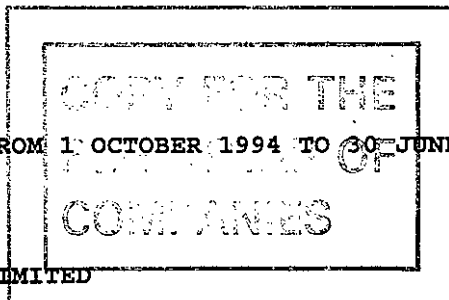
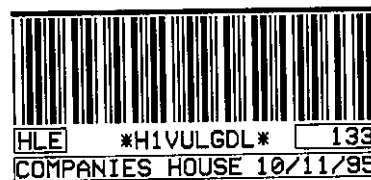


GROUP FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 OCTOBER 1994 TO 30 JUNE 1995
FOR
CHARLES BIRCH LIMITED



REGISTERED NUMBER: 1161150



CHARLES BIRCH LIMITED

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CHARLES BIRCH LIMITED

COMPANY INFORMATION

DIRECTORS:

E.H. Wilson
C.H. Wilson
G. Rooney
B. Brian
M. Jackson

SECRETARY:

B. Brian

REGISTERED OFFICE:

Holly House
43 Cavendish Street
Leeds
LS3 1LY

REGISTERED NUMBER:

1161150

AUDITORS:

Wilson Braithwaite Scholey
Registered Auditor
Chartered Accountants
21 St Paul's Street
Leeds
LS1 2ER

CHARLES BIRCH LIMITED

Notice is hereby given that the next annual general meeting of the company will be held at Holly Bush Farm, School Lane, Collingham, on 12 October 1995 for the following purposes:

1. To receive and adopt the report of the directors and financial statements for the period ended 30 June 1995 together with the report of the auditors thereon.
2. To re-appoint Messrs Wilson Braithwaite Scholey, Chartered Accountants, as auditors and to authorise the directors to fix their remuneration.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the company.

BY ORDER OF THE BOARD:



B. BRIAN
Secretary
21 September 1995

CHARLES BIRCH LIMITED

REPORT OF THE DIRECTORS

The directors present their report with the audited financial statements of the company and of the group for the period ended 30 June 1995.

PRINCIPAL ACTIVITY

The principal activity of the company and its subsidiary undertakings throughout the period was that of leather and grindery factoring and wholesale footwear.

REVIEW OF THE BUSINESS

The results for the period and financial position of the group are as shown in the annexed financial statements.

FUTURE DEVELOPMENTS

The directors' aim is to continue the policies which have resulted in a successful period of trading.

FIXED ASSETS

Movements in fixed assets are detailed in the notes to the accounts.

DIVIDENDS AND TRANSFER TO RESERVES

No dividend will be distributed for the period ended 30 June 1995. The retained group profit transferred to reserves will be £147134.

DIRECTORS

The directors of the company in office during the period and their beneficial interests in the issued share capital were as follows:

Name	Class of Capital	30.6.95	1.10.94
E.H. Wilson	"A" Ordinary Shares £1	72062	72062
E.H. Wilson			
Family Interest	"A" Ordinary Shares £1	15250	15250
G. Rooney	"A" Ordinary Shares £1	2000	2000
C.H. Wilson	"A" Ordinary Shares £1	25025	25025
B. Brian	"A" Ordinary Shares £1	2000	2000
M. Jackson	"A" Ordinary Shares £1	2000	2000

CHARLES BIRCH LIMITED

REPORT OF THE DIRECTORS
(continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period 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;
- prepare the financial statements on a 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. They 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.

