

# **Regency International PLC and subsidiaries**

**Directors' report and financial statements**

**26 February 1995**

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 52 week period ended 26 February 1995.

### 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

The group maintained turnover during the year but profits were affected by increases in raw material prices. Cash paid out for the share repurchase and the ongoing capital expenditure programme caused the reduction in cash balances.

### Future developments in the business

The group is well placed to obtain future benefits from opportunities as they arise.

### Results and dividends

	1995 £'000	1994 £'000
Turnover	<u>34,354</u>	<u>32,795</u>
Profit on ordinary activities before taxation	572	4,085
Taxation on profit on ordinary activities	<u>(158)</u>	<u>(1,073)</u>
Profit on ordinary activities after taxation	<u>414</u>	<u>3,012</u>

In accordance with the company's Articles of Association in respect of the "A" ordinary shares and redeemable preference shares, interim dividends of £Nil (1994: £10,666) were paid during the period and final dividends of £Nil (1994: £Nil) are proposed.

Transfers to reserves are detailed in note 20 to the financial statements.

### Fixed assets

Changes in tangible fixed assets are detailed in note 11 to the financial statements.

In the opinion of the directors the current market value on an existing use basis of freehold and long leasehold land and buildings is in excess of book values. However they do not consider it appropriate to incorporate a formal revaluation into these financial statements.

# Regency International PLC and subsidiaries

## Directors' report *(continued)*

### Share capital

Under an agreement dated 21 May 1994, the company purchased and subsequently cancelled 2,964 of its own "A" ordinary shares for a total consideration of £2,500,015. The shares redeemed represented 10% of the company's called up share capital.

Further details are given in notes 19 and 20 to the financial statements.

### Directors and directors' interests

The directors who served throughout the period together with their interests in share capital of the company at 26 February 1995 were as follows:

	26 February 1995		27 February 1994	
	Ordinary shares of £1 each	"A" ordinary shares of £1 each	Ordinary shares of £1 each	"A" ordinary shares of £1 each
RD Mills	25,005	-	25,005	-
MJ Collins	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

None of the directors had any interest in the share or loan capital of the company's subsidiary undertakings.

### 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.

### Political and charitable donations

The group made no political contributions or charitable donations during the period.

### Company status

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

# 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

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. 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

  
M.J. Collins  
Secretary

Tameside Drive  
Castle Bromwich  
Birmingham  
B35 7AG

12 September 1995



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 26 February 1995 and of the profit of the group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

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

12 September 1995

## Regency International PLC and subsidiaries

### Consolidated profit and loss account for the 52 week period ended 26 February 1995

	<i>Note</i>	1995 £	1994 £
<b>Turnover</b>	4	34,353,968	32,795,034
Cost of sales		(26,982,948)	(22,906,966)
<b>Gross profit</b>		7,371,020	9,888,068
Distribution costs		(1,137,013)	(609,730)
Administrative expenses		(5,400,728)	(5,445,708)
Other operating income		893	1,318
<b>Operating profit</b>		834,172	3,833,948
Interest receivable and similar income	6	484	253,938
Interest payable and similar charges	7	(262,153)	(3,395)
<b>Profit on ordinary activities before taxation</b>	2	572,503	4,084,491
Tax on profit on ordinary activities	8	(158,057)	(1,072,979)
<b>Profit on ordinary activities after taxation</b>	9	414,446	3,011,512
Dividends	10	-	(10,666)
<b>Retained profit for the financial period</b>	20	414,446	3,000,846

The movement on reserves is set out at note 20.

All turnover and operating profit arises from continuing activities.

The group has no recognised gains or losses in either the current or preceding period other than the profit 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 26 February 1995

	Note	1995		1994	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11	13,949,294		13,258,693	
Investments	12		30		20
		<hr/>		<hr/>	
		13,949,324		13,258,713	
<b>Current assets</b>					
Stocks	13	6,338,327		3,722,143	
Debtors	14	5,463,570		3,647,488	
Cash and deposits		5,203		489,724	
		<hr/>		<hr/>	
		11,807,100		7,859,355	
<b>Creditors: amounts falling due within one year</b>	15	(8,701,687)		(5,780,242)	
		<hr/>		<hr/>	
<b>Net current assets</b>		3,105,413		2,079,113	
		<hr/>		<hr/>	
<b>Total assets less current liabilities</b>		17,054,737		15,337,826	
<b>Creditors: amounts falling due after more than one year</b>	16	(3,886,295)		(237,433)	
<b>Provisions for liabilities and charges</b>	17	(355,618)		(202,000)	
		<hr/>		<hr/>	
<b>Net assets</b>		12,812,824		14,898,393	
		<hr/>		<hr/>	
<b>Capital and reserves</b>					
Called up share capital	19	26,672		29,636	
Capital redemption reserve	20	23,328		20,364	
Profit and loss account	20	12,762,824		14,848,393	
		<hr/>		<hr/>	
<b>Shareholders' funds</b>		12,812,824		14,898,393	
		<hr/>		<hr/>	

