

NUMATIC INTERNATIONAL LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 1995

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Report of the Directors

The directors submit their annual report and the audited consolidated financial statements of the company for the year ended 31st December, 1995.

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 the group and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to:-

- a) select suitable accounting policies and apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- d) 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 group and to enable them to ensure that the financial statements comply with the Companies Act, 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and Dividends

The results for the year and the financial position of the group are shown in the annexed financial statements. In particular the profit for the year after taxation was £1746000, (1994: £2130000), the reduction of which is mainly attributable to increased borrowing cost related to the consolidation at Chard, the full profit for the year has been transferred to reserves and the directors do not recommend the payment of a dividend.

Review of the Business

The principal activity of the group is that of general engineering and there has been no change in this activity during the year. The directors are able to report that the whole of the parents company's activities are now consolidated at Chard Somerset and after several years of extensive building works, all facilities are now on line and it is anticipated profitability will move ahead in 1996. The directors are also pleased with the progress of the subsidiaries in France and South Africa, both of which had their first full years trading in 1995. During the year the company also acquired the whole issued share capital of Chalon (UK) Limited a specialist furniture manufacturer, which was in financial difficulties. Although losses continued to accrue after the acquisition, substantial investment and reorganisation has now been made in that company and, although the first six months of 1996 continue to show losses, substantial improvements are envisaged in the second half of 1996 and it is hoped that this subsidiary will return to profitability in the financial year of 1997. Otherwise, the progress of the group during the year accorded with expectations and the position at the year end is regarded as satisfactory. No significant changes in the future development of the group are proposed, nor had there occurred since the year end any event of such significance that reference to it should be made in this report.

Report of the Directors (Continued)Fixed Assets

Details of changes in fixed assets are given in the notes to the financial statements.

Employees

The group involves employees in the business in various ways. Regular meetings are held between managers and the Union Representatives of staff to discuss any issues arising and the Health and Safety Committee liaises with staff. Furthermore, wages are based on a productivity scheme, which involves disclosure to staff of sales performance.

It is the group's policy to consider applications for employment from disabled people on the same basis as other potential employees. Ability and aptitude are the determining factors in the selection, training, career development and promotion of all employees. If an employee becomes disabled during the period of employment the company will, if necessary and to the extent possible, retrain the employee for duties suited to that employee's abilities following disablement.

Research and Development

The group carries out on going research and development to enhance and improve existing products, to develop new ones and to improve production techniques.

Directors

The directors who served during the year, together with their shareholdings in the parent company were as follows:-

	<u>Ordinary Shares of £1 Each</u> <u>Number held as at</u> <u>31.12.94 and 31.12.95</u>
C.R. Duncan, Esq.,	4750000
Mrs A Duncan	250000

Details of directors interests in contracts, transactions and arrangements are given in the notes to the financial statements.

Close Company

In the opinion of the directors, the company is a close company as defined by the ICTA, 1988.

Report of the Directors (Continued)

Auditors

A resolution to re-appoint Messrs. Stewart & Co as auditors will be proposed at the annual general meeting.

Approved by the board and
signed on its behalf

Secretary - Mrs A.R. Duncan

Ann Duncan

Registered Office:

Knoll House
Knoll Road
Camberley
Surrey

Date: ...13/8/96.....

Auditors Report to the Members of

NUMATIC INTERNATIONAL LIMITED

We have audited the financial statements on pages 6 to 19 which have been prepared under the historical cost convention and the accounting policies set out in note 1 to the financial statements.

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 financial 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 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 financial statements.

Opinion

In our opinion, the accounts give a true and fair view of the state of affairs of the company and group as at 31st December, 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act, 1985.

Knoll House
Knoll Road
Camberley
Surrey
GU15 3SY

Date: ...13/8/96.....