CLOSE COMPANY

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors, Wilson Braithwaite Scholey, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD:



.....
B. BRIAN
Secretary
2 October 1995



FS 22680



**WILSON
BRAITHWAITE
SCHOLEY**

Chartered Accountants

21 St. Paul's Street, Leeds LS1 2ER

Telephone (0113) 244 5451

Fax (0113) 242 6308

CHARLES BIRCH LIMITED

**REPORT OF THE AUDITORS TO THE MEMBERS OF
CHARLES BIRCH LIMITED**

We have audited the financial statements on pages eight to twenty-three which have been prepared under the historical cost convention, and the accounting policies set out on page thirteen.

Respective responsibilities of directors and auditors

As described on page six 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 judgments 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 and of the group's affairs at 30 June 1995 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Wilson Braithwaite Scholey
Wilson Braithwaite Scholey

Wilson Braithwaite Scholey
Registered Auditor
Chartered Accountants
21 St Paul's Street
Leeds
LS1 2ER

Dated: 2 October 1995

CHARLES BIRCH LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the Period Ended 30 June 1995

	Notes	<u>30.6.95</u> £	<u>30.9.94</u> £
TURNOVER	2	5683401	7857258
Cost of sales		<u>3772291</u>	<u>5421750</u>
GROSS PROFIT		1911110	2435508
Administrative expenses		<u>1769695</u>	<u>2280381</u>
		141415	155127
Other operating income	3	<u>110255</u>	<u>156369</u>
OPERATING PROFIT	4	251670	311496
Interest receivable and similar income	7	<u>95</u>	<u>165</u>
		251765	311661
Interest payable and similar charges	8	<u>49371</u>	<u>67860</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		202394	243801
Tax on profit on ordinary activities	9	<u>55260</u>	<u>62323</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		147134	181478
Minority interests		<u>-</u>	<u>1209</u>
RETAINED PROFIT FOR THE PERIOD 19		<u>£ 147134</u>	<u>£ 180269</u>

CONTINUING OPERATIONS: None of the company's activities were acquired or discontinued during the current period and previous year.

RECOGNISED GAINS AND LOSSES: The company has no recognised gains or losses other than the profit for the current period and the previous year.

The notes form part of these financial statements

CHARLES BIRCH LIMITED

PROFIT AND LOSS ACCOUNT
for the Period Ended 30 June 1995

	Notes	<u>30.6.95</u> £	<u>30.9.94</u> £
TURNOVER	2	3913735	4655483
Cost of sales		<u>2699364</u>	<u>3431997</u>
GROSS PROFIT		1214371	1223486
Administrative expenses		<u>1270888</u>	<u>1418196</u>
		(56517)	(194710)
Other operating income	3	<u>216450</u>	<u>360290</u>
OPERATING PROFIT	4	159933	165580
Interest receivable and similar income	7	<u>95</u>	<u>165</u>
		160028	165745
Interest payable and similar charges	8	<u>49371</u>	<u>65289</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		110657	100456
Tax on profit on ordinary activities	9	<u>33411</u>	<u>22553</u>
RETAINED PROFIT FOR THE PERIOD 19		<u>£ 77246</u>	<u>£ 77903</u>

CONTINUING OPERATIONS: None of the company's activities were acquired or discontinued during the current period and previous year.

RECOGNISED GAINS AND LOSSES: The company has no recognised gains or losses other than the profit for the current period and the previous year.

The notes form part of these financial statements

CHARLES BIRCH LIMITED

CONSOLIDATED BALANCE SHEET
at 30 June 1995

	Notes	30.6.95		30.9.94	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10		286414		270461
Investments			<u>1</u>		<u>-</u>
			286415		270461
CURRENT ASSETS					
Stocks	12	1735185		1725905	
Debtors	13	2053972		2066633	
Cash at bank and in hand		<u>45893</u>		<u>130383</u>	
		3835050		3922921	
CREDITORS Amounts falling due within one year	14	<u>1499892</u>		<u>1715678</u>	
NET CURRENT ASSETS			<u>2335158</u>		<u>2207243</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2621573		2477704
CREDITORS Amounts falling due after more than one year	15	3758		10091	
PROVISIONS FOR LIABILITIES AND CHARGES	17	<u>29071</u>		<u>26003</u>	
			<u>32829</u>		<u>36094</u>
NET ASSETS			<u>£2588744</u>		<u>£2441610</u>
CAPITAL AND RESERVES					
Called up share capital	18		122963		122963
Other reserves			20070		20070
Profit and loss account	19		<u>2445711</u>		<u>2298577</u>
			<u>£2588744</u>		<u>£2441610</u>

