

FOLEY LODGE HOTELS PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 1996

FOLEY LODGE HOTELS PLC

FINANCIAL STATEMENTS

For the year ended 31 March 1996

Company registration number: 2233431

Registered office: Foley Lodge Hotel
Stockcross
Newbury
Berkshire
RG16 8JU

Directors: Mr A B M Good FIPR
Mr H W Biggs BA
Mr D J Corbett NDA
Mrs S M Corbett
Mr M Morris FCCA

Secretary: Mrs S M Corbett

Bankers: National Westminster Bank plc
15 Bishopsgate
London
EC2P 2AP

Solicitors: Lamb Brooks
Victoria House
39 Winchester Street
Basingstoke
Hampshire
RG21 1EQ

Auditors: Grant Thornton
Registered auditors
Chartered accountants
1 Westminster Way
Oxford
OX2 0PZ

FOLEY LODGE HOTELS PLC

FINANCIAL STATEMENTS

For the year ended 31 March 1996

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FOLEY LODGE HOTELS PLC

CHAIRMAN'S STATEMENT

It is with considerable pleasure that I report a profit for the year of £161,291 against a loss of £35,499 for the previous year. Shareholders may recall that last year I was able to report an improvement in bottom-line performance from a loss of £170,750 in 1993/94, which in turn compared with one of nearly £400,000 in the previous year.

It is a source of great satisfaction to all of us to have finally moved out of loss and I am glad to say that the turnaround process is continuing very satisfactorily. The current year has started well, and brings with it the prospect of a considerably enhanced result. All this reflects enormous credit on Sarah Corbett our Managing Director, Gary Ockwell, General Manager and the staff.

The relationship with Arcadian International Plc continues to bear fruit. Foley Lodge has gained not just from the marketing arrangement but in a number of other positive ways from being closely associated with a larger group operating very similar properties.

Your board is continuing to explore various possible exit routes for the company and I hope to have more to say on this subject at the Annual General Meeting. This is to be held at 12 noon on Friday 13 September and I hope that you will be able to attend and join me and my fellow directors for a buffet lunch after the meeting.

A B M Good
Chairman

FOLEY LODGE HOTELS PLC

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 March 1996.

Principal activities

The company is principally engaged in the development and management of country house hotels.

Business review

The operating profit of £351,797, which is before interest charges, compares very favourably with 1995's operating profit of £186,886. This is a reflection of both an improved economic environment and good management. It is common practice in the hotel industry to measure profitability as profits before interest charges, depreciation and non-recurring expenses. The result of this calculation for the company amounts to £407,467, a significant increase on last year but we still strive for further improvement.

However, the country's economic position continues to improve and in addition the directors believe the building of the Newbury By-Pass will be of significant benefit in the medium term, and thus the directors look forward to increased profits in the years to come.

Finance

There was a profit for the year after taxation amounting to £161,291 (1995: loss £35,499). The directors do not recommend payment of a dividend and the profit has therefore been transferred to reserves.

The directors were successful in rolling over the bank loan of £2,400,000, which was originally repayable in full on 31 March 1996, until at least 30 April 1997. This allows the loan to be treated as a long term liability as opposed to a short term one, and thus shows the balance sheet in a more appropriate fashion.

Directors

The present membership of the Board is set out below. All directors served throughout the year.

The interests of the directors and their families in the shares of the company as at 31 March 1996 and 1 April 1995, or the date of their appointment to the Board if later, were as follows:

	£1 Ordinary 'A' shares		£1 Ordinary 'B' shares		10p Ordinary 'C' shares	
	31 March 1996	1 April 1995	31 March 1996	1 April 1995	31 March 1996	1 April 1995
A Good	-	-	40,000	40,000	160,000	160,000
H Biggs	116,266	116,266	-	-	254,000	254,000
D Corbett	97,970	97,970	-	-	45,044	45,044
S Corbett	91,739	91,739	-	-	366,956	366,956
M Morris	-	-	13,333	13,333	50,000	50,000

In addition S Corbett held 5,000 £1 Ordinary 'A' shares as a trustee at 1 April 1995. These shares were cancelled during the year.

Acquisition of company's own shares

The 5,000 shares held in trust by S Corbett were acquired by the company on 8 September 1995 and subsequently cancelled.

