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NOTICE OF ILLEGIBLE DOCUMENTS

Companies House regrets that documents in this company's microfiche record have pages which are illegible.

This has been noted but unfortunately steps taken to rectify this were unsuccessful.

Companies House would like to apologise for any inconvenience this may cause.

"The difficult world trading conditions have provided a greater challenge for the continuation of the solid position that the Group has enjoyed over recent years.

In the face of rapid technological and economic change PMI have now succeeded in laying the foundations of a diversified self-service business which will bring growth in the coming years."

DAN DAVID
Chairman

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B470

Contents

Directors, officers and corporate information

Board of directors

	[illegible]	[illegible]
*Dan David BSc *Chairman*	1961	1968
*David W Miller DM WRA *Group Managing Director*	1982	1982
*Philippe Paven	1992	1992
Peter D Berridge *Finance Director & Secretary*	1970	1990
Riccardo Costi	1969	1992
Serge Crasnianski	1990	1990
Peter M Ogborne BA	1972	1992
Michel Vez	1973	1978
Francis Wahl	1979	[illegible]
Philippe Wahl	1962	[illegible]

**Members of Executive Committee*

Group executives and advisers *(with year of commencement)*

J Ansermet	1964	Y Hecht	1990	D Pender	1983
C Barclay	1991	J Henderson	1979	M Polanski	1982
E Burchard	1976	H D Hestermann	1971	R Pollock	1986
C Burke	1989	G Jameson	1987	E Rizzi	1966
R Calder	1991	F Juan	1968	R Rizzi	1978
F Canonico	1985	C Julia	1986	M Roulet	1960
A Caroselli	1976	R Kemp	1989	M Simoes	1975
F Caspar	1987	F Kwan	1983	J Smallegange	1990
E A Causon	1965	M Lacey	1988	R Sorbo	1965
C Cert	1991	F Lemaitre	1991	K C Steele	1985
R J Cheeseman	1982	M Lepone	1972	K Steude	1987
B Crocker	1971	D Lohmann	1985	P L Streamer	1985
D J Cumberland	1989	R E Lowes	1981	G Tasciotti	1970
A Curini	1963	G Macfarlane	1984	E Terry	1991
G David	1979	B J Manning	1991	K Tezuka	1972
D Fang	1989	T W Mines	1963	T R Tomlin	1977
J E Flatton	1968	Y Murase	1971	D W Wells	1977
R Folgori	1983	N Najberg	1988	K West	1989
M A Geering	1976	C O'Malley	1960	J L Weston	1969
J M Geffroy	1990	M Omura	1971	J R Weston	1971
W Glade	1984	M Osada	1965	B Wojtkowski	1967
P L Godfrey	1965	W J O'Toole	1968	J B Wood	1989
P Harbeck	1984	G Paton	1980	G Zohrer	1992

Company registered number

73438 London

Registered office and transfer office

Church Road, Bookham, Surrey KT23 3EU

Telephone: 0372 453399 Fax: 0372 459064 Telex: 928898

Bankers

Lloyds Bank plc, 39 Threadneedle Street, London EC2R 8AU

Midland Bank plc, City of London Corporate Office, 27-32 Poultry, London EC2P 2BX

Auditors

Mazars, Ashby House, 64 High Street, Walton-on-Thames, Surrey KT12 1BW

Brokers

Lloyds Bank Stockbrokers Limited, 48 Chiswell Street, London EC1Y 4XX

Solicitors

Denton Hall Burgin & Warrens, Five Chancery Lane, Clifford's Inn, London EC4A 1BU

Macdays, Crown House, Church Road, Claygate, Esher, Surrey KT10 0JP

Executive Committee statement

Group's financial performance

International economic uncertainties and political change made the financial year to 30 April 1992 a difficult year. We are pleased in times of economic gloom to be able to announce an increase of 10% in operating revenue and 7% in total Group turnover.

Group turnover up 7%

We have continued to invest for the future and have worked hard to expand our customer and product base in each of the many territories of the world in which we operate.

The second half of the year to 30 April 1992 was affected by the continued recession and foreign exchange pressures, but we were able to raise operating profits before depreciation and tax by 7.5% to £30 million *(1991: £28 million)* for the full year, whilst pre-tax profits at £16.4 million were almost comparable with last year's figure *(£17.1 million)*.

Operating profit up 7.5% before depreciation

Earnings per share rose by 5% to 17.90p *(17.06p)*, and your Board recommends a final dividend of 3.1p. This makes a total for the year of 4.4p, an increase of almost 5% and more than four times covered by earnings.

Earnings per share up 5%
and
Dividend up 5%

Positive cash flows more than covered capital expenditure on operating equipment of £18.2 million. This level of spending shows our continuing confidence in the development of new territories and markets that this expanded range of assets will bring for the future. Depreciation charged during the year was £13 million *(1991: £9.6 million)*.

Although the Group in past years depended upon a single product service, we have now laid the foundations of a diversified self-service business. Many of our new international subsidiaries are now operating the new range of equipment which will bring the growth we need.

	Sales	*Operating profit before depreciation*	*Earnings per share*
	£000	*£000*	
1992	114,796	30,047	17.90p
1991	107,487	27,958	17.06p
1990	94,001	25,312	15.54p
1989	94,466	22,605	14.74p
1988	76,829	16,680	9.86p

PMI's strategy for future profitability

While diversification and expansion continues the Group will concentrate on its core photographic and imaging profit-producing activities. We shall expand our electronic imaging systems for people to take "Fun" souvenir photos, as well as continue to develop new markets for our traditional products. We have recently signed agreements to guarantee supplies of essential consumable materials for the years ahead. We believe that existing and new products together with our discriminating "siting" policy will secure our revenue from photographic imaging and self-service products for the years to come. Our global maintenance capability

PMI is in a unique position to further expand our operation into new product areas around the world, always bringing our customers the instant service that they demand. After sales product support is the key to our future.

PMI Express Systems Division

The PMI Express Systems Division continues to grow and will now concentrate on promoting to a wider customer base the self service printing systems already installed. A major new financial joint venture will exploit these printing products in the United States market in co-operation with our existing operating subsidiary based in the USA.

The new Division increased operating revenues during the year to £4.7 million (*1991: £2.4 million*). The new products will continue to use the overhead and service structure in place around the world. In the year ahead we intend to franchise and sell our express products, and a sales group has been formed to study ways to achieve this in existing and new markets.

PMI Data Identification Systems Division

The PMI Data Identification Systems Division continued its penetration of general and national identity card schemes.

We see substantial potential growth in the existing and new worldwide demands for photographic identification cards to prevent rising fraud. Recession brings increasing social unrest and crime, and now new countries, especially in Eastern Europe, will demand new identity cards. These new identity products will link to our continuing programme of generating further demand for photographic images, bringing new volume to our core photobooth locations. The Group has high hopes that the driving licence, bank card, and national ID document market will need to protect itself by the use of photographic identity.

People and organisation

In December we were deeply saddened to lose our Chairman, Terry Chute, following his courageous battle against a long illness. We shall all remember his fighting spirit and also the business sense that he gave to the Company for over 25 years. Our President Dan David, has agreed to re-assume the position of Chairman and his decision has been welcomed by the whole Company. The Executive Committee of the Board is now structured to react to the changing demands that the Group will face as it positions itself for the rest of the 1990's. From the photographic industry Mr Philippe Payen joined the Board and has been appointed a member of the Executive Committee.

