

**T. Crossling & Co. Limited**

**Annual Report**

**For the year ended 31 December 1995**

Registered no: 2749235



# **T. Crossling & Co. Limited**

## **Annual report for the year ended 31 December 1995**

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**Directors and advisers**

**Executive directors**

R. Errington  
R.R. Errington  
C.P.H. Errington  
R. Lyons

**Registered auditors**

Coopers & Lybrand  
Hadrian House  
Higham Place  
Newcastle upon Tyne  
NE1 8BP

**Secretary and Registered Office**

L.A. Walton  
T. Crossling & Co. Limited  
P.O. Box 5  
Coast Road  
Newcastle upon Tyne  
NE6 5TP

**Solicitors**

Wilkinson Maughan  
Sun Alliance House  
35 Mosley Street  
Newcastle upon Tyne  
NE1 1XX

**Bankers**

Lloyds Bank plc  
102 Grey Street  
Newcastle upon Tyne  
NE99 1SL

## Chairman's statement

Sales for 1995 were £33.5 million (1994: £35.1 million) reflecting a year of difficult market conditions. Housing and Local Authority spending was substantially lower and any improvements in our engineering and fluid control divisions were heavily outweighed. Pre-tax profit at £2.2 million is due to tight control on all costs and a small increase in margin.

The directors continue to review options to expand the company both within our trading area and elsewhere, and are in position to proceed if such an opportunity arises.

The directors are recommending a final ordinary dividend in respect of 1995 of 213.0 pence per share (1994: 193.6 pence per share).

Lastly but most importantly I would like to take this opportunity to thank my fellow directors and all our management and staff for their continuing hard work and loyalty.

A handwritten signature in black ink, appearing to read 'R. Errington', with a stylized flourish at the end.

R. Errington  
Chairman  
3 April 1996

## **Directors' report for the year ended 31 December 1995**

The directors present their report and the audited financial statements for the year ended 31 December 1995.

### **Principal activity**

The principal activity of the group continues to be that of plumbers, engineers and tool merchants.

### **Review of business**

The directors consider the performance of the group and its year end financial position to be satisfactory and are confident of its future trading prospects.

### **Results and dividends**

The group profit for the period after taxation amounted to £1,498,000 (1994: £1,419,000).

No interim ordinary dividends have been paid (1994: £5,441 and £2,413). The directors recommend a final dividend of £106,000 (1994: £21,230). Following the payment of this dividend the retained profit of £1,392,000 will be transferred to reserves.

### **Fixed assets**

Details of movements in fixed assets are included in notes 11 and 12 to the financial statements.

### **Directors**

The directors of the company at 31 December 1995 are listed below:

R. Errington	(Chairman)
R.R. Errington	(Managing Director)
C.P.H. Errington	
R. Lyons	

G. Brewis retired as a director on 30 June 1995.

**Directors' interests in share capital of the company**

The interests of the directors in the share capital of the company at 31 December 1995 were as follows:

	Number of shares	
	31 December 1994	31 December 1995
	Ordinary	Ordinary
R. Errington	5,222	5,222
R.R. Errington	16,914	16,914
C.P.H. Errington	16,898	16,898

None of the directors held any beneficial interest in the share capital of the subsidiary companies.

A warehouse owned by a partnership in which R.R. Errington and C.P.H. Errington have an interest provides handling and storage services to the company at commercial rates. The charge incurred by the company for the period was £52,160 (1994: £49,800).

**Statement of directors' responsibilities**

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss of the group for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 1995. The directors also confirm that applicable accounting standards have been followed and that the statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Taxation Status**

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988. This status has not changed since the year end.

## Employees

The group's policy is to consult and discuss with employees, on matters likely to affect employees' interests.

Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

The group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed to ensure suitable opportunities exist for each disabled person. Arrangements are made, where possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

## Auditors

A resolution proposing the reappointment of Coopers & Lybrand as auditors to the company will be put to the annual general meeting.

By order of the board



L.A. Walton  
Secretary  
3 April 1996

**Report of the auditors to the members of T. Crossling & Co. Limited**

We have audited the financial statements on pages 7 to 21.

