

Registered No. 1506705

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STELLRAM CUTTECH LIMITED

FINANCIAL STATEMENTS

31ST DECEMBER 1994



STELLRAM CUTTECH LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST DECEMBER 1994

The directors present their report and the audited accounts of the company and group for the year ended 31st December 1994.

PRINCIPAL ACTIVITY

The principal activity of the group was the distribution of specialised hard metal cutting tools to the engineering industry.

REVIEW OF THE BUSINESS

The trading profit for the year, after taxation, amounted to £162,848.

DIVIDENDS

The directors do not recommend the payment of a dividend.

FIXED ASSETS

Changes in fixed assets of the group during the year are detailed in the notes to the accounts.

DIRECTORS

The directors holding office during the year and their interests in the company's issued share capital were:

Ordinary shares of £1 each
31st December 1994 31st December 1993

R. Benson	-	-
P. Glasson	-	-
D. Gonseth	-	-
J. E. Whitworth	-	-
A. R. V. Cooper	-	-
M. Grunsky	-	-

Mr R. Benson, Mr P. Glasson, Mr A. R. V. Cooper and Mr M. Grunsky have an interest in the issued share capital of the ultimate holding company.

AUDITORS

At the annual general meeting a resolution will be proposed to re-appoint Messrs W. J. Calder, Sons & Co. as auditors to the group until the conclusion of the next general meeting at which accounts are presented.

By order of the board



P. GLASSON

Secretary

25 Lower Belgrave Street,
London, SW1W 0LS.

Date: 7th September 1995

STELLRAM CUTTECH LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group 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;
- 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 company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE SHAREHOLDERS OF

STELLRAM CUTTECH LIMITED

We have audited the financial statements on pages 4 to 17 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion based on our audit, on those statements and to report our opinion to you.

Basis of opinion

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

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

Opinion

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

25 Lower Belgrave Street,
London, SW1W 0LS

Date: 7th September 1995



W. J. CALDER, SONS & CO.
Chartered Accountants
and
Registered Auditor

STELLRAM CUTTECH LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
		£	£
TURNOVER	2	7,469,708	6,026,624
Cost of sales		3,926,404	3,208,686
GROSS PROFIT		3,543,304	2,817,938
Distribution costs	1,517,761		1,219,172
Administrative expenses	1,686,905		1,380,747
		3,204,666	2,599,919
OPERATING PROFIT	3	338,638	218,019
Goodwill arising on consolidation		(24,013)	(24,013)
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		314,625	194,006
Interest payable	5	(102,159)	(94,923)
Profit on ordinary activities before taxation		212,466	99,083
Taxation	6	49,618	29,500
Profit on ordinary activities after taxation	7	162,848	69,583
Retained profit brought forward		581,522	511,939
RETAINED PROFIT CARRIED FORWARD		£ 744,370	£ 581,522

CONTINUING OPERATIONS

The group has made no acquisition or discontinued any operations within the meaning of Financial Reporting Standard 3 during the above financial year. The turnover and operating result derive entirely from continuing operations

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profit and loss for the two financial years.

The notes on pages 8 to 17 form part of these accounts.

STELLRAM CUTTECH LIMITED
CONSOLIDATED BALANCE SHEET
31ST DECEMBER 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
		£	£
FIXED ASSETS			
Intangible assets	8	96,055	120,068
Tangible assets	9	359,643	128,023
		<u>455,698</u>	<u>248,091</u>
CURRENT ASSETS			
Stock	11	1,993,908	1,674,322
Debtors	12	2,114,355	1,633,203
		<u>4,108,263</u>	<u>3,307,525</u>
CREDITORS - amounts falling due within one year	13	2,607,308	1,805,391
NET CURRENT ASSETS		<u>1,500,955</u>	<u>1,502,134</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,956,653</u>	<u>1,750,225</u>
CREDITORS - amounts falling due after more than one year	14	1,032,283	988,703
		<u>£ 924,370</u>	<u>£ 761,522</u>
CAPITAL AND RESERVES			
Called up share capital	18	180,000	180,000
Profit and loss account		744,370	581,522
		<u>£ 924,370</u>	<u>£ 761,522</u>

R. BENSON

DIRECTOR

Approved by the board on: 7th September 1995

The notes on pages 8 to 17 form part of these accounts.