FOLEY LODGE HOTELS PLC

REPORT OF THE DIRECTORS

Directors' responsibilities for the financial statements

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:

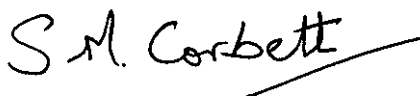
- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the 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.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



Mrs S M Corbett
Secretary
19 July 1996

**REPORT OF THE AUDITORS TO THE MEMBERS OF
FOLEY LODGE HOTELS PLC**

We have audited the financial statements on pages 5 to 18 which have been prepared under the accounting policies set out on pages 5 to 6.

Respective responsibilities of the directors and auditors

As described on page 2 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 the company's affairs as at 31 March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to be 'G Thornton', written over a horizontal line.

**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

OXFORD
23 July 1996

FOLEY LODGE HOTELS PLC

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention except that freehold properties are shown at their revalued amounts.

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

TURNOVER

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

DEPRECIATION

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold property by equal annual instalments over their expected useful lives. The rates applicable are:

Plant and machinery	5-50%
Motor vehicles	25%
Fixtures and fittings	20-50%

Plant and machinery purchased before 1 April 1994 is depreciated at 5%. Plant and machinery purchased after 1 April 1994 is depreciated at 20-50%.

Depreciation is not provided on freehold property because it is the company's practice to maintain the property in a continual state of sound repair and to extend and make improvements thereto from time to time. The useful economic life of the asset is thus so long and residual value so high that any depreciation would not be material. Any permanent diminution in the value of freehold property is charged to the profit and loss account as it arises.

INVESTMENTS

Investments are included at cost less amounts written off.

STOCKS

Stocks are stated at the lower of cost and net realisable value.

DEFERRED TAXATION

Deferred tax is provided for under the liability method 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.

CONTRIBUTIONS TO PENSION FUNDS

Defined contribution scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

FOLEY LODGE HOTELS PLC

PRINCIPAL ACCOUNTING POLICIES

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments is calculated under the "rule of 78" method and 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 CURRENCIES

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.

FOLEY LODGE HOTELS PLC**PROFIT AND LOSS ACCOUNT**

For the year ended 31 March 1996

	Note	1996 £	1995 £
Turnover	1	1,746,407	1,618,358
Cost of sales		<u>302,025</u>	<u>315,925</u>
Gross profit		1,444,382	1,302,433
Administrative expenses		<u>1,092,585</u>	<u>1,115,547</u>
Operating profit		351,797	186,886
Other interest receivable and similar income		(1,477)	(3,204)
Interest payable and similar charges	2	<u>191,333</u>	<u>225,589</u>
Profit on ordinary activities before taxation	1	161,941	(35,499)
Tax on profit on ordinary activities	4	<u>650</u>	<u>-</u>
Profit transferred to reserves	13	<u>161,291</u>	<u>(35,499)</u>

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

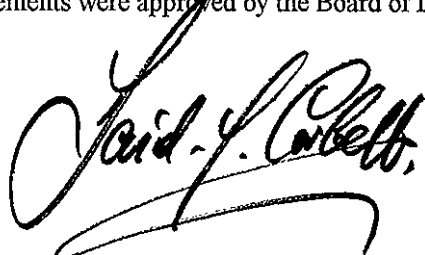
The accompanying accounting policies and notes form an integral part of these financial statements.

FOLEY LODGE HOTELS PLC

BALANCE SHEET AT 31 MARCH 1996

	Note	1996 £	1996 £	1995 £	1995 £
Fixed assets					
Tangible assets	5		4,532,991		4,549,819
Investments	6		192,308		192,308
			<u>4,725,299</u>		<u>4,742,127</u>
Current assets					
Stocks	7	17,252		17,297	
Debtors	8	157,914		123,033	
Cash at bank and in hand		128,240		79,249	
			<u>303,406</u>	<u>219,579</u>	
Creditors: amounts falling due within one year	9	271,700		2,912,739	
Net current assets			<u>31,706</u>		<u>(2,693,160)</u>
Total assets less current liabilities			<u>4,757,005</u>		<u>2,048,967</u>
Creditors: amounts falling due after more than one year	10		2,595,871		49,124
			<u>2,161,134</u>		<u>1,999,843</u>
Capital and reserves					
Called up share capital	12		2,667,895		2,672,895
Share premium account	13		153,587		153,587
Revaluation reserve	13		768,078		768,078
Other reserves	13		67,000		62,000
Profit and loss account	13		(1,495,426)		(1,656,717)
Shareholders' funds	14		<u>2,161,134</u>		<u>1,999,843</u>
Equity shareholders' funds			1,161,134		999,843
Non-equity shareholders' funds			1,000,000		1,000,000
			<u>2,161,134</u>		<u>1,999,843</u>

The financial statements were approved by the Board of Directors on 19 July 1996.



