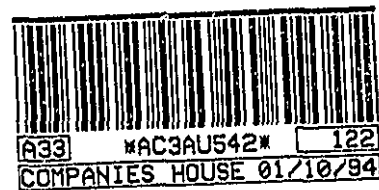


Tickford Limited

**Directors' report and consolidated
financial statements**

30 April 1994

Registered number 2584542



Tickford Limited

Directors' report and consolidated financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1
Statement of directors' responsibilities	3
Auditors' report	4
Consolidated profit and loss account	5
Statement of consolidated recognised gains and losses	5
Consolidated balance sheet	6
Balance sheet	7
Consolidated cash flow statement	8
Notes	9-25

Tickford Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 April 1994.

Principal activities

The group's principal activity is engineering consultants engaged in design, engineering, development, manufacture and supply to the motor vehicle industry.

Business review

Turnover was £14,361,979 (1993: £11,424,526) and the total recognised gain for the financial year of the group was £598,598 (1993: £475,549), with both UK based and Australian operations trading profitably. Performance against plan in the Australian operations has included redemption of preference shares from operating cash flow. The opportunity has been taken to strengthen the parent company's balance sheet by capitalising reserves of £240,000.

Research and development

Development expenditure incurred by the group relates to specific projects within its principal activity.

Proposed dividend

The directors do not recommend the payment of a dividend.

Significant changes in fixed assets

Movements in fixed assets are shown in notes 9 to 11 in the financial statements.

Directors and directors' interests

The directors who held office during the year were as follows:

J Thurston	(Chairman)
DS Burnicle	
D Flint	
D Hall	
DB Morgan	
RGC Horsley	

Tickford Limited

Directors' report *(continued)*

Directors and directors' interests *(continued)*

The company's articles of association do not require directors to retire by rotation.

The directors who held office at the end of the financial year had the following beneficial interests in the ordinary shares and debentures of the company as recorded in the register of directors' share and debenture interests:

	At 30 April 1994		At 1 May 1993	
	Ordinary shares of £1 each	Debenture	Ordinary shares of £1 each	Debenture
J Thurston	150,000	£160,000	6,000	£160,000
DS Burnicle	25,000	£10,000	1,000	£10,000
D Flint	25,000	£10,000	1,000	£10,000
D Hall	25,000	£10,000	1,000	£10,000
DB Morgan	25,000	£10,000	1,000	£10,000

Liability insurance

During the year the company maintained liability insurance for its officers.

Auditors

Pursuant to the shareholders' resolution, the company is not obliged to re-appoint its auditors annually and KPMG Peat Marwick will therefore continue in office.

By order of the board



D Hall
Company Secretary

Tickford House
8 Tanners Drive
Blakelands
Milton Keynes
MK14 5BN

Tickford Limited

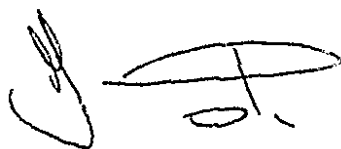
Statement of directors' responsibilities

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 company and the group and of the profit or loss for that year. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

By order of the board



J Thurston
Director

Tickford House
8 Tanners Drive
Blakelands
Milton Keynes
MK14 5BN

KPMG Peat Marwick

Norfolk House
499 Silbury Boulevard
Central Milton Keynes
MK9 2HA

Auditors' report to the members of Tickford Limited

We have audited the financial statements on pages 5 to 25.

Respective responsibilities of directors and auditors

As described on page 3 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 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 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 the group as at 30 April 1994 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick

Chartered Accountants
Registered Auditors

29th July 1994
Milton Keynes

Tickford Limited

Consolidated profit and loss account for the year ended 30 April 1994

	Note	1994 £	1993 £
Turnover			
Cost of sales	2	14,361,979 (8,495,325)	11,424,526 (7,638,206)
Gross profit			
Distribution costs		5,866,654	3,786,320
Administrative expenses		(268,233) (4,566,462)	(199,317) (2,824,603)
Operating profit			
Other interest receivable and similar income	6	1,031,959	762,400
Interest payable and similar charges	7	23,755 (142,708)	8,472 (203,057)
Profit on ordinary activities before taxation			
Tax on profit on ordinary activities	3-5 8	913,006 (189,635)	567,815 20,549
Profit on ordinary activities after taxation			
Minority interests	19	723,371 (222,676)	588,364 (268,546)
Retained profit for the financial year	18	500,695	319,818

All of the above amounts relate to the continuing activities of the group.