STELLRAM CUTTECH LIMITED

BALANCE SHEET

31ST DECEMBER 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
		£	£
FIXED ASSETS			
Intangible assets	8	1	1
Tangible assets	9	86,170	73,281
Investments	10	270,704	270,704
		<u>356,875</u>	<u>343,986</u>
CURRENT ASSETS			
Stock	11	1,914,328	1,629,222
Debtors	12	2,116,204	1,631,751
		<u>4,030,532</u>	<u>3,260,973</u>
CREDITORS - amounts falling due within one year	13	2,560,205	1,872,382
NET CURRENT ASSETS		<u>1,470,327</u>	<u>1,388,591</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,827,202</u>	<u>1,732,577</u>
CREDITORS - amounts falling due after more than one year	14	1,032,283	988,703
		<u>£ 794,919</u>	<u>£ 743,874</u>
CAPITAL AND RESERVES			
Called up share capital	18	180,000	180,000
Profit and loss account		614,919	563,874
		<u>£ 794,919</u>	<u>£ 743,874</u>

R. BENSON

DIRECTOR

Approved by the board on: 7th September 1995

The notes on pages 8 to 17 form part of these accounts.

STELLRAM CUTTECH LIMITED

CASHFLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
		£	£
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	19	378,842	56,777
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid	(102,159)		(94,923)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(102,159)	(94,923)
TAXATION			
Corporation tax paid		(45,581)	(1,537)
INVESTING ACTIVITIES			
Payments to acquire intangible assets	(10,069)		(13,205)
Payments to acquire tangible assets	(63,918)		(12,115)
Receipts from sale of intangible assets	-		30,000
Receipts from sale of tangible assets	40,000		10,000
NET CASH OUTFLOW FROM INVESTMENT ACTIVITIES		(33,987)	14,680
NET CASH OUTFLOW BEFORE FINANCING		197,115	(25,003)
FINANCING			
Lease purchase repayments	(51,177)		(59,744)
Other loans repayments	(15,717)		(21,562)
Bank loans received	-		400,000
Bank loan repayments	(74,065)		(61,054)
NET CASH (OUTFLOW)/INFLOW FROM FINANCING		(140,959)	257,640
MOVEMENT IN CASH AND CASH EQUIVALENTS	21	£ 56,156	£ 232,637

The note numbers 19 to 22 relate to this cashflow statement.

STELLRAM CUTTECH LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

1. ACCOUNTING POLICIES

a) Basis of accounting:

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

b) Basis of consolidation:

The consolidated accounts include the results of Stellram Cuttech Limited and its subsidiary company for the year.

No profit and loss account is presented for Stellram Cuttech Limited as provided by Section 228 (7) of the Companies Act 1985.

c) Turnover:

Turnover represents net invoiced sales of goods and services, excluding value added tax.

c) Intangible assets:

Patent rights are included in the balance sheet at the directors nominal valuation. The reduction in value is charged in the profit and loss account in the year in which the expenditure is incurred. Goodwill arising on consolidation is being amortised through the profit and loss account over its useful economic life, as estimated by the directors.

e) Tangible fixed assets:

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

Plant and machinery	-	Over 2-10 years
Fixtures, fittings, tools and equipment	-	Over 2-10 years
Motor vehicles	-	Over 4 years

f) Stocks and goods for resale:

The directors value stock at the lower of current cost and net realisable value, on a basis consistent with previous years. Any net unrealised profit or loss is provided for.

g) Deferred taxation:

Provision is made at appropriate rates for taxation deferred in respect of all material timing differences to the extent that, in the opinion of the directors, there is a reasonable probability that a liability will crystallise in the foreseeable future.

h) Foreign currencies:

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

STELLRAM CUTTECH LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

1. ACCOUNTING POLICIES continued

i) Leasing and hire purchase commitments:

Assets obtained under hire purchase contracts and finance leases are capitalised in the balance sheet and are depreciated over their estimated useful lives.

The interest element of the contract obligation is charged to the profit and loss account over the period of the contract.

