

# Regency International PLC and subsidiaries

Directors' report and financial statements

1 March 1997

Registered number 2295620



# Regency International PLC and subsidiaries

## Directors' report and financial statements

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# Regency International PLC and subsidiaries

## Directors' report

The directors present their report and the audited financial statements for the year ended 1 March 1997.

### Principal activities

The principal activities of the group are the manufacture and supply of PVC-u profile and the manufacture and supply of PVC-u windows and doors.

### Business review

During the year ended 1 March 1997 trading conditions continued to be difficult for the Group. The Directors have implemented a cost reduction and rationalisation programme, which together with an improving market outlook will enable the Group to report a significantly improved result in the current year. This improvement is confirmed by management accounts for the early months of the current year.

### Results and dividends

	1997 £'000	1996 £'000
Turnover	<u>32,341</u>	<u>35,734</u>
Loss on ordinary activities before taxation	(2,538)	(3,049)
Taxation on profit on ordinary activities	<u>485</u>	<u>662</u>
Loss on ordinary activities after taxation	<u>(2,053)</u>	<u>(2,387)</u>

Transfers to reserves are detailed in note 19 to the financial statements.

# Regency International PLC and subsidiaries

## Directors' report *(continued)*

### Directors and directors' interests

The directors who served throughout the year together with their interests in share capital of the company at 1 March 1997 were as follows:

	1 March 1997		2 March 1996	
	Ordinary shares of £1 each	"A" ordinary shares of £1 each	Ordinary shares of £1 each	"A" ordinary shares of £1 each
RD Mills	25,003	-	25,003	-
MJ Collins (resigned 21 March 1997)	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

As at 1 March 1997 none of the directors had any interest in the share or loan capital of the company's subsidiary undertakings.

Mrs V Mills was appointed as a director on 27 March 1997.

### Employees

The directors believe that benefit is derived from the provision of channels for employee participation. Exchange of information between management and employees is encouraged. The group seeks to provide suitable opportunities for the employment and training of disabled persons. Career development within the group is encouraged.

# Regency International PLC and subsidiaries

## Directors' report *(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 group and of the profit or loss 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the group 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 group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

### Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board

**V Mills**  
*Secretary*



Tameside Drive  
Castle Bromwich  
Birmingham  
B35 7AG

5 September 1997



2 Cornwall Street  
Birmingham  
B3 2DL  
United Kingdom

## Report of the auditors to the members of Regency International PLC

We have audited the financial statements on pages 5 to 21.

### *Respective responsibilities of directors and auditors*

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### *Basis of opinion*

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group'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 affairs of the company and the group as at 1 March 1997 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**KPMG**  
*Chartered Accountants*  
*Registered Auditors*

5 September 1997

# Regency International PLC and subsidiaries

## Consolidated profit and loss account for the year ended 1 March 1997

	<i>Note</i>	1997 £'000	1996 £'000
Turnover	2	32,341	35,734
Cost of sales		(26,998)	(30,863)
<b>Gross profit</b>		<b>5,343</b>	<b>4,871</b>
Distribution costs		(1,764)	(1,349)
Administrative expenses		(5,529)	(6,780)
Other operating income		-	830
<b>Operating loss</b>		<b>(1,950)</b>	<b>(2,428)</b>
Interest receivable and similar income	6	3	18
Interest payable and similar charges	7	(591)	(639)
<b>Loss on ordinary activities before taxation</b>	3	<b>(2,538)</b>	<b>(3,049)</b>
Tax on loss on ordinary activities	8	485	662
<b>Retained loss on ordinary activities after taxation</b>	9, 19	<b>(2,053)</b>	<b>(2,387)</b>

The movement on reserves is set out at note 19.

All turnover and operating results arise from continuing activities.

The group has no recognised gains or losses in either the current or preceding year other than the loss for those periods.

There is no material difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis.

# Regency International PLC and subsidiaries

## Consolidated balance sheet

at 1 March 1997

	Note	1997		1996	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	10		13,603		15,200
<b>Current assets</b>					
Stocks	12	4,752		5,064	
Debtors	13	3,661		5,497	
Cash in hand		8		13	
		<u>8,421</u>		<u>10,574</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(11,569)</u>		<u>(11,285)</u>	
<b>Net current liabilities</b>			<u>(3,148)</u>		<u>(711)</u>
<b>Total assets less current liabilities</b>			<u>10,455</u>		<u>14,489</u>
<b>Creditors: amounts falling due after more than one year</b>	15		<u>(1,992)</u>		<u>(3,547)</u>
<b>Provisions for liabilities and charges</b>	16		<u>(312)</u>		<u>(738)</u>
<b>Net assets</b>			<u>8,151</u>		<u>10,204</u>
<b>Capital and reserves</b>					
Called up share capital	18		27		27
Capital redemption reserve	19		23		23
Revaluation reserve	19		542		542
Profit and loss account	19		7,559		9,612
			<u>8,151</u>		<u>10,204</u>
<b>Equity shareholders' funds</b>			<u>8,151</u>		<u>10,204</u>