Statement of consolidated recognised gains and losses for the year ended 30 April 1994

		1994 £	1993 £
Profit for the financial year	18	500,695	319,818
Transfer from capital reserve	18	83,533	151,619
Currency translation differences on foreign currency net investments	18	14,370	4,112
Total recognised gains and losses relating to the year		598,598	475,549

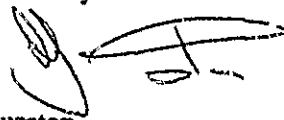
A reconciliation of movements in shareholders' funds is given in notes 17 and 18.

Tickford Limited

Consolidated balance sheet at 30 April 1994

	Note	1994		1993	
		£	£	£	£
Fixed assets					
Intangible assets	9	250,000		250,000	
Tangible assets	10	1,529,667		1,616,244	
		<u>1,779,667</u>		<u>1,866,244</u>	
Current assets					
Stocks	12	1,641,696	1,639,023		
Debtors	13	1,991,445	2,254,292		
Cash at bank and in hand		656,328	402,093		
		<u>4,289,469</u>	<u>4,295,414</u>		
Creditors: amounts falling due within one year	14	(3,020,666)	(3,277,603)		
Net current assets		<u>1,268,803</u>	<u>1,017,811</u>		
Total assets less current liabilities		<u>3,048,470</u>	<u>2,884,055</u>		
Creditors: amounts falling due after more than one year	15	(642,991)	(1,305,178)		
Provisions for liabilities and charges	16	(331,990)	(142,605)		
Net assets		<u>2,073,489</u>	<u>1,436,272</u>		
Capital and reserves					
Called up share capital	17	250,000	10,000		
Capital reserve	18	457,409	540,942		
Profit and loss account	18	893,295	537,085		
Share redemption reserve	18	2,388	-		
Shareholders' funds		<u>1,603,092</u>	<u>1,088,027</u>		
Minority interests	19	470,397	348,245		
		<u>2,073,489</u>	<u>1,436,272</u>		

These financial statements were approved by the board of directors on 29 July 1994 and were signed on its behalf by:

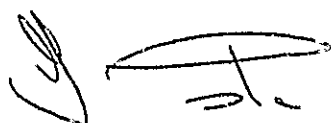

J Thurston
Director

Tickford Limited

Balance sheet at 30 April 1994

	Note	1994		1993	
		£	£	£	£
Fixed assets					
Intangible assets	9	250,000		250,000	
Tangible assets	10	1,317,519		1,427,970	
Investments	11	118,997		237,994	
		<hr/>		<hr/>	
Current assets		1,686,516		1,915,964	
Stocks	12	458,110		438,431	
Debtors	13	1,492,452		1,855,623	
Cash at bank and in hand		58,713		567	
		<hr/>		<hr/>	
		2,009,275		2,294,621	
Creditors: amounts falling due within one year	14	(1,771,874)		(2,528,120)	
		<hr/>		<hr/>	
Net current assets/(liabilities)		237,401		(233,499)	
		<hr/>		<hr/>	
Total assets less current liabilities		1,923,917		1,682,465	
Creditors: amounts falling due after more than one year	15	(631,625)		(623,904)	
Provisions for liabilities and charges	16	-		(75,000)	
		<hr/>		<hr/>	
Net assets		1,292,292		983,561	
		<hr/>		<hr/>	
Capital and reserves					
Called up share capital	17	250,000		10,000	
Capital reserve	18	457,409		540,942	
Profit and loss account	18	584,883		432,619	
		<hr/>		<hr/>	
		1,292,292		983,561	
		<hr/>		<hr/>	

