

**R A RACEY (GT YARMOUTH) LIMITED
AND ITS SUBSIDIARY COMPANIES**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 1996



R A RACEY (GT YARMOUTH) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

Company registration number:

1207510

Registered office:

Belton Lodge
Belton
Gt Yarmouth
Norfolk

Directors:

R A Racey
Mrs M R Racey
C S Racey

Secretary:

Mrs M R Racey

Bankers:

National Westminster Bank plc

Solicitors:

Mears, Hobbs and Durrant

Auditors:

Grant Thornton

R A RACEY (GT YARMOUTH) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

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R A RACEY (GT YARMOUTH) LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the period ended 31 December 1996.

Principal activities

The principal activity of the group is the wholesaling of pharmaceutical goods.

Business review

The group made a profit on ordinary activities after taxation of £289,389 (1995:£910,391). The directors propose the payment of a £53,040 dividend(1995:£53,040) and recommend that the balance of £236,349 be transferred to reserves.

Directors

The present membership of the Board is set out below.

The interest of the directors in the shares of the company at 31 December 1996 were as follows:

	31 December 1996 and 1995	
	Shares of £1	
	Ordinary	Preference
Mr R A Racey	135	348,800
Mrs M R Racey	135	161,200
Mr C S Racey	330	-

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 period.

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;

R A RACEY (GT YARMOUTH) LIMITED

REPORT OF THE DIRECTORS

Directors responsibilities (continued)

- 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Fixed assets

Movements in fixed assets are shown in note 8 to the financial statements.

Subsidiary companies

Details of subsidiary companies are set out in note 9 to the financial statements.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act.

ON BEHALF OF THE BOARD



R A Racey
Director

27 October 1997

**REPORT OF THE AUDITORS TO THE MEMBERS OF
R A RACEY (GT YARMOUTH) LIMITED AND ITS SUBSIDIARY COMPANIES**

We have audited the financial statements on pages 4 to 19 which have been prepared under the accounting policies set out on pages 4 and 5.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the 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.

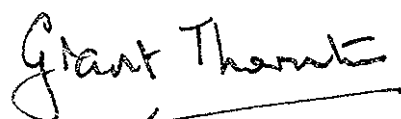
Basis of Opinion

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 affairs of the company and group as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

CARDIFF
27 October 1997

R A RACEY (GT YARMOUTH) LIMITED

PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards except as noted below.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

BASIS OF CONSOLIDATION

The group financial statements consolidate those of the company and of its subsidiary undertakings drawn up to 31 December 1996. Profits or losses on intra-group transactions are eliminated in full.

TURNOVER

Turnover is the total amount receivable by the group for goods supplied and services provided, excluding VAT and trade discounts.

DEPRECIATION

Depreciation is calculated by straight line and reducing balance methods and aims to write off the cost or valuation less the estimated residual value of all tangible fixed assets other than freehold land over their expected useful economic lives.

The periods generally applicable are:

Leasehold property	Over the life of the lease
Assets held under finance lease agreements	Over the primary period of the lease
Fixtures, fittings and equipment	15% reducing balance to 33 1/3% straight line
Motor Vehicles	25% reducing balance
Short leasehold property	Over the period of the lease

It is the group's policy to maintain its freehold and long leasehold properties in a state of good repair. Because of this, such properties maintain residual disposal values, based on prices prevailing at the date of purchase or subsequent valuation, at least equal to their book values and accordingly no provision for depreciation made. Where there is a permanent diminution in the value of a freehold or long leasehold property or other tangible asset, a charge is made to the profit and loss account.

STOCK

Stock and work in progress is stated at the lower of cost and net realisable value.

PENSION COSTS

The group operates a defined contribution scheme providing benefits for employees additional to those from the state. The pension cost charge represents contributions payable by that company to the fund in respect of the year where relevant.

R A RACEY (GT YARMOUTH) LIMITED

PRINCIPAL ACCOUNTING POLICIES

DEFERRED TAXATION

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

FINANCE AND OPERATING LEASES

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciation is provided accordingly. The capital element of future rentals is shown as a liability and the interest element of the rental obligation is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

FOREIGN CURRENCY

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange gains or losses arising are credited or charged to the profit and loss account.