The Board this year welcomes two new members, Peter Ogborne and Riccardo Costi, who having each been involved with Group operating companies for over 20 years, will ensure that we not only plan our products correctly, but also secure their operational performance for the future.

Our people continue to be the asset we value most and they are facing both rapid technological and economic change. The difficult world trading conditions mean extra effort from all of us to ensure the continuation of the solid position that the Group has enjoyed over recent years.

Your Executive Committee and the entire Board thank all of our employees for their past efforts and continue our total commitment not only to maximising profit per employee and earnings per share, but also to building a company with which people enjoy doing business.

The Executive Committee of the Board of Directors of Photo-Me International PLC

DAN DAVID	*DAVID W MILLER*	*PHILIPPE PAYEN*
Chairman	*Group Managing Director*	*Director*

14th September 1992

Report of the directors

The directors have pleasure in submitting to the shareholders their report and Group accounts of Photo-Me International Plc for the year ended 30 April 1992.

Results and dividends

The results for the year are set out in the Group profit and loss account on page 8.

Your directors recommend a final dividend of 3.1p per share payable on 1 January 1993. This together with the interim dividend of 1.3p per share paid on 1 May 1992 makes a total dividend of 4.4p per share. The gross equivalent, including the related tax credit, is 5.9p per share (235%) based on nominal value of 2.5p per share (*1991 5.6p 224% per share based on 58,572,500 shares*).

Review of the business

The principal activities of the Group are the manufacture, sale and operation of coin-operated automatic photographic studios, identification systems, copiers and express print services throughout the world.

Turnover has increased by 7% to £114,795,606 (*1991: £107,456,565*) and the operating profit before depreciation on vending machines, interest payable and taxation has also increased by 7% to £27,872,607 (*1991: £26,146,310*). The amount proposed to be carried to reserves is £7,921,232 (*1991: £7,551,913*). The directors have now decided on a more prudent policy of writing off all goodwill in the year in which it arises. The goodwill arising on acquisitions in the year to 30 April 1991 of £4,532,747 which was capitalised, has now been written off as a prior year adjustment, and the goodwill arising on the acquisitions in the year to 30 April 1992 of £3,238,798 has been written off against reserves.

Share bonus

The Company has issued 14,500 Ordinary shares of 2.5 pence each at par value to long service employees, group executives and advisers, as permitted by the Ordinary and Special Resolutions adopted on 17 December 1987.

Market value of land and buildings

The directors consider that the market value of the Group's interest in freehold land and buildings is in excess of its aggregate book value of £6,341,030. This excess has not been quantified as there is no intention to dispose of this interest in the foreseeable future.

Fixed assets

The movements in fixed assets are set out on pages 16 to 18.

Research and development

The Group is committed to its research and development programme and all expenditure incurred during the year has been written off. The expenditure of £800,000 incurred on the development of the electronic photographic studio and digicard system, which has been capitalised over the previous two years, is being written off against profits over a three year period.

Future developments

Despite the world-wide recession and economic difficulties the directors are of the opinion that the turnover will increase during the next year as the demand for automatic photography, mass identification systems and express print services continues to expand throughout the world.

Employees

A loyal and skilled workforce is essential for the future prosperity of the Group and, where appropriate, information is provided on matters of interest and concern to them as employees.

The Group recognises the benefits that arise from effective training of its employees and has established national training centres to improve skill levels and health and safety awareness.

Disabled employees

Disabled persons are employed by the Group when they can demonstrate that they have the necessary abilities for a particular vacancy and, so far as is practicable, have the same opportunities for training and promotion as other employees.

Board of Directors

The directors of the Company during the year to 30 April 1992 were as listed opposite. Mr Philippe Paven was appointed to the Board on 14 January 1992 and Messrs. Riccardo Costi and Peter Ogborne were appointed on 3 March 1992. In accordance with the Company's Articles of Association they retire and, being eligible, offer themselves for re-election. Mr Philippe Paven has a service contract with the Company which expires on 1 January 1997 and Mr Peter Ogborne has a service contract with the Company which can be terminated on 30 April 1994. Mr Riccardo Costi has no service contract with any Group company. The director retiring by rotation is Mr Dan David who, being eligible, offers himself for re-election. Mr David has a service contract with a Group undertaking [illegible] 30 April 1994.

Directors and their interests

According to the records kept by the Company the directors had beneficial interests in the share c ital of the Company as follows:

	Share options granted	14 September 1992	30 April 1992	At date of appointment	30 April 1991
Dan David	50,000	2,938,200	2,938,200		2,938,000
Terence M Chute (deceased 24 December 1991)	35 000				78,000
David W Miller	150,000	29,145	29,145		22,390
Peter D Berridge	100,000	14,510	14,510		10,510
Riccardo Costi (appointed 3 March 1992)	4 ,000	3,600	3,600	3,600	
*Serge Crasnianski	50,000	12,000,250	12,000,250		12,000,000
Peter M Ogborne (appointed 3 March 1992)	80,000	386	250	250	
Philippe Payen (appointed 14 January 1992)	50,095				
Michel Vez	50,000	115,640	115,640		571,450
Francis Wahl	50,000	250	250		250
**Philippe Wahl	50,000	2,649,353	2,649,353		25,250

Director's interests in share capital of Group undertakings were:

	14 September 1992	30 April 1992	30 April 1991
Michel Vez			
- Eletronic Foto Colipar Ltda.	19%	19%	19%
- Fotomatica do Brasil Repr. Ind. E. Com. Ltda.	19%	19%	19%

The Company has purchased during the year insurance of directors and officers against liabilities in relation to the Company.

Substantial shareholders

On 14 September 1992 the following shareholders had an interest of 3% or more in the Ordinary shares of the Company:

A.T.E. Technology Equipment b.v.	5,600,000
Automax Holdings b.v.	5,840,000
*Imaging Systems International (ISI) b.v.	12,000,000
**Kerima b.v.	2,365,393
Lorane Technica. Equipment b.v.	5,831,300

*Serge Crasnianski, a director of the Company, has declared an int. rest in the shares held by Imaging Systems International (ISI) b.v.

**Philippe Wahl, a director of the Company, has declared an interest in the shares held by Kerima b.v.

Close company status

As far as the directors are aware, the Company is not a close company within the provisions of the Income and Corporation Taxes Acts.

Auditors

The auditors, Menzies, have expressed their willingness to continue in office. It is intended to move a resolution at the Annual General Meeting to re-appoint them and authorise the directors to fix their remuneration.

