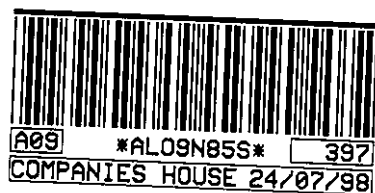


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CONSOLIDATED
FINANCIAL STATEMENTS
RICHARD BOLTON (HOLDINGS) LIMITED
YEAR ENDED 30 NOVEMBER 1997

Company Registration Number : 2340607



RENNIE EVANS
CHARTERED ACCOUNTANTS

Macclesfield Cheshire

RICHARD BOLTON (HOLDINGS) LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1997

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The following page does not form part of the consolidated financial statements.

Detailed trading, profit and loss account	Appendix 1
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RICHARD BOLTON (HOLDINGS) LIMITED

COMPANY INFORMATION

30th November 1997

CHAIRMAN	R A Bolton
OTHER DIRECTORS	S G Astles M W Davis S M Hodgson M R Askew
SECRETARY	S G Astles
REGISTERED OFFICE	1 Grafton Place Grafton Street Hyde Cheshire SK14 2AX
BANKERS	National Westminster Bank plc PO Box 305 Spring Gardens Manchester M60 2DB
AUDITORS	Rennie Evans Chartered Accountants 3/4 Statham Court Statham Street Macclesfield Cheshire SK11 6XN

RICHARD BOLTON (HOLDINGS) LIMITED**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 NOVEMBER 1997**

The directors have pleasure in presenting their report and the financial statements of the company and consolidated financial statements of the group for the year ended 30 November 1997.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the group during the year were the provision of insurance brokerage, life insurance and pension policy services.

There were no significant changes in the operation of the group's business during the year under review. In the opinion of the directors the group was in a satisfactory position at 30 November 1997.

RESULTS AND DIVIDENDS

The trading results for the year, the company's consolidated financial position, and the amounts transferred to reserves are shown in the attached consolidated financial statements.

The directors have recommended the following dividends:

	1997 £	1996 £
Paid dividends on preference shares	5,616	5,616

DIRECTORS AND THEIR INTERESTS IN THE COMPANY'S SHARES

The directors who served in office during the year together with their beneficial interests in the shares of the company were as follows:

	30 November 1997	1st December 1996
<u>ORDINARY</u>		
R A Bolton	30,000	30,000
S G Astles	5,000	5,000
M W Davis	5,000	5,000
S M Hodgson	5,000	5,000
M R Askew	5,000	5,000
<u>PREFERENCE SHARES</u>		
R A Bolton	50,000	50,000

FIXED ASSETS

The movements in fixed assets are recorded in the notes to the consolidated financial statements.

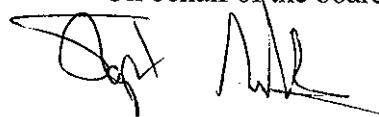
RICHARD BOLTON (HOLDINGS) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 NOVEMBER 1997**

AUDITORS

A resolution to appoint Rennie Evans as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

On behalf of the board

Two handwritten signatures in black ink, one to the left and one to the right of the text 'On behalf of the board'.

S G Astles
Company Secretary

1 May 1998

1 Grafton Place
Grafton Street
Hyde
Cheshire SK14 2AX

RICHARD BOLTON (HOLDINGS) LIMITED

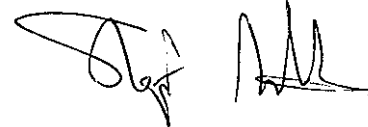
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the consolidated financial statements on the 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 at any time the consolidated financial position of the company and group and to enable them to ensure that the consolidated financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



S G Astles
Director

Rennie Evans

CHARTERED ACCOUNTANTS

3/4 Statham Court, Statham Street,
Macclesfield Cheshire SK11 6XN
Tel 01625 617951 Fax 01625 617886
Remail @ renevans.u-net.com

AUDITORS' REPORT TO THE SHAREHOLDERS OF RICHARD BOLTON (HOLDINGS) LIMITED FOR THE YEAR ENDED 30 NOVEMBER 1997

We have audited the consolidated financial statements on pages 6 to 22 which have been prepared under the historical convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 11 to 12.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 4, the company's directors are responsible for the preparation of the consolidated 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 consolidated financial statements.

It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the consolidated financial statements, and of whether the accounting policies are appropriate to the circumstances of the company, 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 consolidated 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 consolidated financial statements.

