Ackrill Carr plc

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COMPANIES HOUSE

REPORT AND ACCOUNTS 1990

ACKRILL CARR plc

(Member of FIMBRA)

Report and Accounts

30th June, 1990

CONTENTS

ACKRILL CARR plc

Notice of Annual General Meeting

Notice is hereby given that the Sixth Annual General Meeting of Ackrill Carr plc will be held at Tricorn House, Five Ways, Hagley Road, Edgbaston, Birmingham, B16 8TP on 20th November, 1990 at 11.30 a.m. for the following purposes:

1. To receive and adopt the Directors' Report and Accounts for the year ended 30th June, 1990 and the Auditors' Report thereon.
(Resolution No. 1).

2. To re-elect as a Director R. Allsop who retires by rotation in accordance with the Articles of Association.
(Resolution No. 2).

3. To re-appoint the Auditors and to authorise the Directors to fix their remuneration.
(Resolution No. 3).

By Order of the Board
M. P. Robertson
Secretary

Tricorn House
Five Ways
Hagley Road
Edgbaston
BIRMINGHAM
B16 8TP

22nd October, 1990

Notes:

(i) A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company. The instrument appointing a proxy should be lodged at the Transfer Office not less than 48 hours before the time fixed for the meeting.

(ii) Copies of directors' contracts of service and statements of transactions by directors in the share capital of the Company will be available for inspection at the Company's registered office during normal business hours from the date of this notice until the date of the Annual General Meeting when they will also be available.

Directors and Officers

Directors:	Jeffrey Rubins, FCA (Chairman) Kevin L. Billings (Managing) Roger Allsop Martin B. Duffy, ACIB
Secretary:	Michael P.Robertson, CA
Group Headquarters and Registered Office:	Tricorn House Five Ways Hagley Road Edgbaston Birmingham B16 8TP
Auditors:	Kidsons Impey Bank House 8 Cherry Street Birmingham B2 5AD
Registrars and Transfer Office:	Neville Registrars Limited Neville House 42-46 Hagley Road Edgbaston Birmingham B16 8PZ
Bankers:	Lloyds Bank Plc P.O. Box 44 125 Colmore Row Birmingham B3 3AD Royal Bank of Scotland plc St. Ann Street Manchester M60 2SS
Solicitors:	Wragge & Co Bank House 8 Cherry Street Birmingham B2 5JY Needham & James Windsor House 3 Temple Row Birmingham B2 5LF

Chairman's Statement

The year under review has seen the successful integration of the companies acquired in October 1989 and a better performance from our lease broking subsidiary. Merger and acquisition activity however was at a low ebb in the second half of the year.

The Company now has a strong balance sheet with substantial liquid resources. Given the uncertain state of current economic conditions and the gloomy forecasts circulating for the near future, it is considered prudent to conserve those resources. Accordingly the Board feels unable to recommend payment of a dividend at this stage of the Company's development.

Various potential acquisitions have been examined during the past year but none were considered suitable. However, propositions continue to be scrutinised and the Board remains committed to seeking out value for the Company.

Jeffrey Rubins

Report of the Directors

The Directors present their Report and the audited Financial Statements of the Group for the year ended 30th June, 1990.

PRINCIPAL ACTIVITIES

Ackrill Carr plc is the holding company of a group of companies whose principal activities are the provision of lease broking and financial services.

RESULTS AND DIVIDENDS

The results are shown in the Consolidated Profit and Loss Account on page 8. The Directors do not recommend the payment of a dividend.

The Directors recommend that the retained profit of £97,790 be transferred to reserves.

REVIEW OF THE BUSINESS

The Group Balance Sheet is detailed on page 9.

DIRECTORS

The following are Directors of the Company and served throughout the year:

J. Rubins (Chairman)
K. L. Billings (Managing Director)
R. Allsop (Executive)
M. B. Duffy (Non-Executive)

The Director retiring by rotation is R. Allsop who, being eligible, offers himself for re-election.