.....
E.H. WILSON - Director

Approved by the Board on 2 October 1995

The notes form part of these financial statements

CHARLES BIRCH LIMITED

BALANCE SHEET
at 30 June 1995

	Notes	30.6.95		30.9.94	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10	231745		179799	
Investments	11	<u>491092</u>		<u>491091</u>	
			722837		670890
CURRENT ASSETS					
Stocks	12	1333006		1312070	
Debtors	13	1857133		1771813	
Cash at bank and in hand		<u>7105</u>		<u>7015</u>	
		3197244		3090898	
CREDITORS Amounts falling due within one year	14	<u>1938376</u>		<u>1856281</u>	
NET CURRENT ASSETS			<u>1258868</u>		<u>1234617</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1981705		1905507
CREDITORS Amounts falling due after more than one year	15	3758		10091	
PROVISIONS FOR LIABILITIES AND CHARGES	17	<u>23805</u>		<u>18520</u>	
			<u>27563</u>		<u>28611</u>
NET ASSETS			£1954142		£1876896
CAPITAL AND RESERVES					
Called up share capital	18		122963		122963
Other reserves			13541		13541
Profit and loss account	19		<u>1817638</u>		<u>1740392</u>
			£1954142		£1876896

.....
E.H. WILSON - Director

Approved by the Board on 2 October 1995

The notes form part of these financial statements

CHARLES BIRCH LIMITED

CONSOLIDATED CASH FLOW STATEMENT
for the Period Ended 30 June 1995

	Notes	<u>30.6.95</u>		<u>30.9.94</u>	
		£	£	£	£
Net cash inflow from operating activities	22		234547		194873
Returns on investments and servicing of finance					
Interest received		95		165	
Interest paid		(49371)		(68965)	
Net cash outflow from returns on investments and servicing of finance			(49276)		(68800)
Taxation					
Corporation tax paid			(52192)		(65788)
Investing activities					
Payments to acquire fixed assets		(89791)		(52631)	
Receipts from sales of fixed assets		39835		32390	
Payments to acquire share capital in subsidiary		-		(3000)	
Payments to acquire share capital in participating interest		(1)		-	
Net cash outflow from investing activities			(49957)		(23241)
Net cash outflow before financing			83122		37044
Financing					
Capital repayments under finance leases		(8964)		(21414)	
Net cash outflow from financing			(8964)		(21414)
INCREASE IN CASH AND CASH EQUIVALENTS	23		£ 74158		£ 15630

The notes form part of these financial statements

CHARLES BIRCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 June 1995

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The group accounts consolidate the accounts of Charles Birch Limited and its subsidiaries made up to 30 June in each year.

Turnover

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

Tangible fixed assets

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

Leasehold improvements	- 4% on straight line
Plant and machinery	- 10% and 25% on reducing balance
Fixtures and fittings	- 10% on reducing balance

Stocks

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

Cost consists of direct materials only, being goods purchased for resale, which make up the entire stock of the company.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Foreign exchange

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

Hire purchase and leasing commitments

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Compliance with Accounting Standards

The accounts have been prepared in accordance with applicable accounting standards. There were no material departures from those standards.

