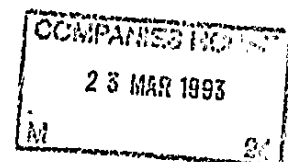


HAMILTON & RAY LIMITED

Financial Statements

for the year ended 31st May 1992



HAMILTON & RAY LIMITED

FINANCIAL STATEMENTS

31ST MAY 1992

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HAMILTON & RAY LIMITED

CORPORATE INFORMATION

CHAIRMAN

D. Hamilton

DIRECTORS

D. Hamilton  
G.F. Ray

SECRETARY

G.F. Ray

REGISTERED OFFICE

38 Great Portland Street,  
London. W1N 5AD

AUDITORS

Landau Morley  
Chartered Accountants,  
Lanmor House,  
370-386 High Road,  
Wembley,  
Middlesex. HA9 6AX

BANKERS

National Westminster Bank Plc,  
Berners Street Branch,  
P.O. Box 4XL,  
112 Oxford Street,  
London. W1A 4XL

COMPANY NUMBER

611177

HAMILTON & RAY LIMITEDREPORT OF THE DIRECTORS

The Directors present their Report and the Audited Financial Statements of the Group for the year ended 31st May 1992.

PRINCIPAL ACTIVITIES

The principal activities of the group in the year under review were those of Wholesalers and Retailers of Ladies Fashionwear and Property Developers and Investors.

FINANCIAL REVIEW

A summary of the results of the year's trading is given on page 4 of the Financial Statements.

DIVIDENDS AND RESERVES

The Directors do not propose to pay a Dividend for the year and no amounts have been transferred to Capital Reserve.

FUTURE DEVELOPMENTS

In the years immediately ahead the Directors believe that there is scope for the further development of the existing activities of the Group.

DIRECTORS AND DIRECTORS' INTERESTS

The Directors in office during the year and their beneficial interests in the Issued Ordinary Share Capital throughout the year were as follows:

Ordinary £1 Shares

Mr. D. Hamilton	10,200
Miss G.F. Ray	9,800

FIXED ASSETS

Movements of Fixed Assets during the year are recorded in the Notes to the Accounts.

AUDITORS

The Auditors, Messrs. Landau Morley, will be proposed for re-appointment in accordance with Section 385(2) of the Companies Act 1985.

By order of the board

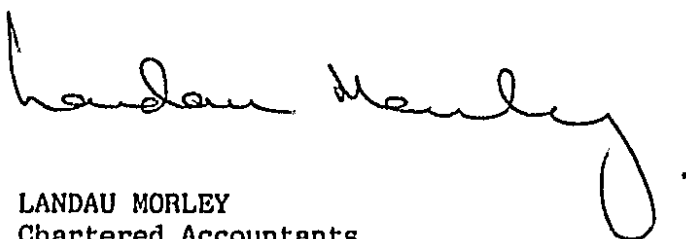
  
D. HAMILTON  
CHAIRMAN

11th March 1993

Report of the Auditors to the Members of HAMILTON & RAY LIMITED

We have audited the financial statements on pages 4 to 18 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the group and of the company at 31st May 1992 and of the result and cash flows of the Group for the year ended on that date and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'Landau Morley', is written over the printed name and title of the auditors.

LANDAU MORLEY  
Chartered Accountants  
Registered Auditors

Lanmor House,  
370/386 High Road,  
Wembley,  
Middlesex. HA9 6AX

11th March 1993

HAMILTON & RAY LIMITED AND ITS SUBSIDIARIESCONSOLIDATED PROFIT AND LOSS ACCOUNTFor the year ended 31st May 1992