D Corbett
Director

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

FOLEY LODGE HOTELS PLC

CASH FLOW STATEMENT

For the year ended 31 March 1996

	Note	1996 £	1995 £
Net cash inflow from operating activities	15	369,988	338,584
Returns on investments and servicing of finance			
Interest received		1,437	3,244
Interest paid		(135,549)	(225,077)
Finance lease interest paid		(11,069)	(45,920)
Net cash outflow from returns on investments and servicing finance		(145,181)	(267,753)
Taxation			
UK corporation tax paid		-	-
Investing activities			
Purchase of tangible fixed assets		(25,843)	(10,650)
Net cash outflow from investing activities		(25,843)	(10,650)
Net cash inflow before financing		198,964	60,181
Financing			
Repayment of borrowings		-	-
Capital element of finance lease rentals		(149,973)	(138,083)
Net cash outflow from financing	16	(149,973)	(138,083)
Increase in cash and cash equivalents	17	48,991	(77,902)

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

FOLEY LODGE HOTELS PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 1996

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities is stated after:

	1996 £	1995 £
Auditors' remuneration:		
Audit services	5,250	5,000
Non-audit services	1,963	5,386
Depreciation and amortisation:		
Tangible fixed assets, owned	40,666	74,524
Tangible fixed assets, held under finance leases and hire purchase contracts	2,004	52,358
Exceptional item: Fire regulation compliance costs	13,000	-
Other operating lease rentals	52,798	51,619

2 INTEREST PAYABLE AND SIMILAR CHARGES

	1996 £	1995 £
On bank loans, overdrafts and other loans:		
Repayable within 5 years, otherwise than by instalments	180,549	179,384
Finance charges in respect of finance leases	10,784	46,205
	191,333	225,589

3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	1996 £	1995 £
Wages and salaries	536,613	495,608
Social security costs	35,948	33,488
Other pension costs	300	300
	572,861	529,396

FOLEY LODGE HOTELS PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 1996

The average number of employees of the company during the year was 53 (1995 52).

The average number of employees of the company during the year were as follows:

	1996 Number	1995 Number
Operational	39	42
Sales and marketing	4	5
Administration and management	10	5
	<u>53</u>	<u>52</u>

Remuneration in respect of directors was as follows:

	1996 £	1995 £
Management remuneration	<u>18,300</u>	<u>18,300</u>

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

	1996 £	1995 £
The Chairman	<u>-</u>	<u>-</u>
The highest paid director	<u>18,000</u>	<u>18,000</u>

The emoluments of the directors, excluding pension contributions, fell within the following ranges:

	1996 Number	1995 Number
Nil - £5,000	4	4
£15,001 - £20,000	1	1

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

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

	1996 £	1995 £
UK Corporation tax at 25%	<u>650</u>	<u>-</u>
	<u>650</u>	<u>-</u>

Unrelieved tax losses of £1,400,000 remain available to offset against future taxable trading profits.

FOLEY LODGE HOTELS PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 1996

5 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 April 1995	4,250,000	521,515	13,945	794,827	5,580,287
Additions	-	14,110	-	11,732	25,842
At 31 March 1996	4,250,000	535,625	13,945	806,559	5,606,129
Depreciation					
At 1 April 1995	-	230,863	9,926	789,679	1,030,468
Provided in the year	-	32,991	2,004	7,675	42,670
At 31 March 1996	-	263,854	11,930	797,354	1,073,138
Net book amount at 31 March 1996	<u>4,250,000</u>	<u>271,771</u>	<u>2,015</u>	<u>9,205</u>	<u>4,532,991</u>
Net book amount at 31 March 1995	<u>4,250,000</u>	<u>290,652</u>	<u>4,019</u>	<u>5,148</u>	<u>4,549,819</u>