R A RACEY (GT YARMOUTH) LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT AND
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****FOR THE YEAR ENDED 31 DECEMBER 1996**

Profit and loss account	Note	1996 £	1995 £
Turnover	1	33,178,553	29,277,483
Cost of sales		<u>32,514,998</u>	<u>28,740,022</u>
Gross profit		663,555	537,461
Net operating expenses		<u>308,064</u>	<u>1,004,300</u>
Operating profit/(loss)		355,491	(466,839)
Profit on sale of an operation		-	1,391,637
Other interest receivable and similar income	3	105,316	109,078
Interest payable and similar charges	2	<u>37,008</u>	<u>35,745</u>
Profit on ordinary activities before taxation		423,799	998,131
Tax on profit on ordinary activities	5	<u>134,410</u>	<u>87,740</u>
Profit on ordinary activities after taxation	6	289,389	910,391
Dividends	7	<u>53,040</u>	<u>53,040</u>
Retained profit for the financial year	15	<u><u>236,349</u></u>	<u><u>857,351</u></u>

Statement of total recognised gains and losses

There are no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

R A RACEY (GT YARMOUTH) LIMITED

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 1996

	Note	1996 £	1995 £
Fixed assets			
Tangible assets	8	<u>124,400</u>	<u>105,322</u>
		124,400	105,322
Current assets			
Stock	10	713,457	755,978
Debtors	11	5,452,203	5,150,093
Cash at bank and in hand		<u>964</u>	<u>7,011</u>
		6,166,624	5,913,082
Creditors: amounts falling due within one year	12	<u>(3,653,130)</u>	<u>(3,626,299)</u>
Net current assets		<u>2,513,494</u>	<u>2,286,783</u>
Total assets less current liabilities		2,637,894	2,392,105
Creditors: amounts falling due after more than one year	13	<u>(687,440)</u>	<u>(678,000)</u>
Net assets		<u><u>1,950,454</u></u>	<u><u>1,714,105</u></u>
Capital and reserves			
Called up share capital	14	510,600	510,600
Profit and loss account	15	<u>1,439,854</u>	<u>1,203,505</u>
	16	<u><u>1,950,454</u></u>	<u><u>1,714,105</u></u>
Equity shareholders' funds		1,387,414	1,151,065
Non-equity shareholders funds		<u>563,040</u>	<u>563,040</u>
		<u><u>1,950,454</u></u>	<u><u>1,714,105</u></u>

The financial statements were approved by the Board of Directors on 27 October 1997.

R A Racey

Director

C S Racey

Director

The accompanying accounting policies and notes form an integral part of these financial statements.

R A RACEY (GT YARMOUTH) LIMITED

COMPANY BALANCE SHEET AT 31 DECEMBER 1996

		1996	1995
		£	£
Fixed assets			
Tangible assets	8	124,400	30,645
Investments	9	-	510,000
		124,400	540,645
Current assets			
Stock	10	713,457	755,978
Debtors	11	5,452,203	5,359,174
Cash at bank and in hand		964	200
		6,166,624	6,115,352
Creditors: amounts falling due within one year	12	(3,653,130)	(5,449,455)
Net current assets		2,513,494	665,897
Total assets less current liabilities		2,637,894	1,206,542
Creditors: amounts falling due after more than one year	13	(687,440)	(678,000)
Net assets		1,950,454	528,542
Capital and reserves			
Called up share capital	14	510,600	510,600
Profit and loss account	15	1,439,854	17,942
	16	1,950,454	528,542
Equity shareholders' funds		1,387,414	(34,498)
Non-equity shareholders funds		563,040	563,040
		1,950,454	528,542

The financial statements were approved by the Board of Directors on 27 October 1997.

R A Racey

Director

C S Racey

Director

The accompanying accounting policies and notes form an integral part of these financial statements.

R A RACEY (GT YARMOUTH) LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 1996

	Note	1996 £	1995 £
Net cash inflow/(outflow) from operating activities	19	60,211	(238,931)
Returns on investment and servicing of finance			
Interest paid		(35,376)	(56,900)
Finance lease interest paid		<u>(1,470)</u>	<u>(106,080)</u>
Net cash outflow from returns on investments and servicing of finance		(36,846)	(162,980)
Taxation			
UK corporation tax paid		<u>(29,285)</u>	<u>(83,358)</u>
Investing activities			
Sale of tangible and intangible fixed assets		<u>-</u>	<u>1,588,812</u>
Net cash inflow from investing activities		<u>-</u>	<u>1,588,812</u>
Net cash (outflow)/inflow before financing		(5,920)	1,103,543
Financing			
Capital element of finance lease rental payments		(9,455)	(26,436)
Loans transferred to directors current accounts		<u>-</u>	<u>(450,000)</u>
Net cash outflow from financing	22	<u>(9,455)</u>	<u>(476,436)</u>
(Decrease)/increase in cash and cash equivalents	21	<u><u>(15,375)</u></u>	<u><u>627,107</u></u>

The accompanying accounting policies and notes form an integral part of these financial statements.