These financial statements were approved by the board of directors on 12 September 1995 and signed on its behalf by:

RD Mills  
Director

KPMG



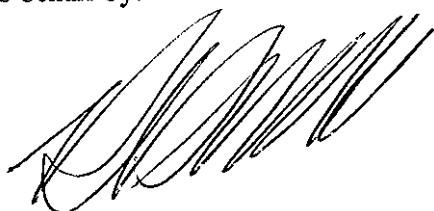
# Regency International PLC

## Balance sheet at 26 February 1995

	Note	1995		1994	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11	13,949,294		13,258,693	
Investments	12	82,434		50,517	
		<u>14,031,728</u>		<u>13,309,210</u>	
<b>Current assets</b>					
Stocks	13	6,338,327		3,722,143	
Debtors	14	5,463,570		3,647,488	
Cash and deposits		5,203		489,724	
		<u>11,807,100</u>		<u>7,859,355</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(8,701,687)</u>		<u>(5,780,242)</u>	
<b>Net current assets</b>		<u>3,105,413</u>		<u>2,079,113</u>	
<b>Total assets less current liabilities</b>		<u>17,137,141</u>		<u>15,388,323</u>	
<b>Creditors: amounts falling due after more than one year</b>	16	<u>(5,822,969)</u>		<u>(2,142,200)</u>	
<b>Provisions for liabilities and charges</b>	17	<u>(355,618)</u>		<u>(202,000)</u>	
<b>Net assets</b>		<u>10,958,554</u>		<u>13,044,123</u>	
<b>Capital and reserves</b>					
Called up share capital	19	26,672		29,636	
Capital redemption reserve	20	23,328		20,364	
Profit and loss account	20	10,908,554		12,994,123	
<b>Shareholders' funds</b>		<u>10,958,554</u>		<u>13,044,123</u>	

These financial statements were approved by the board of directors on 12 September 1995 and signed on its behalf by:

RD Mills  
Director



# Regency International PLC and subsidiaries

## Consolidated cash flow statement for the 52 week period ended 26 February 1995

	Note	1995		1994	
		£	£	£	£
Net cash inflow from operating activities	23	691,686		5,468,753	
<b>Returns on investments and servicing of finance</b>					
Interest received		484		252,965	
Interest paid		(154,062)		(1,190)	
Dividends paid		-		(393,283)	
		<hr/>		<hr/>	
Net cash outflow from returns on investments and servicing of finance		(153,578)		(141,508)	
<b>Taxation</b>					
Corporation tax paid (including advance corporation tax)		(956,093)		(1,969,318)	
		<hr/>		<hr/>	
Tax paid		(956,093)		(1,969,318)	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(4,415,589)		(5,357,035)	
Receipts from sale of fixed assets		58,600		257,201	
Purchase of unlisted investments		(10)		(20)	
		<hr/>		<hr/>	
Net cash outflow from investing activities		(4,356,999)		(5,099,854)	
Net cash outflow before financing		(4,774,984)		(1,741,927)	
<b>Financing</b>					
Receipt/(repayment) of loans	26	4,000,000		(40,000)	
Redemption of share capital	26	(2,500,015)		(2,999,919)	
Capital grant received	26	60,000		-	
		<hr/>		<hr/>	
Net cash inflow/(outflow) from financing		1,559,985		(3,039,919)	
Decrease in cash and cash equivalents	24	(3,214,999)		(4,781,846)	

# Regency International PLC and subsidiaries

## Other primary statements

*for the 52 week period ended 26 February 1995*

### Reconciliation of movements in shareholders' funds

	1995 £	1994 £
Profit for the financial period	414,446	3,011,512
Dividends	-	(10,666)
	<hr/>	<hr/>
	414,446	3,000,846
Redemption of share capital	(2,500,015)	(2,999,919)
	<hr/>	<hr/>
	(2,085,569)	927
Opening shareholders' funds	14,898,393	14,897,466
	<hr/>	<hr/>
Closing shareholders' funds	12,812,824	14,898,393
	<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*

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

#### *Consolidation principles*

The group financial statements include the results and net assets of the company and its subsidiaries made up to 26 February 1995.