These financial statements were approved by the board of directors on 29 July 1994 and were signed on its behalf by:



J Thurston
Director

Tickford Limited

Consolidated cash flow statement for the year ended 30 April 1994

	Note	1994 £	1993 £
Net cash inflow from operating activities	22	1,484,189	1,059,490
Returns on investments and servicing of finance			
Interest received		23,755	8,472
Interest paid		(128,752)	(186,213)
Interest element of finance lease rental payments		(16,378)	(12,041)
Net cash outflow from returns on investments and servicing of finance		(121,375)	(189,782)
Taxation			
UK corporation tax paid		(9,729)	-
Overseas tax paid		(56,043)	-
Tax paid		(65,772)	-
Investing activities			
Purchase of tangible fixed assets		(222,115)	(172,342)
Sale of tangible fixed assets		9,220	-
Net cash outflow from investing activities		(212,895)	(172,342)
Net cash inflow before financing		1,084,147	697,366
Financing			
New secured loan		60,000	118,971
Repayments of amounts borrowed		(380,965)	-
Redemption of preference shares to minorities		(114,727)	-
Capital element of finance lease rental payments		(118,565)	(138,279)
Net cash outflow from financing	24	(554,257)	(19,308)
		529,890	678,058
Increase in cash and cash equivalents			
Overdraft	23	292,032	277,115
Cash	23	237,858	400,943
		529,890	678,058

Tickford Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules, modified to include the revaluation of certain assets.

Basis of consolidation

The group accounts consolidate the accounts of Tickford Limited and all its trading subsidiary undertakings. These accounts are made up to 30 April 1994. The consolidated accounts are based on accounts which are coterminous with those of the parent company.

Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary and associated undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

In accordance with Section 230(4) of the Companies Act 1985 Tickford Limited is exempt from the requirement to present its own profit and loss account.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold land and buildings	-	life of lease
Plant and machinery	-	5 to 10 years
Motor vehicles	-	4 years

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

For consolidation purposes, the assets and liabilities and profit and loss accounts of overseas subsidiary undertakings are translated at the closing exchange rates. Exchange differences arising on these translations are taken to reserves, net of exchange differences arising on related foreign currency borrowings.

Tickford Limited

Notes (continued)

1 Accounting policies (continued)

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included in creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Pension costs

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting year.

Research and development expenditure

Expenditure on research and development is written off against profits in the year in which it is incurred, except in the circumstances where it may be deferred to future years to the extent that its recovery can be reasonably regarded as assured.

Intangible assets

Intangible assets are stated based on directors' valuation placed on the patents acquired in order to continue the company's activities.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For contract work in progress and finished goods manufactured by the company, cost is taken as production cost which includes an appropriate proportion of direct labour.

Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Turnover

Turnover represents the amounts (excluding Value Added Tax) derived from the provision of goods and services to customers during the year.

Tickford Limited

Notes (continued)

2 Turnover

Turnover and profit before tax is wholly derived from the main activity of the company as specified in the directors' report.

	1994 £	1993 £
United Kingdom		
Rest of Europe	5,365,745	5,968,851
Rest of World	128,795	92,830
	<u>8,867,439</u>	<u>5,362,845</u>
	<u>14,361,979</u>	<u>11,424,526</u>

3 Profit on ordinary activities before taxation

	1994 £	1993 £
<i>Profit on ordinary activities before taxation is stated</i>		

after charging:

Auditors' remuneration:		
Audit		
Other services	32,960	22,926
Depreciation and other amounts written off tangible fixed assets:	36,114	63,472
Owned		
Leased	459,200	307,519
Hire of plant and machinery - rentals payable under operating leases	17,564	128,097
Hire of other assets - operating leases	32,951	29,786
	<u>424,071</u>	<u>412,724</u>

The total amount charged to revenue for the hire of plant and machinery amounted to £53,099 (1993: £157,606). This comprises rentals payable under operating leases as well as depreciation on plant and machinery held under finance leases together with the related finance charges.