R A RACEY (GT YARMOUTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

1 Turnover and profit on ordinary activities before taxation

All turnover arose from trading within the European Union.

Group turnover includes the following sales to a company in which the directors have an involvement

	1996	1995
Stephar (UK) Limited	<u>10,473,363</u>	<u>8,211,317</u>

Profit on ordinary activities is stated after :

	1996	1995
	£	£
Auditors' remuneration - audit fee	6,000	8,250
other	-	2,000
Staff costs	272,456	989,464
Depreciation written off tangible fixed assets	2,511	9,496
Depreciation written off assets held on finance leases	6,772	-
Adjustment on disposal of fixed assets	<u>-</u>	<u>(113)</u>

2 Interest payable and similar charges

On bank loans and overdrafts and other loans which:

	1996	1995
	£	£
are not repayable by instalments and due within 5 years	35,538	35,056
are repayable by instalments and wholly due within 5 years	<u>1,470</u>	<u>689</u>
	<u>37,008</u>	<u>35,745</u>

3 Other interest receivable and similar income

	1996	1995
	£	£
Management charge: Stepfar (UK) Limited	80,000	90,000
Rent receivable	17,355	19,078
Sundry Income	<u>7,961</u>	<u>-</u>
	<u>105,316</u>	<u>109,078</u>

4 Directors and employees

Staff costs during the year were as follows:

	1996	1995
	£	£
Wages and salaries	247,687	898,944
Social security costs	24,769	89,277
Other pension costs	<u>-</u>	<u>1,243</u>
	<u>272,456</u>	<u>989,464</u>

R A RACEY (GT YARMOUTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

4 Directors and employees (continued)

The average number of employees during the year was 3 (1995: 15)

Remuneration in respect of directors was as follows:

	1996 £	1995 £
Management remuneration	<u>247,687</u>	<u>770,836</u>

The emoluments of the directors, excluding pension contributions, were as follows:

	1996 £	1995 £
The Chairman (also the highest paid director)	<u>153,651</u>	<u>488,580</u>

Other directors

	1996 Number	1995 Number
£50,001 to £55,000	1	1
£70,001 to £75,000	1	-
£255,001 to £260,000	-	1

5 Tax on profit on ordinary activities

The tax charge is based on the profit for the year and represents:

	1996 £	1995 £
Corporation tax at 33% (1995: 25% to 33%)	134,410	116,965
Deferred taxation	<u>-</u>	<u>(29,225)</u>
	<u>134,410</u>	<u>87,740</u>

R A RACEY (GT YARMOUTH) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 1996****6 Profit for the financial year**

The company has taken advantage of Section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The group profit for the year before taxation includes £423,799 which is dealt with in the financial statements of the parent company.

7 Dividends

	1996 £	1995 £
Preference dividend paid at 10.4p per share	<u>53,040</u>	<u>53,040</u>

8 Tangible fixed assets

	Freehold property £	Leasehold property £	Fixtures and fittings £	Motor Vehicles £	Total £
The company					
Cost					
At 1 January 1996	30,000	-	2,343	-	32,343
Additions	-	-	-	33,860	33,860
Transfer from group undertakings	57,081	11,001	26,405	20,816	115,303
Transfer to related undertaking	-	-	-	(20,816)	(20,816)
At 31 December 1996	<u>87,081</u>	<u>11,001</u>	<u>28,748</u>	<u>33,860</u>	<u>160,690</u>
Depreciation					
At 1 January 1996	-	-	1,698	-	1,698
Charge	-	660	513	8,110	9,283
Transfer from group undertakings		4,401	22,246	14,125	40,772
Transfer to related undertaking	-	-	-	(15,463)	(15,463)
At 31 December 1996	<u>-</u>	<u>5,061</u>	<u>24,457</u>	<u>6,772</u>	<u>36,290</u>
Net Book Value					
At 31 December 1996	<u>87,081</u>	<u>5,940</u>	<u>4,291</u>	<u>27,088</u>	<u>124,400</u>
At 31 December 1995	<u>30,000</u>	<u>-</u>	<u>645</u>	<u>-</u>	<u>30,645</u>

The figures stated above include assets held under finance leases and similar hire purchase contracts. At 31 December 1996 their net book value amounted to £27,088 (1995:£Nil).