DIRECTORS AND SHAREHOLDINGS

The beneficial interests of the Directors in the share capital of the Company are set out below:

	30th June			
	1990 Ordinary Shares of 5p each		1989 Ordinary Shares of 25p each	
Director	Beneficial	Non-beneficial	Beneficial	Non-beneficial
J. Rubins	3,450,000	388,823	450,000	-
K. L. Billings	-	-	11,000	-
R. Allsop	393,338	-	175,000	-
M. B. Duffy	-	-	-	-

Report of the Directors (Continued)

The Ackrill Carr plc Executive Share Option Scheme has been approved by an Ordinary Resolution of the Company passed on 18th October, 1989. The Directors adopted the Scheme on 16th January, 1990 when ordinary share options granted to Directors under the Scheme and outstanding at 30th June, 1990 were as follows:

J. Rubins	-
K. L. Billings	200,000
R. Allsop	100,000
M. B. Duffy	-

Attention is also drawn to Note 19 on page 22 of these accounts concerning the capital reorganisation of the Company during the year and to note 26 concerning a further expected issue of shares as consideration for subsidiaries acquired.

FIXED ASSETS

Changes in fixed assets during the year are set out in the notes to the financial statements.

CLOSE COMPANY PROVISIONS

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

AUDITORS

Our Auditors, Kidsons, have advised us that following a merger on 1st May, 1990 they are now practising as Kidsons Impey. A Resolution to reappoint Kidsons Impey, Chartered Accountants, as Auditors to the Company will be put to the forthcoming Annual General Meeting.

Registered Office:

Tricorn House,
Five Ways,
Hagley Road,
Edgbaston,
Birmingham,
B16 8TP.

By Order of the Board

M. P. Robertson

Secretary

27th September, 1990

Report of the Auditors

to the Members of Ackrill Carr plc

We have audited the financial statements set out on pages 8 to 25 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the Group and of the Company as at 30th June, 1990 and of the results and source and application of funds for the Group for the year ended on that date and have been properly prepared in accordance with the Companies Act 1985.

BIRMINGHAM

27th September, 1990

KIDSONS IMPEY

Chartered Accountants

Consolidated Profit and Loss Account

	Note	Year ended 30th June 1990 £	£	Year ended 30th June 1989 £	£
TURNOVER	2		514,491		320,245
Operating charges			(459,834)		(302,944)
OPERATING PROFIT			54,657		17,301
Interest receivable	3	195,223		4,475	
Other income		1,500		-	
Interest payable	3	(28,167)	168,556	(5,075)	(600)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4		223,213		16,701
Taxation	7		44,468		-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			178,745		16,701
Extraordinary Items	8		(80,955)		-
PROFIT FOR THE YEAR	21		97,790		16,701
RETAINED BY:					
Ackrill Carr plc			7,973		4,963
Subsidiaries			89,817		11,738
			97,790		16,701
EARNINGS PER ORDINARY SHARE	9		2.43p		0.61p

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Consolidated Balance Sheet

	Note	30th June 1990 £	£	30th June 1989 £	£
FIXED ASSETS					
Intangible assets	10		-		60,000
Tangible assets	11		273,629		11,474
CURRENT ASSETS					
Stock	13	14,510		-	
Debtors	14	695,960		115,863	
Investments	15	101,484		43,861	
Cash at bank and in hand		888,075		67,717	
		1,700,029		227,441	
CREDITORS - Amounts falling due within one year	16	(205,158)		(136,842)	
NET CURRENT ASSETS			1,494,871		90,599
TOTAL ASSETS LESS CURRENT LIABILITIES			1,768,500		162,073
CREDITORS - Amounts falling due after more than one year	17	250,000		-	
PROVISION FOR LIABILITIES AND CHARGES	18	29,000	(279,000)	-	-
NET ASSETS			1,489,500		162,073
CAPITAL AND RESERVES					
Called up share capital	19		461,935		632,250
Special reserve	20		245,055		-
Other reserves	21		714,477		-
Profit and loss account	21		68,033		(470,177)
			1,489,500		162,073

These financial statements were approved by the Board of Directors on 27th September, 1990

J. Rubins)
K. L. Billings) Directors

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Holding Company Balance Sheet