By order of the Board
Peter D Berridge
Secretary

Church Road, Bookham, Surrey KT23 3EU
14th September 1992

Group profit and loss account

for the year ended 30 April 1992

	Note	1992 £	1991 £
Turnover			
Third parties		100,819,361	[illegible]
Group undertakings		13,976,225	[illegible]
		114,795,606	[illegible]
Cost of sales		86,454,961	[illegible]
Gross profit		28,340,645	[illegible]
Distribution costs and administrative expenses		12,776,036	[illegible]
		15,564,609	14,342,289
Other operating income		3,457,742	[illegible]
Loss/income from interests in associated undertakings		(20,220)	11,818
Operating profit		19,002,131	18,319,080
Interest payable		2,591,461	1,251,005
Profit on ordinary activities before taxation		16,410,670	17,068,075
Tax on profit on ordinary activities		5,123,692	5,695,116
Profit on ordinary activities after taxation		11,986,978	[illegible]
Minority interests		447,446	1,329,803
Profit before extraordinary item		10,539,532	10,042,956
Extraordinary item		(27,272)	(18,400)
Profit attributable to members of the holding company		10,512,260	10,024,556
Dividends		2,591,028	2,472,645
Retained profit for year		£7,921,232	£7,551,911
Earnings per share		17.90p	17.06p

Statement of group retained profits

	Note	1992 £	1991 £
Retained profit for year		7,921,232	7,551,911
Retained profits at 1 May 1991			
As previously reported		44,558,555	[illegible]
Prior year adjustments	10	(4,823,706)	[illegible]
As restated		39,734,849	[illegible]
		47,656,081	44,744,283
Goodwill arising on consolidation		(3,238,798)	
Transfer to capital reserves	21	(167,528)	(185,728)
Retained profits at 30 April 1992	21	£44,249,755	£44,558,555

Balance sheets

as at 30 April 1992

		Company		Group	
		1992	1991	1992	1991
	Note	£	£	£	£
Fixed assets					
Intangible assets	11	583,334	566,667	567,133	5,379,95[illegible]
Tangible assets	12	14,384,131	12,467,309	69,721,553	57,519,6[illegible]
Investments	13	6,378,565	9,523,101	284,744	881,541
		20,966,030	22,557,077	70,573,429	63,782,793
Current assets					
Stocks	14	8,978,971	9,442,022	20,084,842	20,523,444
Debtors	15	24,972,428	25,005,478	19,426,787	17,128,783
Investments	16	257,586	257,586	257,586	257,586
Cash at bank and in hand		1,679,837	13,413	7,001,658	4,407,856
		35,838,822	34,718,499	46,770,873	42,317,669
Creditors					
Amounts falling due within one year	17	15,198,527	14,576,031	37,701,695	35,783,079
Net current assets		20,640,295	20,142,468	9,069,178	6,534,590
Total assets less current liabilities		41,608,325	42,699,545	79,642,607	70,317,383
Creditors					
Amounts falling due after more than one year	18	5,533,827	3,955,925	17,991,229	9,272,287
		36,074,498	38,743,620	61,651,378	61,045,096
Provision for liabilities and charges					
Deferred taxation	19	1,542,579	1,271,286	7,713,295	6,412,660
		34,531,919	37,472,334	53,938,083	54,632,436
Minority interests		-	-	5,197,815	5,751,439
		£34,531,919	£37,472,334	£48,740,268	£48,880,997
Capital and reserves					
Called-up share capital	20	1,473,175	1,471,812	1,473,175	1,471,812
Reserves:	21				
Capital reserves		-	-	3,018,338	2,890,630
Profit and loss account		33,059,744	36,000,522	44,249,755	44,518,555
		£34,531,919	£37,472,334	£48,740,268	£48,880,997

Dan David
David W Miller } *Directors*

14th September 1992

Group cash flow statement

for the year ended 30 April 1992

	Note	1992 £	1991 £
Net cash inflow from operating activities	[illegible]	28,550,430	*21,681,681*
Returns on investments and servicing of finance			
Interest received		513,443	*964,677*
Interest paid		(2,041,906)	*(1,082,143)*
Dividends received from associated undertakings		-	*6,785*
Dividends paid by Company		(1,766,175)	*(2,354,696)*
Dividends paid to minority interests		(48,236)	*(627,595)*
Net cash outflow from returns on investments and servicing of finance		(3,342,874)	*(3,153,082)*
		25,207,556	*18,528,599*
Taxation			
UK Corporation tax paid		(2,900,187)	*(5,462,964)*
Overseas tax paid		(1,114,478)	*(1,527,003)*
Tax paid		(4,014,665)	*(6,989,967)*
		21,192,891	*11,538,632*
Investing activities			
Purchase of intangible fixed assets		-	*(400,000)*
Purchase of tangible fixed assets		(21,850,002)	*(19,971,493)*
Purchase of increased share in subsidiary undertakings		(4,220,632)	*(6,192,604)*
Purchase of subsidiary undertakings (see note 13)		(420,000)	*(38,310)*
Investment in associated undertakings		(20,895)	*(635,661)*
Sale of tangible fixed assets		1,770,945	*797,689*
Sale of fixed asset investments		5,052	*69,098*
Sale of current asset investments		-	*1,421,554*
Net cash outflow from investing activities		(24,735,532)	*(24,949,727)*
Net cash outflow before financing		(3,542,641)	*(13,411,095)*
Financing			
Issue of Ordinary Shares		363	*262*
New secured loan repayable in more than 5 years	16	2,549,307	-
New unsecured loans repayable within 1-5 years	16	6,293,196	*4,082,338*
Repayment of amounts borrowed:			
Capital element of finance lease rental payments	16	(1,216,039)	*(391,268)*
Net cash inflow from financing		7,626,827	*3,691,332*
Increase (Decrease) in cash and cash equivalents	[illegible]	£4,084,186	*(9,719,763)*

Notes to the cash flow statement

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

	1992 £	1991 £
Operating profit	19,002,131	18,319,080
Depreciation and amortisation charges	11,045,171	9,639,060
Interest receivable	(616,991)	(900,577)
Loss (income) from interest in associated undertakings	20,220	(11,818)
Loss on foreign exchange included in cost of sales	353,625	251,696
Profit on sale of tangible fixed assets	(159,223)	(192,147)
Profit on sale of current asset investments	-	(153,186)
Decrease (increase) in stocks	278,602	(2,678,362)
Increase in debtors	(1,880,923)	(3,563,594)
Increase in creditors	507,818	971,529
Net cash inflow from operating activities	£28,550,430	£21,681,681

b Analysis of changes in financing during the year

	1992 £	1991 £
Loans and finance lease obligations		
Balance at 1 May 1991	14,093,718	10,212,167
Cash flows from financing		
new secured loan repayable in more than 5 years	2,549,307	-
new unsecured loans repayable within 1-5 years	6,293,196	4,082,348
repayments of capital element of leases	(1,216,039)	(391,268)
Loans and finance lease obligations of subsidiary undertakings acquired during the year	1,653,384	-
Inception of finance lease contracts	469,749	723,431
Effect of foreign exchange rate changes	(17,745)	(532,950)
Balance at 30 April 1992	£23,825,570	£14,093,718
comprised of:		
loans	18,803,606	9,982,124
lease creditors	5,021,964	4,111,594
Total	£23,825,570	£14,093,718

c Analysis of changes in cash and cash equivalents during the year

	1992 £	1991 £
Balance at 1 May 1991	(1,456,244)	8,431,549
Net cash inflow (outflow) before adjustment for the effect of foreign exchange rate changes	4,084,186	(9,719,763)
Effect of foreign exchange rate changes	(40,880)	(168,030)
Change in year (see note d below)	4,043,306	(9,887,793)
Balance at 30 April 1992 (see note d below)	£2,587,062	(£1,456,244)

d Analysis of the balances of cash and cash equivalents as shown on the Balance Sheet

	1992	Change in year	1991	Change in Year	1990
Cash at bank and in hand	7,001,658	2,593,802	4,407,856	(6,983,165)	11,391,021
Bank overdrafts	(4,414,596)	1,449,504	(5,864,100)	(2,904,628)	(2,959,472)
	£2,587,062	£4,043,306	(£1,456,244)	(£9,887,793)	£8,431,549

e Major non-cash transactions

During the year the Group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the lease of £2,123,133 (1991: £723,431).