Charges paid in respect of assets on operating leases are charged to income as incurred.

2. TURNOVER

The turnover and profit before taxation are attributable to the principal activity of the group.

3. OPERATING PROFIT	<u>1994</u> £	<u>1993</u> £
The operating profit is stated after charging:		
Amortisation of intangible assets	34,082	37,218
Profit on disposal of intangible assets	-	(30,000)
Depreciation of tangible fixed assets	73,589	97,205
Profit on sale of tangible assets	(36,000)	(10,000)
Auditors remuneration	15,400	14,900
Directors remuneration	26,324	-
Hire of other equipment	160,091	141,176
(Profit)/Loss on exchange	<u>114,545</u>	<u>(14,419)</u>

4. STAFF COSTS	<u>1994</u> £	<u>1993</u> £
Staff costs, including directors remuneration, were as follows:		
Wages and salaries	1,528,441	1,272,355
Social security costs	119,536	105,698
Pension costs	44,932	39,044
	<u>£1,692,909</u>	<u>£1,417,097</u>

The average weekly number of employees during the year was as follows:

Production staff	16	13
Office and management	35	32
Selling	25	23
	<u>76</u>	<u>68</u>

STELLRAM CUTTECH LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

5. INTEREST PAYABLE	<u>1994</u>	<u>1993</u>
	£	£
Interest on bank loans and overdrafts	80,060	83,784
Interest on late paid tax	188	-
Interest on other loans	13,917	-
Hire purchase interest	7,994	11,139
	<u>£ 102,159</u>	<u>£ 94,923</u>

6. TAXATION	<u>1994</u>	<u>1993</u>
	£	£
The tax charge on the profit on ordinary activities for the year was as follows:		
Corporation tax at 25% based on the adjusted result for the year	50,000	38,500
Overprovision in earlier years	(382)	(9,000)
	<u>£ 49,618</u>	<u>£ 29,500</u>

7. PROFIT FOR THE YEAR

The group profit includes a profit of £78,084 (1993 - £42,529) dealt with in the accounts of the holding company.

STELLRAM CUTTECH LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

8. INTANGIBLE FIXED ASSETS			
Group	Patents and Licences	Goodwill	Total
COST	£	£	£
At 1st January 1994	51,723	239,895	291,618
Additions	10,069	-	10,069
	<hr/>	<hr/>	<hr/>
At 31st December 1994	£ 61,792	£ 239,895	£ 301,687
	<hr/>	<hr/>	<hr/>
AMORTISATION			
At 1st January 1994	51,722	119,828	171,550
Amortised during year	10,069	24,013	34,082
	<hr/>	<hr/>	<hr/>
At 31st December 1994	£ 61,791	£ 143,841	£ 205,632
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31st December 1994	£ 1	£ 96,054	£ 96,055
	<hr/>	<hr/>	<hr/>
At 31st December 1993	£ 1	£ 120,067	£ 120,068
	<hr/>	<hr/>	<hr/>
Company			Patents Rights
			£
COST			
At 1st January 1994			51,723
Additions			10,069
			<hr/>
At 31st December 1994			61,792
Amounts written off			(61,791)
			<hr/>
Directors valuation at 31st December 1994			£ 1
			<hr/>

STELLRAM CUTTECH LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

9. TANGIBLE FIXED ASSETS

Group	Plant and Equipment	Fixtures Fittings Tools and Equipment	Motor Vehicles	Total
COST	£	£	£	£
At 1st January 1994	252,611	420,023	90,109	762,743
Additions	241,755	42,175	25,279	309,209
Disposals	(4,000)	-	(28,957)	(32,957)
At 31st December 1994	£ 490,366	£ 462,198	£ 86,431	£1,038,995
DEPRECIATION				
At 1st January 1994	197,869	346,742	90,109	634,720
Charge for the year	22,899	50,163	527	73,589
Disposals	-	-	(28,957)	(28,957)
At 31st December 1994	£ 220,768	£ 396,905	£ 61,679	£ 679,352
NET BOOK VALUE				
At 31st December 1994	£ 269,598	£ 65,293	£ 24,752	£ 359,643
At 31st December 1993	£ 54,742	£ 73,281	£ -	£ 128,023