	Note	30th June 1990 £	30th June 1990 £	30th June 1989 £	30th June 1989 £
FIXED ASSETS					
Intangible assets	10		-		60,000
Tangible assets	11		250,000		-
Investment in subsidiaries	12		530,920		251,123
CURRENT ASSETS					
Stock	13	14,510		-	
Debtors	14	1,137,333		128,701	
Other investments	15	101,484		43,861	
Cash at bank and in hand		815,667		64,675	
		2,068,994		237,237	
CREDITORS - Amounts falling due within one year	16	(890,133)		(105,189)	
NET CURRENT ASSETS			1,178,861		132,048
TOTAL ASSETS LESS CURRENT LIABILITIES			1,959,781		443,171
CREDITORS - Amounts falling due after more than one year	17	250,000		-	
PROVISION FOR LIABILITIES AND CHARGES	18	29,000	(279,000)	-	-
NET ASSETS			1,680,781		443,171
CAPITAL AND RESERVES					
Called up share capital	19		461,935		632,250
Special and capital reserves	20		496,396		251,341
Other reserves	21		396,069		-
Revaluation reserve	21		220,407		-
Profit and loss account	21		105,974		(440,420)
			1,680,781		443,171

These financial statements were approved by the Board of Directors on 27th September, 1990

J. Rubins }
K. L. Billings } Directors

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Consolidated Source and Application of Funds Statement

	Year ended 30th June 1990		Year ended 30th June 1989	
	£	£	£	£
SOURCE OF FUNDS				
Profit on ordinary activities before taxation and extraordinary items		223,213		16,701
Extraordinary items		(80,955)		-
		142,258		16,701
Adjustment for items not involving the movement of funds:				
Depreciation		10,546		8,939
Write off of renewal commission		60,000		-
Profit on sale of fixed assets		-		(2,964)
Total funds generated from operations		212,803		22,676
OTHER SOURCES				
Sale proceeds from fixed assets	-		3,040	
Issue of rights	316,125		-	
Issue of other shares*	627,104		-	
Issue of loan stock*	250,000		-	
Capital reserve on consolidation*	318,408	1,511,637	-	3,040
Total funds generated		1,724,440		25,716
APPLICATION OF FUNDS				
Purchase of fixed assets*	272,700		486	
Hire purchase finance paid (net)	2,998		4,034	
Expenses of share issues	32,000	(307,698)	-	(4,520)
Increase in working capital		1,416,742		21,196
REPRESENTED BY				
Increase in stock*		14,510		-
Increase in debtors*		580,097		82,413
Increase (decrease) in investments*		57,623		(1,826)
(Increase) in creditors*		(55,846)		(78,754)
		596,384		1,833
Movement in net liquid funds:				
Increase in cash and bank balances*		820,358		19,363
		1,416,742		21,196

* See page 12.

Consolidated Source and Application of Funds Statement (Continued)

Summary of the effects of the acquisition of additional subsidiaries:

Net Assets Acquired	£	Discharged by	£
Fixed assets	250,000	Shares issued	627,104
		Loan stock issued	250,000
		Sub-subsidiaries acquired for cash	14,329
Net current assets	959,841	Capital reserve on consolidation	318,408
	1,209,841		1,209,841

Notes on Financial Statements

30th June 1990

1. ACCOUNTING POLICIES

(a) Basis of accounting

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

(b) Basis of consolidation

The consolidated financial statements include the audited financial statements of all subsidiaries made up to 30th June, 1990. A separate profit and loss account for the holding company has not been presented.

Where subsidiary companies have been acquired during the year the profit attributable to shareholders includes the profits or losses from the effective date of acquisition.

(c) Turnover

Turnover represents commissions, fees and lease income receivable from customers, excluding value added tax.

(d) Depreciation

Depreciation is calculated to write off the cost or valuation less residual value of all fixed assets over their expected useful lives at the following annual rates:

Freehold property	-	Nil
Equipment	-	20-25% straight line
Motor vehicles	-	25% straight line
Furniture	-	10% straight line

(e) Share premium account and special reserve

At an Extraordinary General Meeting held on 18th October, 1989 a special resolution was passed in order that confirmation of the Court could be sought for the following arrangements:

(i) The share premium account, which at that time amounted to £179,675, should be cancelled.

(ii) A special reserve of £245,055 should be created after utilising the adverse balance on the profit and loss account at 30th June, 1989 of £440,420.