Tickford Limited

Notes (continued)

4 Remuneration of directors

	1994	1993
	£	£
Directors' emoluments:		
As directors	2,300	250
Remuneration as executives	<u>297,608</u>	<u>248,311</u>
	<u>299,908</u>	<u>248,561</u>

The emoluments, excluding pension contributions, of the chairman, who is also the highest paid director, were £56,993 (1993: £54,870).

The emoluments, excluding pension contributions, of the directors (including the chairman but excluding the director who performed his duties wholly or mainly outside the UK) were within the following ranges:

	Number of directors	
	1994	1993
£0 - £5,000	1	1
£5,001 - £40,000	2	3
£40,001 - £45,000	1	-
£45,001 - £55,000	-	1
£55,001 - £60,000	<u>1</u>	<u>-</u>

Emoluments of £2,600 (1993: £16,000) have been waived by five directors.

5 Staff numbers and costs

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	1994	1993
Management and administration	58	48
Production	<u>186</u>	<u>183</u>
	<u>244</u>	<u>231</u>

Tickford Limited

Notes (continued)

5 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	1994 £	1993 £
Wages and salaries	4,135,142	3,863,471
Social security costs	240,363	220,887
Other pension costs (see note 21)	108,731	78,150
	<u>4,484,236</u>	<u>4,162,508</u>

6 Other interest receivable and similar income

	1994 £	1993 £
Bank interest	<u>23,755</u>	<u>8,472</u>

7 Interest payable and similar charges

	1994 £	1993 £
On bank loans, overdrafts and other loans wholly repayable within five years	118,583	175,366
On all other loans	7,748	15,650
Finance charges payable in respect of finance leases and hire purchase contracts	<u>16,377</u>	<u>12,041</u>
	<u>142,708</u>	<u>203,057</u>

Tickford Limited

Notes (continued)

8 Taxation

	1994 £	1993 £
UK corporation tax at 33% on the profit for the year on ordinary activities	-	67,451
Deferred taxation	89,108	(125,000)
Overseas taxation	140,905	23,000
Adjustment relating to an earlier year	(40,378)	14,000
	<u>189,635</u>	<u>(20,549)</u>

No provision has been made for additional taxation which would arise on the distribution of profits retained by overseas subsidiary undertakings.

9 Intangible fixed assets

Group and Company	Patents £
<i>Valuation</i>	
At beginning and end of year	<u>250,000</u>
<i>Amortisation</i>	
At beginning and end of year	<u>-</u>
<i>Net book value</i>	
At 30 April 1994	<u>250,000</u>
At 1 May 1993	<u>250,000</u>

Patents represent the rights registered relating to the five-valve engine designed by Tickford Limited and are stated at directors' valuation.

The carrying value will be amortised on commencement of commercial production of the engine, over the life of the subsequent project.

Tickford Limited

Notes (continued)

10 Tangible fixed assets

Group	Leasehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At beginning of year	74,005	2,364,695	31,327	2,470,027
Additions	49,156	319,120	20,962	389,238
Disposals	-	(37,253)	-	(37,253)
Exchange adjustment	1,164	9,422	-	10,586
	<u>124,325</u>	<u>2,655,984</u>	<u>52,289</u>	<u>2,832,598</u>
Depreciation				
At beginning of year	34,672	798,477	20,634	853,783
Charge for year	22,035	445,383	9,346	476,764
Disposals	-	(30,521)	-	(30,521)
Exchange adjustment	831	2,074	-	2,905
	<u>57,538</u>	<u>1,215,413</u>	<u>29,980</u>	<u>1,302,931</u>
Net book value				
At 30 April 1994	<u>66,787</u>	<u>1,440,571</u>	<u>22,309</u>	<u>1,529,667</u>
At 2 May 1993	<u>39,333</u>	<u>1,566,218</u>	<u>10,693</u>	<u>1,616,244</u>

Included in the total net book value of plant and machinery is £20,692 (1993: £355,338) in respect of assets held under finance leases. Depreciation for the year on these assets was £17,564 (1993: £110,854).