	<u>Notes</u>	<u>1992</u>	<u>1991</u>
Turnover	(2)	3,594,762	3,106,369
Cost of Sales		2,342,295	1,777,412
		<hr/>	<hr/>
Gross Profit		1,252,467	1,328,957
Distribution and Selling Costs		592,289	566,807
Administrative Expenses		403,620	352,116
Other Operating Charges		51,749	53,930
		<hr/>	<hr/>
		1,047,658	972,853
		<hr/>	<hr/>
<u>Operating Profit</u>	(3)	204,809	356,104
Income from Investments		226	414
Other Income		15,192	18,398
		<hr/>	<hr/>
		15,418	18,812
		<hr/>	<hr/>
		220,227	374,916
Interest payable	(5)	243,978	379,677
		<hr/>	<hr/>
Loss on Ordinary Activities before Taxation		(23,751)	(4,761)
Taxation	(6)	(4,794)	1,983
		<hr/>	<hr/>
Loss on Ordinary Activities after Taxation		(18,957)	(6,744)
Minority Interests		1,841	726
		<hr/>	<hr/>
Loss before Extraordinary Item		(17,116)	(6,018)
Extraordinary Item	(7)	54,116	-
		<hr/>	<hr/>
Loss attributable to the Members of Hamilton & Ray Limited	(8)	(71,232)	(6,018)
Retained Profit brought forward		1,678,010	1,684,028
		<hr/>	<hr/>
Retained Profit carried forward		£1,606,778	£1,678,010
		=====	=====

The attached notes form part of these financial statements.

HAMILTON & RAY LIMITED AND ITS SUBSIDIARIESCONSOLIDATED BALANCE SHEETas at 31st May 1992

	<u>Notes</u>	<u>1992</u>	<u>1991</u>
<u>Fixed Assets</u>			
Tangible Assets	(9)	5,973,679	7,501,627
Investments	(11)	<u>33,998</u>	<u>32,816</u>
		6,007,677	7,534,443
<u>Current Assets</u>			
Stocks	(12)	855,740	977,986
Debtors	(13)	525,282	514,079
Cash at Bank and in Hand		<u>12,423</u>	<u>22,185</u>
		1,393,445	1,514,250
Creditors: Amounts falling due within one year	(14)	<u>2,818,955</u>	<u>2,861,545</u>
<u>Net Current Liabilities</u>		<u>(1,425,510)</u>	<u>(1,347,295)</u>
Total Assets Less Current Liabilities		4,582,167	6,187,148
Creditors: Amounts falling due after more than one year	(15)	<u>40,000</u>	<u>40,000</u>
		4,542,167	6,147,148
<u>Provision for Liabilities and Charges</u>			
Deferred Taxation	(16)	<u>21,989</u>	<u>28,044</u>
		£4,520,178	£6,119,104
		=====	=====
<u>Capital and Reserves</u>			
Called Up Share Capital	(17)	20,000	20,000
Capital Reserve		272	272
Revaluation Reserve	(18)	2,884,243	4,410,096
Profit and Loss Account		1,606,778	1,678,010
Minority Interests		<u>8,885</u>	<u>10,726</u>
		£4,520,178	£6,119,104
		=====	=====

These financial statements were approved by the Board of Directors on 11th March 1993.

D. HAMILTON

G. F. RAY

Directors

The attached notes form part of these financial statements.

HAMILTON & RAY LIMITEDBALANCE SHEETas at 31st May 1992

	<u>Notes</u>	<u>1992</u>	<u>1991</u>
<u>Fixed Assets</u>			
Tangible Assets	(10)	5,876,289	7,396,297
Investments	(11)	<u>44,296</u>	<u>43,114</u>
		5,920,585	7,439,411
<u>Current Assets</u>			
Stocks	(12)	230,044	542,544
Debtors	(13)	27,171	63,156
Cash at Bank and in Hand		<u>1,011</u>	<u>1,035</u>
		258,226	606,735
<u>Creditors: Amounts falling due within one year</u>	(14)	<u>2,075,205</u>	<u>2,413,679</u>
<u>Net Current Liabilities</u>		(1,816,979)	(1,806,944)
<u>Total Assets Less Current Liabilities</u>		4,103,606	5,632,467
<u>Creditors: Amounts falling due after more than one year</u>	(15)	<u>40,000</u>	<u>40,000</u>
		4,063,606	5,592,467
<u>Provision for Liabilities and Charges</u>			
Deferred Taxation	(16)	<u>14,584</u>	<u>19,329</u>
		£4,049,022	£5,573,138
		=====	=====
<u>Capital and Reserves</u>			
Called Up Share Capital	(17)	20,000	20,000
Capital Reserve		272	272
Revaluation Reserve	(18)	2,884,243	4,410,096
Profit and Loss Account		<u>1,144,507</u>	<u>1,142,770</u>
		£4,049,022	£5,573,138
		=====	=====

These financial statements were approved by the Board of Directors on 11th March 1993.

