

# **PAUL MURRAY PLC**

## **Report and Accounts**

**31 December 1999**



**Registration number 1172728**

## **PAUL MURRAY PLC**

### **Directors' Report**

The directors present their report and accounts for the year ended 31 December 1999.

#### **Principal activities**

The group's principal activity during the year was the manufacturing, wholesaling and packing of non-pharmaceutical products and surgical goods, and the distribution of cosmetics, fragrances and toiletries.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £284,093. Ordinary dividends of £75,600 were paid in the year which leaves a profit of £208,493 to be retained.

#### **Business review and future developments**

1999 was a landmark year during which many initiatives and developments were set up, including the acquisition of Miner's International Limited. These will ensure the long term position of the group within the health and beauty market sector.

#### **Directors**

The directors at the balance sheet date and their interests in the share capital of the company were as follows:

	£1 Ordinary shares	
	1999	1998
P T Murray	69,000	69,000
Mrs K J Murray	1,000	1,000
Mrs D A Murray	-	-
P D Vanstone	-	-
A Allen	-	-
L Davies	-	-

The remaining 30,000 shares are held by a trust, the Paul Travis Murray Settlement, the trustees of which are P T Murray and J A Poulter. Mr Poulter is a partner in Rothman Pantall & Co, the company's auditors.

#### **Political and charitable donations**

During the year, the group made various charitable contributions totalling £4,185.

#### **Creditor payment policy**

It is the company's policy to pay suppliers at the end of the month following the invoice date, except in the case of some overseas suppliers whom the company may pay in advance. At 31 December 1999 the company's creditor days stood at 32 (1998 27 days). The company's subsidiary undertaking is intending to adopt a similar policy.

#### **Year 2000 issues**

The directors have assessed the risks and uncertainties associated with the year 2000 problem and have implemented the necessary upgrades. The total costs of these plans are considered to be immaterial.

**PAUL MURRAY PLC**  
**Directors' Report**

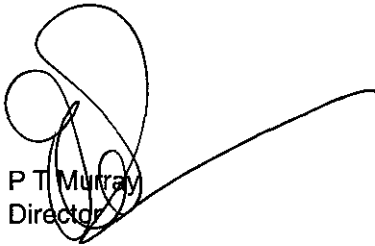
**The proposed introduction of the euro**

The directors have considered the risks and uncertainties associated with the proposed introduction of the euro. It is intended that the group should continue to invoice customers in sterling, and therefore the directors are of the opinion that costs relating to the proposed introduction of the euro will not be significant at the present time.

**Auditors**

A resolution to reappoint Rothman Pantall & Co as auditors will be put to the members at the Annual General Meeting.

This report was approved by the board on 28 April 2000.



P T Murray  
Director

**PAUL MURRAY PLC**  
**Statement of Directors' Responsibilities**

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group, and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**PAUL MURRAY PLC**  
**Auditors' Report**

**Report of the auditors  
to the shareholders of PAUL MURRAY PLC**

*We have audited the accounts on pages 5 to 23 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 10 and 11.*

**Respective responsibilities of directors and auditors**

As described on page 3, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the company's and the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the company's and the group's affairs as at 31 December 1999 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Rothman Pantall & Co  
Chartered Accountants and Registered Auditors

10 Oxford Street  
Southampton  
Hampshire  
SO14 3DJ

28 April 2000

**PAUL MURRAY PLC**  
**Consolidated Profit and Loss Account**  
**for the year ended 31 December 1999**

	Notes	1999 £	1998 £
<b>Turnover</b>	3	9,764,634	8,259,953
Cost of sales		(6,381,855)	(5,245,891)
<b>Gross profit</b>		<u>3,382,779</u>	<u>3,014,062</u>
Distribution costs		(1,493,590)	(1,363,509)
Administrative expenses		(1,365,183)	(912,876)
<b>Operating profit</b>	4	<u>524,006</u>	<u>737,677</u>
Interest receivable		-	4,892
Interest payable	7	(155,816)	(124,771)
<b>Profit on ordinary activities before taxation</b>		<u>368,190</u>	<u>617,798</u>
Taxation on profit on ordinary activities	8	(84,097)	(180,770)
<b>Profit on ordinary activities after taxation</b>		<u>284,093</u>	<u>437,028</u>
Dividends:			
ordinary dividend on equity shares	10	(75,600)	(96,600)
<b>Retained profit for the year</b>	23	<u>208,493</u>	<u>340,428</u>

**Continuing operations**

None of the group's activities were discontinued during the above two financial years.