Notes on the accounts

for the year ended 30 April 1992

1 Accounting policies

(a) Accounting convention

The accounts are prepared under the historical cost convention and comply with all applicable UK accounting standards.

(b) Basis of consolidation

The Group accounts consolidate the accounts of the Company and all its subsidiary undertakings (except two undertakings which did not trade during the period) made up to 30 April 1992.

The Group accounts include the appropriate share of profits of associated undertakings based on accounts to 30 April 1992 and, in the case of Animate Fotofixe Lda and Multi Point Service S.A.R.L., to 31 December 1991.

The Group accounts include income from other equity investments only on a dividend received basis. Income from bonds is accounted for on an accruals basis.

The Company has not presented its own profit and loss account, as permitted by Section 230 of the Companies Act 1985.

(c) Depreciation and amortisation

Depreciation is charged on either a straight line basis or on a reducing balance basis to reduce the cost of fixed assets to their net realisable values over their estimated useful lives at the following rates.

Freehold land	Nil
Freehold buildings	3.5% – 5% straight line
Long leasehold property	1% straight line – 10% reducing balance
Short leasehold property	over the life of the leases
Photographic studios, etc	10% – 20% straight line, with a minimum net book value of 35% of cost.
Plant, etc	12.5% – 25% straight line or reducing balance
Development expenditure	33⅓% straight line over the following three years

(d) Stocks

Stocks are stated at the lower of cost and net realisable value as follows:

Cost incurred in bringing each product to its present location and condition:

Raw materials and consumables	purchase cost on a first-in, first-out basis.
Work in progress and finished goods	cost of direct materials and labour plus attributable overheads based on the normal level of activity.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

(e) Research and development

Research and development expenditure is generally written off in the year in which it is incurred. Development expenditure relating to specific projects which will not generate revenues until future years, is capitalised and amortised as noted above.

(f) Deferred taxation

Full provision is made, using the liability method, for taxation deferred mainly as a result of timing differences arising from taxation allowances, for United Kingdom and Ireland fixed assets, exceeding depreciation charged in the accounts. Provision is also made for other differences in recognising revenue and expense items in other periods for taxation purposes. Advance corporation tax which is expected to be recoverable in the future is deducted from the deferred taxation balance.

(g) Foreign currencies

Profits, assets and liabilities are translated at the rates of exchange ruling at the end of the accounting year. Differences arising on the retranslation of opening net assets are taken directly to reserves.

(h) Pension costs

Some of the Company's longer serving employees belong to a pension scheme, which is closed to new entrants. The scheme is funded by both employers' and employees' contributions and is of the defined benefit type. The pension cost is assessed in accordance with the advice of an independent qualified actuary. Any difference between the cost charged and the amounts paid by the Company is treated as a prepayment or accrual. Overseas pension plans vary according to local conditions and practices.

(i) Goodwill

Goodwill arising on consolidation is written off to reserves in the year in which it arises. Goodwill arising on major acquisitions in the year to 30 April 1991 was capitalised with the intention of it being written off by equal instalments over the following five years. However, the Directors have now decided on a more prudent policy of writing off all Goodwill in the year in which it arises.

(j) Leased assets

Rentals payable under operating leases are charged to profit and loss account, as incurred, over the lease term. Assets acquired under finance lease agreements are capitalised in the balance sheet and depreciated over their estimated useful lives.

(k) Turnover
Turnover comprises the net invoiced value of sales and the revenue arising from cash takings in operating companies, stated net of value added tax. Turnover includes sales by the Company's manufacturing division to Group undertakings, the majority of such sales are of equipment which is then capitalised within the accounts of the Group undertakings. It is the opinion of the directors that excluding such sales from turnover would understate the Group's activities and as such would fail to give a true and fair view. Inter-company profit arising on such sales is excluded from the Group's profit.

2 Turnover

Turnover was contributed as follows:

	1992 £	%	1991 £	%
Area of activity				
Manufacturing	13,976,225	12.2	15,569,925	12.6
Sales to Group undertakings	4,911,528	4.3	6,369,133	6.0
Sales to third parties	18,887,753	16.5	19,939,058	18.6
	95,907,853	83.5	87,547,507	81.4
Operating	£114,795,606	100.0	£107,486,565	100.0
Geographical area	44,145,533	38.4	40,489,903	37.7
United Kingdom and Republic of Ireland	35,219,904	30.7	33,265,739	30.9
Overseas Europe	10,779,249	9.4	10,745,231	10.0
The Americas	24,650,920	21.5	22,985,692	21.4
Asia and Australasia	£114,795,606	100.0	£107,486,565	100.0

3 Group profit

Group profit on ordinary activities before taxation was contributed as follows:

	1992 £	%	1991 £	%
Geographical area	9,048,889	55.1	8,532,134	50.0
United Kingdom and Republic of Ireland	4,523,472	27.6	2,561,627	15.0
Overseas Europe	1,383,943	8.4	3,014,558	17.7
The Americas	1,454,366	8.9	2,959,756	17.3
Asia and Australasia	£16,410,670	100.0	£17,068,075	100.0

It is the opinion of the directors that disclosure of the profit before taxation attributable to manufacturing and operating activities, and the information required by Statement of Standard Accounting Practice 25 (Segmental reporting), would be seriously prejudicial to the interests of the Group.

Profit is stated after charging or crediting

		1992	1991
Cost of sales:			
Research and Development:		266,666	133,333
amortisation of intangible fixed assets		1,820,258	1,410,622
current year's expenditure		8,884,713	5,216,894
Depreciation of tangible fixed assets	owned	1,214,656	714,051
	leased	97,314	93,492
Hire of plant and machinery		353,625	251,696
Loss on foreign exchange		(159,223)	(192,447)
Profit on disposal of fixed assets		73,976,952	70,124,994
Other costs		£86,454,961	£80,752,935
		949,042	785,288
Distribution costs			
Administrative expenses:		154,733	145,511
Auditors' remuneration		679,136	574,782
Depreciation		10,993,125	10,885,760
Other expenses		£12,776,036	£12,391,341

(continued)

Notes on the accounts

for the year ended 30 April 1992

3 Group profit *continued*

	1992 £	1991 £
Other operating income:		
Commission	1,757,837	1,258,867
Interest receivable	616,991	900,577
Other	1,082,914	1,205,529
	£3,457,742	£3,964,973
Loss/Income from interests in associated undertakings	(£20,220)	£11,818
Interest payable:		
On bank loans repayable by instalments and wholly repayable within five years	988,101	61,413
On other bank loans and overdrafts and loans wholly repayable within five years	1,532,762	1,189,592
On other loans	70,598	-
	£2,591,461	£1,251,005