**Respective responsibilities of directors and auditors**

As described on page 4, 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.

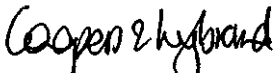
**Basis of opinion**

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 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 affairs of the company and the group at 31 December 1995 and of the profit, total recognised gains and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Coopers & Lybrand

**COOPERS & LYBRAND**

Chartered Accountants and Registered Auditors  
Newcastle upon Tyne  
3 April 1996



**Consolidated profit and loss account  
for the year ended 31 December 1995**

	Notes	1995 £'000	1994 £'000
Turnover	1	33,503	35,089
Cost of sales		(26,330)	(27,727)
<b>Gross profit</b>		<b>7,173</b>	<b>7,362</b>
Other operating expenses	2	( 5,185)	( 5,284)
<b>Operating profit</b>		<b>1,988</b>	<b>2,078</b>
Other interest receivable and similar income	5	213	92
Interest payable and similar charges	6	( 28)	( 27)
<b>Profit on ordinary activities before taxation</b>	7	<b>2,173</b>	<b>2,143</b>
Taxation	8	( 675)	( 724)
<b>Profit on ordinary activities after taxation</b>		<b>1,498</b>	<b>1,419</b>
Dividends	9	( 106)	( 30)
<b>Retained profit for the year</b>	19	<b>1,392</b>	<b>1,389</b>

All of the group's operations are continuing.

The group has no recognised gains and losses other than those included in the profits above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

**Balance sheets  
at 31 December 1995**

	Notes	1995		1994	
		Group £'000	Company £'000	Group £'000	Company £'000
<b>Fixed assets</b>					
Tangible assets	11	2,962	-	2,787	-
Investments	12	-	3,671	-	3,671
		<u>2,962</u>	<u>3,671</u>	<u>2,787</u>	<u>3,671</u>
<b>Current assets</b>					
Stocks	13	5,210	-	5,300	-
Debtors	14	6,015	1,784	5,937	1,203
Cash at bank and in hand		3,159	1	1,654	8
		<u>14,384</u>	<u>1,785</u>	<u>12,891</u>	<u>1,211</u>
<b>Creditors: Amounts falling due within one year</b>	15	4,242	200	3,962	133
		<u>10,142</u>	<u>1,585</u>	<u>8,929</u>	<u>1,078</u>
<b>Net current assets</b>					
<b>Total assets less current liabilities</b>		<u>13,104</u>	<u>5,256</u>	<u>11,716</u>	<u>4,749</u>
<b>Creditors: Amounts falling due after more than one year</b>	16	-	-	4	-
		<u>13,104</u>	<u>5,256</u>	<u>11,712</u>	<u>4,749</u>
<b>Net assets</b>					
<b>Capital and reserves</b>					
Called-up share capital	18	50	50	50	50
Other reserves	19	68	-	68	-
Profit and loss account	19	12,986	5,206	11,594	4,699
		<u>13,104</u>	<u>5,256</u>	<u>11,712</u>	<u>4,749</u>
<b>Equity shareholders' funds</b>	20				

The financial statements on pages 7 to 21 were approved by the board of directors on 3 April 1996 and were signed on its behalf by:

R.R. Errington  
Director

# Consolidated cash flow statement for the year ended 31 December 1995

	Notes	1995 £'000	1994 £'000
<b>Net cash inflow from continuing operating activities</b>		<b>2,553</b>	<b>2,526</b>
<b>Returns on investments and servicing of finance</b>			
Bank interest received		213	92
Bank interest paid		( 22)	( 23)
Interest paid on finance leases		( 6)	( 4)
Dividends paid		( 22)	( 101)
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>		<b>163</b>	<b>( 36)</b>
<b>Taxation</b>			
UK corporation tax paid		( 673)	( 650)
<b>Investing activities</b>			
Purchase of tangible fixed assets		( 619)	( 493)
Proceeds from sale of tangible fixed assets		93	49
<b>Net cash outflow from investing activities</b>		<b>( 526)</b>	<b>( 444)</b>
<b>Net cash inflow before financing</b>		<b>1,517</b>	<b>1,396</b>
<b>Financing</b>			
Payment of principal under finance leases	23	( 12)	( 14)
<b>Net cash outflow from financing</b>		<b>( 12)</b>	<b>( 14)</b>
<b>Increase in cash and cash equivalents</b>	22	<b>1,505</b>	<b>1,382</b>