**PAUL MURRAY PLC**  
**Statement of total recognised gains and losses**  
**for the year ended 31 December 1999**

	<b>Notes</b>	<b>1999</b> £	<b>1998</b> £
Profit on ordinary activities after taxation		284,093	437,028
Unrealised deficit on revaluation of properties	12	-	(163,564)
Total recognised gains and losses related to the year		<u>284,093</u>	<u>273,464</u>

**PAUL MURRAY PLC**  
**Consolidated Balance Sheet**  
**as at 31 December 1999**

	Notes	1999 £	1998 £
<b>Fixed assets</b>			
Intangible fixed assets	11	328,742	-
Tangible assets	12	<u>2,083,192</u>	<u>1,507,398</u>
		2,411,934	1,507,398
<b>Current assets</b>			
Stocks	15	2,971,098	2,676,107
Debtors	16	2,066,963	1,351,270
Cash at bank and in hand		<u>836</u>	<u>600</u>
		5,038,897	4,027,977
<b>Creditors: amounts falling due within one year</b>	17	(2,695,748)	(1,870,499)
<b>Net current assets</b>		<u>2,343,149</u>	<u>2,157,478</u>
<b>Total assets less current liabilities</b>		<u>4,755,083</u>	<u>3,664,876</u>
<b>Creditors: amounts falling due after more than one year</b>	18	(1,352,774)	(471,060)
		<u>3,402,309</u>	<u>3,193,816</u>
<b>Capital and reserves</b>			
Called up share capital	21	100,000	100,000
Revaluation reserve	22	755,965	755,965
Profit and loss account	23	2,546,344	2,337,851
<b>Shareholders' funds</b>	24	<u>3,402,309</u>	<u>3,193,816</u>

  
P T Murray  
Director

Approved by the board on 28 April 2000



**PAUL MURRAY PLC**  
**Balance Sheet**  
**as at 31 December 1999**

	Notes	1999 £	1998 £
<b>Fixed assets</b>			
Tangible assets	12	1,697,270	1,507,398
Investments	13	467,234	-
		<u>2,164,504</u>	<u>1,507,398</u>
<b>Debtors: amounts falling due after more than one year</b>	14	500,000	-
<b>Current assets</b>			
Stocks	15	2,661,812	2,676,107
Debtors	16	1,451,262	1,351,270
Cash at bank and in hand		536	600
		<u>4,113,610</u>	<u>4,027,977</u>
<b>Creditors: amounts falling due within one year</b>	17	(2,074,606)	(1,870,499)
<b>Net current assets</b>		<u>2,039,004</u>	<u>2,157,478</u>
<b>Total assets less current liabilities</b>		<u>4,703,508</u>	<u>3,664,876</u>
<b>Creditors: amounts falling due after more than one year</b>	18	(1,349,554)	(471,060)
		<u>3,353,954</u>	<u>3,193,816</u>
<b>Capital and reserves</b>			
Called up share capital	21	100,000	100,000
Revaluation reserve	22	755,965	755,965
Profit and loss account	23	2,497,989	2,337,851
<b>Shareholders' funds</b>	24	<u>3,353,954</u>	<u>3,193,816</u>