OPINION

In our opinion the consolidated financial statements give a true and fair view of the state of the company's and group's affairs as at 30 November 1997 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Rennie Evans

Rennie Evans
Registered Auditors
Chartered Accountants
1 May 1998



R G Evans B.Com. F.C.A. M J Evans B.Com. A.C.A. J M Barber B.Sc. A.C.A. S G Jones A.C.A. A J Bradshaw A.C.A.

Registered to carry on audit work and authorised to carry on investment business by the Institute of Chartered Accountants in England and Wales.

RICHARD BOLTON (HOLDINGS) LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 NOVEMBER 1997**

	Note	1997 £	1996 £
Turnover	2	2,026,936	1,942,731
Administration expenses		(1,786,507)	(1,721,080)
Operating profit	3	240,429	221,651
Other interest receivable and similar income	6	18,066	16,820
Interest payable and similar charges	7	(71,086)	(73,218)
Net profit before taxation		187,409	165,253
Taxation	8	(64,542)	(59,190)
Net profit after taxation		122,867	106,063
Dividends	9	(5,616)	(5,616)
Retained profit for the year	20	117,251	100,447

Movements in reserves are shown in note 20.

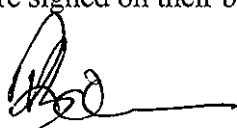
None of the company's activities was acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1997 or 1996 other than the profit for the year.

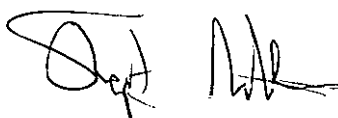
RICHARD BOLTON (HOLDINGS) LIMITED**CONSOLIDATED BALANCE SHEET AS AT 30 NOVEMBER 1997**

	Note	£	1997 £	£	1996 £
Fixed Assets					
Tangible assets	10		945,796		928,291
Current Assets					
Debtors	12	1,307,932		1,358,590	
Cash at bank and in hand		591,345		361,496	
		<u>1,899,277</u>		<u>1,720,086</u>	
Creditors : Amounts falling due within one year	13	1,905,401		1,806,791	
Net current liabilities			(6,124)		(86,705)
Total assets less current liabilities			<u>939,672</u>		<u>841,586</u>
Creditors : Amounts falling due after more than one year	14		(581,931)		(595,109)
Provisions for liabilities and charges					
Deferred taxation	16		(5,440)		(6,427)
Net assets			<u>352,301</u>		<u>240,505</u>
Capital and reserves					
Called up share capital:	18		£		£
Equity			25,000		25,000
Non-equity			<u>50,000</u>		<u>50,000</u>
			75,000		75,000
Revaluation reserve	19		65,657		70,657
Profit and loss account	20		211,644		94,393
	21		<u>352,301</u>		<u>240,050</u>

The financial statements on pages 6 to 22 were approved by the board of directors on 1 May 1998 and are signed on their behalf by:



R A Bolton
Director

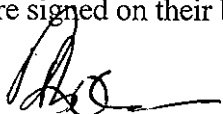


S G Astles
Director

RICHARD BOLTON (HOLDINGS) LIMITED**BALANCE SHEET AS AT 30 NOVEMBER 1997**

	Note	£	1997 £	£	1996 £
Fixed assets					
Tangible assets	10		823,766		839,005
Investments	11		21,000		21,000
			<u>844,766</u>		<u>860,005</u>
Current assets					
Debtors	12	27,701		8,039	
Cash at bank and in hand		6,056		4,679	
		<u>33,757</u>		<u>12,718</u>	
Creditors : Amounts falling due within one year	13	(219,855)		(254,138)	
Net current liabilities			<u>(186,098)</u>		<u>(241,420)</u>
Total assets less current liabilities			<u>658,668</u>		<u>618,585</u>
Creditors : Amounts falling due after more than one year	14		(475,023)		(475,023)
Provisions for liabilities and charges					
Deferred taxation	16		(5,043)		(5,717)
Net assets			<u>178,602</u>		<u>137,845</u>
Capital and reserves					
			£		£
Called up share capital:	18				
Equity			25,000		25,000
Non-equity			50,000		50,000
			<u>75,000</u>		<u>75,000</u>
Revaluation reserve	19		65,657		70,657
Profit and loss account			37,945		(7,812)
Shareholders' funds			<u>178,602</u>		<u>137,845</u>

The financial statements on pages 6 to 22 were approved by the board of directors on 1 May 1998 and are signed on their behalf by:


R A Bolton
Director


S G Astles
Director

RICHARD BOLTON (HOLDINGS) LIMITED**CONSOLIDATED CASH FLOW STATEMENT****YEAR ENDED 30 NOVEMBER 1997**

	Note	£	1997 £	£	1996 £
Net cash inflow					
from operating activities	24		354,861		158,378
Returns on investments and servicing of finance					
Interest received		18,066		16,820	
Interest paid		(66,023)		(64,402)	
Interest element of finance lease					
rental payments		(5,063)		(8,816)	
Dividends paid		(5,616)		(5,616)	
			(58,636)		(62,014)
Taxation					
Corporation tax paid			(62,945)		(30,477)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(83,293)		(65,803)	
Sale of tangible fixed assets		17,176		128,561	
			(66,117)		62,758
			167,163		128,645
Financing					
Debt due within a year:					
loan advances		-		24,720	
Debt due beyond a year:					
loan (repayments)/advances		(24,720)		66,679	
Capital element of hire purchase					
inceptions/(repayments)		3,642		(13,313)	
			(21,078)		78,086
Increase in cash	25		146,085		206,731

RICHARD BOLTON (HOLDINGS) LIMITED**CASH FLOW STATEMENT****YEAR ENDED 30 NOVEMBER 1997**

	Notes	£	1997 £	£	1996 £
Net cash inflow from operating activities	26		76,064		203,276
Returns on investments and servicing of finance					
Interest paid		(46,878)		(46,896)	
Interest element of finance lease rental payments		(934)		(2,571)	
Dividends paid		(5,616)		(5,616)	
			(53,428)		(55,083)
Taxation					
Corporation tax paid			(12,731)		(10,790)
Capital expenditure and financial investment					
Sale of tangible fixed assets			1,450		36,000
			11,355		173,403
Financing					
Debt due beyond a year: loan repayments		-		(33,601)	
Capital element of hire purchase (repayments)/inceptions		(9,978)		4,169	
			(9,978)		(29,432)
Increase in cash	27		1,377		143,971

RICHARD BOLTON (HOLDINGS) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1997****1. ACCOUNTING POLICIES****BASIS OF ACCOUNTING**

The consolidated financial statements have been prepared under the historical cost convention, modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

CONSOLIDATION

The consolidated financial statements have been drawn up under the acquisition method of accounting.

TURNOVER

Turnover represents the amount derived from the provision of goods and services falling within the group's activities.

DEPRECIATION

Depreciation of fixed assets is calculated to write off their cost less any residual value over their estimated useful lives as follows:

Fixtures & Fittings	15% reducing balance
Motor Vehicles	25% reducing balance

Schedule 4 to the Companies Act 1985 and Statement of Standard Accounting Practice No 12 (Revised) require that provision be made for depreciation of fixed assets having a finite useful life. However, the directors are of the opinion that the residual value at the end of the estimated useful life of the freehold property is not likely to be materially different from the last formal revaluation. This is because the company's policy is to maintain the freehold property in such condition that the value is not diminished by the passage of time and the relevant expenditure is charged to profit before tax in the year in which it is incurred. Therefore, any element of depreciation is considered to be immaterial and no provision is made.

LEASES AND HIRE PURCHASE CONTRACTS

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

PENSION COSTS

The group operates a defined contribution pension scheme for its employees and a self-administered scheme for the directors. The assets of the scheme are held separately from those of the group. The annual contributions payable are charged to the profit and loss account.

RICHARD BOLTON (HOLDINGS) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1997****1. ACCOUNTING POLICIES - CONTINUED****DEFERRED TAXATION**

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

2. TURNOVER

In the opinion of the directors, none of the turnover of the group is attributable to geographical markets outside the UK. (1996 nil)

3. OPERATING PROFIT

Operating profit is stated after charging:

	1997 £	1996 £
Depreciation	41,452	37,272
Loss on disposal of fixed assets	2,160	13,119
Auditor's remuneration	11,750	10,800
Hire of equipment	53,016	53,077
Operating leases: vehicles	65,882	63,772

4. DIRECTORS

	1997 £	1996 £
Directors' emoluments	239,089	227,997

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the year amounted to:

	1997	1996
Office and management	45	47
Sales	6	6
	51	53

The aggregate payroll costs of the above were:

	1997 £	1996 £
Wages and salaries	909,331	871,513
Social security costs	94,022	90,364
Other pension costs	80,629	58,975
	1,083,982	1,020,852

RICHARD BOLTON (HOLDINGS) LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1997**

6. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	1997 £	1996 £
Bank interest receivable	18,066	16,820