These financial statements were approved by the board of directors on 5 September 1997 and signed on its behalf by:

RD Mills  
Director



KPMG



# Regency International PLC

## Balance sheet at 1 March 1997

	Note	1997		1996	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	10		13,603		15,200
Investments	11		83		83
			<u>13,686</u>		<u>15,283</u>
<b>Current assets</b>					
Stocks	12	4,752		5,064	
Debtors	13	3,703		5,497	
Cash in hand		8		13	
		<u>8,463</u>		<u>10,574</u>	
<b>Creditors: amounts falling due within one year</b>	14	(11,569)		(11,285)	
<b>Net current liabilities</b>			<u>(3,106)</u>		<u>(711)</u>
<b>Total assets less current liabilities</b>			<u>10,580</u>		<u>14,572</u>
<b>Creditors: amounts falling due after more than one year</b>	15		(3,928)		(5,484)
<b>Provisions for liabilities and charges</b>	16		(312)		(738)
<b>Net assets</b>			<u>6,340</u>		<u>8,350</u>
<b>Capital and reserves</b>					
Called up share capital	18		27		27
Capital redemption reserve	19		23		23
Revaluation reserve	19		542		542
Profit and loss account	19		5,748		7,758
<b>Equity shareholders' funds</b>			<u>6,340</u>		<u>8,350</u>

These financial statements were approved by the board of directors on 5 September 1997 and signed on its behalf by:

RD Mills  
Director



# Regency International PLC and subsidiaries

## Consolidated cash flow statement for the year ended 1 March 1997

	Note	1997		1996	
		£'000	£'000	£'000	£'000
<b>Net cash inflow from operating activities</b>	21		653		684
<b>Returns on investments and servicing of finance</b>					
Interest received		8		18	
Interest paid		(526)		(551)	
Interest element of finance lease payments		(79)		(70)	
<b>Net cash outflow from returns on investments and servicing of finance</b>			(597)		(603)
<b>Taxation</b>					
Corporation tax received		1,060		612	
<b>Tax received</b>			1,060		612
<b>Investing activities</b>					
Purchase of tangible fixed assets		(320)		(2,835)	
Receipts from sale of fixed assets		196		394	
<b>Net cash outflow from investing activities</b>			(124)		(2,441)
<b>Net cash inflow/(outflow) before financing</b>			992		(1,748)
<b>Financing</b>					
Repayment of loans	24	(1,020)		(255)	
Capital grant received	24	-		20	
Capital element of finance lease payments		(512)		1,215	
<b>Net cash (outflow)/inflow from financing</b>			(1,532)		980
<b>Decrease in cash and cash equivalents</b>	22		(540)		(768)

# Regency International PLC and subsidiaries

## Reconciliation of movements in shareholders' funds *for the year ended 1 March 1997*

	1997 £'000	1996 £'000
Loss for the financial year	(2,053)	(2,387)
Revaluation of buildings	-	542
Goodwill on acquisitions written off	-	(764)
	<hr/>	<hr/>
Opening shareholders' funds	(2,053) 10,204	(2,609) 12,813
	<hr/>	<hr/>
Closing shareholders' funds	8,151	10,204
	<hr/>	<hr/>

# Regency International PLC and subsidiaries

## Notes

(forming part of the financial statements)

### 1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements:

#### *Basis of accounting*

These financial statements have been prepared in accordance with applicable accounting standards using the historical cost convention adjusted for the revaluation of certain tangible assets comprising of land and buildings.

#### *Consolidation principles*

The group financial statements include the results and net assets of the parent company and its subsidiaries made up to 1 March 1997.

Any excess of the purchase consideration over the fair value of the net assets of an acquired business, is written off to reserves in the year of acquisition.

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

#### *Depreciation*

Depreciation has been calculated on all fixed assets at annual rates to write off the value of the relevant asset to residual value over the period of its estimated life.

Freehold buildings	2% per annum straight line
Long leasehold land and buildings	In equal instalments over the period of the lease
Fixtures, fittings, plant and equipment	15%-25% per annum on the reducing balance
Motor vehicles	25% per annum straight line
Commercial vehicles	33% per annum on the reducing balance

Assets acquired during the year and not brought into use at the year end are not depreciated in the year of acquisition. Freehold land is not depreciated.