  
P. T. Murray

Director

Approved by the board on 28 April 2000

**PAUL MURRAY PLC**  
**Consolidated Cash Flow Statement**  
**for the year ended 31 December 1999**

	<b>Notes</b>	<b>1999</b> £	<b>1998</b> £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		524,006	737,677
Depreciation		334,371	87,913
Amortisation of goodwill		17,302	-
(Profit)/loss on disposal of tangible fixed assets		(10,348)	9,722
Increase in stocks		(294,991)	(475,709)
Increase in debtors		(705,859)	(135,116)
Increase/(decrease) in creditors		731,108	(1,437)
<b>Net cash inflow from operating activities</b>		<u>595,589</u>	<u>223,050</u>
<b>CASH FLOW STATEMENT</b>			
<b>Net cash inflow from operating activities</b>		595,589	223,050
<b>Returns on investments and servicing of finance</b>	25	(155,816)	(119,879)
<b>Taxation</b>		(167,716)	(172,172)
<b>Capital expenditure</b>	25	<u>(1,211,895)</u> (939,838)	<u>9,659</u> (59,342)
<b>Equity dividends paid</b>		<u>(75,600)</u> (1,015,438)	<u>(96,600)</u> (155,942)
<b>Financing</b>	25	817,687	(127,403)
<b>Decrease in cash</b>		<u>(197,751)</u>	<u>(283,345)</u>
<b>Reconciliation of net cash flow to movement in net debt</b>			
<b>Decrease in cash in the period</b>		(197,751)	(283,345)
(Increase)/decrease in debt and lease financing		(817,687)	127,403
New finance leases		(40,407)	-
Redemption of finance leases		6,441	59,831
<b>Change in net debt</b>	26	<u>(1,049,404)</u>	<u>(96,111)</u>
<b>Net debt at 1 January 1999</b>		<u>(1,493,547)</u>	<u>(1,397,436)</u>
<b>Net debt at 31 December 1999</b>		<u>(2,542,951)</u>	<u>(1,493,547)</u>

**PAUL MURRAY PLC**  
**Notes to the Accounts**  
**for the year ended 31 December 1999**

**1 Accounting policies**

**Accounting convention**

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

**Basis of consolidation**

*The group accounts consolidate the accounts of the company and its subsidiary undertaking for the year ended 31 December 1999. The results of the subsidiary undertaking, which was acquired during the year, are included from the date of acquisition.*

**Goodwill**

Goodwill on acquisitions, being the excess of purchase price over the fair value of net assets acquired, is capitalised and amortised over its useful economic life of 20 years, on a straight line basis.

**Depreciation**

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Freehold buildings	over 50 years
Display stands	over 3 years
Motor vehicles	25% reducing balance
Computers	25% straight line
Other plant and machinery	25% reducing balance

Display stands were previously written off by the company, in the year of purchase to cost of sales. This policy has now been changed and display stands are now capitalised in the balance sheet and depreciated over their useful lives as above, bringing this policy in line with that of the company's subsidiary undertaking. The effect of this change for the year ended 31 December 1999 is an increase of £128,498 in profit on ordinary activities before taxation, an increase of £165,231 in tangible fixed assets, and a decrease in stock of £36,733. The effect of this change for the year ended 31 December 1998 is immaterial.

**Stocks**

Stock is valued at the lower of cost and net realisable value.

**Deferred taxation**

No deferred taxation has been provided because the directors have concluded, on the basis of reasonable assumptions and the intentions of management, that it is improbable that any such liability will crystallise.

**Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

**PAUL MURRAY PLC**  
**Notes to the Accounts**  
**for the year ended 31 December 1999**

**Leasing and hire purchase commitments**

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the group, are capitalised in the balance sheet and depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

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

**Pensions**

The company operates two defined contribution pension schemes. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

**PAUL MURRAY PLC**  
**Notes to the Accounts**  
**for the year ended 31 December 1999**

**2 Acquisitions**

On 9 July 1999, the company acquired the entire ordinary share capital of Miner's International Limited for a cash consideration of £400,000. Expenses of the acquisition amounted to £67,234. *This business combination has been accounted for as an acquisition.*

The book values for each class of asset and liability of Miner's International Limited, immediately prior to acquisition, were reviewed by the directors. The accounting policies of Miner's International Limited were also reviewed, and were found to be materially consistent with those of the company. No fair value adjustments were considered to be necessary.