7. INTEREST PAYABLE AND SIMILAR CHARGES

	1997 £	1996 £
Finance lease and hire purchase contracts	5,063	8,816
Bank interest payable	144	17,869
Other interest payable	65,879	46,533
	<u>71,086</u>	<u>73,218</u>

8. TAXATION

	1997 £	1996 £
Current year corporation tax at 24% (1996 - 25%)	57,316	57,248
Deferred taxation	(987)	1,942
	<u>56,329</u>	<u>59,190</u>
Under provision in earlier years	8,213	-
	<u>64,542</u>	<u>59,190</u>

9. DIVIDENDS

	1997 £	1996 £
Dividends paid on preference shares	5,616	5,616

RICHARD BOLTON (HOLDINGS) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1997****10. TANGIBLE FIXED ASSETS - GROUP**

	Freehold Property	Fixtures and Fittings	Motor Vehicles	TOTAL
COST OR VALUATION	£	£	£	£
At 1 December 1996	775,000	187,457	122,099	1,084,556
Additions	-	29,393	53,900	83,293
Disposals	-	(15,426)	(30,275)	(45,701)
Inter-category transfers	-	(6,192)	6,192	-
Deficit on revaluation	(5,000)	-	-	(5,000)
At 30 November 1997	770,000	195,232	151,916	1,117,148
DEPRECIATION:	£	£	£	£
At 1 December 1996	-	102,626	53,639	156,265
Charge for year	-	14,196	27,256	41,452
Disposals	-	(8,581)	(17,784)	(26,365)
Inter-category transfers	-	(7,039)	7,039	-
At 30 November 1997	-	101,202	70,150	171,352
NET BOOK VALUE:	£	£	£	£
At 30 November 1997	770,000	94,030	81,766	945,796
At 1 December 1996	775,000	84,831	68,460	928,291

Hire purchase agreements

Included within the net book value £945,796 is £62,554 (1996 - £63,155) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £20,851 (1996 - £20,717).

RICHARD BOLTON (HOLDINGS) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1997****10. TANGIBLE FIXED ASSETS - COMPANY**

	Freehold Property	Fixtures and Fittings	Motor Vehicles	TOTAL
COST OR VALUATION	£	£	£	£
At 1 December 1996	775,000	141,093	27,590	943,683
Disposals	-	-	(6,150)	(6,150)
Deficit on revaluation	(5,000)	-	-	(5,000)
At 30 November 1997	<u>770,000</u>	<u>141,093</u>	<u>21,440</u>	<u>932,533</u>
DEPRECIATION:	£	£	£	£
At 1 December 1996	-	83,958	20,720	104,678
Charge for year	-	7,820	1,485	9,305
Disposals	-	-	(5,216)	(5,216)
At 30 November 1997	<u>-</u>	<u>91,778</u>	<u>16,989</u>	<u>108,767</u>
NET BOOK VALUE:	£	£	£	£
At 30 November 1997	770,000	49,315	4,451	823,766
At 1 December 1996	<u>775,000</u>	<u>57,135</u>	<u>6,870</u>	<u>839,005</u>

Revaluation of fixed assets

The company's premises were revalued on 5 March 1998 by Edward & Co Chartered Surveyors at an open market value of £770,000.

In respect of assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	1997	1996
	£	£
Net book value at end of year	770,000	775,000
Historical cost	<u>575,000</u>	<u>575,000</u>

Hire purchase agreements

Included within the net book value £823,766 is £nil (1996 - £3,998) relating to assets held under hire purchase agreements. The depreciation charge to the accounts in the year in respect of such assets amounted to £nil (1996 - £1,332).

RICHARD BOLTON (HOLDINGS) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1997****11. INVESTMENTS**

	Investments in group shares £
Cost	
At 1 December 1996 and 30 November 1997	21,000
Net book value	
At 30 November 1997	21,000
At 1 December 1996	21,000

12. DEBTORS - GROUP

	1997 £	1996 £
Trade debtors	1,237,425	1,318,035
Other debtors	7,848	7,588
Prepayments and accrued income	62,659	32,967
	1,307,932	1,358,590

12. DEBTORS - COMPANY

	1997 £	1996 £
Other debtors	7,848	7,588
Prepayments and accrued income	19,853	451
	27,701	8,039