Stewart & Co
Chartered Accountants
Registered Auditor

Consolidated Profit and Loss Account for the Year Ended 31st December, 1995

	Note	Continuing Operations 1995	Acquisitions 1995	Total 1995	Total 1994
		£'000	£'000	£'000	£'000
Turnover	2	39594	220	39814	35944
Cost of sales		<u>28788</u>	<u>115</u>	<u>28903</u>	<u>26684</u>
Gross profit		10806	105	10911	9260
Distribution costs		904	10	914	874
Administrative expenses		<u>6893</u>	<u>151</u>	<u>7044</u>	<u>5264</u>
Operating profit	3	3009	(56)	2953	3122
Interest payable	5			<u>440</u>	<u>196</u>
Profit on ordinary activities before taxation				2513	2926
Taxation	6			<u>767</u>	<u>796</u>
Retained profit on ordinary activities after taxation				<u>1746</u>	<u>2130</u>

Consolidated Balance Sheet as at 31st December, 1995

	<u>Note</u>	<u>1995</u>	<u>1994</u>
		£'000	£'000
<u>Tangible Fixed Assets</u>	7	11088	8784
<u>Investment in Subsidiaries</u>	8	-	89
		11088	8873
<u>Current Assets</u>			
Stock and work in progress	9	5874	6952
Debtors	10	5761	5788
Cash at bank and in hand		294	153
		11929	12893
<u>Creditors: amounts falling due within one year</u>	11	8583	10020
<u>Net Current Assets</u>		3346	2873
		14434	11746
<u>Creditors: amounts falling due after more than one year</u>	12	2000	1000
Deferred taxation	14	-	16
Net assets		12434	10730
<u>Capital and Reserves</u>			
Called up share capital	15	5000	5000
Profit and loss account	16	7434	5730
Shareholders' funds, all equity interests		12434	10730

Approved by the board
and signed on their behalf

..... Director - C.R. Duncan

Date: ...13/8/96....

Company Balance Sheet as at 31st December, 1995

	<u>Note</u>	<u>1995</u>		<u>1994</u>	
		£'000	£'000	£'000	£'000
<u>Tangible Fixed Assets</u>	7		10044		8427
<u>Investment in Subsidiaries</u>	8		<u>333</u>		<u>205</u>
			10377		8632
<u>Current Assets</u>					
Stock and work in progress	9	5130		6780	
Debtors	10	6970		6184	
Cash at bank and in hand		<u>3</u>		<u>3</u>	
		12103		12967	
<u>Creditors: amounts falling due within one year</u>	11	<u>7908</u>		<u>9847</u>	
<u>Net Current Assets</u>			<u>4195</u>		<u>3120</u>
			14572		11752
<u>Creditors: amounts falling due after more than one year</u>	12		2000		1000
Deferred Taxation	14		<u>-</u>		<u>16</u>
Net assets			<u>12572</u>		<u>10736</u>
<u>Capital and Reserves</u>					
Called up share capital	15		5000		5000
Profit and loss account	16		<u>7572</u>		<u>5736</u>
Shareholders' funds, all equity interests			<u>12572</u>		<u>10736</u>

Approved by the board
and signed on their behalf

.....  Director - C.R. Duncan

Date ..13/8/96...

Consolidated Cash Flow Statement for the Year Ended 31st December, 1995

	<u>Note</u>	<u>1995</u>	<u>1994</u>
		£'000	£'000
<u>Net Cash Inflow from Operating Activities</u>	18	3322	1930
<u>Returns on Investment and Servicing of Finance</u>			
Interest paid - net cash outflow		(440)	(196)
<u>Taxation</u>			
Corporation tax paid		(810)	(735)
<u>Investing Activities</u>			
Investment in subsidiaries		-	(89)
Trade investment now consolidated		89	-
Purchase of fixed assets		(2839)	(3428)
Sale of Fixed Assets		<u>16</u>	<u>40</u>
Net cash outflow from investing activity		(2734)	(3477)
Net cash outflow before financing		(662)	(2478)
<u>Financing</u>			
New loan finance		<u>2000</u>	<u>1000</u>
<u>Increase/(Decrease) in Cash and Cash Equivalents</u>	19	<u>1338</u>	<u>(1478)</u>

Statement of Total Recognised Gains and Losses

	<u>1995</u>	<u>1994</u>
	£'000	£'000
Profit on ordinary activities after taxation	1746	2130
Goodwill on acquisition written off	(52)	-
Exchange difference on foreign subsidiary investment	<u>10</u>	<u>4</u>
Total recognised gains and losses for the year	<u>1704</u>	<u>2134</u>