#### *Stocks and work in progress*

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and appropriate overhead expenditure.

#### *Foreign exchange*

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Balances denominated in foreign currency are translated into sterling at the exchange rates ruling at the balance sheet date.

# Regency International PLC and subsidiaries

## Notes (continued)

### 1 Principal accounting policies (continued)

#### *Deferred taxation*

Provision is made for deferred taxation using the liability method in respect of all material timing differences to the extent that it is probable that liabilities will become payable in the foreseeable future.

#### *Operating leases*

Annual payments under operating leases are charged to revenue in the period in which they are incurred.

#### *Hire purchase and finance leases*

Assets held under finance lease agreements and similar hire purchase contracts are included in fixed assets. The obligations under such agreements, excluding finance charges, are shown separately under creditors.

#### *Capital grants*

Grants are credited to deferred income and amortised to the profit and loss account over the expected useful economic lives of the related assets.

### 2 Turnover

Turnover represents sales less returns and allowances and excludes value added tax. All turnover originates in the United Kingdom and arises from the group's sole activity which is the manufacture and supply of PVC-u profile and PVC-u windows and doors.

The analysis of turnover by geographical destination is as follows:

	1997 £'000	1996 £'000
United Kingdom	31,632	33,820
America	-	1,710
EC	370	157
Other	339	47
	<hr/>	<hr/>
	32,341	35,734
	<hr/>	<hr/>

# Regency International PLC and subsidiaries

## Notes (continued)

### 3 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging/(crediting) the following:

	1997 £'000	1996 £'000
Depreciation	1,768	1,799
Amortisation of capital grant	(30)	(36)
Hire of plant and machinery	86	120
Operating lease charges:		
Hire of plant and machinery	49	53
Other operating leases	307	373
Auditors' remuneration (Group and Company)	32	30
	<u>          </u>	<u>          </u>

Fees paid to the auditors in respect of non audit services were £13,000 (1996: £23,100).

### 4 Staff numbers and costs

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	1997 Number	1996 Number
Management	10	16
Sales	37	36
Administration	48	45
Production	453	507
	<u>          </u>	<u>          </u>
	548	604

The aggregate payroll costs of these persons were as follows:

	£'000	£'000
Wages and salaries	9,742	9,847
Social security costs	967	989
	<u>          </u>	<u>          </u>
	10,709	10,836

# Regency International PLC and subsidiaries

## Notes (continued)

### 5 Aggregate directors' remuneration

	1997 £'000	1996 £'000
Emoluments for services as directors	<u>765</u>	<u>792</u>
Highest paid director (and Chairman): Total remuneration excluding pension contributions	<u>583</u>	<u>609</u>

The emoluments of the directors were within the following range:

	1997 £'000	1996 £'000
£180,001 - £185,000	1	1
£580,001 - £585,000	1	-
£605,001 - £610,000	-	1

### 6 Interest receivable and similar income

	1997 £'000	1996 £'000
Bank interest	-	5
Loan interest	<u>3</u>	<u>13</u>
	<u>3</u>	<u>18</u>

### 7 Interest payable and similar charges

	1997 £'000	1996 £'000
Amounts payable on bank loans and overdrafts	512	569
Amounts payable on other loans	<u>79</u>	<u>70</u>
	<u>591</u>	<u>639</u>

# Regency International PLC and subsidiaries

## Notes *(continued)*

### 8 Tax on loss on ordinary activities

Taxation credit based on the loss for the year:

	1997 £'000	1996 £'000
Corporation tax at 33% (1996: 33%)	(19)	(1,000)
Deferred taxation	(390)	340
	<hr/>	<hr/>
	(409)	(660)
Adjustments in respect of prior years:		
Corporation tax	(40)	(45)
Deferred tax	(36)	43
	<hr/>	<hr/>
	(485)	(662)
	<hr/>	<hr/>

### 9 Loss for the financial year

The group results include a loss of £2,010k (1997: loss £3,150k) which has been dealt with in the financial statements of the parent company.