STELLRAM CUTTECH LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

9. TANGIBLE FIXED ASSETS

Company	Fixtures and Fittings	Motor Vehicles	Total
COST	£	£	£
At 1st January 1994	400,136	85,288	485,424
Additions	37,675	25,279	62,954
Disposals	-	(28,957)	(28,957)
At 31st December 1994	£ 437,811	£ 81,610	£ 519,421
DEPRECIATION			
At 1st January 1994	326,855	85,288	412,143
Charge for the year	49,538	527	50,065
Disposals	-	(28,957)	(28,957)
At 31st December 1994	£ 376,393	£ 56,858	£ 433,251
NET BOOK VALUE			
At 31st December 1994	£ 61,418	£ 24,752	£ 86,170
At 31st December 1993	£ 73,281	£ -	£ 73,281

The net book value of tangible fixed assets of £359,643 includes an amount of £260,253 (1993-£81,657) in respect of assets held under finance leases or hire purchase contracts.

10. INVESTMENT

COST				Shares in Group Companies £
At 1st January 1994 and at 31st December 1994				£ 270,704
Name	Nature of Business	Country of Registration	Class of Shares held	Percentage Of shares
Stellram Cuttech Manufacturing Limited	Precision Engineering	England	Ordinary	100%

STELLRAM CUTTECH LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

11. STOCKS AND WORK IN PROGRESS	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Raw materials	27,227	19,331	-	-
Work in progress	52,353	25,769	-	-
Finished goods and goods for resale	1,914,328	1,629,222	1,914,328	1,629,222
	<u>£1,993,908</u>	<u>£1,674,322</u>	<u>£1,914,328</u>	<u>£1,629,222</u>
	<u><u>£1,993,908</u></u>	<u><u>£1,674,322</u></u>	<u><u>£1,914,328</u></u>	<u><u>£1,629,222</u></u>
12. DEBTORS	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Trade debtors	2,103,873	1,591,089	2,103,873	1,591,089
Amounts owed by group companies	-	9,800	3,575	9,800
Other debtors	2,690	21,276	2,690	21,276
Prepayments and accrued income	7,792	11,038	6,066	9,586
	<u>£2,114,355</u>	<u>£1,633,203</u>	<u>£2,116,204</u>	<u>£1,631,751</u>
	<u><u>£2,114,355</u></u>	<u><u>£1,633,203</u></u>	<u><u>£2,116,204</u></u>	<u><u>£1,631,751</u></u>
13. CREDITORS - amounts falling due within one year	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Bank loans and overdrafts (secured)	389,683	444,558	389,683	444,558
Obligation under finance lease and hire purchase contracts	95,572	38,625	95,572	38,625
Trade creditors	1,454,607	725,275	1,433,639	711,195
Other creditors	73,938	312,634	73,938	312,634
Amount owed to group companies	143,501	-	143,501	112,666
Taxation and other social security costs	207,290	155,305	207,290	155,305
Accruals	192,717	83,031	189,582	79,899
Corporation tax	50,000	45,963	27,000	17,500
	<u>£2,607,308</u>	<u>£1,805,391</u>	<u>£2,560,205</u>	<u>£1,872,382</u>
	<u><u>£2,607,308</u></u>	<u><u>£1,805,391</u></u>	<u><u>£2,560,205</u></u>	<u><u>£1,872,382</u></u>
14. CREDITORS - amounts falling due after more than one year	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Bank loans (secured)	576,425	651,771	576,425	651,771
Other creditors	292,869	311,110	292,869	311,110
Obligations under finance lease and hire purchase contracts	162,989	25,822	162,989	25,822
	<u>£1,032,283</u>	<u>£ 988,703</u>	<u>£1,032,283</u>	<u>£ 988,703</u>
	<u><u>£1,032,283</u></u>	<u><u>£ 988,703</u></u>	<u><u>£1,032,283</u></u>	<u><u>£ 988,703</u></u>