Reconciliation of Movement in Shareholders Funds

	<u>1995</u>	<u>1994</u>
	£'000	£'000
Opening shareholders funds	10730	8596
Profit on ordinary activities after taxation	1746	2130
Goodwill on acquisition written off	(52)	-
Exchange difference on foreign subsidiary investment	10	4
New share capital	-	4999
Capitalisation of reserves to pay up new share capital	<u>-</u>	<u>(4999)</u>
Closing shareholders funds	<u>12434</u>	<u>10730</u>

Notes to the Consolidated Financial Statements for the Year Ended 31st December, 19951. Accounting Policies

The principal accounting policies of the group are as follows:-

a. Basis of Accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

b. Tangible Fixed Assets

The group provides for the depreciation of all tangible fixed assets at a set rate based upon the cost, the annual rates being as follows:-

Motor vehicles	20%
Plant and machinery	15% or 20%
Furniture and equipment	20%

The company does not depreciate the cost of freehold land and buildings as a programme of regular refurbishment is carried out. In the opinion of the directors the market value of freehold land and buildings is not significantly different to the book value shown in the accounts. The French subsidiary does depreciate its freehold property at 5% per annum.

c. Basis of Consolidation

The consolidated financial statements fully incorporate the financial statements of the company and all of its subsidiaries. In respect of acquisitions during the year, only the results from the date of acquisition are included. In 1994 the South African subsidiary had not traded and for that year was treated as an investment by the group.

d. Stocks

Stocks are valued at the lower of cost or net realisable value. Work in progress and finished goods valued at the cost of direct material and labour plus attributable overheads, based on the normal level of activity and the state of completion

e. Deferred Taxation

The deferred taxation takes into account the differing treatments for accounting and taxation purposes of depreciation, and helps to stabilize the level of the taxation charges in the accounts from year to year. It represents corporation tax at current rates on the excess of net book values of fixed assets over their corresponding values for tax purposes.

f. Research and Development

Research and development expenditure is written off as incurred.

Notes to the Consolidated Financial Statements for the Year Ended 31st December, 1995g. Foreign Currencies

Balance sheets and profit and loss accounts of overseas companies are translated at rates ruling at the balance sheet date. Differences on translation arising from changes in the sterling value of overseas net assets due to subsequent variations in exchange rates are shown as a movement in reserves and in the statement of total recognised gains and losses. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account. Balances denominated in foreign currencies are restated at the exchange rate ruling as at the balance sheet date, any gain or loss being dealt with in the profit and loss account.

h. Pension Scheme

The parent company operates a defined benefit pension scheme, the assets of which are held under a trustee administered fund. Employees contribute 4% of salary, with the balance of contributions being met by the company. The assets and liabilities of the scheme are reviewed on a triennial basis by an actuary for funding purposes, the last valuation being as at 1st April, 1994.

The actuarial assessment considers assets and liabilities at the date of calculation and forecasts assets and liabilities in the future according to a set of assumptions, the most important of which are the rate of return on the assets and the rate of increase in remuneration and pensions.

The assumptions used as at 1st April, 1994 were:-

Investment return	9% per annum compound (after investment expenses).
Pensionable salary Increases	7% per annum compound, plus 0.5% per annum promotional increases.
Investments	Valued by discounting future income with allowance for dividend growth of 4.5% per annum.

Pension Increases:

- in payment	3% per annum compound on the GMP accrued after 6th April, 1988.
- in deferment	5% per annum compound on the pensions in excess of the GMP 7% per annum on the GMP.

and the method used was the Projected Unit method.

At the date of the re-assessment the actuarial valuation of the assets was £3104000 and of the liabilities £3138000 representing an underfunding of £34000. It is proposed that the company contribution is increased by 0.4% of earnings to eliminate this shortfall and to maintain full funding.

Notes to the Consolidated Financial Statements for the Year Ended 31st December, 19952. Turnover

Turnover represents the invoiced amount of goods and services provided stated net of Value Added Tax. In the opinion of the Directors, all geographical markets are supplied under similar terms, conditions and prices, and the products supplied form one class of business. Inter group trading is eliminated on consolidation.