The fair values for each class of asset and liability of Miner's International Limited, at the date of acquisition were as set out below:

	£
<b>Fixed assets</b>	
Tangible assets	424,139
<b>Current assets</b>	
Stocks	240,641
Debtors	361,129
Cash at bank and in hand	300
<b>Creditors: amounts falling due within one year</b>	(885,684)
<b>Creditors: amounts falling due after more than one year</b>	(19,335)
	<hr/> 121,190 <hr/>

Purchased goodwill arising of £346,044 has been capitalised as an intangible asset and is being written off in equal annual instalments over its estimated economic life of 20 years.

Miner's International Limited's loss for the period from 1 January 1999, being the beginning of its financial year, to the date of acquisition was £167,515. Its profit for the year ended 31 December 1998 was £85,138.

**PAUL MURRAY PLC**  
**Notes to the Accounts**  
**for the year ended 31 December 1999**

**3 Turnover**

Turnover represents the invoiced value of goods and services supplied by the group, net of value added tax and trade discounts. Sales within the group are excluded.

	1999 £	1998 £
Turnover is attributable to the following geographical markets:		
UK	9,120,895	8,064,978
Europe	496,009	177,257
Asia	107,736	11,331
Other	39,994	6,387
	<u>9,764,634</u>	<u>8,259,953</u>

**4 Operating profit**

	1999 £	1998 £
This is stated after charging:		
Depreciation of owned fixed assets	320,935	81,873
Depreciation of assets held under finance leases and hire purchase contracts	13,436	6,040
Amortisation of goodwill	17,302	-
Operating lease rentals - plant and machinery	106,658	93,400
Operating lease rentals - land and buildings	51,325	26,325
Finance charges payable under finance leases and hire purchase contracts	3,404	4,506
Auditors' remuneration, of which company was £13,000 (1998 £11,000)	18,000	11,000
Non-audit remuneration relating to the auditors	<u>7,153</u>	<u>4,750</u>

**PAUL MURRAY PLC**  
**Notes to the Accounts**  
**for the year ended 31 December 1999**

<b>5 Directors' emoluments</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Emoluments	438,493	422,789
Company contributions to money purchase pension schemes	18,158	38,815
	<u>456,651</u>	<u>461,604</u>
Highest paid director:		
Emoluments	155,784	154,078
Company contributions to money purchase pension schemes	14,000	34,300
	<u>169,784</u>	<u>188,378</u>
<b>Number of directors in company pension schemes:</b>	<b>1999</b>	<b>1998</b>
	<b>Number</b>	<b>Number</b>
Money purchase schemes	<u>6</u>	<u>6</u>
<b>6 Staff costs</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,790,364	1,388,114
Social security costs	159,066	121,957
Other pension costs	19,023	39,657
	<u>1,968,453</u>	<u>1,549,728</u>
<b>Average number of employees during the year</b>		
Administration	46	37
Operations	57	43
	<u>103</u>	<u>80</u>
<b>7 Interest payable</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	146,775	120,359
Other loans	9,041	4,412
	<u>155,816</u>	<u>124,771</u>
<b>8 Tax on profit on ordinary activities</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
UK corporation tax at 27% (1998 28%)	<u>84,097</u>	<u>180,770</u>

**PAUL MURRAY PLC**  
**Notes to the Accounts**  
**for the year ended 31 December 1999**

**9 Profit dealt with in the accounts of the company**

The profit for the financial year dealt with in the accounts of the company is £235,738 (1998 £437,028). As permitted by section 230 of the Companies Act 1985, the profit and loss account of the company is not presented.

**10 Equity dividends**

1999	1998
£	£

Equity dividends on ordinary shares - interim paid	75,600	48,300
Equity dividends on ordinary shares - final paid	-	48,300
	<u>75,600</u>	<u>96,600</u>

**11 Intangible fixed assets**

£

Goodwill:

**Cost**

Additions	<u>346,044</u>
At 31 December 1999	<u>346,044</u>

**Amortisation**

Provided during the year	<u>17,302</u>
At 31 December 1999	<u>17,302</u>

**Net book value**

At 31 December 1999	<u>328,742</u>
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Goodwill is being written off in equal annual instalments over its estimated economic life of 20 years.