D. HAMILTON

.....)

G.F. RAY

.....)

) Directors

The attached notes form part of these financial statements.



CONSOLIDATED STATEMENT OF CASH FLOWSfor the year ended 31st May 1992

	<u>Notes</u>	<u>1992</u>	<u>1991</u>
<u>Net Cash Inflow from Operating Activities</u>	(3b)	367,912	431,758
<u>Returns on Investments and Servicing of Finance</u>			
Interest Received		13,152	16,238
Interest Paid		(249,400)	(349,677)
Dividends Received		170	310
		<hr/>	<hr/>
<u>Net Cash Outflow from Returns on Investments and Servicing of Finance</u>		(236,078)	(333,129)
<u>Taxation</u>			
UK Corporation Tax Paid		(1,205)	-
<u>Investing Activities</u>			
Purchase of Tangible Fixed Assets		(32,033)	(47,163)
Purchase of Investments		(1,182)	-
Sale of Tangible Fixed Assets		-	8,100
Sale of Subsidiary Undertaking		-	2,160
		<hr/>	<hr/>
<u>Net Cash Outflow from Investing Activities</u>		(33,215)	(36,903)
Net Cash Inflow before Financing		£ 97,414	£ 61,726
		=====	=====
<u>Financing</u>			
Bank Loans Repaid		114,299	117,291
<u>Decrease in Cash and Cash Equivalents</u>	(20)	(16,885)	(55,565)
		<hr/>	<hr/>
		£ 97,414	£ 61,726
		=====	=====

NOTES TO THE ACCOUNTSfor the year ended 31st May 1992(1) Accounting Policies

The Financial Statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

(a) Basis of Accounting

The Financial Statements are prepared under the historical cost convention as modified by the revaluation of land and building.

(b) Turnover

Turnover represents net invoiced sales of goods, excluding Value Added Tax, rents receivable and proceeds on disposal of Trading Properties.

(c) Trading Properties

Trading Properties are stated at the lower of cost and net realisable value. Cost comprises direct expenditure, finance costs and applicable outgoings.

(d) Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold Properties	- 2% on cost
Leasehold Properties	- 2% on cost
Plant, Machinery and Equipment	- 20% on written down value
Fixtures and Fittings	- 15% to 20% on written down value
Motor Vehicles	- 25% on written down value

(e) Properties

Certain of the Group's properties are held for long-term investment:

- (i) such properties are revalued annually and the aggregate surplus or deficit is transferred to revaluation reserve; and
- (ii) no depreciation is provided in respect of freehold investment properties. Leasehold investment properties are amortised at 2% to 4% per annum on cost.

(f) Stocks

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

(g) Deferred Taxation

Provision is made for deferred taxation arising from timing differences between profits stated in the Financial Statements and profits as computed for tax purposes except to the extent that the Directors consider that the liability will not become payable in the foreseeable future. The provision is calculated at rates of tax at which the charge is expected to crystallise.

NOTES TO THE ACCOUNTSfor the year ended 31st May 1992(1) Accounting Policies (continued)(h) Foreign Currency Translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of transactions. Monetary Assets and Liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the period end date. The resulting differences are dealt with in the determination of the result for the financial period.

(i) Basis of Consolidation

The Group Financial Statements consolidate the Financial Statements of Hamilton & Ray Limited and all its Subsidiary Undertakings made up to 31st May, except as disclosed in Note 11.

No Profit and Loss Account has been presented for Hamilton & Ray Limited, as provided by Section 230 of the Companies Act 1985.

(j) Investments

Investments held as fixed assets are stated at cost less provision for permanent diminution in value.