Confirmation of the above arrangements was accordingly given by the Court on 18th June, 1990 and these transactions have been reflected in the financial statements at 30th June, 1990.

Notes on Financial Statements (Continued)

30th June 1990

(f) Stock

Stock is stated at the lower of cost and net realisable value.

(g) Deferred taxation

Deferred taxation is calculated on the liability method in respect of timing differences between profits as stated in the financial statements and as computed for tax purposes. Where it can be shown with reasonable probability that no such liability will become payable in the foreseeable future no provision is made.

(h) Leasing

The Group has no material assets purchased under finance leases. Rentals payable under operating leases are charged to profit and loss account on a straight line basis over the term of the lease. It has always been the policy to capitalise assets acquired under hire and lease purchase agreements.

2. ANALYSIS OF TURNOVER AND PRE-TAX PROFITS

The turnover and pre-tax profit arose in the United Kingdom and are attributable to the principal activities, being the provision of lease broking and financial services.

3. INTEREST

	1990 £	1989 £
(a) Interest receivable:		
Bank and short term deposits	74,020	4,475
Loan stock	64,787	-
Other loans	56,416	-
	195,223	4,475
(b) Interest payable:		
Bank overdraft	101	12
Lease and hire purchase agreements	617	1,150
Short term loan	3,073	3,913
Loan stock	24,376	-
	28,167	5,075

Notes on Financial Statements (Continued)

30th June 1990

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1990 £	1989 £
Profit on ordinary activities before taxation is stated after charging (crediting):		
Depreciation*	10,545	8,939
Profit on sale of fixed assets	-	(2,964)
Auditors' remuneration	6,500	5,000
Directors' remuneration (note 5)	108,191	56,916
Operating lease rentals and short term hire:		
Equipment and vehicles	1,599	3,860
(Profit) loss on disposal of investments	(9,493)	58
Write down of investments	10,681	-

* The depreciation charge of £10,545 (1989 £8,939) includes an amount of £Nil (1989 £6,099) in respect of assets held under lease and hire purchase contracts.

5. DIRECTORS' EMOLUMENTS

	1990 £	1989 £
For management	96,274	35,416
Fees	11,917	21,500
	108,191	56,916
Emoluments of the Chairman and highest paid Director	55,707	-
Emoluments of the Chairman	-	10,000
Highest paid Director	-	35,416

Other Directors:	Nos.	Nos.
£ 0-£ 5,000	1	1
£ 5,001-£10,000	1	1
£40,001-£45,000	1	-

Notes on Financial Statements (Continued)

30th June 1990

6. STAFF COSTS

(a) The average number of persons, including Directors, employed during the year was:

	1990 Nos.	1989 Nos.
Sales staff	1	2
Management and administration	7	8
	8	10

(b) The aggregate costs of employment were as follows:

	1990 £	1989 £
Salaries	173,850	143,238
Social security costs	20,210	11,946
	194,060	155,184

7. TAXATION

	1990 £	1989 £
United Kingdom corporation tax at 35%	15,468	-
Deferred tax at 35%	29,000	-
	44,468	-

8. EXTRAORDINARY ITEMS

	1990 £	1989 £
Write off of renewal commission	60,000	-
Write down of investments	20,955	-
	80,955	-

Notes on Financial Statements (Continued)

30th June 1990

9. EARNINGS PER SHARE

The calculation of earnings per share is based upon profits after taxation of £178,745 (1989 £16,701) and on 7,348,756 ordinary shares being the average number of shares in issue during the year ended 30th June, 1990 (1989 2,758,909 after adjustment to reflect the bonus element of the rights issue).

The effect on earnings per share of a further expected issue of 521,136 shares would be to reduce the earnings per share to 2.32p per share.

10. INTANGIBLE FIXED ASSETS

The Directors now consider it to be appropriate and prudent to write off the intangible asset which represented capitalised renewal commissions.