The gross amounts of land and buildings on which depreciation is being provided is as follows:

	£
Long leasehold	<u>11,001</u>

R A RACEY (GT YARMOUTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

8 Tangible fixed assets

	Freehold property £	Leasehold property £	Fixtures and fittings £	Motor Vehicles £	Total £
The group					
Cost					
At 1 January 1996	87,081	11,001	28,748	20,816	147,646
Additions	-	-	-	33,860	33,860
Transfer to related undertaking	-	-	-	(20,816)	(20,816)
At 31 December 1996	87,081	11,001	28,748	33,860	160,690
Depreciation					
At 1 January 1996	-	4,401	23,798	14,125	42,324
Charge	-	660	659	8,110	9,429
Transfer to related undertaking	-	-	-	(15,463)	(15,463)
At 31 December 1996	-	5,061	24,457	6,772	36,290
Net Book Value					
At 31 December 1996	87,081	5,940	4,291	27,088	124,400
At 31 December 1995	87,081	6,600	4,950	6,691	105,322

The figures stated above include assets held under finance leases and similar hire purchase contracts. At 31 December 1996 their net book value amounted to £27,088 (1995:£Nil).

The gross amounts of land and buildings on which depreciation is being provided is as follows:

	£
Long leasehold	11,001

R A RACEY (GT YARMOUTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

9 Fixed asset investments - company

Investments in subsidiaries:	1996 £	1995 £
Cost at 1 January 1996		
R A Racey Limited		
1000 £1 ordinary shares	220,000	220,000
R A Racey (Chemists) Limited		
100 £1 ordinary shares	290,000	290,000
Cost at 31 December 1996	510,000	510,000
Less:		
Dividend paid by subsidiaries	(510,000)	-
Net book value	-	510,000

Details of group companies at the balance sheet date are as follows:

<u>Name of company and type of business</u>	<u>Class of share</u>	<u>Holding</u>	<u>Year end</u>
R A Racey (Chemists) Limited Wholesaler of pharmaceutical good to April 1995 (Dormant)	Ordinary	100%	31 December 1996
R A Racey Limited Wholesaler and operation of community pharmacies to April 1995 (Dormant)	Ordinary	100%	31 December 1996

10 Stocks

	Group 1996 £	1995 £	Company 1996 £	1995 £
Goods for resale	713,457	755,978	713,457	755,978

R A RACEY (GT YARMOUTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

11 Debtors

	The group		The company	
	1996	1995	1996	1995
	£	£	£	£
Trade debtors	1,868,743	1,355,719	1,868,743	1,355,719
Amounts owed by related companies	3,430,667	3,510,334	3,430,667	3,493,569
Other taxes repayable	-	159,067	-	26,851
Dividends receivable	-	-	-	360,000
Corporation tax recoverable	152,793	123,035	152,793	123,035
Other debtors	-	1,938	-	-
	<u>5,452,203</u>	<u>5,150,093</u>	<u>5,452,203</u>	<u>5,359,174</u>

12 Creditors: amounts falling due within one year

	The group		The company	
	1996	1995	1996	1995
	£	£	£	£
Bank loans and overdrafts	95,377	86,049	95,377	86,049
Trade creditors	2,530,367	2,534,373	2,530,367	2,534,373
Amounts owed to group undertakings	-	-	-	2,134,007
Amounts owed to related companies	49,776	123,676	49,776	59,482
Corporation tax payable	374,443	240,388	374,443	33
Other tax and social security costs	507,154	334,580	507,154	334,580
Directors' current accounts	62,509	256,879	62,509	256,879
Other creditors	10,846	13,834	10,846	12,832
Accruals	7,542	10,000	7,542	4,700
ACT payable	-	26,520	-	26,520
Finance leases and hire purchase	15,116	-	15,116	-
	<u>3,653,130</u>	<u>3,626,299</u>	<u>3,653,130</u>	<u>5,449,455</u>

The bank borrowings are secured on the assets of the group companies.

R A RACEY (GT YARMOUTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

13 Creditors: amounts falling due after more than one year

	The group		The company	
	1996	1995	1996	1995
	£	£	£	£
Finance leases and hire purchase	9,440	-	9,440	-
Directors' current accounts	678,000	678,000	678,000	678,000
	<u>687,440</u>	<u>678,000</u>	<u>687,440</u>	<u>678,000</u>

The finance leases fall due in one to two years.