(2) Turnover

An analysis of turnover and loss on ordinary activities before taxation attributable to the principal activities of the Group are given below:

	<u>1992</u>		<u>1991</u>	
	<u>Turnover</u>	<u>Profit/ (Loss)</u>	<u>Turnover</u>	<u>Profit/ (Loss)</u>
Fashionwear	3,034,325	(74,915)	2,849,443	60,420
Property Dealing and Investment	560,437	51,164	256,926	(65,181)
	<u>£3,594,762</u>	<u>£ (23,751)</u>	<u>£3,106,369</u>	<u>£ (4,761)</u>
	=====	=====	=====	=====

(3) Operating Profit

- (a) The operating profit is stated after charging/(crediting):

	<u>1992</u>	<u>1991</u>
	<u>£</u>	<u>£</u>
Depreciation of Fixed Assets	34,128	37,485
Profit on Disposal of Fixed Assets	-	(333)
Staff costs (note 4)	332,051	348,971
Auditors' remuneration	21,000	18,130
	=====	=====
and before crediting:		
Interest Receivable	13,152	16,238
Rents Receivable	2,040	-
Profit on Disposal of Subsidiary Undertaking	-	2,160
	=====	=====

HAMILTON & RAY LIMITED AND ITS SUBSIDIARIESNOTES TO THE ACCOUNTSfor the year ended 31st May 1992

	<u>1992</u>	<u>1991</u>
(3) <u>Operating Profit - continued</u>		
(b) Reconciliation of Operating Profit to Net Cash Inflow from operating activities		
Operating Profit	204,809	356,104
Depreciation	34,128	37,485
Rents Receivable	2,040	-
Profit on Disposal of Fixed Assets	-	(333)
Decrease in Stocks	122,246	354,924
(Increase)/Decrease in Debtors	(65,319)	40,688
Increase/(Decrease) in Creditors	70,008	(357,110)
	<hr/>	<hr/>
	£367,912	£431,758
	=====	=====
(4) <u>Directors and Employees</u>		
(a) Staff costs:		
Wages and salaries	303,679	318,495
Social security costs	28,372	30,476
	<hr/>	<hr/>
	£332,051	£348,971
	=====	=====
(b) The average weekly number of persons (including Directors) employed by the group during the period was:		
Sales and distribution	24	21
Administration	9	15
	<hr/>	<hr/>
	33	36
	==	==
(c) Staff costs include the following remuneration in respect of Directors:		
Fees as Directors	£ -	£ -
	=====	=====

HAMILTON & RAY LIMITED AND ITS SUBSIDIARIESNOTES TO THE ACCOUNTSfor the year ended 31st May 1992

	<u>1992</u>	<u>1991</u>
(5) <u>Interest Payable</u>		
Bank loans and overdrafts	198,431	335,815
Mortgage	3,500	3,500
Retirement Benefits Scheme	34,438	40,362
Other Interest	7,609	-
	<hr/>	<hr/>
	£243,978	£379,677
	=====	=====
(6) <u>Taxation</u>		
Deferred taxation	(6,055)	1,879
Corporation Tax underprovided in previous years	1,205	-
Irrecoverable tax credits on dividends	56	104
	<hr/>	<hr/>
	£(4,794)	£1,983
	=====	=====
(7) <u>Extraordinary Item</u>		
Amount due from former Associated Undertaking written off	£54,116	£ -
	=====	=====
(8) <u>Loss Attributable to the Members of Hamilton &amp; Ray Limited</u>		
Dealt with in the Accounts of the Holding Company	1,737	(58,449)
Dealt with in the Accounts of the Subsidiary Undertakings	(72,969)	52,431
	<hr/>	<hr/>
	£(71,232)	£(6,018)
	=====	=====