Tickford Limited

Notes (continued)

10 Tangible fixed assets (continued)

Company	Leasehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
<i>Cost</i>				
At beginning of year	45,486	2,133,691	31,327	2,210,504
Additions	1,371	278,803	7,693	287,867
At end of year	46,857	2,412,494	39,020	2,498,371
<i>Depreciation</i>				
At beginning of year	14,316	747,584	20,634	782,534
Charge for year	6,389	386,352	5,577	398,318
At end of year	20,705	1,133,936	26,211	1,180,852
<i>Net book value</i>				
At 30 April 1994	26,152	1,278,558	12,809	1,317,519
At 1 May 1993	31,170	1,386,107	10,693	1,427,970

The net book value of land and buildings comprises:

	Group		Company	
	1994 £	1993 £	1994 £	1993 £
Long leasehold	21,956	23,690	21,956	23,690
Short leasehold	44,831	15,643	4,196	7,480
	66,787	39,333	26,152	31,170

Included in the total net book value of plant and machinery is £Nil (1993: £326,373) in respect of assets held under finance leases. Depreciation for the year on these assets was £Nil (1993: £92,103).

Tickford Limited

Notes (continued)

11 Fixed asset investments

Company	Shares in group undertakings £
<i>Shares</i>	
<i>Cost</i>	
At beginning of year	237,994
Less redemption of preference shares (see below)	(118,997)
	<hr/>
Cost at end of year	118,997
<i>Provisions</i>	
At beginning and end of year	<hr/>
<i>Net book value</i>	
At 30 April 1994	<hr/> 118,997 <hr/>
At 1 May 1993	<hr/> 237,994 <hr/>

The companies in which the group's interest is more than 10% are as follows:

	Country of incorporation	Principal activity	Class and percentage of shares held
<i>Subsidiary undertakings</i>			
Tickford Australia Pty Limited	Australia	Holding company	100% Ordinary
Tickford Vehicle Engineering Pty Limited	Australia	Moto- car converter	51% Ordinary

In the opinion of the directors the investments in and amounts due from the company's subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet.

The redeemable preference shares were redeemed by Tickford Vehicle Engineering Pty Limited on 3 December 1993 at the issue price.

Tickford Limited

Notes (continued)

12 Stocks

	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Amounts realisable within one year				
Raw materials and consumables	782,976	733,800	368,784	309,848
Contract work in progress (see below)	451,556	760,621	64,970	107,008
Finished goods and goods for resale	24,356	21,575	24,356	21,575
	<u>1,258,888</u>	<u>1,515,996</u>	<u>458,110</u>	<u>438,431</u>
Amounts realisable after one year				
Contract work in progress (see below)	382,808	123,033	-	-
	<u>1,641,696</u>	<u>1,639,029</u>	<u>458,110</u>	<u>438,431</u>

There is no material difference between the replacement cost of stocks and their balance sheet amounts.

Contract work in progress represents the cost of work in progress carried out for third parties under specific contracts. These amounts are recoverable in accordance with agreed billing schedules, some of which are dependent on future sales volumes. Where these amounts are expected to be recovered after twelve months, they have been shown as amounts realisable after one year.

13 Debtors

All due within one year

	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Trade debtors	1,827,339	2,106,290	1,277,817	1,524,349
Amounts owed by group undertakings	-	-	74,882	242,557
Other debtors	17,990	70,050	5,843	18,302
Prepayments and accrued income	146,116	77,952	133,910	70,415
	<u>1,991,445</u>	<u>2,254,292</u>	<u>1,492,452</u>	<u>1,855,623</u>

The amounts owed by group undertakings comprise:

Subsidiary undertakings	74,882	242,557
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Tickford Limited

Notes (continued)

