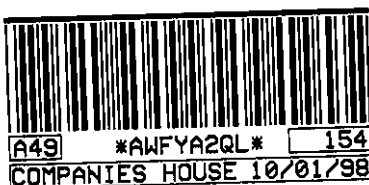


STRUCTURE-FLEX LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 1997



LARKING GOWEN
CHARTERED ACCOUNTANTS
Norwich, Cromer, Dereham, Diss,
Fakenham, Holt and Sheringham.

STRUCTURE-FLEX LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1997

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STRUCTURE-FLEX LIMITED

COMPANY INFORMATION

DIRECTORS

H.W. Hemens Esq., (Chairman)
I.S. Doughty Esq., (Managing Director)
J.P. Wallace-King Esq.,
D.K. Dawber Esq.,
S. Knight Esq.,

SECRETARY

Mrs E.A. Bourke

REGISTERED OFFICE

24 Grove Lane,
Holt,
Norfolk.
NR25 6EG.

AUDITOR

Larking Gowen,
Chartered Accountants,
43 Bull Street,
Holt,
Norfolk.
NR25 6HP.

SOLICITORS

Greene & Greene,
80 Guildhall Street,
Bury St. Edmunds,
Suffolk.
IP33 1QB.

Hayes & Storr,
18 Market Place,
Fakenham,
Norfolk.
NR21 9BH.

BANKERS

Lloyds Bank plc,
1 High Street,
Holt,
Norfolk.
NR25 6BN.

Barclays Bank plc,
17 Market Place,
Fakenham,
Norfolk.
NR21 9BE.

STRUCTURE-FLEX LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements for the year ended 31 August 1997.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ACTIVITIES

The principal activities of the company are the design and manufacture of flexible PVC fabrications for the bulk materials industry, the manufacture of "Big Bags" and tension curtains for commercial vehicles.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The directors consider the state of the company's affairs to be satisfactory and that the company is well placed for the ensuing year.

RESULTS AND DIVIDENDS

The company made a profit after taxation for the year of £355,236 (1996 - £229,622) which after accruing for the payment of dividends has been transferred to reserves.

An interim dividend of £1.4657 per share (1996 - £4.049) and a final dividend of £2.9752 per share (1996 - £1.569) have been paid during the year.

STRUCTURE-FLEX LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS

The directors who served during the year and their interests in the shares of the company were as follows:

	Ordinary shares of 50p each	
	31.8.97	31.8.96
H.W. Hemens Esq.	-	-
I.S. Doughty Esq.	1	1
J.P. Wallace-King Esq.	-	-
D.K. Dawber Esq.	-	-
S. Knight Esq.	-	-

I.S. Doughty Esq. holds one share as trustee for Spanfax Limited, the ultimate parent company. The directors' interests in the ultimate parent company, Spanfax Limited, are disclosed in that company's financial statements.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the re-appointment of Messrs. Larking Gowen as auditor to the company will be put to the annual general meeting.

By Order of the Board

Mrs E.A. Bourke



Secretary

17 December 1997

LARKING GOWEN

CHARTERED ACCOUNTANTS

AUDITORS' REPORT TO THE SHAREHOLDERS OF STRUCTURE-FLEX LIMITED

We have audited the financial statements on pages 5 to 18 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 9 and 10.

Respective Responsibilities of Directors and Auditors

As described on page 2 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, of 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 company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Larking Gowen.

LARKING GOWEN
REGISTERED AUDITOR
HOLT

17 December 1997

7 Queen Street, Norwich NR2 4ST

13 West Street, Cromer NR27 9HZ

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STRUCTURE-FLEX LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 1997

	Notes	1997 £	1996 £
TURNOVER	2	10,215,403	9,262,243
Cost of sales		(7,971,492)	(7,111,124)
GROSS PROFIT		2,243,911	2,151,119
Administrative expenses		(1,641,190)	(1,744,815)
Other operating income		-	-
OPERATING PROFIT		602,721	406,304
Interest payable and similar charges	3	(90,079)	(81,583)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	512,642	324,721
Taxation	6	(157,406)	(95,099)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		355,236	229,622
Dividends	7	(177,637)	(224,723)
PROFIT TRANSFERRED TO RESERVES	19	177,599	4,899

The company's turnover and operating profit derive wholly from continuing operations.

OTHER STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1997**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

The company had no recognised gains or losses other than the profit for the year.