NOTES TO THE ACCOUNTS

For the year ended 31st May 1992

(9) Tangible Fixed Assets

<u>Group</u>	<u>Freehold Land and Building</u>	<u>Long Leasehold Properties</u>	<u>Short Leasehold Properties</u>	<u>Plant, Machinery and Equipment</u>	<u>Fixtures and Fittings</u>	<u>Motor Vehicles</u>	<u>Investment Freehold Land and Buildings</u>	<u>Properties Long Leasehold Properties</u>	<u>Total</u>
<u>Cost</u>									
At 1st June 1991	49,350	810,009	14,028	143,204	125,799	28,103	6,665,829	112,366	7,948,688
Additions	2,500	-	-	3,680	-	-	25,853	-	32,033
Disposals	-	-	(6,528)	-	-	-	-	-	(6,528)
Revaluation Adjustment	-	-	-	-	-	-	(1,525,853)	-	(1,525,853)
At 31st May 1992	<u>£ 51,850</u>	<u>£810,009</u>	<u>£ 7,500</u>	<u>£146,884</u>	<u>£125,799</u>	<u>£28,103</u>	<u>£5,165,829</u>	<u>£112,366</u>	<u>£6,448,340</u>
<u>Depreciation</u>									
At 1st June 1991	3,948	176,680	12,806	121,900	99,365	17,135	-	15,227	447,061
Charge for the year	987	16,200	1,221	4,997	4,173	2,742	-	3,808	34,128
Disposals	-	-	(6,528)	-	-	-	-	-	(6,528)
At 31st May 1992	<u>£ 4,935</u>	<u>£192,880</u>	<u>£ 7,499</u>	<u>£126,897</u>	<u>£103,538</u>	<u>£19,877</u>	<u>£ -</u>	<u>£ 19,035</u>	<u>£ 474,661</u>
<u>Net Book Value</u>									
At 31st May 1992	<u>£ 46,915</u>	<u>£617,129</u>	<u>£ 1</u>	<u>£ 19,987</u>	<u>£ 22,261</u>	<u>£ 8,226</u>	<u>£5,165,829</u>	<u>£ 93,331</u>	<u>£5,973,679</u>
At 31st May 1991	<u>£ 45,402</u>	<u>£633,329</u>	<u>£ 1,222</u>	<u>£ 21,304</u>	<u>£ 26,434</u>	<u>£10,968</u>	<u>£6,665,829</u>	<u>£ 97,139</u>	<u>£7,501,627</u>

The Investment Properties were revalued by the Directors on an open market basis on 31st May 1992 and the resultant deficit has been taken to Revaluation Reserve.

The cost of Investment Freehold Land and Buildings (included above at a Directors Valuation) determined according to the historical cost accounting rules is as follows:

	<u>1992</u>	<u>1991</u>
Cost	<u>£2,281,585</u>	<u>£2,255,732</u>

NOTES TO THE ACCOUNTSfor the year ended 31st May 1992(10) Tangible Fixed AssetsCompany

	Long Leasehold Properties	Investment Properties Freehold Land and Buildings	Long Leasehold Properties	Total
<u>Cost</u>				
At 1st June 1991	810,009	6,665,829	112,366	7,588,204
Additions	-	25,853	-	25,853
Revaluation Adjustment	-	(1,525,853)	-	(1,525,853)
At 31st May 1992	£810,009	£5,165,829	£112,366	£6,088,204
	=====	=====	=====	=====
<u>Depreciation</u>				
At 1st June 1991	176,680	-	15,227	191,907
Charge for the year	16,200	-	3,808	20,008
At 31st May 1992	£192,880	£ -	£ 19,035	£ 211,915
	=====	=====	=====	=====
<u>Net book value</u>				
At 31st May 1992	£617,129	£5,165,829	£ 93,331	£5,876,289
	=====	=====	=====	=====
At 31st May 1991	£633,329	£6,665,829	£ 97,139	£7,396,297
	=====	=====	=====	=====

The Investment Properties were revalued by the Directors on an open market basis on 31st May 1992 and the resultant deficit has been taken to Revaluation Reserve.