14 Creditors: amounts falling due within one year

	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Bank loans and overdrafts (see note 15)	997,546	868,131	576,099	868,131
Obligations under finance leases and hire purchase contracts (see note 15)	74,543	61,482	64,186	36,815
Trade creditors	1,092,876	1,505,714	676,761	991,958
Other creditors including taxation and social security:				
Corporation tax	164,206	129,451	23,300	129,451
Other taxes	210,345	264,477	210,346	222,578
Social security	41,690	108,324	41,690	88,991
Other creditors	263,915	132,301	63,910	42,231
Accruals and deferred income	175,545	207,723	115,582	147,965
	<u>3,020,666</u>	<u>3,277,603</u>	<u>1,771,874</u>	<u>2,528,120</u>

15 Creditors: amounts falling due after more than one year

	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Debenture loans (see below)	200,000	200,000	200,000	200,000
Bank loans and overdrafts (secured - see below)	300,000	400,000	300,000	400,000
Bank loans and overdrafts repayable within five years	-	674,884	-	-
Other loans (secured - see below)	60,000	-	60,000	-
Obligations under finance leases and hire purchase contracts	82,991	30,294	71,625	23,904
	<u>642,991</u>	<u>1,305,178</u>	<u>631,625</u>	<u>623,904</u>

Tickford Limited

Notes (continued)

15 Creditors: amounts falling due after more than one year (continued)

Bank loans and overdrafts (secured)

	Instalments payable within five years		Instalments payable after five years		Total	
	1994	1993	1994	1993	1994	1993
	£	£	£	£	£	£
Group and Company						
Bank loan	300,000	400,000	-	-	300,000	400,000

Bank loans and overdrafts are secured by a first fixed charge over the fixtures and fittings, plant and machinery, goodwill, book debts and by way of a first floating charge over the remaining assets.

Debenture loans

Interest is payable at 1% above the Barclays Bank base rate. Under the arrangements with the bank, these loans are not repayable before the term loan is discharged save with the formal consent of the bank.

As security on all debentures a fixed charge has been granted over all fixtures and fittings, plant and machinery, goodwill, all book debts, intellectual property rights and a floating charge over all other remaining assets of the company. This ranks after the security granted to Barclays Bank plc.

Other loans

As security on other loans a fixed charge has been granted over plant and machinery purchased with the cash generated. This ranks before all other securities granted.

The maturity of net obligations under finance leases and hire purchase contracts is as follows:

	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Within one year	74,543	61,482	64,186	36,815
In the second to fifth years	82,991	30,294	71,625	23,904
	<u>157,534</u>	<u>91,776</u>	<u>135,811</u>	<u>60,719</u>

Tickford Limited

Notes (continued)

16 Provisions for liabilities and charges

Group	Taxation including deferred taxation £	Other £	Total £
At beginning of year	75,000	67,605	142,605
Charge for the year in the profit and loss account	89,108	100,277	189,385
At end of year	164,108	167,882	331,990

The amounts provided and unprovided for deferred taxation are set out below:

	1994		1993	
	Provided £	Unprovided £	Provided £	Unprovided £
Difference between accumulated depreciation and amortisation and capital allowances and other short timing differences	164,108	245,000	75,000	486,875
Deferred capital gains	-	178,000	-	178,000
	164,108	423,000	75,000	664,875
Company				Taxation including deferred taxation £
At beginning of year				75,000
Credit for the year in the profit and loss account				(75,000)
At end of year				-

Tickford Limited

Notes (continued)

16 Provision for liabilities and charges (continued)

The amounts provided and unprovided for deferred taxation are set out below:

	1994		1993	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Difference between accumulated depreciation and amortisation and capital allowances and other short timing differences	-	245,000	75,000	312,000
Deferred capital gains	-	178,000	-	178,000
	<u>-</u>	<u>423,000</u>	<u>75,000</u>	<u>490,000</u>

Provision for deferred tax in respect of capital gains arising on the disposal of revalued patents is not made as it is not the company's intention to sell the patents. The corporation tax liability in respect of the capital gains arising were the patents to be sold at their book values is estimated to be £82,500 (1993: £82,500).

17 Called up share capital

	1994	1993
	£	£
<i>Authorised</i>		
Ordinary shares of £1 each	<u>500,000</u>	<u>10,000</u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>250,000</u>	<u>10,000</u>

During the year there was a bonus issue of 240,000 ordinary shares to increase the share capital of the company.