**PAUL MURRAY PLC**  
**Notes to the Accounts**  
**for the year ended 31 December 1999**

**12 Tangible fixed assets**

<b>Group</b>	<b>Freehold land and buildings £</b>	<b>Short leasehold land and buildings £</b>	<b>Plant and machinery £</b>	<b>Total £</b>
<b>Cost or valuation</b>				
At 1 January 1999	1,345,000	-	735,151	2,080,151
Additions	22,992	42,960	912,564	978,516
Revaluation	-	-	-	-
Disposals	-	-	(257,026)	(257,026)
At 31 December 1999	<u>1,367,992</u>	<u>42,960</u>	<u>1,390,689</u>	<u>2,801,641</u>
<b>Depreciation</b>				
At 1 January 1999	-	-	572,753	572,753
Charge for the year	22,861	5,144	306,366	334,371
Revaluation	-	-	-	-
On disposals	-	-	(188,675)	(188,675)
At 31 December 1999	<u>22,861</u>	<u>5,144</u>	<u>690,444</u>	<u>718,449</u>
<b>Net book value</b>				
At 31 December 1999	<u>1,345,131</u>	<u>37,816</u>	<u>700,245</u>	<u>2,083,192</u>
At 31 December 1998	<u>1,345,000</u>	<u>-</u>	<u>162,398</u>	<u>1,507,398</u>
			<b>1999 £</b>	<b>1998 £</b>
Net book value of plant and machinery included above held under finance leases and hire purchase contracts			<u>41,056</u>	<u>18,119</u>

**PAUL MURRAY PLC**  
**Notes to the Accounts**  
**for the year ended 31 December 1999**

<b>Company</b>	<b>Freehold land and buildings £</b>	<b>Plant and machinery £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 January 1999	1,345,000	735,151	2,080,151
Additions	22,992	433,482	456,474
Disposals	-	(120,217)	(120,217)
At 31 December 1999	<u>1,367,992</u>	<u>1,048,416</u>	<u>2,416,408</u>
<b>Depreciation</b>			
At 1 January 1999	-	572,753	572,753
Charge for the year	22,861	206,644	229,505
On disposals	-	(83,120)	(83,120)
At 31 December 1999	<u>22,861</u>	<u>696,277</u>	<u>719,138</u>
<b>Net book value</b>			
At 31 December 1999	<u>1,345,131</u>	<u>352,139</u>	<u>1,697,270</u>
At 31 December 1998	<u>1,345,000</u>	<u>162,398</u>	<u>1,507,398</u>

Freehold land and buildings were revalued at 31 December 1998 based on a valuation carried out by the directors.

Freehold land at valuation included above not depreciated 225,000

Freehold land and buildings:	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Historical cost	<u>840,685</u>	<u>840,685</u>
Cumulative depreciation based on historical cost	<u>218,551</u>	<u>202,737</u>
	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Net book value of plant and machinery included above held under finance leases and hire purchase contracts	<u>33,556</u>	<u>18,119</u>

**PAUL MURRAY PLC**  
**Notes to the Accounts**  
**for the year ended 31 December 1999**

**13 Investments**

	Investments in subsidiary undertakings £
Cost	
Additions	467,234
At 31 December 1999	<u>467,234</u>

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Miner's International Limited	England and Wales	Ordinary	100

The principal activity of Miner's International Limited during the year was the distribution of cosmetics, fragrances and toiletries. Miner's International Limited is included in the group accounts.

**14 Debtors: amounts falling due after more than one year**

	1999 £	Group 1998 £	1999 £	Company 1998 £
Amounts owed by group undertakings	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>-</u>

**15 Stocks**

	1999 £	Group 1998 £	1999 £	Company 1998 £
Finished goods and goods for resale	<u>2,971,098</u>	<u>2,676,107</u>	<u>2,661,812</u>	<u>2,676,107</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

**16 Debtors**

	1999 £	Group 1998 £	1999 £	Company 1998 £
Trade debtors	1,956,626	1,334,963	1,399,217	1,334,963
Other debtors	28,651	-	-	-
Prepayments and accrued income	81,686	16,307	52,045	16,307
	<u>2,066,963</u>	<u>1,351,270</u>	<u>1,451,262</u>	<u>1,351,270</u>