4 Employees

The average weekly number of employees world wide during the year was made up as follows	1992 Number	1991 Number
Office and management	310	286
Manufacturing and operating	1,623	1,383
	1,933	1,669

	£	£
Staff costs during the year amounted to:		
Wages and salaries	17,751,299	15,287,905
Social security costs	2,924,719	2,381,278
Other pension costs	126,725	132,336
	£20,802,743	£17,801,519

	£	£
Directors' remuneration		
Fees	16,470	14,575
Other emoluments (including pension contributions)		
Management United Kingdom	239,881	217,145
overseas	193,293	144,542
Provision for loss of office for overseas directors		
charge for year	8,591	5,926
provision to 30 April 1990 waived	-	(107,354)
	£458,235	£274,834

Emoluments (excluding pension contributions) of		
The former chairman *(and 1991 highest paid director)*	£74,769	£91,468
The new chairman	£58,466	£58,081
The highest paid director	£87,334	
	Number	Number
Other directors were between		
£ 0 – £ 5,000	2	3
£ 5,001 – £10,000	2	
£20,001 – £25,000	-	1
£25,001 – £30,000	1	
£30,001 – £35,000		1
£50,001 – £55,000	1	1
£55,001 – £60,000	2	
£80,001 – £85,000		1

Notes on the accounts

for the year ended 30 April 1992

11 Intangible fixed assets

	Goodwill	Software and hardware development costs	Chemical system	Total
	£	£	£	£
Company				
Cost:				
At 1 May 1991 and 30 April 1992	-	£700,000	-	£700,000
Amortisation:				
At 1 May 1991	-	133,333	-	133,333
Provided during year	-	233,333	-	233,333
At 30 April 1992	-	£366,666	-	£366,666
Net book value:				
At 30 April 1992	-	£333,334	-	£333,334
At 1 May 1991	-	£566,667	-	£566,667
Group				
Cost:				
At 1 May 1991 as previously reported	4,532,747	800,000	180,180	5,512,927
Prior year adjustment	(4,532,747)	-	-	(4,532,747)
At 1 May 1991 as restated	-	£800,000	180,180	980,180
Exchange adjustment	-	-	(13,049)	(13,049)
At 30 April 1992	-	£800,000	£167,131	£967,131
Amortisation:				
At 1 May 1991	-	133,333	-	133,333
Provided during year	-	266,666	-	266,666
At 30 April 1992	-	£399,999	-	£399,999
Net book value:				
At 30 April 1992	-	£400,001	£167,131	£567,132
At 1 May 1991	£4,532,747	£666,667	£180,180	£5,379,594

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5 Taxation

The taxation charge which is based on profits for the year is made up as follows:

	1992	1991
	£	£
UK Corporation tax at 33% (1991: 34%)	3,129,323	2,544,704
Overseas taxation	536,929	1,573,948
	3,666,252	4,118,652
Deferred taxation	1,745,018	1,576,518
	5,411,270	5,695,170
Associated undertakings	12,422	146
	£5,423,692	£5,695,316

6 Extraordinary item

	1992	1991
	£	£
Amount written off investment in subsidiary undertaking	(27,272)	-
Amount written off investment and retained profits in associated undertaking		(18,400)
	(£27,272)	(£18,400)

7 Profit attributable to members of the holding company

	1992	1991
	£	£
Dealt with in the accounts of the holding company	7,421,795	6,876,515
Retained by subsidiary undertakings	3,123,107	3,143,154
Retained by associated undertakings	(32,642)	4,887
	£10,512,260	£10,024,556

8 Dividends

		1992	1991
		£	£
Interim dividend paid of	1.3p per share (1991: 1.2p)	765,531	706,470
Proposed final dividend of	3.1p per share (1991: 3.0p)	1,825,497	1,766,175
	4.4p per share (1991: 4.2p)	£2,591,028	£2,472,645

9 Earnings per share

The calculation of earnings per share is based on profit before extraordinary item of £10,539,532 (1991: £10,042,956) and issued shares of 58,887,000.

10 Prior year adjustments

		1992	1991
		£	£
Exchange adjustment		(209,529)	(332,137)
Restatement of prior year profits in	holding company	(4,532,747)	
	subsidiary undertakings	(20,300)	(221,622)
	associated undertakings	(61,130)	
		(£4,823,706)	(£553,759)

The restatement of prior year profits in the holding company [illegible] write off of goodwill capitalised in the year ended 30 April 1991.

12 Tangible fixed assets

Company

	Land and buildings Freehold £	Land and buildings Long leaseholds £	Land and buildings Short leaseholds £	Photographic studios and vending machines £	Plant, machinery, furniture, fixtures and motor vehicles £	Total £
Cost:						
At 1 May 1991	2,652,893	141,309	19,252	14,205,615	3,254,904	20,273,973
Additions	-	-	49,771	3,503,199	807,851	4,360,821
Disposals	-	-	-	(293,469)	(351,607)	(645,076)
At 30 April 1992	£2,652,893	£141,309	£69,023	£17,415,345	£3,711,148	£23,989,718
Depreciation:						
At 1 May 1991	157,887	2,355	17,965	6,315,932	1,312,525	7,806,664
Provided during year	73,569	2,826	5,743	1,516,334	681,560	2,280,032
Disposals	-			(190,754)	(262,355)	(453,109)
At 30 April 1992	£231,456	£5,181	£23,708	£7,641,512	£1,731,730	£9,633,587
Net book value:						
At 30 April 1992	£2,421,437	£136,128	£45,315	£9,773,833	£1,979,418	£14,356,131
At 1 May 1991	£2,495,006	£138,954	£1,287	£7,889,683	£1,942,379	£12,467,309

Group

	Land and buildings Freehold £	Land and buildings Long leaseholds £	Land and buildings Short leaseholds £	Photographic studios and vending machines £	Plant, machinery, furniture, fixtures and motor vehicles £	Total £
Cost:						
At 1 May 1991	3,566,910	620,903	990,684	89,154,495	9,486,498	103,819,490
Exchange adjustment	83,761	(7,566)	(756)	122,097	121,136	318,672
Additions	3,280,324		249,492	18,207,636	2,655,683	24,393,135
Disposals	(1,895)	(25,481)	(9,056)	(3,570,870)	(901,914)	(4,509,216)
At 30 April 1992	£6,929,100	£587,856	£1,230,364	£103,913,358	£11,361,403	£124,022,081
Depreciation						
At 1 May 1991	488,531	159,838	369,785	41,125,587	4,156,091	46,299,832
Exchange adjustment	7,072	657	1,188	60,528	50,240	119,685
Provided during year	122,517	14,613	65,599	8,870,476	1,705,300	10,778,505
Disposals	(50)	(9,089)	(304)	(2,148,231)	(739,820)	(2,897,494)
At 30 April 1992	£618,070	£166,019	£436,268	£47,908,360	£5,171,811	£51,300,528
Net book value						
At 30 April 1992	£6,311,030	£421,837	£794,096	£56,004,998	£6,189,592	£69,721,553
At 1 May 1991	£3,078,379	£461,065	£620,899	£48,028,908	£5,330,407	£57,519,658

Within the Group's tangible fixed assets, the net book value of assets acquired under finance lease agreements included within Photographic studios and vending machines is £4,969,770 (*1991 £4,057,998*). The depreciation charge for the year on such assets was £1,214,656 (*1991 £714,051*).

