

Statement of financial position of Aztec (Europe) as at 31 December 20X3

(following the transfer of assets and liabilities)

	\$	\$
Non-current assets		
Intangible assets: goodwill	40,000	✓ 105
Tangible assets:		
Leasehold premises	✓ 105 360,000	
Vehicles and equipment	85,000	✓ 105
Machinery	✓ 105 225,000	
		710,000
Current assets:		
Inventory	285,000	✓ 105
Receivables	✓ 105 110,000	
		395,000
		<u>1,105,000</u>
	\$	\$
Equity shares of 10c each	✓ 105	270,000
Non-current liabilities		
13% Loan notes	270,000	✓ 105
Hire-purchase liability	✓ 105 25,000	
		295,000
Current liabilities		
Payables	✓ 105 288,000	
Wages and related taxation	80,000	
Hire-purchase liability	20,000	✓ 105
Bank overdraft	✓ 105 152,000	
		540,000
		<u>1,105,000</u>

(b) MEMORANDUM

To: Finance Director

From: Advisor

Re: Draft proposals for scheme of capital reduction and reorganisation of Aztec as at 31 December 2003

Thank you for a copy of the draft scheme.

In our view, one of the key considerations for the court and the various parties whose rights are being varied is whether the scheme is fair to all parties.

We have therefore reviewed how the scheme will affect the rights of the equity shareholders, and the two classes of debenture holder with regard to their entitlement to capital repayment and to interest/dividends.