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 period and not brought into use at the period end are not depreciated in the period 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.

#### *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.

# Regency International PLC and subsidiaries

## Notes (continued)

### 1 Principal accounting policies (continued)

#### Operating leases

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

#### 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 Profit on ordinary activities before taxation

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

	1995 £	1994 £
Depreciation:		
Amortisation of capital grant	(26,615)	(24,252)
Other assets	1,642,367	1,182,969
Hire of plant and machinery	98,539	83,174
Operating lease charges:		
Plant and machinery	30,031	38,105
Other	279,640	227,249
Auditors' remuneration	29,000	29,000
Profit on sale of fixed assets	11,697	5,938
	<u>          </u>	<u>          </u>

The auditors received £35,000 (1994: £31,000) in respect of non audit services.

### 3 Emoluments of directors

	1995 £	1994 £
Remuneration as executives	<u>668,246</u>	<u>1,504,272</u>

Excluding pension contributions, the emoluments of the chairman and chief executive were £495,709 (1994: £1,325,190).

The emoluments of the directors were within the following ranges:

	1995 Number	1994 Number
Scale of emoluments		
£170,001 - £175,000	1	-
£175,001 - £180,000	-	1
£495,001 - £500,000	1	-
£1,325,001 - £1,330,000	-	1
	<u>          </u>	<u>          </u>

# Regency International PLC and subsidiaries

Notes (continued)

## 4 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:

	1995 £	1994 £
United Kingdom	33,032,079	31,760,919
America	1,321,889	1,034,115
	<u>34,353,968</u>	<u>32,795,034</u>

## 5 Staff numbers and costs

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

	1995 Number	1994 Number
Management	12	14
Sales	30	9
Administration	39	32
Production	529	410
	<u>610</u>	<u>465</u>

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	9,342,832	8,053,821
Social security costs	946,308	717,576
	<u>10,289,140</u>	<u>8,771,397</u>

# Regency International PLC and subsidiaries

## Notes (continued)

### 6 Interest receivable and similar income

	1995	1994
	£	£
Bank interest	393	250,044
Other interest	91	3,894
	<u>484</u>	<u>253,938</u>

### 7 Interest payable and similar charges

	1995	1994
	£	£
On bank loans, overdrafts and other loans wholly repayable within five years	<u>262,153</u>	<u>3,395</u>

### 8 Taxation

Taxation charge based on the profit for the period of the group:

	1995	1994
	£	£
Corporation tax at 33% (1994: 33%)	60,000	1,100,000
Deferred taxation	127,759	-
	<u>187,759</u>	<u>1,100,000</u>
Adjustments in respect of prior periods:		
Corporation tax	(55,561)	(27,021)
Deferred tax	25,859	-
	<u>158,057</u>	<u>1,072,979</u>

### 9 Profit for the financial period

The group results include a profit of £414,446 (1994: £3,633,758) which has been dealt with in the financial statements of the company.

### 10 Dividends

Dividends paid in respect of the "A" ordinary shares and redeemable preference shares were as follows:

	1995	1994
	£	£
Dividends paid	<u>-</u>	<u>10,666</u>

# Regency International PLC and subsidiaries

Notes (continued)

## 11 Tangible fixed assets

### (a) The group and the company

	Assets in the course of construction	Freehold land and buildings	Long leasehold land and buildings	Plant, machinery, fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At beginning of period	482,135	2,049,532	1,273,287	14,433,458	954,038	19,192,450
Additions	-	435,489	399,506	1,381,518	163,358	2,379,871
Disposals	-	-	-	(156,499)	(132,827)	(289,326)
Transfers	(482,135)	6,440	475,695	-	-	-
At end of period	-	2,491,461	2,148,488	15,658,477	984,569	21,282,995
Gross depreciable assets	-	863,221	2,148,488	15,658,477	984,569	19,654,755
<b>Depreciation</b>						
At beginning of period	-	-	118,080	5,474,013	341,664	5,933,757
Charge for year	-	10,731	26,350	1,398,415	206,871	1,642,367
Disposals	-	-	-	(118,070)	(124,353)	(242,423)
At end of period	-	10,731	144,430	6,754,358	424,182	7,333,701
<b>Net book value</b>						
At 26 February 1995	-	2,480,730	2,004,058	8,904,119	560,387	13,949,294
At 27 February 1994	482,135	2,049,532	1,155,207	8,959,445	612,374	13,258,693

