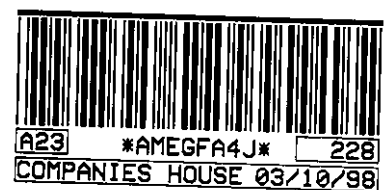




W C ROWE (FALMOUTH) LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1997

Company Registration Number 1238149



W C ROWE (FALMOUTH) LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1997



CONTENTS	PAGE
The directors' report	1
Auditor's report to the shareholders	3
Profit and loss account	4
Balance sheet	5
Cash flow statement	6
Notes to the financial statements	8
 The following pages do not form part of the financial statements	
Detailed trading and profit and loss account	18

W C ROWE (FALMOUTH) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 1997



The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 1997.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company continues to be that of the production and wholesale and retail distribution of bread, confectionery and related products.

Turnover increased slightly in 1997, and gross profit margins increased substantially.

RESULTS AND DIVIDENDS

The trading results for the year, and company's satisfactory financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

The balance of the profits for the year amounting to £132,489 will be added to reserves and carried forward to the following year.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests, including family holdings, in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 Dec 97	At 1 Jan 97
Mrs P Rowe	29,700	29,700
A H Pearce	10,300	10,300
J R Rowe	-	-
	<hr/>	<hr/>

Of Mrs P Rowe's 29,700 shares, 15,200 are held for her benefit by the Trustees of Mr W C Rowe's estate. The Trustees are Mrs P Rowe, Mr J R Rowe and Mr M E Richards.

RETIREMENT OF DIRECTORS

In accordance with the Articles of Association, J R Rowe will retire from the board and, being eligible, will stand for re-appointment.

W C ROWE (FALMOUTH) LIMITED
THE DIRECTORS' REPORT (continued)
YEAR ENDED 31 DECEMBER 1997

VL

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 8 to 9, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to appoint John Girdlestone as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:

Signed on behalf of the directors

Parkengue
Kernick Industrial Estate
Penryn
Cornwall
TR10 9EP


P Rowe
Company secretary

Approved by the directors on 28 Sept 1998

W C ROWE (FALMOUTH) LIMITED
AUDITOR'S REPORT TO THE SHAREHOLDERS
YEAR ENDED 31 DECEMBER 1997



I have audited the financial statements on pages 4 to 16 which have been prepared under the historical cost convention and the accounting policies set out on page 8 to 9.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR

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

BASIS OF OPINION

I conducted my 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 circumstances of the company, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements. Comparative figures have not been audited by me.

OPINION

In my opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 1997 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

John Girdlestone
Registered Auditor
Chartered Accountant
Waterside Court
Falmouth Road
PENRYN
Cornwall
TR10 8AW

A handwritten signature in black ink, followed by the date '28.08.98' written in a similar style.

W C ROWE (FALMOUTH) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 1997

VL

	Note	1997 £	1996 £
TURNOVER	2	3,675,423	3,666,060
Cost of sales		(2,293,219)	(2,423,503)
GROSS PROFIT		1,382,204	1,242,557
Distribution costs		(190,638)	(212,500)
Administrative expenses		(1,042,671)	(969,759)
Other operating income		11,470	4,987
OPERATING PROFIT	3	160,365	65,285
Interest receivable and similar income	6	98	392
Interest payable and similar charges	7	(10,216)	(15,996)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		150,247	49,681
Tax on profit on ordinary activities	8	(17,758)	(13,523)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		132,489	36,158
Balance brought forward		903,680	867,522
BALANCE CARRIED FORWARD		1,036,169	903,680

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

The notes on pages 8 to 16 form part of these financial statements.

W C ROWE (FALMOUTH) LIMITED

BALANCE SHEET

31 DECEMBER 1997

VL

		1997		1996	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	9		1,198,883		1,156,992
Investments	10		50		50
			<u>1,198,933</u>		<u>1,157,042</u>
CURRENT ASSETS					
Stocks	11	125,686		104,962	
Debtors	12	140,058		122,399	
Cash at bank and in hand		12,022		9,894	
		<u>277,766</u>		<u>237,255</u>	
CREDITORS: Amounts falling due within one year	13	(322,973)		(361,986)	
NET CURRENT LIABILITIES			<u>(45,207)</u>		<u>(124,731)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,153,726</u>		<u>1,032,311</u>
CREDITORS: Amounts falling due after more than one year	14		(17,696)		(16,361)
			<u>1,136,030</u>		<u>1,015,950</u>
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	15		(59,861)		(72,270)
NET ASSETS			<u>1,076,169</u>		<u>943,680</u>
CAPITAL AND RESERVES					
Called-up equity share capital	19		40,000		40,000
Profit and loss account			1,036,169		903,680
SHAREHOLDERS' FUNDS	20		<u>1,076,169</u>		<u>943,680</u>

These financial statements were approved by the directors on the 28 Sept 1998,
and are signed on their behalf by:

A H Pearce

A H PEARCE
Director

The notes on pages 8 to 16 form part of these financial statements.