The total amount of loans and overdrafts was as follows:

	The group		The company	
	1996	1995	1996	1995
	£	£	£	£
Falling due within one year				
Bank overdraft	95,377	86,049	95,377	-

14 Share capital

	1996	1995
	£	£
Authorised		
Ordinary shares of £1 each	25,000	25,000
13% non-participating, non-redeemable preference shares of £1 each	510,000	510,000
	<u>535,000</u>	<u>535,000</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	600	600
13% non-participating, non-redeemable preference preference shares of £1 each	510,000	510,000
	<u>510,600</u>	<u>510,600</u>

Rights attaching to the 510,000 £1 preference shares are as follows:

The shares are denominated "13% cumulative, non-participating, non redeemable preference shares" conferring upon the holders thereof the following rights subject to the restrictions following:

- the right to cumulative preferential dividend at the rate of 13% per annum gross on the capital paid up thereon

R A RACEY (GT YARMOUTH) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 1996**

- ii) the right in a winding up to a return on capital paid up thereon and any arrears of the said cumulative preferential dividend calculated down to the date of payment but to no further or other rights to share in surplus assets.
- iii) the right to attend and vote at general meetings of the company, only in one of the following events:
- if the said preferential dividend shall be in arrears for more than six months, and so that for this purpose only the same shall be deemed to fall due and be payable on 30 April and 31 October in each year; or
 - if any resolution or proposal in respect of such preference share is to be put or discussed and then only on such resolution or proposal.

15 Reserves

	The group Profit and loss account £	The company Profit and loss account £
Balance at 1 January 1996	1,203,505	17,942
Dividends received from:		
- R A Racey (Chemists) Limited	-	2,779
- R A Racey Limited	-	1,182,784
Profit for year	236,349	236,349
At 31 December 1996	<u>1,439,854</u>	<u>1,439,854</u>

16 Reconciliation of movements in shareholders' funds

	The group		The company	
	1996 £	1995 £	1996 £	1995 £
Profit for the financial year	289,389	801,313	289,389	1,047
Dividends	(53,040)	(53,040)	1,132,523	(53,040)
Balance at 1 January 1996	1,714,105	965,832	528,542	580,535
Balance at 31 December 1996	<u>1,950,454</u>	<u>1,714,105</u>	<u>1,950,454</u>	<u>528,542</u>

17 Contingent liabilities

The company has entered a cross guarantee in respect of Stephar (UK) Limited and its subsidiary Howard and Palmer Limited. At 31 December 1996 this amounted to £3,904,142 (1995 : £5,842,999)

18 Capital commitments

The company had no capital commitments at 31 December 1996 or 31 December 1995.

R A RACEY (GT YARMOUTH) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996

19 Net cash inflow/(outflow) from operating activities

	1996 £	1995 £
Operating profit/(loss)	355,491	(466,839)
Depreciation	9,283	9,496
Decrease/ (increase) in stocks	42,521	(123,686)
Increase in debtors	(299,828)	(141,348)
(Increase) / decrease in creditors	(47,256)	483,446
	<u>60,211</u>	<u>(238,931)</u>

20 Changes in cash and cash equivalents

	1996 £	1995 £	Change in the year £
Cash at bank and in hand	964	7,011	(6,047)
Overdrafts	(95,377)	(86,049)	(9,328)
	<u>(94,413)</u>	<u>(79,038)</u>	<u>(15,375)</u>

21 Analysis of changes in cash and cash equivalents

	1996	1995
At 1 January 1996	(79,038)	(706,145)
Net cash (outflow) / inflow	<u>(15,375)</u>	<u>627,107</u>
At 31 December 1996	<u>(94,413)</u>	<u>(79,038)</u>

22 Analysis of changes in financing during the year

	1996 £	Share capital 1995 £	1996 £	Loans and finance leases 1995 £
At 1 January 1996	510,600	510,600	-	476,436
Cash outflow from financing	-	-	(9,455)	(26,436)
Inception of Finance leases	-	-	34,011	-
Transferred to directors current accounts	-	-	-	(450,000)
At 31 December 1996	<u>510,600</u>	<u>510,600</u>	<u>24,556</u>	<u>-</u>

R A RACEY (GT YARMOUTH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

23 Transactions involving directors

During the year:

- i) the company paid interest of £29,376 to R A Racey, a director of the company, in respect of a loan made by him to the company. The transaction is on an arms length basis.
- ii) sales of £10,473,363 have been made in the ordinary course of business to Stephar (UK) Limited, a company in which the directors have an interest.
- iii) purchases of £5,585,000 have been made in the ordinary course of business from Howard and Palmer Limited, a company in which the directors have an interest.
- iv) trading balances are shown in notes 11 and 12.