13. CREDITORS : Amounts falling due within one year - GROUP

	1997 £	1996 £
Mortgage	46,000	46,000
Bank loans and overdrafts	127,377	43,613
Trade creditors	1,500,204	1,505,380
Corporation tax	57,170	54,586
Other taxation and social security	30,827	27,949
Obligations under finance leases and hire purchase contracts	28,547	36,447
Directors' current accounts	-	20,708
Accruals and deferred income	115,276	72,108
	1,905,401	1,806,791

RICHARD BOLTON (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 199713. CREDITORS : Amounts falling due within one year - GROUP - CONTINUED

The following debts disclosed under creditors falling due within one year are secured by the company:

	1997	1996
	£	£
Mortgage	46,000	46,000
Bank loans and overdrafts	127,377	43,613
Obligations under finance leases and hire purchase contracts	28,547	36,447
	<u>201,924</u>	<u>126,060</u>

13. CREDITORS: Amounts falling due within one year - COMPANY

	1997	1996
	£	£
Mortgage	46,000	46,000
Amounts owed to group undertakings and undertakings in which the company has a participating interest	135,034	152,700
Corporation tax	17,216	576
Other taxation and social security	1,404	1,404
Obligations under finance leases and hire purchase contracts	-	9,978
Directors' current accounts	-	20,708
Accruals and deferred income	20,201	22,772
	<u>219,855</u>	<u>254,138</u>

The following debts disclosed under creditors falling due within one year are secured by the company:

	1997	1996
	£	£
Mortgage	46,000	46,000
Obligations under finance leases and hire purchase contracts	-	9,978
	<u>46,000</u>	<u>55,978</u>

14. CREDITORS : Amounts falling due after more than one year - GROUP

	1997	1996
	£	£
Mortgage	475,023	475,023
Bank loan	75,560	100,280
Obligations under finance leases and hire purchase contracts	31,348	19,806
	<u>581,931</u>	<u>595,109</u>

RICHARD BOLTON (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 1997

14. CREDITORS : Amounts falling due after more than one year - GROUP - CONTINUED

The following debts disclosed under creditors falling due after more than one year are secured by the company:

	1997	1996
	£	£
Mortgage	475,023	475,023
Bank loan	75,560	100,280
Obligations under finance leases and hire purchase contracts	31,348	19,806
	<u>581,931</u>	<u>595,109</u>

The mortgage is secured by the company's freehold property.

The bank loans and overdrafts are secured by a mortgage debenture with National Westminster Bank plc dated 26 April 1993 over the unscheduled assets of the group.

The hire purchase liabilities are secured by the assets to which they relate.

14. CREDITORS : Amount falling due after more than one year - COMPANY

	1997	1996
	£	£
Mortgage	475,023	475,023

The following debts disclosed under creditors falling due after more than one year are secured by the company:

	1997	1996
	£	£
Mortgage	475,023	475,023

15. PENSIONS

The group operates a defined contribution pension scheme and a self-administered pension scheme. The charge for the year represents the contributions for the year.

16. DEFERRED TAX - GROUP

The provision for deferred tax consists of the tax effect of timing differences in respect of:-

	1997	1996
	£	£
Excess of taxation allowances over depreciation on fixed assets	5,440	6,427

The movement of the deferred tax provision during the year was:

	1997	1996
	£	£
Provision brought forward	6,427	4,485
(Decrease)/increase in provision	(987)	1,942
Provision carried forward	<u>5,440</u>	<u>6,427</u>

RICHARD BOLTON (HOLDINGS) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1997****16. DEFERRED TAX - COMPANY**

The provision for deferred tax consists of the tax effect of timing differences in respect of:-

	1997 £	1996 £
Excess of taxation allowances over depreciation on fixed assets	5,043	5,717

The movement on the deferred tax provision during the year was:-

	1997 £	1996 £
Provision brought forward	5,717	4,178
(Decrease)/increase in provision	(674)	1,539
Provision carried forward	5,043	5,717

The provision is based on a corporation tax rate of 21% (1996 24%).