NOTES OF HISTORICAL COST PROFITS	1997	1996
	£	£
Reported profit on ordinary activities before taxation	512,642	324,721
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	9,083	10,686
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	521,725	335,407
HISTORICAL COST PROFITS FOR THE YEAR RETAINED AFTER TAXATION AND DIVIDENDS	186,682	15,585

BALANCE SHEET AS AT 31 AUGUST 1997

The financial statements on pages 5 to 18 were approved by the Board of Directors on 17 December 1997 and are signed on its behalf by:

[Handwritten signature]

J.P. Wallace-King

Directors

STRUCTURE-FLEX LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 1997

	Notes	£	1997	£	£	1996	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	23a		918,248			497,593	
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE							
Interest paid	3		(90,079)			(81,583)	
TAXATION							
Corporation tax paid (including advance corporation tax)			(68,335)			(244,684)	
CAPITAL EXPENDITURE							
Payments to acquire tangible fixed assets	9a	(58,470)		(173,949)			
Payments to acquire intangible fixed assets	8	-		(48,000)			
			<u>(58,470)</u>	<u>(173,949)</u>		<u>(221,949)</u>	
				<u>701,364</u>		<u>(50,623)</u>	
EQUITY DIVIDENDS PAID			(177,637)			(224,723)	
CASH INFLOW (OUTFLOW) BEFORE FINANCING			523,727			(275,346)	
FINANCING							
Repayment of debenture loans		(30,000)		(30,000)			
Repayment of bank loans		(23,968)		(13,378)			
Repayment of principal under hire purchase		(57,010)		(28,860)			
Bank loan received		-		70,000			
Debenture loan received		-		100,000			
			<u>(110,978)</u>	<u>97,762</u>			
INCREASE (DECREASE) IN CASH IN THE PERIOD	23b		<u>412,749</u>			<u>(177,584)</u>	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1997

1. ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements are:

a. BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, as modified to include the revaluation of certain fixed assets.

b. CONSOLIDATION

The directors consider that the subsidiary undertaking is not material for the purpose of giving a true and fair view. Consequently, as allowed by Section 229 Companies Act 1985, no group accounts are required.

c. TURNOVER

Turnover represents the value of goods and services invoiced to customers less returns, excluding value added tax.

d. DEPRECIATION

Depreciation of tangible fixed assets is calculated to write off the cost of assets over their expected useful lives at the following annual rates:

Plant and machinery	- 15% reducing balance
Equipment, fixtures & fittings	- 15% reducing balance
Motor vehicles	- 33% & 45% reducing balance
Freehold buildings	- 2.5% straight line
Leasehold property improvements	- 20% reducing balance

e. STOCK AND WORK IN PROGRESS

Stock and work in progress are valued at the lower of cost and net realisable value. Cost represents materials, direct labour and appropriate production related overheads.

f. DEFERRED TAXATION

The company provides for deferred taxation on the liability method in order to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for taxation purposes.

g. LEASE AND HIRE PURCHASE CONTRACTS

Where assets are acquired under finance leasing agreements they are capitalised as if they had been purchased outright. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements and the interest is charged to the profit and loss account. Depreciation on the relevant assets is charged to the profit and loss account in the same manner as for owned assets.

All other leases are operating leases and the annual rentals are charged to the profit and loss account.

h. FOREIGN CURRENCY

Foreign currency transactions are translated into sterling at the ruling rate on the date of transaction. All foreign currency monetary assets and liabilities outstanding at the year end are translated into sterling at the rate prevailing at that date.

STRUCTURE-FLEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1997 (CONTINUED)

1. ACCOUNTING POLICIES (continued)

i. PENSION SCHEME

The company contributes to employees individual personal pension plans. Contributions to the pension plans are charged to the profit and loss account as they fall due.

j. INTANGIBLE FIXED ASSETS

Amortisation is provided on patent rights at a rate of 20% on the straight line method. Amortisation on purchased goodwill is provided at a rate of 33 1/3% on the straight line method.

k. RESEARCH AND DEVELOPMENT COSTS

All costs relating to research and development on the company's products are written off in the year incurred.