The cost of Investment Freehold Land and Buildings (included above at a Directors Valuation) determined according to the historical cost accounting rules is as follows:

	<u>1992</u>	<u>1991</u>
<u>Cost</u>	£2,281,585	£2,255,732
	=====	=====

HAMILTON & RAY LIMITED AND ITS SUBSIDIARIESNOTES TO THE ACCOUNTSfor the year ended 31st May 1992(11) Investments

	<u>Shares in Group Und- ertakings</u>	<u>Quoted Investments</u>	<u>Life Assurance Policies</u>	<u>Total</u>
<u>Group</u>				
At 1st June 1991	-	3,118	29,698	32,816
Additions	-	-	1,220	1,220
Written-off	-	(38)	-	(38)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st May 1992	£ - =====	£ 3,080 =====	£ 30,918 =====	£ 33,998 =====
 <u>Company</u>				
Cost	195,300	3,118	29,698	228,116
Less: Provision for Diminution in Value	(185,002)	-	-	(185,002)
	<hr/>	<hr/>	<hr/>	<hr/>
At 1st June 1991	10,298	3,118	29,698	43,114
Additions	-	-	1,220	1,220
Written-off	-	(38)	-	(38)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st May 1992	£ 10,298 =====	£ 3,080 =====	£ 30,918 =====	£ 44,296 =====

The market value of the Quoted Investments, which are listed on a recognised stock exchange, at 31st May 1992 was £8,831 (1991 :£12,718).

The cost of Life Assurance Policies represents premiums paid to date. The surrender value of the Policies at 31st May 1992 was £32,396 (1991: £31,684).



NOTES TO THE ACCOUNTS

for the year ended 31st May 1992

(11) Investments - (Continued)

The Company has the following Subsidiary Undertakings which are incorporated in and operate principally in the United Kingdom:-

<u>Subsidiaries held by the Company</u>	<u>Principal Activity</u>	<u>Class of Shares Held</u>	<u>Percentage Share-holding</u>
Jersey Masters Limited	Retailer and Wholesaler of Ladies Fashionwear	£1 Ordinary	100%
Embassa (London) Limited	Dormant	£1 Ordinary	100%
Continental Couture (London) Ltd	Dormant	£1 Ordinary	100%
Jerseykins Limited	Wholesaler of Childrens Clothing	£1 Ordinary	100%
David Hamilton (London) Limited	Dormant	£1 Ordinary	100%
Treotto Limited	Dormant	£1 Ordinary £1 Cumulative Preference	100% 100%
Hamoray Limited	Dormant	£1 Ordinary	100%
Jersey Masters (F.E.) Limited	Dormant	£1 Ordinary	100%
E.H.S. Limited	Dormant	5p Ordinary £1 Non-Cumulative Preference	100% 100%
Fabiani Limited	Dormant	£1 Ordinary	100%
<u>Subsidiaries held by Jersey Masters Limited:</u>			
D.M. Manders Limited	Wholesaler of Childrens Clothing	1p Deferred Ordinary	95%
Marylind Limited	Retailer of Ladies Fashionwear	1p Ordinary £1 Non-Cumulative Preference	100% 100%
Film Fashions Limited	Dormant	£1 Ordinary	100%
Maggy London of New York Limited	Dormant	£1 Ordinary	100%

Jersey Masters (F.E.) Limited has not been consolidated in view of the immaterial amounts involved and the fact that the subsidiary did not trade during the year.

The group financial statements include the financial statements of D.M. Manders Limited for the year ended 19th May 1992. There were no abnormal transactions between 20th May 1992 and 31st May 1992.

## NOTES TO THE ACCOUNTS

for the year ended 31st May 1992

	<u>The Group</u>		<u>The Company</u>	
	<u>1992</u>	<u>1991</u>	<u>1992</u>	<u>1991</u>
(12) <u>Stocks</u>				
Trading Properties	230,044	542,544	230,044	542,544
Finished Goods	625,696	435,442	-	-
	<u>£ 855,740</u>	<u>£ 977,986</u>	<u>£ 230,044</u>	<u>£ 542,544</u>
	=====	=====	=====	=====
(13) <u>Debtors</u>				
Due within one year:				
Trade Debtors	467,483	421,212	-	-
Other Debtors	6,497	62,817	475	54,590
Prepayments	51,302	30,050	26,696	8,566
	<u>£ 525,282</u>	<u>£ 514,079</u>	<u>£ 27,171</u>	<u>£ 63,156</u>
	=====	=====	=====	=====
(14) <u>Creditors: Amounts falling due within one year:</u>				
Trade Creditors	688,489	655,299	-	-
National Insurance and Other Taxes	50,620	46,777	-	-
Other Creditors	367,660	315,199	221	2,445
Amounts due to Subsidiary Undertakings	-	-	599,825	759,493
Accruals	128,143	153,051	57,513	117,808
	<u>1,234,912</u>	<u>1,170,326</u>	<u>657,559</u>	<u>879,746</u>
Bank Overdrafts and Loans	1,584,043	1,691,219	1,417,646	1,533,933
	<u>£2,818,955</u>	<u>£2,861,545</u>	<u>£2,075,205</u>	<u>£2,413,679</u>
	=====	=====	=====	=====