W C ROWE (FALMOUTH) LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 1997

VL

	1997	1996
	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	244,262	38,617
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	98	392
Interest paid	(10,216)	(15,963)
Interest element of finance lease rental payments	-	(33)
Net cash outflow from returns on investments and servicing of finance	(10,118)	(15,604)
TAXATION		
Corporation tax paid	(22,270)	(40,234)
Taxes paid	(22,270)	(40,234)
INVESTING ACTIVITIES		
Payments to acquire tangible fixed assets	(169,956)	(77,940)
Receipts from sale of fixed assets	16,352	8,107
Net cash outflow from investing activities	(153,604)	(69,833)
Net cash (outflow)/inflow before financing	58,270	(87,054)
FINANCING		
Net (outflow) from loans	(2,198)	(5,451)
Net (outflow) in respect of finance leases	-	(1,803)
Net inflow/(outflow) from hire purchase contracts	19,397	22,339
Net cash inflow/(outflow) from financing	17,199	15,085
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	75,469	(71,969)

The notes on pages 8 to 16 form part of these financial statements.

W C ROWE (FALMOUTH) LIMITED

CASH FLOW STATEMENT (continued)

YEAR ENDED 31 DECEMBER 1997



**RECONCILIATION OF OPERATING PROFIT TO
NET CASH INFLOW FROM OPERATING ACTIVITIES**

	1997 £	1996 £
Operating profit	160,365	65,285
Depreciation	107,376	104,042
Profit on disposal of fixed assets	4,337	(4,237)
Increase in stocks	(20,724)	(12,879)
Decrease/(Increase) in debtors	(16,797)	5,791
Increase/(Decrease) in creditors	10,567	(120,100)
Net inflow/(outflow) from staff loans	(862)	715
Net cash inflow from operating activities	<u>244,262</u>	<u>38,617</u>

**ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS
AS SHOWN IN THE BALANCE SHEET**

	1997 £	Change in Year £	1996 £	Change in Year £	1995 £
Cash at bank and in hand	12,022	2,128	9,894	(50,769)	60,663
Bank overdraft	-	73,341	(73,341)	(21,200)	(52,141)
	<u>12,022</u>	<u>75,469</u>	<u>(63,447)</u>	<u>(71,969)</u>	<u>8,522</u>

ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	1997 £	1996 £
Balance brought forward	(63,447)	8,522
Net cash inflow	75,469	(71,969)
Balance carried forward	<u>12,022</u>	<u>(63,447)</u>

**ANALYSIS OF CHANGES IN FINANCING DURING
THE YEAR**

	Loans £	Hire Purchase £	Finance Leases £
Balance at 1 January 1997	9,311	38,585	-
Cash outflow for financing	(2,198)	(33,133)	-
New agreements in the year	-	52,530	-
Balance at 31 December 1997	<u>7,113</u>	<u>57,982</u>	<u>-</u>

MAJOR NON CASH TRANSACTIONS

During the year the company entered into a hire purchase agreements for £52,530 in respect of assets purchased in the year.

The notes on pages 8 to 16 form part of these financial statements.

W C ROWE (FALMOUTH) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1997

VL

1. ACCOUNTING POLICIES

Basis of accounting

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

Turnover

The turnover shown in the accounting represents amounts invoiced in the year exclusive of Value Added Tax.

Goodwill

Purchased goodwill is written off immediately against reserves. Goodwill which is generated by the activities of the company is not recognised as an asset in the balance sheet and the associated costs are written off to the profit and loss account when they are incurred.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold buildings	100 years straight line
Leasehold property	over period of lease
Machinery & fittings	10 & 15 years straight line
Motor vehicles & computer	4 years straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account.

Finance lease agreements

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 in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with 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.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits as incurred.

W C ROWE (FALMOUTH) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1997



1. ACCOUNTING POLICIES (continued)

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

	1997 £	1996 £
United Kingdom	<u>3,675,423</u>	<u>3,666,060</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	1997 £	1996 £
Staff pension contributions	40,236	26,177
Depreciation	107,376	104,042
Profit on disposal of fixed assets	(4,337)	(4,012)
Auditor's remuneration		
-as auditor	3,000	6,000
-for other services	<u>-</u>	<u>1,153</u>

Auditor's fees

The fees charged by the auditor can be further analysed under the following headings for services rendered:

	1997 £	1996 £
Audit	3,000	6,000
Accountancy	<u>-</u>	<u>1,153</u>
	<u>3,000</u>	<u>7,153</u>