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

	1995 £'000	1994 £'000
<b>Continuing operating activities</b>		
Operating profit	1,988	2,078
Depreciation of tangible fixed assets	374	411
Profit on sale of tangible fixed assets	( 23)	( 16)
Decrease/(increase) in stocks	90	( 554)
Decrease in trade debtors	13	697
Decrease/(increase) in other debtors	2	( 4)
Increase in prepayments and accrued income	( 72)	( 6)
Increase/(decrease) in trade creditors	152	( 360)
Increase in other tax and social security	89	26
(Decrease)/increase in accruals and deferred income	( 60)	254
<b>Net cash inflow from continuing operating activities</b>	<b>2,553</b>	<b>2,526</b>

**Notes to the financial statements  
for the year ended 31 December 1995**

**1. Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important group accounting policies, which have been applied consistently, is set out below.

**Basis of accounting**

The group prepares its financial statements in accordance with the historical cost convention.

**Basis of consolidation**

The group accounts consolidate the accounts of the company and its subsidiaries, prepared to 31 December 1995. The turnover and results of subsidiary companies are included in the group accounts from the date of acquisition, except where merger accounting principles are employed, in which case the turnover and results of the companies being merged are included for the full year and the corresponding period. Where merger accounting is adopted the cost of investment in the company's books is recorded as the nominal value of shares issued.

Intra group sales and profits are eliminated fully on consolidation.

The dormant subsidiaries of Crossling Limited are not consolidated into these financial statements as their inclusion is not material for the purpose of giving a true and fair view.

**Capital reserve on consolidation**

The capital reserve arising on consolidation, which represents the difference between the consideration given and the fair value of the net tangible assets acquired is taken to reserve on acquisition. The net assets of companies acquired are incorporated into the consolidated financial statements at their fair values to the group.

**Finance and operating leases**

Assets held under finance leases are included in tangible fixed assets at a value equal to the original cost incurred by the lessor and obligations to the lessor are included within creditors. The interest element is charged to the profit and loss account on an actuarial basis. Operating lease rentals are charged to the profit and loss account as they are incurred.

**Tangible fixed assets**

Tangible fixed assets are stated at their purchase cost less accumulated depreciation. Depreciation is calculated to write off the cost of fixed assets in equal annual instalments over the life of the asset using the following bases:

Land	- Nil
Freehold buildings	- 2%
Leasehold buildings	- 2%
Plant, fixtures and fittings	- 10%, 20% and 33 1/3%
Motor vehicles	- 25%

**Fixed asset investments**

Fixed asset investments are stated at cost less amounts provided for any permanent diminution in value.

**Stocks**

Stocks have been valued at the lower of cost and net realisable value, cost being the invoiced value of goods supplied less rebates and allowances. Provision is made where necessary for defective, obsolete and slow moving stocks.

**Foreign currencies**

Transactions in foreign currencies are converted at the rate ruling at the date of the transaction and monetary assets and liabilities are converted at the rate in operation at the balance sheet date. Any gain or loss on foreign currency is dealt with in the profit and loss account.

**Turnover**

Turnover represents the value of goods invoiced to customers during the period, excluding value added tax, and less returns and discounts given.

**Deferred taxation**

Provision is made for deferred taxation to the extent that it is probable that an asset or liability will crystallise in the foreseeable future. No provision is made where it is considered that a liability will not arise.

**Pension costs**

The group operates a defined benefit pension scheme. Pension costs are charged to the profit and loss account in accordance with the contribution rate recommended by an independent actuary. Any variations from regular cost arising from actuarial valuations are charged or credited to profits on a systematic basis over the estimated remaining service lives of the employees.

The group provides no other post-retirement benefits to its employees.