2. ANALYSIS OF TURNOVER

	1997 £'000	1996 £'000
Geographical market:		
United Kingdom	7,861	7,256
Europe	1,255	981
Rest of the World	1,099	1,025
	<u>10,215</u>	<u>9,262</u>

3. INTEREST PAYABLE AND SIMILAR CHARGES

On bank overdraft and other loans

- repayable within 5 years, not by instalments	36,046	35,136
- repayable wholly or partly in more than 5 years	45,709	42,367
- on hire purchase and finance lease agreements	8,324	4,080
	<u>90,079</u>	<u>81,583</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The operating profit is stated after charging:

Amortisation of intangible assets	16,181	12,580
Depreciation of owned assets	69,584	72,193
Depreciation of assets under finance lease and hire purchase contracts	47,657	28,869
Research and development	2,199	18,569
Operating lease rentals - plant and machinery	41,449	40,423
- land and buildings	56,600	56,342
Auditor's remuneration	12,240	12,110
Staff costs (note 5)	<u>2,654,437</u>	<u>2,320,192</u>

STRUCTURE-FLEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1997 (CONTINUED)

5. STAFF COSTS	1997 £	1996 £
a. EMPLOYEES		
Wages and salaries	2,403,705	2,102,368
Social security costs	227,464	197,515
Other pension costs	23,268	20,309
	<u>2,654,437</u>	<u>2,320,192</u>
	No.	No.
The average monthly number of persons employed by the company was:		
Production	136	115
Administration and sales	31	31
	<u>167</u>	<u>146</u>
b. DIRECTORS	£	£
Remuneration in respect of directors was:		
Aggregate emoluments	191,617	176,299
Company contributions to money purchase schemes in relation to directors' pensions	4,328	4,715
	<u>195,945</u>	<u>181,014</u>
Three directors are accruing pension benefits under money purchase schemes.		
6. TAXATION	1997 £	1996 £
UK corporation tax based on the profit on ordinary activities for the year:		
Current at the marginal rate - 28.2% (1996 - 26.3%)	158,699	93,954
Deferred - 31% (1996 - 33%)	(1,361)	(366)
Under (over) provision in respect of prior years:		
Current	68	1,511
	<u>157,406</u>	<u>95,099</u>
7. DIVIDENDS ON EQUITY SHARES		
Ordinary: Interim paid during the year £1.4657 (1996 - £4.049 per share)	58,627	161,952
Final paid during the year £2.9752 (1996 - £1.569 per share)	119,010	62,771
	<u>177,637</u>	<u>224,723</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1997
(CONTINUED)

8. INTANGIBLE ASSETS

	Goodwill £	Patent Rights £	Total £
Cost			
As at 1 September 1996	48,000	34,202	82,202
Additions	-	-	-
As at 31 August 1997	48,000	34,202	82,202
Amortisation			
As at 1 September 1996	8,000	33,946	41,946
Charge for the year	16,000	181	16,181
As at 31 August 1997	24,000	34,127	58,127
Net book value			
As at 31 August 1996	40,000	256	40,256
As at 31 August 1997	24,000	75	24,075

9a. TANGIBLE ASSETS - SUMMARY

	Plant & Machinery £	Equipment Fix. & Fittings £	Motor Vehicles £	Freehold Property £	Leasehold Property Improvements £	Total £
Cost or valuation						
As at 1 September 1996	658,596	291,713	53,059	368,246	31,722	1,403,336
Additions	49,791	33,740	25,312	-	2,150	110,993
As at 31 August 1997	708,387	325,453	78,371	368,246	33,872	1,514,329
Depreciation						
As at 1 September 1996	378,840	131,995	28,269	30,588	4,451	574,143
Charge for the year	46,378	42,785	15,884	6,310	5,884	117,241
As at 31 August 1997	425,218	174,780	44,153	36,898	10,335	691,384
Net book value						
As at 31 August 1996	279,756	159,718	24,790	337,658	27,271	829,193
As at 31 August 1997	283,169	150,673	34,218	331,348	23,537	822,945

The cost of freehold land included in freehold property amounts to £116,667 (1996 - £116,667).