4. PARTICULARS OF EMPLOYEES

The aggregate payroll costs were:

	1997 £	1996 £
Wages and salaries	1,581,973	1,605,637
Social security costs	7,424	7,403
Other pension costs	50,436	37,880
	<u>1,639,833</u>	<u>1,650,920</u>

W C ROWE (FALMOUTH) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1997

V/L

5. DIRECTORS' EMOLUMENTS

The directors' emoluments were:

	1997 £	1996 £
Remuneration as directors	79,030	78,005
Pension scheme contributions	10,200	11,703
	<u>89,230</u>	<u>89,708</u>

Emoluments excluding pension contributions:

	1997 £	1996 £
Chairman and highest paid director	<u>40,938</u>	<u>39,088</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	1997 £	1996 £
Interest receivable	61	380
Staff loan interest	37	12
	<u>98</u>	<u>392</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	1997 £	1996 £
Interest payable on bank borrowing	6,018	12,311
Other similar charges payable	4,198	3,685
	<u>10,216</u>	<u>15,996</u>

8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1997 £	1996 £
Corporation tax based on the results for the year at 21.75% (1996 – 24.25%)	30,167	22,378
Decrease in deferred tax provision (see note 15)	(12,409)	(8,855)
	<u>17,758</u>	<u>13,523</u>

The company is considered to be a close company within the terms of the Income and Corporation Taxes Act 1988.

W C ROWE (FALMOUTH) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1997



9. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Leasehold property (less than 50 years) £	Plant equipment fixtures and fittings £	Motor vehicles £	Total £
COST					
At 1 January 1997	889,355	49,892	995,845	160,738	2,095,830
Additions	-	797	139,219	21,441	161,457
Disposals	-	-	(20,918)	(39,558)	(60,476)
At 31 December 1997	<u>889,355</u>	<u>50,689</u>	<u>1,114,146</u>	<u>142,621</u>	<u>2,196,811</u>
DEPRECIATION					
At 1 January 1997	70,732	35,691	720,905	111,510	938,838
Charge for year	8,959	1,292	74,344	22,781	107,376
On disposals	-	-	(12,246)	(36,040)	(48,286)
At 31 December 1997	<u>79,691</u>	<u>36,983</u>	<u>783,003</u>	<u>98,251</u>	<u>997,928</u>
NET BOOK VALUE					
At 31 December 1997	<u>809,664</u>	<u>13,706</u>	<u>331,143</u>	<u>44,370</u>	<u>1,198,883</u>
At 31 December 1996	<u>818,623</u>	<u>14,201</u>	<u>274,940</u>	<u>49,228</u>	<u>1,156,992</u>

The cost of freehold buildings (net of grants receivable) on which depreciation is charged amounted to £823,164 (1996 - £823,164).

Hire purchase and finance lease agreements

Included within the net book value £1,198,883 is £87,786 (1996 - £34,841) relating to assets held under hire purchase agreements, and £nil (1996 - £nil) relating to assets held under finance lease agreements. The depreciation charged in the year in respect of assets held under hire purchase agreements amounted to £24,605 (1996 - £11,753), and £nil (1996 - £nil) in respect of assets held under finance lease agreements.

W C ROWE (FALMOUTH) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1997



10. INVESTMENTS

	£
COST	
At 1 January 1997 and 31 December 1997	<u>50</u>
NET BOOK VALUE	
At 31 December 1997	<u>50</u>
At 31 December 1996	<u>50</u>

11. STOCKS

	1997 £	1996 £
Second hand machinery	1,353	10,926
Raw materials	124,333	94,036
	<u>125,686</u>	<u>104,962</u>

12. DEBTORS

	1997 £	1996 £
Trade debtors	85,211	84,175
VAT recoverable	21,325	2,755
Other debtors	5,857	2,144
Prepayments and accrued income	27,665	33,325
	<u>140,058</u>	<u>122,399</u>

W C ROWE (FALMOUTH) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1997



13. CREDITORS: Amounts falling due within one year

	1997		1996	
	£	£	£	£
Bank loans and overdrafts		-		73,341
Trade creditors		160,090		155,442
Other creditors including taxation and social security:				
Corporation tax	32,838		24,941	
PAYE and social security	35,023		36,684	
Hire purchase agreements	40,286		25,986	
Commercial loan (see note 14)	7,113		5,549	
Other creditors	26,883		12,566	
Directors current accounts				
- Mrs P Rowe	106		18	
Directors current accounts				
- A H Pearce	6		41	
		142,255		105,785
Accruals and deferred income		20,628		27,418
		<u>322,973</u>		<u>361,986</u>

Directors loans of £112 (1996 - £59) are interest free and have no fixed repayment date.