Notes on the accounts

for the year ended 30 April 1992

13 Fixed asset investments

Group undertakings

	Company 1992 £	Company 1991 £	Group 1992 £	Group 1991 £
Cost:				
At 1 May 1991	8,929,878	2,723,548	-	-
Additions	4,538,439	6,206,330		-
Transfer from investments in associated undertakings	500,000		-	-
Disposals	(27,274)		-	
At 30 April 1992	£13,941,043	£8,929,878	-	-
Depreciation:				
At 1 May 1991 as previously reported	202,009	202,009	-	-
Prior year adjustment	4,532,747		-	-
At 1 May 1991 as restated	4,734,756	202,009	-	-
Provided in year	3,238,798		-	-
At 30 April 1992	£7,973,554	£202,009	-	-
Net book value				
At 30 April 1992	£5,967,489	£8,727,869	-	-
Group undertakings not consolidated	-		£13,336	£58,477

Depreciation relates to the write-off of goodwill arising on consolidation.

Participating interests in associated undertakings

	Company 1992 £	Company 1991 £	Group 1992 £	Group 1991 £
Cost				
At 1 May 1991	795,232	167,070	893,756	333,339
Exchange adjustment	-		131	(6,146)
Additions	15,844	628,162	20,895	635,661
Disposals	-		(5,052)	(69,098)
Transfer to investments in group undertakings	(500,000)	-	(500,000)	-
At 30 April 1992	£311,076	£795,232	£409,730	£893,756
Depreciation				
At 1 May 1991 and 30 April 1992			£86,176	£86,176
Written down value	311,076	795,232	323,554	807,580
Share of retained profits	-		(52,146)	17,384
Net book value				
At 30 April 1992	£311,076	£795,232	£271,408	£825,064
Total net book value				
At 30 April 1992	£6,278,565	£9,523,101	£284,744	£883,541

Major investments during the year were as follows:

On 28 June 1991 the Company acquired 19% of the share capital of P[illegible] S.A. for a consideration of £3,398,230 payable in cash. The net assets acquired totalled £808,[illegible], giving rise to goodwill of £2,590,129. On the same date the Company acquired 30% of the [illegible] capital of Compagnie Belge des Automatiques for a consideration of £450,930, payable in cash; the net assets acquired totalled £50,209, giving rise to goodwill of £400,721. The Group now owns 100% of both companies. Following the change in accounting policy, the goodwill arising has been written off immediately against reserves.

On 30 [illegible] 1992 the Company acquired the remaining 5[illegible]% of the share capital of Point of Sale Limited, taking its ownership to 100%. Point of Sale Limited was previously treated as an associated undertaking. The consideration for the purchase was £[illegible],000, payable in cash; the net assets acquired were £4[illegible],[illegible]23 giving rise to capital reserve of £[illegible]24.

The details of Group undertakings are given in Note [illegible]

14 Stocks

	Company 1992 £	Company 1991 £	Group 1992 £	Group 1991 £
The main categories of stocks are:				
Raw materials and consumables	5,952,667	6,393,393	16,937,787	16,930,484
Work in progress	2,329,868	2,779,102	2,384,924	2,834,682
Finished goods	696,436	269,527	762,131	758,278
	£8,978,971	£9,442,022	£20,084,842	£20,523,444

The replacement value of stocks was not materially different from that stated above

15 Debtors

	Company 1992 £	Company 1991 £	Group 1992 £	Group 1991 £
Trade debtors	1,833,410	1,812,254	8,708,998	7,074,167
Amount owed by group undertakings	21,953,057	[illegible],[illegible]63,458	-	723,053
Amount owed by associated undertakings	429,785	546,466	2,811,461	2,049,501
Other debtors	696,229	572,678	6,092,754	5,887,246
Prepayments and accrued income	59,947	[illegible],622	1,813,574	1,394,816
	£24,972,428	[illegible]	£19,426,787	£17,128,783

Included within Company debtors are amounts due [illegible] group undertakings of £2,975,842 (1991 £[illegible]) and other debtors of £155,8[illegible] [illegible]

16 Current asset investments

	Company 1992 £	Company 1991 £	Group 1992 £	Group 1991 £
Cost				
At 1 May 1991	257,586	1,473,627	257,586	1,525,954
Disposals		1,216,041	-	1,268,368
At 30 April 1992	£257,586	£257,586	£257,586	£257,586

The market value of [illegible] investments is not considered to be materially different from the book value shown above

17 Creditors

	Company 1992 £	Company 1991 £	Group 1992 £	Group 1991 £
Amounts falling due within one year				
Current instalments due on loans (Note 18)	1,846,923	1,000,000	3,922,954	3,469,544
Bank overdrafts	730,937	2,418,548	4,414,598	5,564,161
Trade creditors	8,231,134	4,444,172	13,06[illegible],341	11,672,969
			166,929	
Amount owed to associated undertakings			2,080,226	1,643,608
Lease creditors	3,629,892	[illegible]	4,099,342	1,003,412
Current corporation tax	708,001	[illegible]	2,449,885	[illegible],171,314
Other taxes and social security costs	2,591,028	[illegible]	2,591,026	1,766,178
Proposed dividend	361,382	[illegible]	3,238,911	3,501,046
Other creditors	79,230	[illegible],149	1,670,48[illegible]	2,0[illegible]7,614
Accruals and deferred income	£18,198,[illegible]	[illegible]	£37,701,695	£3[illegible]

Notes on the accounts

for the year ended 30 April 1992

18 Creditors

	Company 1992 £	Company 1991 £	Group 1992 £	Group 1991 £
Amounts falling due after more than one year:				
Loans				
Not wholly repayable within five years				
Instalments not due within five years	-		2,023,080	-
Instalments due within five years	-		526,227	-
			2,549,307	
Wholly repayable within five years	7,211,911	4,700,000	16,254,299	9,982,124
	7,211,911	4,700,000	18,803,606	9,982,124
Current instalments due within one year (included in current liabilities)	1,846,923	1,000,000	3,922,954	3,469,844
	5,364,988	3,700,000	14,880,652	6,512,280
Trade creditors	168,839	255,925	168,839	292,068
Lease creditors	-	-	2,941,738	2,467,989
	£5,533,827	£3,955,925	£17,991,229	£9,272,337

The loans referred to above have all been negotiated at commercial rates of interest

Payments during the next year committed in respect of operating leases for land and buildings in the United Kingdom

	Company 1992 £	Company 1991 £	Group 1992 £	Group 1991 £
Operating leases which expire				
Within one year	162,185	95,469	162,185	95,469
In second to fifth years inclusive	14,250	9,250	14,250	9,250
Over five years	61,368	48,868	130,788	113,708
	£237,803	£153,587	£307,223	£218,427