CHARLES BIRCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
30 June 1995

2. TURNOVER

The turnover and profit are attributable to the principal activities of the group. The analysis of turnover by geographical area is as follows:-

Geographical Area

	<u>Company</u>		<u>Group</u>	
	1995	1994	1995	1994
	£	£	£	£
United Kingdom	3755840	4429273	5480816	7608229
Europe	141605	202434	141605	202434
Channel Islands	<u>16290</u>	<u>23776</u>	<u>60980</u>	<u>46595</u>
	<u>£3913735</u>	<u>£4655483</u>	<u>£5683401</u>	<u>£7857258</u>

3. OTHER OPERATING INCOME

Administration fee	1548	15000	1548	15000
Discounts received	84902	104290	108707	141369
Management charge	<u>130000</u>	<u>241000</u>	<u>-</u>	<u>-</u>
	<u>£ 216450</u>	<u>£ 360290</u>	<u>£ 110255</u>	<u>£ 156369</u>

4. GROUP OPERATING PROFIT

The group operating profit is stated after charging/ (crediting):

Total directors' emoluments	168363	217279	168363	237587
Auditors' remuneration	16250	16250	23250	26750
Depreciation - owned assets	23662	25648	31575	40324
Depreciation - assets held under finance leases and hire purchase contracts	4609	8195	4609	8195
Loss on sale of fixed assets	-	3473	-	17296
Hire of plant and machinery - operating leases	112650	119082	156501	187071
Profit on sale fixed assets	(1654)	-	(2181)	-

CHARLES BIRCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
30 June 1995

5. DIRECTORS' REMUNERATION (excluding pension contributions)

	1995 £	1994 £
The remuneration of the chairman and the highest paid director was	£ 48037	£ 53000

The remuneration of the directors, including the above, was within the following ranges:

	1995 Number	1994 Number
£20001 - £25000	1	-
£25001 - £30000	2	1
£30001 - £35000	-	2
£35001 - £40000	1	-
£40001 - £45000	-	1
£45001 - £50000	1	-
£50001 - £55000	-	1

6. STAFF COSTS

The average number of persons employed, including directors, during the period was as follows:-

	Company		Group	
	1995 Number	1994 Number	1995 Number	1994 Number
Office and management	15	19	26	34
Productive warehouse	40	32	52	49
Selling	<u>12</u>	<u>11</u>	<u>15</u>	<u>15</u>
	67	62	93	98

The aggregate payroll costs of these persons were as follows:

	£	£	£	£
Wages and salaries	568915	668762	788673	1042754
Social security	49932	60681	69797	89466
Other pension costs	<u>20147</u>	<u>24724</u>	<u>24408</u>	<u>35555</u>
	£638994	£754167	£882878	£1167775

CHARLES BIRCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
30 June 1995

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>Company</u>		<u>Group</u>	
	1995	1994	1995	1994
	£	£	£	£
Bank interest	£ 95	£ 165	£ 95	£ 165
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

Bank loans and overdrafts and other loans repayable within five years	48137	63997	48137	63997
Finance charges - finance leases and hire purchase contracts	1234	1292	1234	3799
Other interest	<u> </u>	<u> </u>	<u> </u>	<u>64</u>
	£49371	£65289	£49371	£67860
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

9. TAXATION

Current period:				
Corporation tax at 25%				
(1994 - 25%)	30729	23635	54795	63127
Deferred taxation at 33%				
(1994 - 33%)	5285	3317	3068	3595
Prior year:				
Corporation tax under over provided	(2603)	(4399)	(2603)	(4399)
	£33411	£22553	£55260	£62323
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

CHARLES BIRCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
30 June 1995

10. TANGIBLE FIXED ASSETS
Company

	Leasehold land and <u>buildings</u>	Plant and machinery	Fixtures and <u>fixtures</u>	Total
	£	£	£	£
Cost				
At 1 October 1994	-	140414	179675	320089
Additions	24344	29550	30369	84263
Disposals	<u>-</u>	(9590)	<u>-</u>	(9590)
At 30 June 1995	<u>24344</u>	<u>160374</u>	<u>210044</u>	<u>394762</u>
Depreciation				
At 1 October 1994	-	58517	81773	140290
Charge for period	730	17920	9621	28271
On disposals	<u>-</u>	(5544)	<u>-</u>	(5544)
At 30 June 1995	<u>730</u>	<u>70893</u>	<u>91394</u>	<u>163017</u>
Net book value				
At 30 June 1995	<u>£23614</u>	<u>£ 89481</u>	<u>£118650</u>	<u>£231745</u>
At 30 September 1994	<u>£ -</u>	<u>£ 81897</u>	<u>£ 97902</u>	<u>£179799</u>