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	1997	1996
	£	£
Bank loans and overdrafts	-	73,340
Commercial loan (see note 15)	7,113	5,549
	<u>7,113</u>	<u>78,889</u>

W C ROWE (FALMOUTH) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1997



14. CREDITORS: Amounts falling due after more than one year

	1997 £	1996 £
Other creditors:		
Hire purchase agreements	17,696	12,599
Commercial loan	-	3,762
	<u>17,696</u>	<u>16,361</u>

The aggregate amount of loans was as follows:-

(a) Falling due within one year		
Commercial loan	<u>7,113</u>	<u>5,549</u>
(b) Falling due within two to five years		
Commercial loan	<u>-</u>	<u>3,762</u>
Aggregate amounts	<u>7,113</u>	<u>9,311</u>

Commercial Loan

The commercial loan was advanced in January 1992, and is secured on the assets purchased. The rate of interest on the loan is 2% below the base rate. The loan is repayable over 7 years in quarterly instalments of £1,357.

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	1997 £	1996 £
Commercial loan	<u>-</u>	<u>3,762</u>

W C ROWE (FALMOUTH) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1997

VL

15. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	1997 £	1996 £
Provision brought forward	72,270	81,125
Decrease in provision	(12,409)	(8,855)
Provision carried forward	<u>59,861</u>	<u>72,270</u>

The movement in deferred taxation consists of the tax effect of timing differences in respect of:-

	1997 £	1996 £
Excess of taxation allowances over depreciation on fixed assets	(3,860)	(5,844)
Movement due to change in tax rates	(8,549)	(3,011)
	<u>(12,409)</u>	<u>(8,855)</u>

There is no unprovided liability for deferred taxation.

16. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	1997 £	1996 £
Amounts payable within 1 year	44,428	28,499
Amounts payable between 2 to 5 years	18,748	12,955
	<u>63,176</u>	<u>41,454</u>
Less interest and finance charges relating to future periods	(5,194)	(2,869)
	<u>57,982</u>	<u>38,585</u>

W C ROWE (FALMOUTH) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1997

VL

17. COMMITMENTS UNDER OPERATING LEASES

At 31 December 1997 the company had annual commitments under non-cancellable operating leases as set out below.

	1997	Other	1996	Other
	Land and buildings £	items £	Land and buildings £	items £
Operating leases which expire:				
Within 1 year	19,380	-	19,380	-
Within 2 to 5 years	15,500	-	-	858
After more than 5 years	37,400	-	40,900	-
	<u>72,280</u>	<u>-</u>	<u>60,280</u>	<u>858</u>

The majority of leases of land and buildings are subject to rent reviews at periodic intervals ranging between 1 and 5 years.

18. TRANSACTIONS WITH THE DIRECTORS

During the year the company paid rent to the value of £7,800 (1996 - £7,800) to Mrs P Rowe, who is a director of the company, in respect of property owned by her and leased to the company. The leases are on normal commercial terms.

19. SHARE CAPITAL

Authorised share capital:

	1997 £	1996 £
40,000 Ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>

Allotted, called up and fully paid:

	1997 £	1996 £
Ordinary share capital	<u>40,000</u>	<u>40,000</u>

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Profit for the financial year	132,489	36,158
Opening shareholders' equity funds	<u>943,680</u>	<u>907,522</u>
Closing shareholders' equity funds	<u>1,076,169</u>	<u>943,680</u>

W C ROWE (FALMOUTH) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1997

VLE

17. COMMITMENTS UNDER OPERATING LEASES

At 31 December 1997 the company had annual commitments under non-cancellable operating leases as set out below.

	1997 Land and buildings £	Other items £	1996 Land and buildings £	Other items £
Operating leases which expire:				
Within 1 year	19,380	-	19,380	-
Within 2 to 5 years	15,500	-	-	858
After more than 5 years	37,400	-	40,900	-
	<u>72,280</u>	<u>-</u>	<u>60,280</u>	<u>858</u>

The majority of leases of land and buildings are subject to rent reviews at periodic intervals ranging between 1 and 5 years.

18. TRANSACTIONS WITH THE DIRECTORS

During the year the company paid rent to the value of £7,800 (1996 - £7,800) to Mrs P Rowe, who is a director of the company, in respect of property owned by her and leased to the company. The leases are on normal commercial terms.

19. SHARE CAPITAL

Authorised share capital:

	1997 £	1996 £
40,000 Ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>

Allotted, called up and fully paid:

	1997 £	1996 £
Ordinary share capital	<u>40,000</u>	<u>40,000</u>

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Profit for the financial year	132,489	36,158
Opening shareholders' equity funds	<u>943,680</u>	<u>907,522</u>
Closing shareholders' equity funds	<u>1,076,169</u>	<u>943,680</u>