17. COMMITMENTS UNDER HIRE PURCHASE AND FINANCE LEASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	1997 £	1996 £
Amounts payable within 1 year	32,885	40,932
Amounts payable between 2 to 5 years	35,581	23,834
	68,466	64,766
Less: interest and finance charges relating to future periods	(8,549)	(8,513)
	59,917	56,253

18. SHARE CAPITAL

	1997 £	1996 £
Authorised share capital:		
50,000 ordinary shares of £0.50 each	25,000	25,000
50,000 redeemable preference shares of £1 each	50,000	50,000
	75,000	75,000
Allotted, called up and fully paid:		
Ordinary shares	25,000	25,000
Redeemable preference shares	50,000	50,000
Total share capital	75,000	75,000

RICHARD BOLTON (HOLDINGS) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1997****19. REVALUATION RESERVE**

	1997 £
1 December 1996	70,657
Deficit on revaluation	(5,000)
30 November 1997	<u>65,657</u>

20. PROFIT AND LOSS ACCOUNT

	1997 £
1 December 1996	94,393
Retained profit for the year	117,251
30 November 1997	<u>211,644</u>

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Consolidated profit for the financial year	122,867	106,063
Dividends	(5,616)	(5,616)
Reduction in revaluation reserve	(5,000)	-
Net addition to shareholders' equity funds	<u>112,251</u>	<u>100,447</u>
Opening shareholders' equity funds	190,050	89,603
Closing shareholders' funds	<u>302,301</u>	<u>190,050</u>
Non-equity shareholders' funds		
Opening and closing balance	<u>50,000</u>	<u>50,000</u>

22. GROUP COMPANIES

The company has two wholly owned UK incorporated subsidiaries:

Richard Bolton (Life and Pensions) Limited
Richard Bolton Insurance Brokers Limited

23. PROFIT AND LOSS ACCOUNT

The company itself availed itself of the relevant legislation not to publish its own profit and loss account. Of the consolidated profit, £51,373 is attributable to the holding company.

RICHARD BOLTON (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 1997

24. NOTES TO THE CASH FLOW STATEMENT - GROUP

RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	1997 £	1996 £
Operating profit	240,429	221,651
Depreciation	41,452	37,272
Loss on disposal of fixed assets	2,160	13,119
Decrease/(Increase) in debtors	50,658	(427,273)
Increase in creditors	20,162	313,609
Net cash inflow from operating activities	354,861	158,378

25. NOTES TO THE CASH FLOW STATEMENT - GROUP - CONTINUED

ANALYSIS OF CHANGE IN NET DEBT

	At start of year £	Cash flows £	Other changes £	At end of year £
Cash in hand, at bank	361,496	229,849	-	591,345
Bank overdraft	(18,893)	(83,764)	-	(102,657)
		<u>146,085</u>		
Debt due:				
Within 1 year	(70,720)	24,720	(24,720)	(70,720)
After 1 year	(575,303)	-	24,720	(550,583)
Hire Purchase due:				
Within 1 year	(36,447)	(3,642)	11,542	(28,547)
After 1 year	(19,806)	-	(11,542)	(31,348)
	<u>(359,673)</u>	<u>167,163</u>	<u>-</u>	<u>(192,510)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	1997 £	1996 £
Increase in cash in the year	146,085	206,731
Cash outflow from decrease/(increase) in debt and lease financing	21,078	(78,086)
	<u>167,163</u>	<u>128,645</u>
Change in net debt resulting from cash flows		
Net debt at 1 December 1996	(359,673)	(488,318)
Net debt at 30 November 1997	<u>(192,510)</u>	<u>(359,673)</u>

RICHARD BOLTON (HOLDINGS) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1997****26. NOTES TO THE CASH FLOW STATEMENT - COMPANY****RECONCILIATION OF OPERATING PROFIT
TO OPERATING CASH FLOWS**

	1997	1996
	£	£
Operating profit	127,882	69,878
Depreciation	9,305	12,758
(Profit)/loss on disposal of fixed assets	(516)	5,569
(Increase)/decrease in debtors	(19,662)	40,851
(Decrease)/increase in creditors	(40,945)	74,220
Increase in cash from operating activities	76,064	203,276

27. NOTES TO THE CASH FLOW STATEMENT - COMPANY - CONTINUED**ANALYSIS OF CHANGES IN NET DEBT**

	At start of year	Cash flows	Other changes	At end of year
	£	£	£	£
Cash in hand, at bank	4,679	1,377	-	6,056
Debt due:				
Within 1 year	(46,000)	-	-	(46,000)
After 1 year	(475,023)	-	-	(475,023)
Hire purchase due:				
Within 1 year	(9,978)	9,978	-	-
After 1 year	-	-	-	-
	(526,322)	11,355	-	(514,967)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	1997	1996
	£	£
Increase in cash in the year	1,377	143,971
Cash outflow from decrease in debt and lease financing	9,978	29,432
Change in net debt resulting from cash flows	11,355	173,403
Net debt at 1 December 1996	(526,322)	(699,725)
Net debt at 30 November 1997	(514,967)	(526,322)