Included in the total net book value of tangible fixed assets held at 30 June 1995 was £19974 in respect of assets held under finance leases and hire purchase contracts.

Group

	Leasehold land and <u>buildings</u>	Plant and machinery	Fixtures and <u>fixtures</u>	Total
	£	£	£	£
Cost				
At 1 October 1994	21437	203359	251469	476265
Additions	24344	31039	34408	89791
Disposals	(21437)	(12302)	(22660)	(56399)
At 30 June 1995	<u>24344</u>	<u>222096</u>	<u>263217</u>	<u>509657</u>
Depreciation				
At 1 October 1994	2543	93377	109884	205804
Charge for period	730	21565	13889	36184
On disposals	(2543)	(7822)	(8380)	(18745)
At 30 June 1995	<u>730</u>	<u>107120</u>	<u>115393</u>	<u>223243</u>

CHARLES BIRCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
30 June 1995

10. TANGIBLE FIXED ASSETS (continued)

Group

	Leasehold land and <u>buildings</u>	Plant and machinery	Fixtures and <u>fixtures</u>	Total
	£	£	£	£
Net book value				
At 30 June 1995	£23614	£114976	£147824	£286414
At 30 September 1994	£18894	£109982	£141585	£270461

Included in the total net book value of tangible fixed assets held at 30 June 1995 was £19974 in respect of assets held under finance leases and hire purchase contracts.

11. INVESTMENTS

Fixed assets

	Shares in group <u>undertakings</u>
	£
Cost	
At 1 October 1994	491091
Additions	<u>1</u>
At 30 June 1995	£491092

Included in the investments detailed above, the company holds in excess of one-tenth of the nominal value of the stated class of shares in the following undertakings:

	<u>Country of Incorporation</u>	<u>Holding</u>	<u>Proportion held</u>	<u>Nature of business</u>
Subsidiary undertakings				
Charles Birch (Scotland) Ltd	England	Ord Shares	100%	Leather and grindery factoring
Lancashire Leather Factors Ltd	England	Ord Shares	78%	Non-trading
Collinson's Cut Soles Ltd	England	Ord Shares	90%	Non-trading

CHARLES BIRCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
30 June 1995

11. INVESTMENTS (continued)

Fixed assets

	Country of <u>Incorporation</u>	Holding <u> </u>	Proportion <u>held</u>	Nature of business <u> </u>
Subsidiary undertakings (continued)				
Charles Birch (South West) Ltd	England	Ord Shares	100%	Non-trading
T.W. Bailey (Merchants) Ltd	England	Ord Shares	100%	Non-trading
McNaught Key & Co Ltd	England	Ord Shares	82.12%	Non-trading
Charles Birch (Essex) Ltd	England	Ord Shares	99.34%	Leather and grindery factoring
Stephen Oddy (Fancy Leather Goods) Ltd	England	Ord Shares	50%	Fancy Leather Goods

12. STOCKS

	<u>Company</u>		<u>Group</u>	
	1995	1994	1995	1994
	£	£	£	£
Raw materials and consumables	£1333006	£1312070	£1735185	£1725905

13. DEBTORS - amounts falling
due within one year

Trade debtors	1198033	957878	1749937	1836314
Amounts owed by group undertakings	419071	644468	-	-
Amounts owed by undertakings in which the company has a participating interest	32237	-	32237	-
Other debtors	54290	55934	55290	63063
Prepayments and accrued income	<u>153502</u>	<u>113533</u>	<u>216508</u>	<u>167256</u>
	<u>£1857133</u>	<u>£1771813</u>	<u>£2053972</u>	<u>£2066633</u>