19 Deferred taxation

	Company 1992 £	Company 1991 £	Group 1992 £	Group 1991 £
Capital allowances in advance of depreciation	1,410,000	1,200,000	5,587,661	4,785,571
Other differences in recognising revenue and expense items in other periods for taxation purposes	996,255	660,011	2,989,310	2,215,774
	2,406,255	1,860,011	8,576,971	7,001,345
Less: Advance corporation tax	863,676	588,725	863,676	588,725
	£1,542,579	£1,271,286	£7,713,295	£6,412,620

The movements on deferred taxation during the year were:

	Company 1992 £	Company 1991 £	Group 1992 £	Group 1991 £
Balance at 1 May 1991 as previously reported	1,860,011	1,638,737	7,001,345	5,701,792
Prior year adjustments	-		(52,175)	30,035
Balance at 1 May 1991 as restated	1,860,011	1,638,737	6,949,170	5,731,827
Charge for the year	546,244	528,274	1,745,018	1,576,518
Reclassification to corporation tax		(307,000)	(117,217)	(307,000)
Balance at 30 April 1992	£2,406,255	£1,860,011	£8,576,971	£7,001,345

There were no material unprovided liabilities for deferred taxation at 30 April 1992 (1991: nil)

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20 Share capital

	Number 1992	Number 1991	Amount 1992 £	Amount 1991 £
Authorized:				
Ordinary shares of 2.5p each	80,000,000	80,000,000	£2,000,000	£2,000,000
Allotted, issued and fully paid:				
Ordinary shares of 2.5p each	58,887,000	58,872,500	£1,472,175	£1,471,813

Share options which have been granted to senior staff, including directors, to purchase Ordinary shares of 2.5 pence each are as follows:

Date option granted	Number of shares	Subscription price	Exercise of option date
9 May 1988	605,000	£2.00	9 May 1993
15 March 1990	10,000	£2.43	15 March 1995
26 June 1991	80,000	£2.00	26 June 1996
6 February 1992	335,095	£3.04	6 February 1997

The options can be exercised, in normal circumstances, within a period of three months from the exercise of option dates.

Under the Ordinary and Special Resolutions adopted on 17 December 1987, the number of Ordinary shares of 2.5 pence each issued at par value during the year is 14,500.

21 Reserves

	Company £	Subsidiary undertakings £	Associated undertakings £	Group £
Capital reserves				
Balance at 1 May 1991	-	2,850,620	-	2,850,620
Exchange adjustment	-	(15,196)	-	(15,196)
Transfers from revenue reserves	-	167,528	-	167,528
	-	3,002,952	-	3,002,952
Investments in subsidiary undertakings	-	2,062	-	2,062
Transfer from associated to subsidiary undertakings	-	13,324	-	13,324
Balance at 30 April 1992	-	£3,018,338	-	£3,018,338
Profit and loss account				
Balance at 1 May 1991 as restated	31,467,775	8,310,826	(43,752)	39,734,849
Retained profit for year	4,830,767	3,123,107	(32,642)	7,921,232
	36,298,542	11,433,933	(76,394)	47,656,081
Goodwill arising	(3,238,798)	-	-	(3,238,798)
Transfer from associated to subsidiary undertakings	-	27,106	(27,106)	-
Transfers to capital reserves	-	(167,528)	-	(167,528)
Balance at 30 April 1992	£33,059,744	£11,293,511	(£103,500)	£44,249,755
Non-distributable reserves	-	3,018,338	-	3,018,338
Distributable reserves	33,059,744	11,293,511	(103,500)	44,249,755
	£33,059,744	£14,311,849	(£103,500)	£47,268,093

22 Capital commitments

The Company has outstanding orders for equipment placed by its operations division totalling £2,596,810 *(1991: £1,018,094)*. The combined value of outstanding orders for studios placed by subsidiary undertakings on Photo-Me International Plc at 30 April 1992 was £5,066,482 *(1991: £7,161,121)*.

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for the year ended 30 April 1992

23 Contingent liabilities

The Company has guaranteed bank overdrafts and loans entered into by subsidiary undertakings as follows:

	1992	1991
	£	£
Bank overdrafts	2,541,258	*1,986,156*
Bank loans	8,268,427	*999,750*
	£10,809,685	*£2,985,906*

24 Pensions

The Company makes contributions to a defined benefit scheme for some long-serving employees. This pension scheme is closed to new entrants. The defined benefits are based upon an employee's years of service and final pensionable salary.

The total pension cost for the Group, including directors, was £142,576 *(1991: £148,097)*, of which £8,032 *(1991: £14,197)* relates to overseas schemes. The pension costs relating to the several small overseas schemes are assessed in accordance with local practice and are generally fully funded by the current level of contributions.

At 1 June 1991 (the latest actuarial review of the UK Company scheme) the market value of the assets of the scheme was £1,952,518, the actuarial value of which represented 107% of the actuarial value of benefits accrued to members, based on projected final pensionable salaries.

The principal assumptions used in determining the pension cost were that salary increases would be 7.5% per annum, the rate of return on investments would be 9% per annum, and that rents and dividends would grow at 4% per annum. The actuarial method used was the Attained Age method.

25 Directors' interests

The Company has contracts with KIS Photo Industrie S.A., a company in which Mr Crasmanski has an interest. All such contracts are on normal trading terms.

There were no other contracts subsisting during the financial year in which a director of the Company was materially interested and which were significant in relation to the Company's business.

26 Group undertakings

	Principal activity	Group's interest	Year of incorporation	Country of operation
Ammatic Fotolux Lda.	*Operating*	51%	1961	Portugal
Ariel Tecnica S.P.A	*Manufacturing*	24%	1985	Italy
Auto Photo Systems Inc.	*Operating*	51%	1946	USA
Compagnie Belge des Automatiques	*Operating*	100%	1922	Belgium and Luxembourg
Fletronic Foto Cobpar Ltda.	*Operating*	51%	1975	Brazil
Fotomatica do Brasil Repr. Ind. & Com. Ltda	*Operating*	51%	1974	Brazil
FOTOFIX Schnellphotoautomaten GmbH	*Operating*	51%	1959	Germany
Investim S.A.R.L	*Property*	100%	1991	France
Morenar S.A	*Investment*	100%	1960	Switzerland
Multi Point Service S.A.R.L	*Operating*	* 49%	1989	France
Nippon Auto Photo Kabushiki Kaisha	*Operating*	50%	1963	Japan
Photo-Me Austria GmbH	*Operating*	70%	1991	Austria
Photo-Me (South East Asia) Limited	*Operating*	67%	1985	Hong Kong
Photomatico Limited	*Operating*	51%	1981	Hong Kong
Photo-Me Developments (Hong Kong) Limited	*Operating*	51%	1987	Hong Kong
Photomatico (Singapore) Pte. Limited	*Operating*	* 67%	1985	Singapore
Photomatic Taiwan Company Limited	*Operating*	50%	1989	Taiwan
Photo-Me Australia Pty. Limited	*Operating*	75%	1984	Australia
Photo-Me Express Services Pty. Limited	*Operating*	100%	1991	Australia
Photo-Me (New Zealand) Limited	*Operating*	100%	1989	New Zealand
Photo-Me Ireland Limited	*Operating*	87%	1984	Ireland
Photo-Me Northern Ireland Limited	*Operating*	87%	1986	United Kingdom
PMI Data Limited	*Manufacturing*	100%	1987	United Kingdom
PMI Photomagic Limited	*Operating*	50%	1990	United Kingdom
Point of Sale Limited	*Operating*	100%	1990	United Kingdom
Polychrome S.A	*Investment*	100%	1982	Panama
Portrex S.A	*Operating*	100%	1959	France
Portrex Service S.A	*Operating*	* 100%	1992	France
Services Minutes Automatic System S.A.R.L	*Operating*	* 50%	1990	France
Sulenas Netherlands bv	*Investment*	100%	1978	Netherlands
Sulenas N.V.	*Investment*	* 100%	1978	Netherlands Antilles

The list above represents the principal subsidiary and associated undertakings of the Group at 30 April 1992. Details of other subsidiary and associated undertakings not listed here will be annexed to the Company's next Annual Return.

