. Full provision for the anticipated losses has been made in these accounts (see note 3).