3. Operating Profit

	<u>1995</u>	<u>1994</u>
The operating profit of the group is stated after charging:-	£'000	£'000
Auditors remuneration - services as auditors	11	11
- other services	6	1
Auditors of overseas subsidiaries	13	4
Depreciation of owned fixed assets	523	452
(Profit)/loss on disposal of fixed assets	(4)	6
Research and development expenditure	152	161
Rentals under operating leases		
- Plant and machinery	126	128
- Motor vehicles	168	120
- Land and buildings	55	-
	<u>55</u>	<u>-</u>

4. Wages, Salaries and Directors Remuneration

Employment costs of the group comprise:

Wages and salaries	6938	5908
Social security costs	807	593
Pension costs	279	231
	<u>8024</u>	<u>6732</u>

Staff Costs include the following remuneration (including pension contributions) in respect of Directors of the parent company for their services as executives:-

C.R. Duncan Esq., (Chairman)	342	282
Mrs A Duncan	50	50
	<u>50</u>	<u>50</u>

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

	<u>Number</u>	<u>Number</u>
Production and Distribution	384	320
Administration and Selling	43	47
	<u>43</u>	<u>47</u>

Notes to the Consolidated Financial Statements for the Year Ended 31st December, 1995

5.

<u>Interest Payable</u>	<u>1995</u>	<u>1994</u>
Interest payable by the group on bank loans and overdrafts wholly repayable within five years:-	£'000	£'000
Payable by instalments	190	21
Not payable by instalments	<u>250</u>	<u>175</u>
	<u>440</u>	<u>196</u>

6.

<u>Taxation</u>		
Corporation tax of the group based on the profit for the year adjusted for taxation purposes at 33% (1994: 33%)	783	810
Transfer from/to deferred taxation accounts	(<u>16</u>)	(<u>14</u>)
	<u>767</u>	<u>796</u>

7.

<u>Tangible Fixed Assets</u>						
<u>Group</u>	<u>Freehold Property</u>	<u>Plant and Machinery</u>	<u>Motor Vehicles</u>	<u>Furniture and Equipment</u>	<u>Small Tools</u>	<u>TOTAL</u>
<u>Cost</u>	£'000	£'000	£'000	£'000	£'000	£'000
Brought forward	7431	1556	212	674	5	9878
Exchange adjustments	31	3	-	3	-	37
Acquisitions	544	26	3	-	-	573
Additions	1585	502	40	98	5	2230
Disposals	<u>-</u>	(<u>495</u>)	(<u>44</u>)	(<u>101</u>)	<u>-</u>	(<u>640</u>)
Carried forward	<u>9591</u>	<u>1592</u>	<u>211</u>	<u>674</u>	<u>10</u>	<u>12078</u>
<u>Depreciation</u>						
Brought forward	10	761	90	233	-	1094
Exchange adjustments	1	-	-	-	-	1
Charge for year	19	328	44	132	-	523
Disposals	<u>-</u>	(<u>487</u>)	(<u>40</u>)	(<u>101</u>)	<u>-</u>	(<u>628</u>)
Carried forward	<u>30</u>	<u>602</u>	<u>94</u>	<u>264</u>	<u>-</u>	<u>990</u>
<u>Net Book Value</u>						
Carried forward	<u>9561</u>	<u>990</u>	<u>117</u>	<u>410</u>	<u>10</u>	<u>11088</u>
Brought forward	<u>7421</u>	<u>795</u>	<u>122</u>	<u>441</u>	<u>5</u>	<u>8784</u>

The net book value of freehold property includes £44000 in respect of a short leasehold property owned by a subsidiary company.

Notes to the Consolidated Financial Statements for the Year Ended 31st December, 1995