**PAUL MURRAY PLC**  
**Notes to the Accounts**  
**for the year ended 31 December 1999**

**17 Creditors: amounts falling due within one year**

	1999 £	Group 1998 £	1999 £	Company 1998 £
Bank loans and overdrafts	1,324,284	1,012,965	1,199,302	1,012,965
Obligations under finance lease and hire purchase contracts	16,729	10,122	13,469	10,122
Trade creditors	893,030	364,651	467,693	364,651
Amounts owed to group undertakings	-	-	10,890	-
Corporation tax	81,856	155,641	81,856	155,641
Other taxes and social security costs	182,022	162,131	172,936	162,131
Other creditors	64,987	81,552	63,537	81,552
Accruals and deferred income	132,840	83,437	64,923	83,437
	<u>2,695,748</u>	<u>1,870,499</u>	<u>2,074,606</u>	<u>1,870,499</u>

Bank loans and overdrafts are secured on the company's freehold land and buildings and its subsidiary undertaking's assets generally.

**18 Creditors: amounts falling due after more than one year**

	1999 £	Group 1998 £	1999 £	Company 1998 £
Bank loans and overdrafts	1,181,595	471,060	1,181,595	471,060
Obligations under finance lease and hire purchase contracts	21,179	-	17,959	-
Other creditors	150,000	-	150,000	-
	<u>1,352,774</u>	<u>471,060</u>	<u>1,349,554</u>	<u>471,060</u>

Bank loans and overdrafts are secured on the company's freehold land and buildings.

**PAUL MURRAY PLC**  
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**19 Borrowings**

	1999 £	Group 1998 £	1999 £	Company 1998 £
Analysis of maturity of debt:				
Within one year or on demand	81,132	47,800	81,132	47,800
Between one and two years	81,132	47,800	81,132	47,800
Between two and five years	243,396	143,400	243,396	143,400
After five years	557,067	279,860	557,067	279,860
	<u>962,727</u>	<u>518,860</u>	<u>962,727</u>	<u>518,860</u>

Amounts repayable by instalments  
any of which fall for payment after  
five years

<u>962,727</u>	<u>518,860</u>	<u>962,727</u>	<u>518,860</u>
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**20 Obligations under finance  
leases and hire purchase  
contracts**

	1999 £	Group 1998 £	1999 £	Company 1998 £
Amounts payable:				
Within one year	16,729	10,122	13,469	10,122
Within two to five years	21,179	-	17,959	-
	<u>37,908</u>	<u>10,122</u>	<u>31,428</u>	<u>10,122</u>

**21 Share capital**

	1999 £	1998 £
Authorised:		
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
	1999 No	1998 No
Allotted, called up and fully paid:		
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

**22 Revaluation reserve**

	1999 £	Group 1998 £	1999 £	Company 1998 £
At 1 January 1999	755,965	919,529	755,965	919,529
Arising on revaluation during the year	-	(163,564)	-	(163,564)
At 31 December 1999	<u>755,965</u>	<u>755,965</u>	<u>755,965</u>	<u>755,965</u>

**PAUL MURRAY PLC**  
**Notes to the Accounts**  
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<b>23 Profit and loss account</b>	<b>1999</b>	<b>Group</b>	<b>1999</b>	<b>Company</b>
	<b>£</b>	<b>1998</b>	<b>£</b>	<b>1998</b>
		<b>£</b>		<b>£</b>
At 1 January 1999	2,337,851	1,997,423	2,337,851	1,997,423
Retained profit	208,493	340,428	160,138	340,428
At 31 December 1999	<u>2,546,344</u>	<u>2,337,851</u>	<u>2,497,989</u>	<u>2,337,851</u>

<b>24 Reconciliation of movements in shareholders' funds</b>	<b>1999</b>	<b>Group</b>	<b>1999</b>	<b>Company</b>
	<b>£</b>	<b>1998</b>	<b>£</b>	<b>1998</b>
		<b>£</b>		<b>£</b>
At 1 January 1999	3,193,816	3,016,952	3,193,816	3,016,952
Profit for the financial year	284,093	437,028	235,738	437,028
Dividends	(75,600)	(96,600)	(75,600)	(96,600)
Other recognised gains and losses	-	(163,564)	-	(163,564)
At 31 December 1999	<u>3,402,309</u>	<u>3,193,816</u>	<u>3,353,954</u>	<u>3,193,816</u>