CHARLES BIRCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
30 June 1995

14. CREDITORS - amounts falling due within one year

	<u>Company</u>		<u>Group</u>	
	1995	1994	1995	1994
	£	£	£	£
Bank loans and overdrafts (note 16)	828831	987479	828831	987479
Payments received on account	-	-	-	738
Trade creditors	346995	369054	369260	399318
Amounts owed to group undertakings	530625	273477	-	-
Corporation tax	30729	23635	54795	63127
Social security and other taxes	119920	125012	147495	160259
Hire purchase and finance leases	9322	11953	9322	11953
Other creditors	43861	37922	49637	51748
Accruals and deferred income	<u>28093</u>	<u>27749</u>	<u>40552</u>	<u>41056</u>
	<u>£1938376</u>	<u>£1856281</u>	<u>£1499892</u>	<u>£1715678</u>

15. CREDITORS - amounts falling
due after more than one year

Hire purchase and finance leases	£ 3758	£ 10091	£ 3758	£ 10091
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

16. LOANS AND OVERDRAFTS

The aggregate amount of loans
and overdrafts was as follows:

Amounts falling due within
one year:

Bank overdrafts	£ 828831	£ 987479	£ 828831	£ 987479
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

CHARLES BIRCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
30 June 1995

17. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>Company</u>	<u>Group</u>
	<u>Deferred taxation</u>	<u>Deferred taxation</u>
	£	£
Balance at 1 October 1994	18520	26003
Charge for period	<u>5285</u>	<u>3068</u>
Balance at 30 June 1995	£ 23805	£ 29071

The amount provided and the potential liability for deferred taxation is as follows:

	1995		1994	
	Provided	Potential	Provided	Potential
	£	£	£	£
The Company				
Accelerated capital allowances	£ 23805	£ 23805	£ 18520	£ 18520
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
The Group				
Accelerated capital allowances	£ 29071	£ 29071	£ 26003	£ 26003
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

18. CALLED UP SHARE CAPITAL

			1995	1994
			£	£
Authorised Number	Class	Nominal Value		
499800	Ordinary "A" Shares	£1	499800	499800
200	Ordinary "B" Shares	£1	<u>200</u>	<u>200</u>
			£500000	£500000
			<u> </u>	<u> </u>
Allotted, issued and fully paid Number	Class	Nominal Value		
122963	Ordinary "A" Shares	£1	£122963	£122963
			<u> </u>	<u> </u>

CHARLES BIRCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
30 June 1995

19. PROFIT AND LOSS ACCOUNT

	<u>Company</u> £	<u>Group</u> £
At 1 October 1994	1740392	2298577
Profit for period	<u>77246</u>	<u>147134</u>
At 30 June 1995	£1817638	£2445711

20. LEASING COMMITMENTS

At 30 June 1995 there were annual commitments under non-cancellable operating leases as detailed below:

	<u>Company</u>		<u>Group</u>	
	1995	1994	1995	1994
	£	£	£	£
Operating leases which expire:				
Within one year	33311	31036	33311	31036
Within two to five years	<u>132860</u>	<u>63726</u>	<u>132860</u>	<u>63726</u>
	£166171	£ 94762	£166171	£ 94762

21. PENSION COSTS

The company 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 pension cost charge represents contributions payable by the company to the fund and amounted to £20147 (1994 £24724).

22. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1995 £	1994 £
Operating profit	251670	311496
Depreciation charges	36184	48519
(Profit) loss on sale of tangible fixed assets	(2181)	17296
Increase in stocks	(9280)	(84722)
Decrease (increase) in debtors	12661	(92575)
Decrease in creditors	(54507)	(5141)
NET CASH INFLOW FROM OPERATING ACTIVITIES	£234547	£194873