11. TANGIBLE FIXED ASSETS

(a) Group:

	Freehold property £	Equipment, vehicles and furniture £	Total £
Cost or valuation:			
30th June 1989	-	142,398	142,398
Additions	-	22,700	22,700
Additions on acquisition of subsidiaries	29,593	-	29,593
Revaluation on acquisition	220,407	-	220,407
30th June 1990	250,000	165,098	415,098
Depreciation:			
30th June 1989	-	130,924	130,924
Charge for the year	-	10,545	10,545
30th June 1990	-	141,469	141,469
Net book value:			
30th June 1990	250,000	23,629	273,629
30th June 1989	-	11,474	11,474

The above includes fixed assets purchased under hire and lease purchase agreements with a net book value of £Nil (1989 £9,123).

Notes on Financial Statements (Continued)

30th June 1990

(b) Company:

	Freehold property £
Cost or valuation:	
30th June 1989	-
Additions on acquisition of subsidiaries	29,593
Revaluation	220,407
30th June 1990	250,000
Depreciation:	
30th June 1989	-
Charge for the year	-
30th June 1990	-
Net book value:	
30th June 1990	250,000
30th June 1989	-

Following the acquisition of the subsidiaries the freehold property was transferred to the parent company and the Directors estimated the value of the property as at 18th October, 1989.

12. INVESTMENT IN SUBSIDIARY COMPANIES

(a) The amount shown in the balance sheet comprises:

	1990 £	1989 £
Shares at cost at 30th June 1989	501,123	501,123
Subsidiaries acquired in exchange for shares and loan stock	876,904	-
Subsidiaries acquired for cash	14,529	-
Less provisions	(861,636)	(250,000)
At 30th June 1990	530,920	251,123

Notes on Financial Statements (Continued)

30th June 1990

(b) The following were direct subsidiaries of the Company at 30th June, 1990

	Activity
A.C. Leasing Limited	(Broker for capital equipment (leasing contracts
* Butter Lane Securities Limited	(Business management/investment (and dealing in securities
* Flairford Securities Limited	(Financial consultants and (dealing in securities
* Folds Industrial Finance Limited	Investment company
* Heywood Motors Limited	Property & investment company
* Magnet Motor Bodies Limited	Investment company

* Denotes not audited by Kidsons Impey.

There are also six subsidiaries which did not trade during the year.

(c) All of the subsidiaries are wholly owned and are incorporated in England.

13. STOCK

	Group and Holding Company 1990 £	1989 £
Stock of shares for dealing	14,510	-

Notes on Financial Statements (Continued)

30th June 1990

14. DEBTORS

	Group		Holding Company	
	1990	1989	1990	1989
	£	£	£	£
Trade debtors	33,819	107,771	1,319	3,020
Amounts owed by Group companies	-	-	480,434	118,160
Other debtors	533,444	-	527,722	-
Prepayments and accrued income	128,697	8,092	127,858	7,521
	695,960	115,863	1,137,333	128,701

15. INVESTMENTS

	Group and Holding Company		
	Unlisted Investments*	Quoted Investments+	Total
	£	£	£
Cost at 30th June 1989	43,861	-	43,861
Additions in year	-	28,980	28,980
Transfers from subsidiaries acquired	169,631	24,930	194,561
Write down of investments	(32,292)	(8,730)	(41,022)
Disposals	(99,966)	(24,930)	(124,896)
At 30th June, 1990	81,234	20,250	101,484

* Included in unlisted securities at 30th June, 1990 are:

(i) 54,600 (1989 38,100) 20p ordinary shares in Better Tasting Snack Foods plc, a company which has an issued share capital of 251,590 ordinary shares.

The aggregate amount of capital and reserves of this company as at 31st March, 1990 was £26,952.

The loss on ordinary activities before taxation for the year ended 31st March, 1990 was £20,453.

(ii) 70,000 (1989 Nil) 10p ordinary shares in Tadpole Technology Limited, a company which has an issued share capital of 9,091,220 ordinary shares.

\+ The market value of quoted investments held at 30th June, 1990 is £20,250.