The figures stated above include assets held under finance leases and similar hire purchase contracts, as follows:

	Motor vehicles £
Net book amount at 31 March 1996	<u>2,015</u>
Net book amount at 31 March 1995	<u>4,019</u>
Depreciation provided during year	<u>2,004</u>

The figures stated above for cost or valuation include valuations as follows:

	Freehold land and buildings	
	1996	1995
	£	£
Valuation at 31 March 1994	4,250,000	4,250,000

If the property had not been revalued, it would have been included on the historical cost basis at £3,481,922

FOLEY LODGE HOTELS PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 1996

6 FIXED ASSETS INVESTMENTS

						Investment in subsidiary undertakings £
Cost or valuation						
At 1 April 1995 and at 31 March 1996						192,308
Net book amount at 31 March 1996						192,308
Net book amount at 31 March 1995						192,308
	Country of incorporation /registration	Class of share capital held	Proportion held	Nature of business	Capital and reserves £	Profit for the financial year £
Sarah and Mary Limited	England and Wales	Ordinary	100%	Dormant	92,308	-
Foley Lodge Limited	England and Wales	Ordinary	100%	Dormant	100,000	-

Group accounts have not been prepared on the basis that the subsidiaries are not material to the results of the company.

7 STOCKS

	1996 £	1995 £
Consumable stores	17,252	17,297

8 DEBTORS

	1996 £	1995 £
Trade debtors	126,433	87,917
Prepayments and accrued income	31,481	35,116
	157,914	123,033

FOLEY LODGE HOTELS PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 1996

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1996 £	1995 £
Bank loans and overdrafts	-	2,400,000
Payments received on account	50,587	20,046
Trade creditors	65,658	92,545
Amounts owed to subsidiary undertakings	-	192,308
Corporation tax	650	-
Social security and other taxes	52,327	40,358
Other creditors	1,499	4,241
Accruals and deferred income	63,613	21,463
Amounts due under finance leases	37,366	141,778
	<u>271,700</u>	<u>2,912,739</u>

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1996 £	1995 £
Bank loans	2,400,000	-
Amounts owed to group undertakings	192,308	-
Amounts due under finance leases	3,563	49,124

Borrowings are repayable as follows:

	1996 £	1995 £
Within one year		
Bank and other borrowings	-	2,400,000
Finance leases	37,366	141,778
After one and within two years		
Bank and other borrowings	2,400,000	-
Finance leases	2,605	42,500
After two and within five years		
Finance leases	958	6,624
	<u>2,440,929</u>	<u>2,590,902</u>

The bank loan is secured by a fixed charge over the freehold property of the company. The bank loan is not repayable before 30 April 1997. Interest is payable at a fixed rate of 7.5% per annum.

FOLEY LODGE HOTELS PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 1996

11 DEFERRED TAXATION

Deferred taxation provided for and not provided for in the financial statements is set out below. The amount unprovided represents a contingent liability at the balance sheet date and is calculated using a tax rate of 25%.

	Amount provided	
	1996	1995
	£	£
Accelerated capital allowances	(176,548)	(199,943)
Other timing differences	10,342	68,454
	(166,206)	(131,489)
Less:		
Trading losses	166,206	131,489
	-	-

12 SHARE CAPITAL

	1996	1995
	£	£
Authorised		
£1 Ordinary 'A' shares	1,000,000	1,000,000
£1 Ordinary 'B' shares	1,000,000	1,000,000
10p Ordinary 'C' shares	600,000	600,000
£1 Ordinary 'D' shares	1,000,000	1,000,000
£1 Cumulative convertible redeemable 8% preference shares	1,000,000	1,000,000
	4,600,000	4,600,000
Allotted, called up and fully paid		
£1 Ordinary 'A' shares	804,000	809,000
£1 Ordinary 'B' shares	539,541	539,541
10p Ordinary 'C' shares	324,354	324,354
£1 Cumulative convertible redeemable 8% preference shares	1,000,000	1,000,000
	2,667,895	2,672,895

Preference shares

The £1 Cumulative convertible redeemable 8% preference shares are non-equity shares with no voting rights. They may be redeemed at the option of the shareholders between 1 April 1996 and 31 March 2001 and are to be converted into £1 Ordinary 'D' shares. The holders of these shares are not entitled to a dividend until 1 April 2001.