STRUCTURE-FLEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1997 (CONTINUED)

9b. TANGIBLE ASSETS - HELD UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

Included above are assets held under hire purchase contracts as follows:

	Motor Vehicles £	Plant and Machinery £
Cost		
As at 1 September 1996	29,060	107,287
Additions	25,312	21,845
Transferred to owned assets	-	(25,630)
As at 31 August 1997	54,372	103,502
Depreciation		
As at 1 September 1996	11,489	19,912
Charge for the year	13,499	14,484
Transferred to owned assets	-	(11,727)
As at 31 August 1997	24,988	22,669
Net book value		
As at 31 August 1996	17,571	104,946
As at 31 August 1997	29,384	80,833

9c. COST OR VALUATION

£

Cost or valuation of plant and machinery at 31 August 1997
is represented by:

Valuation 1992	155,733
Cost	552,654
	708,387

If plant and machinery had not been revalued they would have been included at the following amounts:-

	1997 £	1996 £
Cost	506,798	506,798
Accumulated depreciation	393,582	355,844
Historic cost value	113,216	150,954

STRUCTURE-FLEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1997 (CONTINUED)

10. CAPITAL COMMITMENTS	1997 £	1996 £
Capital expenditure that has been authorised by the directors but has not yet been contracted for	<u>252,974</u>	<u>25,000</u>
11. FIXED ASSET INVESTMENTS		
The company has a 100% shareholding costing £350,000 in IBC Transport Containers Limited, a dormant company incorporated in Great Britain. The cost has been written off to the net asset value of the company of £nil.		
12. STOCKS AND WORK IN PROGRESS	1997 £	1996 £
Stocks comprise:		
Raw materials and consumables	469,239	525,705
Work in progress	136,088	91,167
Finished goods	3,283	6,686
	<u>608,610</u>	<u>623,558</u>
13. DEBTORS	£	£
Amounts falling due within one year:		
Trade debtors	2,345,743	2,168,806
Other debtors	1,373	33,785
Prepayments	147,087	79,633
	<u>2,494,203</u>	<u>2,282,224</u>
14. CREDITORS		
Amounts falling due within one year:		
Debenture loans (note 16a)	30,000	30,000
Bank overdraft (note 16b)	178,454	591,780
Bank loans (note 16b)	26,000	26,000
Trade creditors	1,636,789	1,377,402
Amounts owed to group undertakings	142,334	86,097
Taxation and social security	312,532	143,208
Hire purchase (note 16c)	38,526	39,297
Other creditors	27,585	24,954
Accruals and deferred income	238,684	256,695
	<u>2,630,904</u>	<u>2,575,433</u>

STRUCTURE-FLEX LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1997
(CONTINUED)**

	1997 £	1996 £
15. CREDITORS		
Amounts falling due after more than one year:		
Debenture loans (note 16a)	130,000	160,000
Bank loans (note 16b)	224,136	248,104
Hire purchase (note 16c)	30,179	33,895
Loan from parent company	10,000	10,000
	394,315	451,999

The loan from the parent company is interest free and not repayable without 366 days notice being given.

16a. DEBENTURE LOANS

Debenture loans are repayable as follows:

In one year or less, or on demand	30,000	30,000
Between one and two years	-	30,000
Between two and five years	100,000	96,666
After five years	-	33,334
	130,000	190,000

The debenture loan at 2.75% over base per annum is secured by a fixed and floating charge over the assets and is repayable in equal instalments over 5 years, commencing 31 March 1995.

In 1996 a second debenture loan of £100,000 was taken out. Interest is charged at a fixed rate of 11.5% per annum with repayment being made in 3 instalments starting 31 March 2000. The loan is secured by a fixed and floating charge over the assets.

16b. BANK LOANS AND OVERDRAFTS

Bank loans and overdrafts are repayable as follows:

	1997 £	1996 £
In one year by instalments or on demand	178,454	591,780
Between one and two years by instalments	26,000	26,000
Between two and five years by instalments	78,000	78,000
In five years or more by instalments	146,136	170,104
	428,590	865,884

The existing bank loan at 2.75% over base per annum is secured by a first legal charge over the freehold premises and are repayable over 15 years. The related overdraft facility is secured on the freehold premises also.

In 1996 a second bank loan of £70,000 was taken out. Interest on the loan is charged at a rate of 2.5% over base per annum with the principal and interest payable over five years. The loan is secured by a legal charge over the freehold premises.