**2. Other operating expenses**

	1995 £'000	1994 £'000
Distribution costs	3,683	3,698
Administrative expenses	1,502	1,586
	<u>5,185</u>	<u>5,284</u>

**3. Directors' emoluments and interests**

The remuneration paid to the directors was:

	1995 £'000	1994 £'000
Emoluments (including pension contributions and benefits in kind)	<u>217</u>	<u>320</u>

Emoluments (excluding pension contributions) include amounts paid to:

	1995 £'000	1994 £'000
The Chairman	<u>38</u>	<u>54</u>
Highest-paid director	<u>49</u>	<u>84</u>

The number of directors (including the chairman and the highest-paid director) who received other emoluments (excluding pension contributions) in the following ranges was:

	1995 Number	1994 Number
£20,001 to £25,000	1	-
£35,001 to £40,000	1	-
£40,001 to £45,000	1	2
£45,001 to £50,000	2	-
£50,001 to £55,000	-	1
£80,001 to £85,000	-	2
	<u></u>	<u></u>

#### 4. Employee information

The average weekly number of persons (including executive directors) employed by the group during the period was:

	1995 Number	1994 Number
Distribution	225	219
Administration	35	37
	<hr/>	<hr/>
	260	256
	<hr/>	<hr/>
	1995 £'000	1994 £'000
Staff costs (for the above persons):		
Wages and salaries	3,152	3,200
Social security costs	243	257
Other pension costs (see note 24)	161	134
	<hr/>	<hr/>
	3,556	3,591
	<hr/>	<hr/>

#### 5. Other interest receivable and similar income

	1995 £'000	1994 £'000
Bank interest receivable	213	92
	<hr/>	<hr/>

#### 6. Interest payable and similar charges

	1995 £'000	1994 £'000
On bank loans and overdrafts		
Repayable within 5 years, not by instalments	22	23
On finance leases	6	4
	<hr/>	<hr/>
	28	27
	<hr/>	<hr/>

**7. Profit on ordinary activities before taxation**

	1995 £'000	1994 £'000
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation of tangible fixed assets	374	411
Auditors' remuneration - audit services (company £500 : 1994 £500)	22	20
Auditors' remuneration - non audit services	5	8
Hire of motor vehicles and office equipment	-	1
Profit on disposal of tangible fixed assets	( 23)	( 16)
	<u>          </u>	<u>          </u>

**8. Taxation**

	1995 £'000	1994 £'000
United Kingdom corporation tax at 33% (1994: 33%):		
Current	735	737
Over provision in respect of prior years:		
Current	( 60)	( 13)
	<u>          </u>	<u>          </u>
	675	724
	<u>          </u>	<u>          </u>

**9. Dividends**

	1995 £'000	1994 £'000
Ordinary, per share:		
1st Interim paid of NIL (1994: 95.4p)	-	5
2nd Interim paid of NIL (1994: 42.3p)	-	3
Final proposed of 213p (1994: 44p)	106	22
	<u>          </u>	<u>          </u>
	106	30
	<u>          </u>	<u>          </u>

**10. Profit and loss account**

The company has taken advantage of Section 230 of the Companies Act 1985 in not presenting its own profit and loss account. Of the profit for the financial period £507,000 (1994: £578,000) is dealt with in the financial statements of the holding company, including dividends receivable from subsidiary undertakings and dividends payable.



## 11. Tangible fixed assets

## Group

	Freehold land and buildings £'000	Long Leasehold land and buildings £'000	Plant fixtures and fittings £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>					
At 1 January 1995	2,124	269	1,590	1,035	5,018
Additions	166	-	122	331	619
Disposals	-	-	-	( 285)	( 285)
<b>At 31 December 1995</b>	<b>2,290</b>	<b>269</b>	<b>1,712</b>	<b>1,081</b>	<b>5,352</b>
<b>Depreciation</b>					
At 1 January 1995	258	58	1,252	663	2,231
Charge for the year	30	5	125	214	374
Eliminated in respect of disposals	-	-	-	( 215)	( 215)
<b>At 31 December 1995</b>	<b>288</b>	<b>63</b>	<b>1,377</b>	<b>662</b>	<b>2,390</b>
<b>Net book value</b>					
At 31 December 1995	2,002	206	335	419	2,962
Net book value					
At 31 December 1994	1,866	211	338	372	2,787