Notes on Financial Statements (Continued)

30th June 1990

16. CREDITORS

	Group 1990	Group 1989	Holding Company 1990	Holding Company 1989
	£	£	£	£
Amounts falling due within one year:				
Short term loan	-	50,000	-	50,000
Trade creditors	44,275	13,914	-	-
Amounts owed to Group companies	-	-	770,838	5,913
Corporation tax	53,284	-	37,989	-
Other taxes and social security	10,095	19,098	5,567	3,457
Lease and hire purchase creditors	-	2,998	-	-
Other creditors	11,255	-	-	-
Accruals and deferred income	86,249	50,832	75,739	45,809
	205,158	136,842	890,133	105,189

17. CREDITORS

	Group and Holding Company 1990	Group and Holding Company 1989
	£	£
Amounts falling due after more than one year:		
Loan stock	250,000	-

The £250,000 variable rate guaranteed unsecured non-convertible loan stock is guaranteed by Lloyds Bank Plc and bears interest at 1% below twelve months LIBOR which is payable on 15th January and 15th July based on the LIBOR rate ruling at the commencement of each six month period. The loan stock is repayable between 1995 and 1999 at the Company's option. The loan stock is non-beneficially held in the name of J. Rubins.

18. PROVISION FOR LIABILITIES AND CHARGES

	Group and Holding Company 1990	Group and Holding Company 1989
	£	£
Deferred tax at 35% in respect of short term timing differences	29,000	-

Notes on Financial Statements (Continued)

30th June 1990

19. CALLED UP SHARE CAPITAL

	1990 No.	1990 £	1989 No.	1989 £
Authorised:				
Ordinary shares of 25p each	-	-	12,000,000	3,000,000
Ordinary shares of 5p each	49,884,000	2,494,200	-	-
Issued and fully paid:				
Ordinary shares of 25p each	-	-	2,529,000	632,250
Ordinary shares of 5p each	9,238,693	461,935	-	-

Alterations to the authorised and issued share capital of the Company have arisen as a result of the following Special Resolutions passed by the Company at an Extraordinary General Meeting held on 18th October, 1989:

(i) Each of the 9,471,000 unissued ordinary shares of 25p each in the capital of the Company have been sub-divided into five new ordinary shares of 5p each ranking pari passu with the existing shares of 25p each in all respects.

(ii) A one for one rights offer of 2,529,000 ordinary shares of 5p each at 12.5p raised £306,125 net of £10,000 expenses, creating a share premium account of £179,675.

(iii) The consideration for the acquisition of certain subsidiaries was initially satisfied by issuing £250,000 loan stock and 4,180,693 ordinary shares of 5p each at 15p Further consideration shares are to be issued in due course (see Note 26). The excess, net of £22,000 expenses, of the market value of the ordinary shares issued over their nominal value has been credited to a merger reserve.

(iv) The authorised and issued share capital of the Company has been reduced by £505,800 after the cancellation of paid up capital to the extent of 20p upon each of the 2,529,000 ordinary shares of 25p each, reducing the nominal amount thereof to 5p.

(v) Following these changes the previous ordinary shares of 25p have been redesignated as ordinary shares of 5p.

(vi) Options under the Ackrill Carr plc Executive Share Option Scheme are exercisable between 16th January 1992 and 16th January 1997. Details of options outstanding at 30th June, 1990 are:

Date options granted	Number of ordinary shares of 5p each
16th January 1990 (exercisable at 20 pence per share)	425,000

Notes on Financial Statements (Continued)

30th June 1990

20. SPECIAL AND CAPITAL RESERVES

	Group 1990 £	Group 1989 £	Holding Company 1990 £	Holding Company 1989 £
Capital reserve created on cancellation of share premium in year to 30th June 1988	-	-	251,341	251,341
Special reserve arising on capital reorganisation	245,055	-	245,055	-
	245,055	-	496,396	251,341

21. RESERVES

	Share Premium Account £	Merger Reserve £	Capital Reserve on Consolidation £	Profit and Loss Account £	Total £
Group:					
Balance at 30th June 1989	-	-	-	(470,177)	(470,177)
Rights issue	179,675	-	-	-	179,675
Acquisition of subsidiaries:					
- share issue	-	396,069	-	-	396,069
- other	-	-	318,408	-	318,408
Capital reorganisation	(179,675)	-	-	440,420	260,745
Retained profit for the year	-	-	-	97,790	97,790
Balance at 30th June 1990	-	396,069	318,408	68,033	782,510