# Regency International PLC and subsidiaries

## Notes (continued)

### 10 Tangible fixed assets

#### (a) The group and the company

	Freehold land and buildings	Long leasehold land and buildings	Plant, machinery, fixtures, fittings and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>					
At beginning of year	2,653	2,529	17,790	1,035	24,007
Additions	-	-	129	191	320
Disposals	-	-	(34)	(323)	(357)
At end of year	<u>2,653</u>	<u>2,529</u>	<u>17,885</u>	<u>903</u>	<u>23,970</u>
<b>Depreciation</b>					
At beginning of year	27	183	8,176	421	8,807
Charge for year	21	45	1,433	269	1,768
Disposals	-	-	(12)	(196)	(208)
At end of year	<u>48</u>	<u>228</u>	<u>9,597</u>	<u>494</u>	<u>10,367</u>
<b>Net book value</b>					
At 1 March 1997	<u>2,605</u>	<u>2,301</u>	<u>8,288</u>	<u>409</u>	<u>13,603</u>
At 2 March 1996	<u>2,626</u>	<u>2,346</u>	<u>9,614</u>	<u>614</u>	<u>15,200</u>

	1997 Long leasehold land and buildings £'000	1997 Long leasehold land and buildings £'000	1997 Freehold land and buildings £'000	1996 Freehold land and buildings £'000
The cost of valuation of land and buildings comprises:				
Historical cost	2,149	2,149	2,491	2,491
Valuation at August 1996	<u>380</u>	<u>380</u>	<u>162</u>	<u>162</u>
At end of year	<u>2,529</u>	<u>2,529</u>	<u>2,653</u>	<u>2,653</u>

At 24 August 1996 professional valuations of the land and buildings were carried out by DTZ Debenham Thorpe on an open market existing use basis. At 1 March 1997 plant and machinery included assets at net book value of £1,298k (1996: £1,484k) held under hire purchase agreements. The depreciation charge for the year on these assets was £226k (1996: £80k).

# Regency International PLC and subsidiaries

## Notes (continued)

### 10 Tangible fixed assets (continued)

(b) Capital commitments	Group and company	
	1997 £'000	1996 £'000
Authorised and contracted	281	287

### 11 Investments

Group	Unlisted investments £		
Cost:			
At beginning and end of year			20
Company	Shares in group undertakings £	Unlisted investments £	Total £
Cost:			
At beginning and end of year	82,504	20	82,524

- (i) The unlisted investments held by the group and company at 1 March 1997 comprise 10% of the issued ordinary share capital of Standard Windows Limited and Traditional British Standard Conservatories Limited. Both the companies are incorporated in Great Britain and registered in England and Wales.
- (ii) The company owns 100% of the issued share capital of Traditional British Standard Windows Limited, a company incorporated in Great Britain and registered in England and Wales. Traditional British Standard Windows Limited are engaged in the marketing and selling of a range of standard sized PVC-u windows for new markets.
- (iii) The company owns 100% of the issued ordinary share capital of Regency Window Group PLC, a company incorporated in Great Britain and registered in England and Wales. This company acts as agent for Regency International PLC and during the year ended 1 March 1997 made neither a profit nor a loss from its activities. In addition, there are a further seven non-trading wholly owned dormant subsidiary undertakings all of which are incorporated in Great Britain and registered in England and Wales.

### 12 Stocks and work in progress

	Group and company	
	1997 £'000	1996 £'000
Raw materials and consumables	2,424	2,447
Work in progress	325	451
Finished goods and goods for resale	2,003	2,166
	<u>4,752</u>	<u>5,064</u>

# Regency International PLC and subsidiaries

## Notes (continued)

### 13 Debtors

	Group		Company	
	1997 £'000	1996 £'000	1997 £'000	1996 £'000
Trade debtors	3,617	4,339	3,213	3,917
Amounts owed by group undertakings	-	-	446	422
Other debtors	12	1,109	12	1,109
Prepayments and accrued income	32	49	32	49
	<u>3,661</u>	<u>5,497</u>	<u>3,703</u>	<u>5,497</u>

The amounts owed by group undertakings are due after more than one year.

### 14 Creditors: amounts falling due within one year

	Group and company	
	1997 £'000	1996 £'000
Bank loans and overdrafts	5,062	4,526
Trade creditors	3,808	3,187
Social security	807	416
Other taxes	354	1,074
Other creditors	202	409
Accruals and deferred income	795	1,124
Capital grants	31	31
Obligations under hire purchase agreements	510	518
	<u>11,569</u>	<u>11,285</u>

The company's bank loan and overdrafts are secured by an unlimited debenture over all the company's assets.

Liabilities under hire purchase agreements are secured on the assets to which they relate.