## 12. Investments

## Unlisted investments

	1995		1994	
	Group £'000	Company £'000	Group £'000	Company £'000
<b>Cost</b>				
At 1 January 1995 and 31 December 1995	127	3,671	127	3,671
<b>Amounts written off</b>				
At 1 January 1995 and 31 December 1995	127	-	127	-
<b>Net book value</b>				
At 1 January 1995 and 31 December 1995	-	3,671	-	3,671

**Subsidiary companies**

The company owns 100% of the ordinary £1 share capital of the following subsidiary companies:-

- (1) Crossling Limited, which is registered in England and Wales and carries on the trade of plumbers, engineers and tool merchants. The aggregate share capital and reserves of this company at 31 December 1995 amounted to £9,220,000 (1994: £8,632,000).
- (2) Crossling CBM Limited, which is registered in England and Wales, and carries on the trade of plumbers merchant. The net assets of this company at 31 December 1995 amounted to £161,000 (1994: £38,000).
- (3) Crossling Properties Limited, which is registered in England and Wales and carries on the trade of holding and managing commercial properties. The aggregate share capital and reserves of this company at 31 December 1995 amounted to £3,701,000 (1994: £3,641,000).

Crossling Limited owns 100% of the ordinary £1 share capital of the following subsidiary companies:-

- (1) Northern Tools and Accessories Limited, which is registered in England and Wales. The aggregate share capital and reserves of this company at 31 December 1995 amounted to £417 (1994: £417).
- (2) Potter Cowan (Pipe Fittings) Limited, which is registered in Scotland. The aggregate share capital and reserves of this company at 31 December 1995 amounted to £109,652 (1994: £109,652).

Neither Northern Tools and Accessories Limited nor Potter Cowan (Pipe Fittings) Limited traded during the year and the results of these companies have not been included in these consolidated financial statements as they are not material for the purpose of giving a true and fair view.

**13. Stocks**

	1995		1994	
	Group £'000	Company £'000	Group £'000	Company £'000
Goods held for resale	5,210	-	5,300	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**14. Debtors**

	1995		1994	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade debtors	5,806	-	5,819	-
Amounts owed by subsidiary undertaking	-	1,138	-	600
Advance corporation tax recoverable	46	46	25	25
Other debtors	16	-	18	-
Prepayments and accrued income	147	-	75	-
Dividends receivable from subsidiary undertaking	-	600	-	550
Group relief receivable	-	-	-	28
	<u>6,015</u>	<u>1,784</u>	<u>5,937</u>	<u>1,203</u>

Advance corporation tax recoverable for the Group and the Company includes £21,000 (1994: Nil) recoverable after more than one year.

**15. Creditors: Amounts falling due within one year**

	1995		1994	
	Group £'000	Company £'000	Group £'000	Company £'000
Obligations under finance leases	8	-	16	-
Trade creditors	2,448	-	2,296	-
Corporation tax payable	735	21	708	-
Advance corporation tax payable	21	21	25	-
Other taxation and social security payable	367	52	278	-
Accruals and deferred income	557	-	617	111
Dividends payable	106	106	22	22
	<u>4,242</u>	<u>200</u>	<u>3,962</u>	<u>133</u>

**16. Creditors: Amounts falling due after more than one year**

	1995		1994	
	Group £'000	Company £'000	Group £'000	Company £'000
Obligations under finance leases	-	-	4	-

**Finance leases**

The future minimum lease payments to which the group and the company are committed under finance leases are as follows:

	1995		1994	
	Group £'000	Company £'000	Group £'000	Company £'000
In one year or less	8	-	16	-
Between second and fifth years	-	-	4	-
	<u>8</u>	<u>-</u>	<u>20</u>	<u>-</u>