Notes on Financial Statements (Continued)

30th June 1990

	Share Premium Account £	Merger Reserve £	Revaluation Reserve £	Profit and Loss Account £	Total £
Holding Company:					
Balance at 30th June 1989	-	-	-	(440,420)	(440,420)
Rights issue	179,675	-	-	-	179,675
Acquisition of subsidiaries by share issue	-	396,069	-	-	396,069
Capital reorganisation	(179,675)	-	-	440,420	260,745
Revaluation	-	-	220,407	-	220,407
Retained profit for the year	-	-	-	105,974	105,974
Balance at 30th June 1990	-	396,069	220,407	105,974	722,450

22. TRANSACTIONS INVOLVING DIRECTORS

(i) Prior to its acquisition by Ackrill Carr plc, J. Rubins had a controlling interest in Butter Lane Securities Limited, a company which during the previous year loaned £50,000 to Ackrill Carr plc and in respect of which interest was payable at a rate of 3½% over Lloyds Bank Plc base rate. The amount of interest charged in the year ended 30th June, 1990 was £3,073 (1989 £3,913).

(ii) In relation to subsidiaries acquired during the year J. Rubins has received 3,000,000 ordinary shares of 5p each in Ackrill Carr plc.

(iii) Save as disclosed in these financial statements, no Director has any beneficial interest in any material contract to which the Company was a party.

23. CAPITAL COMMITMENTS

There were no capital commitments for either the Holding Company or the Group at 30th June, 1990 (1989 £Nil).

Notes on Financial Statements (Continued)

30th June 1990

24. CONTINGENT LIABILITIES

The Company is a party to a group registration for value added tax purposes. The contingent liability in respect thereof at 30th June, 1990 was £3,955 (1989 £15,631).

25. PROCEEDINGS AGAINST FORMER CHAIRMAN

These proceedings continue.

26. FURTHER SHARES TO BE ISSUED

A Circular to Shareholders dated 21st September, 1989 indicated that a further 521,136 shares were expected to be issued to Mr. J. Rubins and his family when the consideration for the acquisition of subsidiaries is finally determined. The precise number of shares cannot yet be determined but is now expected to be in excess of 521,136 shares.

The net financial effects of an issue of 521,136 shares at 15p would be to increase share capital by £26,057 and to reduce the capital reserve arising on consolidation by the same amount.

Matched Bargains Facility

Bargains are occasionally matched in the Company's shares under Rule 535.2 of The International Stock Exchange (I.S.E.). Members of the I.S.E. are currently able to post potential interest in effecting such bargains on the 'Delta Notice Board' located on page 755 of their 'Topic' Screens.

Shareholders should note there is now only one class of ordinary share of 5p nominal value but that existing certificates in respect of the original 25p ordinary shares remain valid.

Group Financial Record

PROFIT AND LOSS ACCOUNT SUMMARY	1986 £	1987 £	1988 £	1989 £	1990 £
Turnover	368,624	347,073	353,114	320,245	514,491
Operating profit (loss)	(186,361)	(74,048)	(27,406)	17,301	54,657
Interest receivable (payable) net	615	(6,657)	5,373	(600)	168,556
Profit (loss) on ordinary activities before taxation	(185,746)	(80,705)	(22,033)	16,701	223,213
Profit (loss) on ordinary activities after taxation	(156,739)	(80,705)	(22,033)	16,701	178,745
Extraordinary items	(72,126)	-	(50,237)	-	(80,955)
Profit (loss) for the year	(228,865)	(80,705)	(72,270)	16,701	97,790
Earnings (loss) per ordinary share	(5.68p)	(2.93p)	(0.80p)	0.61p	2.43p
BALANCE SHEET SUMMARY					
Fixed assets	113,239	103,653	80,003	71,474	273,629
Net current assets	200,638	127,021	68,367	90,599	1,494,871
Total assets less current liabilities	313,877	230,674	148,370	162,073	1,768,500
Long term liabilities and charges	(9,530)	(7,032)	(2,998)	-	(279,000)
Capital employed	304,347	223,642	145,372	162,073	1,489,500

The earnings (loss) per ordinary share figure has been restated throughout following the rights issue in 1989.