Upon a winding up, the holders of these shares shall be entitled, in priority to the holders of the other classes of shares, to an amount equal to the issue price of the preference shares together with any applicable premium and a sum equal to all arrears and accruals of the dividend thereon.

FOLEY LODGE HOTELS PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 1996

The rights of the other classes of shares are as follows:

£1 Ordinary 'A' shares:

Three votes per share. Upon winding up, repayment of the par value in preference to any repayment to the £1 Ordinary 'B' shareholders.

£1 Ordinary 'B' shares:

One vote per share. Upon winding up, repayment of the par value.

10p Ordinary 'C' shares:

One vote per share. Upon winding up, repayment at a rate of 10p per share together with a premium of 90p per share in preference to any repayment to the £1 ordinary 'A' and 'B' shareholders.

£1 Ordinary 'D' shares:

One vote per share. Upon winding up, repayment of the par value in preference to any repayment to £1 ordinary 'A', 'B' and 'C' shareholders.

Acquisition of company's own shares

On 8 September 1995, the company acquired 5,000 £1 Ordinary 'A' shares for nil consideration. The shares were subsequently cancelled. They were acquired from Mrs S M Corbett who had been holding them on trust after they were acquired from a director who resigned in January 1994. A transfer of £5,000 has been made to the Capital Redemption Reserve (see note 13).

13 SHARE PREMIUM ACCOUNT AND RESERVES

	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £
At 1 April 1995	153,587	768,078	62,000	(1,656,717)
Retained profit for the year	-	-	-	161,291
Redemption of shares	-	-	5,000	-
At 31 March 1996	<u>153,587</u>	<u>768,078</u>	<u>67,000</u>	<u>(1,495,426)</u>

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996 £	1995 £
Profit for the financial year	161,291	(35,499)
Net increase in shareholders' funds	161,291	(35,499)
Shareholders' funds at 1 April 1995	1,999,843	2,035,342
Shareholders' funds at 31 March 1996	<u>2,161,134</u>	<u>1,999,843</u>

FOLEY LODGE HOTELS PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 1996

15 NET CASH INFLOW FROM OPERATING ACTIVITIES

	1996 £	1995 £
Operating profit	351,797	186,886
Depreciation	42,670	126,882
Decrease in stocks	45	1,516
Increase in debtors	(34,841)	4,642
Increase in creditors	10,317	18,658
Net cash inflow from continuing operating activities	<u>369,988</u>	<u>338,584</u>

16 ANALYSIS OF CHANGES IN FINANCING

	Share capital (including premium)		Loans and amounts due under finance leases	
	1996 £	1995 £	1996 £	1995 £
At 1 April 1995	2,826,482	2,888,482	2,590,902	2,728,985
Net cash inflow/(outflow) from financing	(5,000)	(62,000)	(149,973)	(138,083)
At 31 March 1996	<u>2,821,482</u>	<u>2,826,482</u>	<u>2,440,929</u>	<u>2,590,902</u>

17 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	1996 £	1995 £
At 1 April 1995	79,249	157,151
Net cash inflow	48,991	(77,902)
At 31 March 1996	<u>128,240</u>	<u>79,249</u>

18 ANALYSIS OF CASH AND CASH EQUIVALENTS

	1996 £	1995 £	1994 £	Change in 1996 £	Change in 1995 £
Cash and cash equivalents comprise:					
Cash at bank and in hand	<u>128,240</u>	<u>79,249</u>	<u>157,151</u>	<u>48,991</u>	<u>(77,902)</u>

FOLEY LODGE HOTELS PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 1996

19 CAPITAL COMMITMENTS

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

20 LEASING COMMITMENTS

Operating lease payments amounting to £8,149 (1995: £10,799) are due within one year. The leases to which these amounts relate expire as follows:

	Other £	Other £
Between two and five years	<u>8,149</u>	<u>10,799</u>

21 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 1996 or 31 March 1995.

22 PENSIONS

Defined Contribution Scheme

The company operates a defined contribution pension scheme for the benefit of the directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.