# Regency International PLC and subsidiaries

## Notes (continued)

### 15 Creditors: amounts falling due after more than one year

	Group		Company	
	1997 £'000	1996 £'000	1997 £'000	1996 £'000
Bank loans	1,705	2,725	1,705	2,725
Amounts owed to subsidiary undertakings	-	-	1,936	1,937
Accruals and deferred income (capital grants)	94	124	94	124
Obligations under hire purchase agreements	193	698	193	698
	<u>1,992</u>	<u>3,547</u>	<u>3,928</u>	<u>5,484</u>

The bank loan of £4 million is being repaid in 47 monthly repayments of £85,000 and one repayment of £5,000 which commenced in December 1996. Interest is charged on the outstanding balance at the rate of 2% above the Lloyds Bank base rate and is payable quarterly. At 1 March 1997 £2,725,000 remained on this loan.

The security given by the company is detailed in note 14.

### 16 Deferred taxation

	Group and company £'000
At beginning of year	738
Credited to profit and loss account - current year	(390)
- prior year	(36)
	<u>312</u>
<b>At end of year</b>	<b><u>312</u></b>

The amounts provided for deferred taxation, together with the amounts not provided, calculated on the liability method at a corporation tax rate of 33% (1996: 33%) are as follows:

	Group and company			
	1997 Amount provided £'000	Amount not provided £'000	1996 Amount provided £'000	Amount not provided £'000
Accelerated capital allowances	1,096	277	839	554
Tax losses	(751)	-	-	-
Other timing differences	(33)	-	(101)	-
	<u>312</u>	<u>277</u>	<u>738</u>	<u>554</u>

# Regency International PLC and subsidiaries

## Notes (continued)

### 17 Contingent liabilities

Other than performance bonds entered into in the normal course of business there are no other contingent liabilities.

### 18 Share capital

	1997 £'000	1996 £'000
<i>Authorised:</i>		
Ordinary shares of £1 each	27	27
"A" ordinary shares of £1 each	7	7
Redeemable preference shares of £1 each	16	16
	<u>50</u>	<u>50</u>
<i>Allotted, called up and fully paid:</i>		
Ordinary shares of £1 each	27	27
"A" ordinary shares of £1 each	-	-
Redeemable preference shares of £1 each	-	-
	<u>27</u>	<u>27</u>

### 19 Reserves

Group	Revaluation reserve £'000	Capital redemption reserve £'000	Profit and loss account £'000
At beginning of year	542	23	9,612
Retained loss for the year	-	-	(2,053)
	<u>542</u>	<u>23</u>	<u>7,559</u>

The cumulative amount of goodwill written off against profit and loss reserves amounts to £764,000.

Company	Revaluation reserve £'000	Capital redemption reserve £'000	Profit and loss account £'000
At beginning of year	542	23	7,758
Retained loss for the year	-	-	(2,010)
	<u>542</u>	<u>23</u>	<u>5,748</u>

# Regency International PLC and subsidiaries

## Notes (continued)

### 20 Lease commitments

The future annual minimum lease payments to which the group and the company are committed under operating lease agreements amount to £326,000 (1996: £326,000). These lease payments expire as follows:

	1997		1996	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Within two to five years	-	37	-	37
In more than five years	289	-	289	-
	<u>289</u>	<u>37</u>	<u>289</u>	<u>37</u>

### 21 Reconciliation of operating loss to net cash inflow from operating activities

	1997 £'000	1996 £'000
Operating loss	(1,950)	(2,428)
Depreciation charges	1,768	1,799
Amortisation of capital grants	(30)	(36)
Profit on sale of tangible fixed assets	(46)	(67)
Decrease in stocks	312	1,274
Decrease in debtors	827	736
Decrease in creditors	(227)	(594)
	<u>653</u>	<u>684</u>

### 22 Analysis of changes in cash and cash equivalents during the year

	1997 £'000	1996 £'000
At beginning of year	(3,493)	(2,725)
Net cash outflow	(540)	(768)
	<u>(4,033)</u>	<u>(3,493)</u>

# Regency International PLC and subsidiaries

## Notes (continued)

### 23 Analysis of cash and cash equivalents as shown in the balance sheet

	1997 £'000	1996 £'000
Cash in hand	8	13
Bank overdraft	(4,041)	(3,506)
	<u>(4,033)</u>	<u>(3,493)</u>

### 24 Analysis of changes in financing during the year

	1997				1996			
	Share capital	Bank & debenture loans	Capital grants	Assets under finance leases	Share capital	Bank & debenture loans	Capital grants	Assets under finance leases
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At beginning of year	27	3,745	155	1,216	27	4,000	170	1,267
Cash (outflow)/inflow from financing	-	(1,020)	-	(479)	-	(255)	20	(51)
Amortisation of capital grants	-	-	(30)	-	-	-	(36)	-
At end of year	<u>27</u>	<u>2,725</u>	<u>125</u>	<u>737</u>	<u>27</u>	<u>3,745</u>	<u>155</u>	<u>1,216</u>