All undertakings are incorporated in their country of operation except Photo-Me Northern Ireland Limited which is incorporated in Northern Ireland, the other United Kingdom companies which are all registered in England and Wales and Compagnie Belge des Automatiques which is incorporated in Belgium.

The Company's interest in the group undertakings is the same as the Group's interest, with the exception of investments marked (*) where the shares are held by a subsidiary undertaking, Compagnie Belge des Automatiques where the Company's interest is 81%, and Portrex S.A. where the Company's interest is 19%.

The investment in Ariel Tecnica S.P.A. is in interest bearing preference shares with conversion rights into equity. All other holdings relate to ordinary shares.

The principal activities of the group undertakings referred to above are the manufacture and operation of coin operated automatic photographic studios, identification systems, copiers and express print services.

The accounts of overseas subsidiary undertakings representing [illegible]% of group consolidated sales and 83% of group consolidated net assets have been audited by [illegible] Menzies.

Report of the auditors

to the members of Photo-Me International Plc

We have audited the financial statements on pages eight to twenty three in accordance with auditing standards.

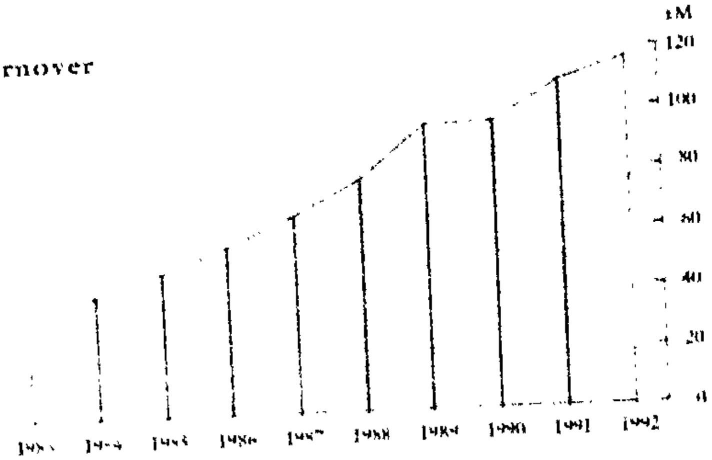
In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group at 30 April 1992 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Menzies
Chartered Accountants and Registered Auditor
Walton on Thames
Surrey

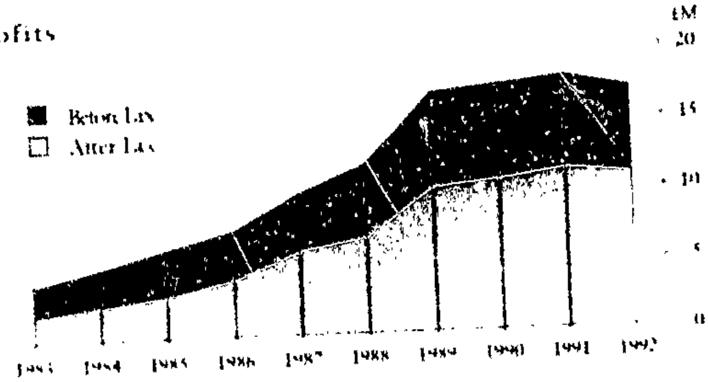
14th September 1992

Ten year group summary

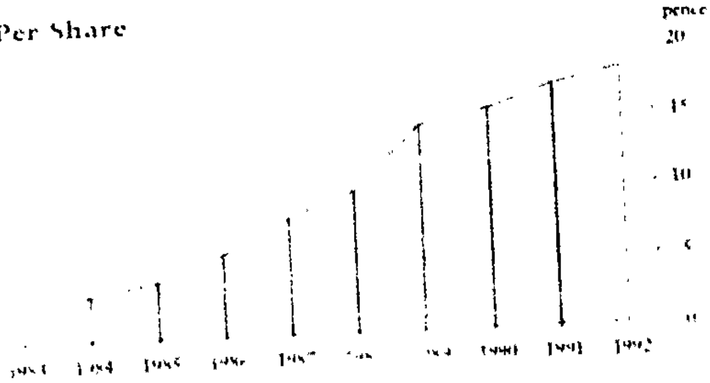
Group Turnover



Group Profits



*Earning Per Share



*Share Price (pence)

1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
26	[illegible]	54	120	18	215	228	258	243	310

* Notes

The market prices of the Company's shares at 30 September of each year are shown above.

Earnings per share and the prices have been adjusted [illegible] current nominal value and number of shares in issue.

Shareholders' profile and information

Analysis of shareholders (at 18 September 1992)

	Number of holdings	Number of shares	% of issued share capital
Individuals	757	5,819,054	9.9
Nominees	210	24,917,500	42.3
Banks and investment institutions	39	2,998,595	5.1
Other corporate bodies	24	25,151,851	42.7
	1,030	58,887,000	100.0

Individuals			
1 - 1,000	456	193,064	0.3
1,001 - 5,000	185	460,430	0.8
5,001 - 50,000	105	1,435,717	2.4
Over 50,000	11	3,729,843	6.4
	757	5,819,054	9.9

Capital gains tax

For shareholders wishing to calculate United Kingdom capital gains tax, the example below shows the effect on 100 shares at 31 March 1982 after all subsequent capitalisations and sub-divisions:-

31.03.1982	100	Ord. shares of 50p each (at market value of £4.45 per 50p share)
09.12.1983 (1 for 5 Cap.)	20 120	Ord. shares of 50p each
12.12.1985 (1 for 6 Cap.)	20 140	Ord. shares of 50p each
12.12.1985 (sub division)	140 280	(50p to 25p) Ord. shares of 25p each
18.12.1987 (sub division)	1,120 1,400	(25p to 5p) Ord. shares of 5p each
13.12.1989 (sub division)	1,400 2,800	(5p to 2.5p) Ord. shares of 2.5p each

Share price information

Daily information on the Photo-Me International Plc share price is available on the Financial Times City Line Service (Telephone 0836 43 3656 - calls cost 34p per minute cheap rate and 45p per minute peak rate).

Financial calendar

Annual General Meeting	8th DECEMBER 1992
Half year results (to 31 October 1992)	Announcement in JANUARY 1993
Full year results (to 30 April 1993)	Announcement in SEPTEMBER 1993
Dividends	
Final (to 30 April 1992)	Payment on 1st JANUARY 1993
Interim (to 31 October 1992)	Payment in APRIL 1993
Final (to 30 April 1993)	Payment in JANUARY 1994