### (b) Capital commitments

	Group and company	
	1995	1994
	£	£
Authorised and contracted	734,000	165,940



# Regency International PLC and subsidiaries

## Notes (continued)

### 12 Investments

Group	Unlisted investments £		
Cost:			
At beginning of period			20
Additions			10
			<hr/>
At end of period			<b>30</b>
			<hr/>
Company	Shares in group undertakings £	Unlisted investments £	Total £
Cost:			
At beginning of period	50,497	20	50,517
Additions	31,907	10	31,917
	<hr/>	<hr/>	<hr/>
At end of period	<b>82,404</b>	<b>30</b>	<b>82,434</b>
	<hr/>	<hr/>	<hr/>

- (i) The unlisted investments held by the group and company at 26 February 1995 comprise 10% of the issued ordinary share capital of Traditional British Standard Windows Limited, Standard Windows Limited and Traditional British Standard Conservatories Limited. All the companies are incorporated in Great Britain and registered in England and Wales.
- (ii) 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 period ended 26 February 1995 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.

### 13 Stocks and work in progress

	Group and company	
	1995 £	1994 £
Raw materials and consumables	3,021,543	1,420,974
Work in progress	120,760	128,060
Finished goods and goods for resale	3,196,024	2,173,109
	<hr/>	<hr/>
	<b>6,338,327</b>	<b>3,722,143</b>
	<hr/>	<hr/>

# Regency International PLC and subsidiaries

## Notes (continued)

### 14 Debtors

	Group and company	
	1995	1994
	£	£
Trade debtors	4,170,149	3,428,600
Other debtors	1,270,994	180,979
Prepayments and accrued income	22,427	37,909
	<u>5,463,570</u>	<u>3,647,488</u>

Included in other debtors is ACT recoverable amounting to £577,215 (1994: £35,323).

Included in trade debtors is a amount of £799,053 which is due after more than one year.

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

	Group and company	
	1995	1994
	£	£
Bank loans and overdrafts	2,985,478	-
Trade creditors	3,916,126	2,719,932
Social security	129,497	121,089
Corporation tax	271	410,033
Other taxes	160,975	119,807
Other creditors	415,945	1,762,953
Accruals and deferred income	1,063,872	646,428
Capital grants	29,523	-
	<u>8,701,687</u>	<u>5,780,242</u>

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

# Regency International PLC and subsidiaries

## Notes (continued)

16	Creditors: amounts falling due after more than one year	Group		Company	
		1995	1994	1995	1994
		£	£	£	£
	Bank loans	3,745,000	-	3,745,000	-
	Amounts owed to subsidiary undertakings	-	-	1,936,674	1,904,767
	Other creditors	-	100,000	-	100,000
	Accruals and deferred income (capital grants)	141,295	137,433	141,295	137,433
		<u>3,886,295</u>	<u>237,433</u>	<u>5,822,969</u>	<u>2,142,200</u>

The bank loan of £4million is repayable by 47 monthly repayments of £85,000 and one repayment of £5,000 commencing in December 1995. Interest is charged on the outstanding balance at the rate of 1½ % above the Lloyds Bank base rate and is payable quarterly.

The security given by the company is detailed in note 15.

17	Deferred taxation	Group and company £
	At beginning of period	202,000
	Charged to profit and loss account	153,618
		<u>355,618</u>
	At end of period	<u>355,618</u>

The amounts provided for deferred taxation, together with the amounts not provided, calculated on the liability method at a corporation tax rate of 33% (1994: 33%) are as follows:

	Group and company			
	1995	1994		
	Amount provided	Amount not provided	Amount provided	Amount not provided
	£	£	£	£
Accelerated capital allowances	348,558	889,000	205,000	889,000
Other timing differences	7,060	(58,000)	(3,000)	(58,000)
	<u>355,618</u>	<u>831,000</u>	<u>202,000</u>	<u>831,000</u>

# Regency International PLC and subsidiaries

## Notes (continued)

### 18 Contingent liabilities

Performance bonds have been entered into in the normal course of business.