**17. Deferred taxation****Group**

Deferred taxation provided in the financial statements, is as follows:-

	<b>Amount provided</b>		<b>Amount unprovided</b>	
	<b>1995</b>	<b>1994</b>	<b>1995</b>	<b>1994</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Tax effect of timing differences:				
Capital gains tax	-	-	337	350
Accelerated capital allowances	-	-	26	23
	<u>-</u>	<u>-</u>	<u>363</u>	<u>373</u>
	<u>-</u>	<u>-</u>	<u>363</u>	<u>373</u>

**Company**

The company has no actual or potential liability for deferred taxation (1994: £Nil)

**18. Share capital****Group and company**

	<b>1995</b>	<b>1994</b>
	<b>£'000</b>	<b>£'000</b>
<b>Authorised</b>		
50,000 Ordinary shares of £1 each	<u>50</u>	<u>50</u>
<b>Allotted, called-up and fully paid</b>		
50,000 Ordinary shares of £1 each	<u>50</u>	<u>50</u>

**19. Reserves****Group**

	<b>Other Reserves</b>	<b>Profit and loss account</b>
	<b>£'000</b>	<b>£'000</b>
At 1 January 1995	68	11,594
Profit for the year	-	1,392
	<u>68</u>	<u>12,986</u>
At 31 December 1995	<u>68</u>	<u>12,986</u>

**Company**

	<b>Profit and loss account</b>
	<b>£'000</b>
At 1 January 1995	4,699
Profit for the year	507
At 31 December 1995	<u>5,206</u>

**20. Reconciliation of movements in equity shareholders' funds**

	1995 £'000	1994 £'000
Profit for the year	1,498	1,419
Dividends	( 106)	(30)
	<hr/>	<hr/>
Net addition to equity shareholders' funds	1,392	1,389
Opening equity shareholders' funds	11,712	10,323
	<hr/>	<hr/>
Closing equity shareholders' funds	13,104	11,712
	<hr/>	<hr/>

**21. Financial commitments****Capital commitments**

	1995		1994	
	Group £'000	Company £'000	Group £'000	Company £'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	395	-	43	-
	<hr/>	<hr/>	<hr/>	<hr/>
Capital expenditure that has been authorised by the directors but has not yet been contracted for	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

**Operating lease commitments**

At 31 December 1995 the group had no commitments under operating leases.

**22. Cash and cash equivalents**

	1995 £'000	1994 £'000
At 1 January	1,654	272
Net cash inflow	1,505	1,382
	<hr/>	<hr/>
At 31 December	3,159	1,654
	<hr/>	<hr/>

	1995 £'000	1994 £'000	Change in period £'000	1994 £'000	1993 £'000	Change in period £'000
<b>Analysis of balances</b>						
Cash at bank and in hand	3,159	1,654	1,505	1,654	272	1,382
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**23. Analysis of changes in financing during the period**

	1995		1994	
	Share Capital £'000	Finance lease obligations £'000	Share Capital £'000	Finance lease obligations £'000
At 1 January	50	20	50	34
Repayment of principal on finance leases	-	( 12)	-	(14)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December	50	8	50	20
	<hr/>	<hr/>	<hr/>	<hr/>

## 24. Pension costs

The group operates a defined benefit pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held in a separately administered fund. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the group. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was as at 6 April 1993. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment returns would be 10% per annum, that salary increases would average 8.5% per annum and present and future pensions would increase at the rate of 3% per annum (subject to limits imposed by the Inland Revenue).

The total pension cost to the group was £161,000 (1994: £134,000).

The most recent actuarial valuation showed that the value of the scheme's assets was £3,400,000. The surplus arising as a result of the most recent actuarial valuation was £663,000. This surplus is sufficient to cover 126% of the benefits that had accrued to members after allowing for expected future increases in pensionable salaries. The surplus is being amortised over 14 years (the expected average remaining service lives of the employees). This surplus will be eliminated as a result of a pension holiday to be taken by the group over a period of 3 years on the recommendation of the actuary. The level of the surplus is reviewed on an annual basis by a qualified actuary.

An amount of £368,000 (1994: £216,000) is included in creditors representing the excess of accumulated pension cost over the payments of contributions to the pension fund.