The bank overdrafts and loans of the company are secured by a charge on certain of the Company's leasehold properties.

	<u>1992</u>	<u>1991</u>
(15) <u>Creditors: Amounts falling due after more than one year:</u>		
<u>Group and Company</u>		
This represents a long term mortgage repayable in September 1994. The Mortgage is secured by a fixed charge on certain of the Company's leasehold properties.		
	<u>£40,000</u>	<u>£40,000</u>
	=====	=====

NOTES TO THE ACCOUNTSfor the year ended 31st May 199219921991(16) Deferred Taxation

The amount provided and the amount unprovided for deferred taxation were as follows:

<u>Group</u>	<u>Amount Provided</u>	<u>Amount Unprovided</u>	<u>Amount Provided</u>	<u>Amount Unprovided</u>
Accelerated capital allowances	21,989	-	28,044	-
Revaluation of Properties	-	951,800	-	1,455,332
	£21,989	£951,800	£28,044	£1,455,332
	=====	=====	=====	=====
<u>Company</u>				
Accelerated capital allowances	14,584	-	19,329	-
Revaluation of Properties	-	951,800	-	1,455,332
	£14,584	£951,800	£19,329	£1,455,332
	=====	=====	=====	=====

(17) Called Up Share CapitalAuthorised, Allotted and Fully Paid

20,000 Ordinary Shares of £1 each	£20,000	£20,000
	=====	=====

(18) Revaluation ReserveGroup and Company

The Revaluation Reserve represents surpluses on the revaluation of Investment Properties.

Movements in the Revaluation Reserve during the year are as follows:

At 1st June 1991	4,410,096	4,413,339
Revaluation of Investment Properties	(1,525,853)	(3,243)
At 31st May 1992	£2,884,243	£4,410,096
	=====	=====

HAMILTON & RAY LIMITED AND ITS SUBSIDIARIESNOTES TO THE ACCOUNTSfor the year ended 31st May 1992(19) Contingent LiabilitiesGroup

At 31st May 1992 the Group had contingent liabilities in respect of documentary credits and had undertaken forward foreign exchange contracts in the normal course of business.

Company

The Company has guaranteed certain borrowings of Group Companies, the amounts outstanding at 31st May 1992 being £40,995 (1991:£51,162).

(20) Analysis of Changes in Balances of Cash and Cash Equivalents as shown in the Balance Sheet

	<u>1992</u>	<u>Net Cash Outflow</u>	<u>1991</u>
Cash at Bank and in Hand	12,423	(9,762)	22,185
Bank Overdrafts	(167,313)	(7,123)	(160,190)
	<u>£(154,890)</u>	<u>£(16,885)</u>	<u>£(138,005)</u>
	=====	=====	=====

(21) Pension Commitments

The Company operates a defined benefits scheme. The assets of the scheme are held separately from those of the Company by trustees under trust. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of benefits over employees' working lives with the Company. The contributions to the scheme are determined by a qualified actuary on the basis of triennial actuarial valuations using appropriate actuarial methods.

The most recent valuation was conducted as at 31st May 1988. This was carried out using the aggregate method for each individual member and assumed a rate of investment return of 9% per annum, a rate of salary increases of 8.5% and a rate of increase of retail prices of 6% per annum.

As at the date of the last actuarial valuation, the market value of the assets of the scheme was £1,659,978 and this represented 139% of the total liabilities as calculated using the specified assumptions i.e. the actuarial valuation of the scheme revealed a surplus, which is being eliminated by improvements in benefits and a suspension of contributions.