7. Tangible Fixed Assets (Continued)

<u>Company</u>	<u>Freehold Property</u>	<u>Plant and Machinery</u>	<u>Motor Vehicles</u>	<u>Furniture and Equipment</u>	<u>Small Tools</u>	<u>TOTAL</u>
<u>Cost</u>	£'000	£'000	£'000	£'000	£'000	£'000
Brought forward	7123	1521	212	644	5	9505
Additions	1543	484	11	50	5	2093
Disposals	—	(488)	(30)	(102)	—	(620)
Carried forward	<u>8666</u>	<u>1517</u>	<u>193</u>	<u>592</u>	<u>10</u>	<u>10978</u>
<u>Depreciation</u>						
Brought forward	—	759	90	229	—	1078
Charge for year	—	312	39	121	—	472
Disposals	—	(488)	(26)	(102)	—	(616)
Carried forward	<u>—</u>	<u>583</u>	<u>103</u>	<u>248</u>	<u>—</u>	<u>934</u>
<u>Net Book Value</u>						
Carried forward	<u>8666</u>	<u>934</u>	<u>90</u>	<u>344</u>	<u>10</u>	<u>10044</u>
Brought forward	<u>7123</u>	<u>762</u>	<u>122</u>	<u>415</u>	<u>5</u>	<u>8427</u>

8. Investment in Subsidiaries

	<u>Group</u>		<u>Company</u>	
	1995	1994	1995	1994
	£'000	£'000	£'000	£'000
Investment in subsidiaries at cost	<u>—</u>	<u>89</u>	<u>333</u>	<u>205</u>
<u>Subsidiary</u>	<u>% Holding</u>	<u>Country of Incorporation</u>		
Numatic International SA	100	France		
Nusamatic International (Pty) Ltd.	100	South Africa		
Chalon (UK) Ltd	100	England		

9. Stock and Work in Progress

	<u>Group</u>		<u>Company</u>	
	1995	1994	1995	1994
	£'000	£'000	£'000	£'000
Raw materials	3592	4746	3592	4746
Work in progress	175	203	154	203
Finished goods	<u>2107</u>	<u>2003</u>	<u>1384</u>	<u>1831</u>
	<u>5874</u>	<u>6952</u>	<u>5130</u>	<u>6780</u>

Notes to the Consolidated Financial Statements for the Year Ended 31st December, 1995

10.	<u>Debtors</u>	<u>Group</u>		<u>Company</u>	
		<u>1995</u> <u>£'000</u>	<u>1994</u> <u>£'000</u>	<u>1995</u> <u>£'000</u>	<u>1994</u> <u>£'000</u>
	Trade debtors	5417	4980	4464	4636
	Owed by group companies	-	196	2218	990
	Other debtors	31	328	1	274
	Sundry prepayments	<u>313</u>	<u>284</u>	<u>287</u>	<u>284</u>
		<u>5761</u>	<u>5788</u>	<u>6970</u>	<u>6184</u>
11.	<u>Creditors</u> - Amounts falling due within one year				
	Bank loan and overdrafts	3302	3499	3150	3499
	Trade creditors	3748	4990	3436	5078
	Corporation tax	783	810	783	810
	Other taxation and social security	417	452	231	191
	Accruals and deferred income	<u>333</u>	<u>269</u>	<u>308</u>	<u>269</u>
		<u>8583</u>	<u>10020</u>	<u>7908</u>	<u>9847</u>
The Bank overdraft and loan facility are secured on the freehold property.					
12.	<u>Creditors</u> - Amounts falling due after more than one year				
	Bank loan	1000	1000	1000	1000
	Pension scheme loan	<u>1000</u>	<u>-</u>	<u>1000</u>	<u>-</u>
		<u>2000</u>	<u>1000</u>	<u>2000</u>	<u>1000</u>
13.	<u>Maturity of Debt</u>				
	In one year or less, or on demand	3302	3499	3150	3499
	In two to five years	<u>2000</u>	<u>1000</u>	<u>2000</u>	<u>1000</u>
		<u>5302</u>	<u>4499</u>	<u>5150</u>	<u>4499</u>
14.	<u>Deferred Taxation</u>	<u>Group and Company</u>			
		<u>1995</u> <u>£'000</u>	<u>1994</u> <u>£'000</u>		
	Balance brought forward	16	30		
	Current year transfer	(16)	(14)		
	Balance carried forward	<u>-</u>	<u>16</u>		

Notes to the Consolidated Financial Statements for the Year Ended 31st December, 1995

15.	<u>Share Capital</u>	<u>Group and Company</u>	
	Ordinary Shares of £1 Each	<u>1995</u>	<u>1994</u>
		<u>£</u>	<u>£</u>
	<u>Authorised</u>	5000000	5000000
	<u>Allotted, Issued and Fully Paid</u>	<u>5000000</u>	<u>5000000</u>