Bank overdrafts amounting to £178,454 (1996 - £591,780) are secured by a fixed and floating charge over the assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1997
(CONTINUED)

16c. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

Net obligations under finance leases and hire purchase contracts
are repayable as follows:

	1997	1996
	£	£
Amounts due within one year	38,526	39,297
Amounts due in years 2 to 5	30,179	33,895
	<u>68,705</u>	<u>73,192</u>

17. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation provided in the financial statements and the total potential liability including the amounts
for which provision has been made are as follows:

	Amount provided and total potential liability	
	1997	1996
	£	£
Excess of tax allowances over accumulated depreciation on eligible assets	<u>32,689</u>	<u>34,050</u>
The movements in the provision for deferred taxation are as follows:		
Provision at 1 September 1996 at 33 %	34,050	34,416
Transferred (to) from profit and loss account	(1,361)	(366)
	<u>32,689</u>	<u>34,050</u>
Provision at 31 August 1997 at 31 %	<u>32,689</u>	<u>34,050</u>

18a. EQUITY SHARE CAPITAL

Authorised, allotted, called-up and fully paid:
40,000 ordinary shares of 50p each

1997	1996
£	£
20,000	20,000

18b. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS FUNDS

Profit for the year	355,236	229,622
Dividends	(177,637)	(224,723)
	<u>177,599</u>	<u>4,899</u>
Opening shareholders funds	714,750	709,851
	<u>892,349</u>	<u>714,750</u>
Closing shareholders funds	<u>892,349</u>	<u>714,750</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1997
(CONTINUED)

19. RESERVES

	Revaluation Reserve	Profit & Loss Account
As at 1 September 1996	60,552	634,198
Transfer	(9,083)	9,083
Retained profit for the year	-	177,599
As at 31 August 1997	51,469	820,880

20. PENSION COMMITMENTS

The pension cost charged represents contributions payable by the Company to the individual employees personal pension plans and amounted to £23,268 (1996 - £20,309). Contributions totalling £nil (1996 - £nil) were payable to the plans at the year end and are included in creditors.

21. OTHER FINANCIAL COMMITMENTS

At 31 August 1997 the company had annual commitments under non-cancellable operating leases as set out below:-

	1997		1996	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Operating leases which expire:				
Within one year	-	19,397	-	21,033
In years 2 to 5	-	14,622	-	21,106
After more than 5 years	56,600	-	56,342	-
	56,600	34,019	56,342	42,139

The lease in respect of the Billingham property is £25,032 per annum and is currently under review.

22. ULTIMATE PARENT COMPANY

The ultimate parent company is Spanfax Limited, a company incorporated in Great Britain.

23. NOTES TO THE CASH FLOW STATEMENT

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

	1997 £	1996 £
Operating profit	602,721	406,304
Depreciation charges	133,422	113,642
Decrease (Increase) in stocks	14,948	(20,657)
(Increase) in debtors	(211,979)	(431,165)
Increase in creditors	379,136	429,469
Net cash inflow from operating activities	918,248	497,593

STRUCTURE-FLEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1997 (CONTINUED)

b. RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET DEBT

	£	1997	£	£	1996	£
Increase (decrease) in cash in the period	412,749			(177,584)		
Loans received in the year	-			(170,000)		
Cash to repurchase debenture	30,000			30,000		
Cash to repay back loans	23,968			13,378		
Repayment on hire purchase	57,010			28,860		
Change in net debt by cashflow		523,727			(275,346)	
Other non-cash items:						
New hire purchase agreements		(52,523)			(69,288)	
Movement in net debt in the period		471,204			344,634	
Net debt at 1 September 1996		(1,128,075)			(783,441)	
Net debt at 31 August 1997 (Note 23c)		(656,871)			(1,128,075)	

c. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 1996 £	Cashflow in the year £	Other changes £	At 31 August 1997 £
Cash at bank and in hand	1,001	(577)	-	424
Bank overdraft	(591,780)	413,326	-	(178,454)
		412,749		
Debt due within one year	(56,000)	56,000	(56,000)	(56,000)
Debt due after one year	(408,104)	(2,032)	56,000	(354,136)
Hire purchase liabilities -				
due in one year	(39,297)	39,297	(38,526)	(38,526)
due after one year	(33,895)	17,713	(13,997)	(30,179)
	(1,128,075)	523,727	(52,523)	(656,871)

24. TRANSACTIONS WITH DIRECTORS

Included in directors emoluments is an amount paid for management consultancy of £34,277. This was in connection with services provided by two of the directors and consisted of £13,860 to Ashley Wood Limited, a company of which H Hemens is a director, and £20,417 to J P Wallace King. At the year end the company owed Ashley Wood Limited £1,357.