STELLRAM CUTTECH LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

15. BANK LOANS AND OVERDRAFTS	Group		Company	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£	£	£	£
The aggregate amount of bank loans and overdrafts was as follows:				
a) Falling due within one year				
Bank overdraft	309,704	365,860	309,704	365,860
Bank loans	79,979	78,698	79,979	78,698
	<u>£ 389,683</u>	<u>£ 444,558</u>	<u>£ 389,683</u>	<u>£ 444,558</u>
b) Falling due after more than one year				
Bank loans:				
Due between two and five years	380,389	422,757	380,389	422,757
Repayable after five years	196,036	229,014	196,036	229,014
	<u>£ 576,425</u>	<u>£ 651,771</u>	<u>£ 576,425</u>	<u>£ 651,771</u>
Aggregate amounts	<u>£ 966,108</u>	<u>£1,096,329</u>	<u>£ 966,108</u>	<u>£1,096,329</u>

The bank loans comprise: A loan for the purpose of acquiring the subsidiary company which commenced on 31st August 1989 and is repayable over 10 years. A business consolidation loan taken in May 1993 to be repaid over 10 years from May 1994 with interest at 2 3/4% over bank base rate. The repayments falling due in the next 12 months are included under creditors: amounts due within one year.

16. OTHER CREDITORS - amounts falling due after more than one year	Group		Company	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£	£	£	£
Due between two and five years	157,952	147,854	157,952	147,854
Repayable after five years	134,917	163,256	134,917	163,256
	<u>£ 292,869</u>	<u>£ 311,110</u>	<u>£ 292,869</u>	<u>£ 311,110</u>

This represents a loan in swiss francs which commenced in May 1993 and is repayable in equal instalments over 10 years with interest at 4%. Repayments falling due in the next 12 months amounting to £39,488 are included in other creditors under creditors: amounts due within one year.

STELLRAM CUTTECH LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

17. OBLIGATIONS UNDER FINANCE LEASE AND HIRE PURCHASE CONTRACTS	Group		Company	
	1994 £	1993 £	1994 £	1993 £
Total outstanding instalments	301,252	75,963	301,252	75,963
Less: finance charge relating to future periods	42,691	11,516	42,691	11,516
Net capital outstanding	<u>£ 258,561</u>	<u>£ 64,447</u>	<u>£ 258,561</u>	<u>£ 64,447</u>
Current obligation	95,572	38,625	95,572	38,625
Instalments falling due after one year	162,989	25,822	162,989	25,822
	<u>£ 258,561</u>	<u>£ 64,447</u>	<u>£ 258,561</u>	<u>£ 64,447</u>
18. SHARE CAPITAL		1994 £		1993 £
Ordinary shares of £1 each:				
Authorised		<u>£ 180,000</u>		<u>£ 180,000</u>
Allotted, called up and fully paid		<u>£ 180,000</u>		<u>£ 180,000</u>
19. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		1994 £		1993 £
Operating profit		338,638		218,019
Depreciation of tangible assets		73,589		97,205
Profit on disposal of tangible assets		(36,000)		(10,000)
Amortisation of intangible assets		10,069		13,205
Profit on sale of intangible assets		-		(30,000)
Stocks		(319,586)		(66,830)
Debtors		(481,152)		(120,788)
Creditors		793,284		(44,034)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		<u>£ 378,842</u>		<u>£ 56,777</u>
20. ANALYSIS OF CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR				£
Balance at 1st January 1994				(365,860)
Net cash inflow				<u>56,156</u>
Balance at 31st December 1994				<u>£ (309,704)</u>

STELLRAM CUTTECH LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

21. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET	<u>1994</u> £	<u>1993</u> £	Change in year £
Bank overdraft	£ (309,704)	£ (365,860)	£ 56,156
	<u> </u>	<u> </u>	<u> </u>
22. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR	Bank loans £	Other loan £	
Balance at 1st January 1994	730,469	348,074	
Cash inflow/(outflow) from financing	(74,065)	(15,717)	
	<u> </u>	<u> </u>	
Balance at 31st December 1994	£ 656,404	£ 332,357	
	<u> </u>	<u> </u>	

23. ULTIMATE HOLDING COMPANY

The ultimate holding company is Cuttech Limited a company incorporated in England.