<b>25 Gross cash flows</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	-	4,892
Interest paid	(155,816)	(124,771)
	<u>(155,816)</u>	<u>(119,879)</u>
<b>Capital expenditure</b>		
Payments to acquire intangible fixed assets	(346,044)	-
Payments to acquire tangible fixed assets	(938,109)	(44,548)
Receipts from sales of tangible fixed assets	72,258	54,207
	<u>(1,211,895)</u>	<u>9,659</u>
<b>Financing</b>		
New loans raised	1,030,000	-
Loan repayments	(206,133)	(47,800)
Capital element of finance lease rental payments	(6,180)	(79,603)
	<u>817,687</u>	<u>(127,403)</u>

**PAUL MURRAY PLC**  
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**26 Analysis of changes in net debt**

	At 1 Jan 1999 £	Cash flows £	Non-cash changes £	At 31 Dec 1999 £
Cash at bank and in hand	600	236		836
Overdrafts	(965,165)	(197,987)		(1,163,152)
		(197,751)		
Debt due within 1 year	(47,800)	(65,532)	(47,800)	(161,132)
Debt due after 1 year	(471,060)	(758,335)	47,800	(1,181,595)
Finance leases	(10,122)	(27,786)		(37,908)
		(851,653)		
<b>Total</b>	<b>(1,493,547)</b>	<b>(1,049,404)</b>	<b>-</b>	<b>(2,542,951)</b>

**27 Other financial commitments**

At the year end the company and its subsidiary undertaking had annual commitments under non-cancellable operating leases as set out below:

Group	Land and buildings 1999 £	Land and buildings 1998 £	Other 1999 £	Other 1998 £
Operating leases which expire:				
within one year	-	-	14,389	53,265
within two to five years	-	-	37,135	26,639
in over five years	76,325	26,325	-	-
	<u>76,325</u>	<u>26,325</u>	<u>51,524</u>	<u>79,904</u>
<b>Company</b>	<b>Land and buildings 1999 £</b>	<b>Land and buildings 1998 £</b>	<b>Other 1999 £</b>	<b>Other 1998 £</b>
Operating leases which expire:				
within one year	-	-	7,760	53,265
within two to five years	-	-	37,135	26,639
in over five years	26,325	26,325	-	-
	<u>26,325</u>	<u>26,325</u>	<u>44,895</u>	<u>79,904</u>

**28 Contingent liabilities**

The company had outstanding liabilities under documentary credits of £53,227 at 31 December 1999 (1998 £84,804).

**PAUL MURRAY PLC**  
**Notes to the Accounts**  
**for the year ended 31 December 1999**

**29 Related parties**

The company is controlled by P T Murray, a major shareholder and the chairman of the company.

<b>Amounts due from related parties</b>	<b>1999</b>	<b>Group</b>	<b>1999</b>	<b>Company</b>
	<b>£</b>	<b>1998</b>	<b>£</b>	<b>1998</b>
		<b>£</b>		<b>£</b>

Miner's International Limited	-	-	500,000	-
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<b>Amounts due to related parties</b>	<b>1999</b>	<b>Group</b>	<b>1999</b>	<b>Company</b>
	<b>£</b>	<b>1998</b>	<b>£</b>	<b>1998</b>
		<b>£</b>		<b>£</b>

Miner's International Limited	-	-	10,890	-
The Murray Pension Scheme	150,000	20,000	150,000	20,000
Directors' current account	37,229	34,004	37,229	34,004
	<u>187,229</u>	<u>54,004</u>	<u>187,229</u>	<u>54,004</u>

<b>Transactions with related parties</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>

Interest payable:

The Murray Pension Scheme	7,206	2,105
Directors' current account - Mrs D A Murray	1,835	2,307
	<u>9,041</u>	<u>4,412</u>

Dividends paid:

P T Murray	74,520	95,220
Mrs K J Murray	1,080	1,380
	<u>75,600</u>	<u>96,600</u>