Tickford Limited

Notes (continued)

18 Movements on reserves

	Share redemption reserve £	Group Capital reserve £	Profit and loss account £	Company Capital reserve £	Profit and loss account £
At beginning of year	-	540,942	537,085	540,942	432,619
Transfers	-	(83,533)	83,533	(83,533)	83,533
Retained profit for year	-	-	500,695	-	308,731
Exchange adjustments	-	-	14,370	-	-
Amount capitalised in year	-	-	(240,000)	-	(240,000)
Transfer to share redemption reserve	2,388	-	(2,388)	-	-
At end of year	2,388	457,409	893,295	457,409	584,883

The capital reserve represents negative goodwill arising on the acquisition of the trade and assets of Dacron Limited and the assumption of its liabilities. It is being transferred to the profit and loss account to the extent that the assets acquired are being realised. The amount transferred during the year was £83,533 (1993: £151,619).

19 Minority interests

	Capital reserve 1994 £	Group Revenue reserve 1994 £	Total 1994 £	Revenue reserve 1993 £
At beginning of year	-	348,245	348,245	75,749
Redemption of preference shares	-	(114,727)	(114,727)	-
Retained profit for year	-	222,676	222,676	268,546
Exchange adjustment	-	14,203	14,203	3,950
Transfer to share redemption reserve	1,147	(1,147)	-	-
At end of year	1,147	469,250	470,397	348,245

Tickford Limited

Notes (continued)

20 Commitments

- (i) Capital commitments at the end of the financial year for which no provision has been made.

	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Contracted	-	95,000	-	95,000

- (ii) Annual commitments under non-cancellable operating leases are as follows:

	1994		1993	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Group				
Operating leases which expire:				
Within one year	97,405	56,487	74,987	35,791
In the second to fifth years inclusive	83,000	67,407	83,000	56,390
Over five years	143,000	-	143,000	-
	<u>323,405</u>	<u>123,894</u>	<u>300,987</u>	<u>92,181</u>
Company				
Operating leases which expire:				
Within one year	-	-	-	22,617
In the second to fifth years inclusive	83,000	26,625	83,000	53,250
Over five years	143,000	53,375	143,000	-
	<u>226,000</u>	<u>80,000</u>	<u>226,000</u>	<u>75,867</u>

21 Pension scheme

The group operates defined contribution pension schemes. The pension cost charge for the year represents contributions payable by the group to the funds and amounted to £108,731 (1993: £78,150).

Contributions amounting to £8,330 (1993: £19,592) were payable to the funds and are included in creditors.

Tickford Limited

Notes (continued)

22 Reconciliation of operating profit to net cash inflow from operating activities

	1994 £	1993 £
Operating profit	1,031,959	762,400
Profit on sale of tangible fixed assets	(2,488)	-
Depreciation charge	476,764	435,616
Increase in stocks	(2,668)	(577,724)
Decrease/(increase) in debtors	262,847	(312,783)
(Decrease)/increase in creditors	(315,535)	752,362
Effect of foreign exchange rate changes	33,310	(381)
	<hr/>	<hr/>
Net cash inflow from operating activities	1,484,189	1,059,490

23 Analysis of changes in cash and cash equivalents

	Cash £	Overdraft £	Net £
Balance at 1 May 1993	402,093	(768,131)	(366,038)
Net cash inflow	237,858	292,032	529,890
Effect of foreign exchange rate changes	16,377	-	16,377
	<hr/>	<hr/>	<hr/>
Balance at 30 April 1994	656,328	(476,099)	180,229

24 Analysis of changes in financing during the year

	Share capital (including premium) £	Loans and finance lease obligations £
Balance at 1 May 1993	10,000	1,266,659
Cash outflow from financing	-	(499,530)
Inception of finance lease contracts	-	183,057
New secured loan	-	60,000
Bonus issue	240,000	-
Effect of foreign exchange rate changes	-	28,795
	<hr/>	<hr/>
Balance at 30 April 1994	250,000	1,038,981