16.	<u>Profit and Loss Account</u>	<u>Group</u>		<u>Company</u>	
		<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
		<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
	Balance brought forward	5730	8595	5736	8595
	Profit for year	1746	2130	1836	2140
	Exchange difference on foreign subsidiary investment	10	4	-	-
	Goodwill on acquisition written off	(52)	-	-	-
	Capitalisation of profits	-	(4999)	-	(4999)
		<u>7434</u>	<u>5730</u>	<u>7572</u>	<u>5736</u>

17. Acquisitions

On the 1st October, 1995, the company acquired the whole issued share capital of Chalon (UK) Limited for a consideration of £217000. The assets and liabilities of Chalon (UK) Limited as acquired are set out below:-

	<u>Fair Value</u>
	<u>£</u>
Tangible fixed assets	573094
Stocks	142416
Debtors	89519
Cash at bank and in hand	107
Creditors	(351085)
Bank overdraft	(252737)
Loans and finance leases	(36400)
Net assets acquired	164914
Goodwill on acquisition	<u>52086</u>
	<u>217000</u>
Satisfied by cash	<u>217000</u>

Following investigations subsequent to the acquisition of Chalon (UK) Limited the fair values of the assets acquired were deemed to not be materially different to the net book value of those assets and accordingly, no adjustment to fair values has been made.

Notes to the Consolidated Financial Statements for the Year Ended 31st December, 1995

		<u>Group</u>		
18.	<u>Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities</u>	<u>1995</u>	<u>1994</u>	
		<u>£'000</u>	<u>£'000</u>	
	Operating profit	2953	3122	
	Depreciation charges	523	452	
	Goodwill written off	(52)	-	
	Exchange differences arising on consolidations	10	4	
	(Profit)/loss on sale of fixed assets	(4)	6	
	Decrease/(increase) in stocks	1078	(1477)	
	Decrease/(increase) in debtors	27	(1363)	
	(Decrease)/increase in creditors	(1213)	<u>1186</u>	
		<u>3322</u>	<u>1930</u>	
19.	<u>Analysis of Changes in Cash and Cash Equivalents During the Year</u>			
	Balance brought forward	(3346)	(1868)	
	Net cash inflow/(outflow)	<u>1338</u>	<u>(1478)</u>	
	Balance carried forward	<u>(2008)</u>	<u>(3346)</u>	
20.	<u>Analysis of the Balances of Cash and Cash Equivalents in the Balance Sheet</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>
		<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
	Cash at bank and in hand	294	153	2
	Bank overdrafts	(2302)	(3499)	(1870)
		<u>(2008)</u>	<u>(3346)</u>	<u>(1868)</u>
	Change in year	<u>1338</u>	<u>(1478)</u>	

Notes to the Consolidated Financial Statements for the Year Ended 31st December, 1995

21. Obligations Under Operating Leases

The group had the following annual commitments under operating leases, which expire:-

	<u>Group</u>		<u>Company</u>	
	<u>1995</u> <u>£'000</u>	<u>1994</u> <u>£'000</u>	<u>1995</u> <u>£'000</u>	<u>1994</u> <u>£'000</u>
<u>Land and Buildings</u>				
In the second to fifth year	42	-	-	-
After five years	40	-	-	-
<u>Other Leases</u>				
Within one year	20	26	20	26
In the second to fifth year	167	143	143	143

22. Capital Commitments

	<u>Group and Company</u>	
	<u>1995</u> <u>£'000</u>	<u>1994</u> <u>£'000</u>
Amounts contracted for but not provided in the financial statements	<u>348</u>	<u>984</u>
Amounts authorised by the directors but not contracted for	<u>-</u>	<u>-</u>

23. Directors Interests

Mr. and Mrs. Duncan disclose an interest in contracts between the company and the Numatic Executive Scheme, a pension scheme of which Mr. and Mrs. Duncan are the sole beneficiaries. The company rents factory premises from the Numatic Executive Scheme at commercially negotiated rentals, amounting to £180000 in the year.

Other than this transaction the directors had no interest in any contracts, transactions or arrangements.