### 19 Share capital

	1995	1994
	£	£
<i>Authorised:</i>		
Ordinary shares of £1 each	26,672	26,672
"A" ordinary shares of £1 each	6,668	6,668
Redeemable preference shares of £1 each	16,660	16,660
	<u>50,000</u>	<u>50,000</u>
 <i>Allotted, called up and fully paid:</i>		
Ordinary shares of £1 each	26,672	26,672
"A" ordinary shares of £1 each	-	2,964
Redeemable preference shares of £1 each	-	-
	<u>26,672</u>	<u>29,636</u>

On 21 May 1994, the company purchased and subsequently cancelled 2,964 "A" ordinary shares for a total consideration of £2,500,015. As a consequence of the above £2,964 was transferred to the capital redemption reserve and the premium on purchase of £2,497,051 transferred from the profit and loss account.

# Regency International PLC and subsidiaries

## Notes (continued)

### 20 Reserves

Group	Capital redemption reserve £	Profit and loss account £
At beginning of period	20,364	14,848,393
Premium paid on redemption of "A" ordinary shares	-	(2,497,051)
Transfer on redemption of shares	2,964	(2,964)
Retained profit for the period	-	414,446
<b>At end of period</b>	<b><u>23,328</u></b>	<b><u>12,762,824</u></b>
<b>Company</b>		
At beginning of period	20,364	12,994,123
Premium paid on redemption of "A" ordinary shares	-	(2,497,051)
Transfer on redemption of shares	2,964	(2,964)
Retained profit for the period	-	414,446
<b>At end of period</b>	<b><u>23,328</u></b>	<b><u>10,908,554</u></b>

### 21 Lease commitments

The future annual minimum lease payments to which the group and the company are committed under operating lease agreements amount to £328,000 (1994: £238,000). These lease payments expire as follows:

	1995		1994	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Between two and five years	136	39	136	36
Beyond five years	153	-	66	-
	<u>289</u>	<u>39</u>	<u>202</u>	<u>36</u>

# Regency International PLC and subsidiaries

## Notes (continued)

### 22 Related party transactions

During the period the company sold goods to a value of £735,084 (1994: £10,721) in the ordinary course of business and under normal terms and conditions to Traditional British Standard Windows Limited. At 26 February 1995 the amount due by Traditional British Standard Windows Limited to the company on interest free current account was £799,053 (1994: £253,543). RD Mills, a director of the company, is a shareholder in Traditional British Standard Windows Limited.

### 23 Reconciliation of operating profit to net cash inflow from operating activities

	1995 £	1994 £
Operating profit	834,172	3,833,948
Depreciation charges	1,642,367	1,182,969
Amortisation of capital grants	(26,615)	(24,252)
Profit on sale of tangible fixed assets	(11,697)	(5,938)
(Increase)/decrease in stocks	(2,616,184)	263,661
Increase in debtors	(827,768)	(738,204)
Increase in creditors	1,697,411	956,569
	<u>691,686</u>	<u>5,468,753</u>

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

	1995 £	1994 £
At beginning of period	489,724	5,271,570
Net cash outflow	(3,214,999)	(4,781,846)
At end of period	<u>(2,725,275)</u>	<u>489,724</u>

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

	1995 £	1994 £
Cash and deposits	5,203	489,724
Bank overdraft	(2,730,478)	-
	<u>(2,725,275)</u>	<u>489,724</u>

# Regency International PLC and subsidiaries

Notes (continued)

## 26 Analysis of changes in financing during the year

	1995			1994		
	Share capital	Bank & debenture loans	Capital grants	Share capital	Bank & debenture loans	Capital grants
	£	£	£	£	£	£
At beginning of period	29,636	-	137,433	41,669	40,000	161,685
Cash inflow/ (outflow) from financing	(2,500,015)	4,000,000	60,000	(2,999,919)	(40,000)	-
Non cash movements						
Premium paid on redemption of shares	2,497,051	-	-	2,987,886	-	-
Amortisation of capital grants	-	-	(26,615)			(24,252)
<b>At end of period</b>	<b>26,672</b>	<b>4,000,000</b>	<b>170,818</b>	<b>29,636</b>	<b>-</b>	<b>137,433</b>