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Report of the Directors and
Financial Statements
for the Year Ended 31 July 2002
for
L T Deeprose Limited



L T Deeprose Limited

Contents of the Financial Statements
for the Year Ended 31 July 2002

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	5
Statement of Total Recognised Gains and Losses	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Cash Flow Statement	9
Notes to the Financial Statements	11
Trading and Profit and Loss Account	20

L T Deeprose Limited
Company Information
for the Year Ended 31 July 2002

DIRECTORS:

L T Deeprose
B J Deeprose
M Poulter
D L Deeprose
P G Fancourt

SECRETARY:

V B Goodwin

REGISTERED OFFICE:

Midleton Industrial Estate
Guildford
Surrey
GU2 8YA

REGISTERED NUMBER:

585437

AUDITORS:

CMR ACCOUNTANCY & TAXATION SERVICES LTD
1210 Parkview
Arlington Business Park
Theale
Reading,
RG7 4TY

L T Deeprose Limited
Report of the Directors
for the Year Ended 31 July 2002

The directors present their report with the financial statements of the company for the year ended 31 July 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of building contractors.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31 July 2002.

DIRECTORS

The directors during the year under review were:

L T Deeprose
B J Deeprose
M Poulter
D L Deeprose
P G Fancourt

The beneficial interests of the directors holding office on 31 July 2002 in the issued share capital of the company were as follows:

	31.7.02	1.8.01
Ordinary Share Capital £1 shares		
L T Deeprose	5,475	5,475
B J Deeprose	2,500	2,500
M Poulter	-	-
D L Deeprose	1,000	1,000
P G Fancourt	-	-

DONATIONS

No charitable donations were made in the year (2001 - £469).

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 accounting 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.

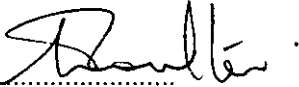
L T Deeprose Limited

Report of the Directors
for the Year Ended 31 July 2002

AUDITORS

The auditors, CMR, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



.....
M Poulter - DIRECTOR

Dated: 25th October 2002

L T Deeprise Limited

Report of the Independent Auditors to the Shareholders of
L T Deeprise Limited

We have audited the financial statements of L T Deeprise Limited for the year ended 31 July 2002 on pages five to nineteen. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

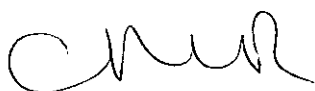
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 July 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



CMR ACCOUNTANCY AND TAXATION SERVICES LIMITED
1210 Parkview
Arlington Business Park
Theale
Reading,
RG7 4TY

Dated: 29th October 2002

L T Deeprose Limited
Profit and Loss Account
for the Year Ended 31 July 2002

		<u>31.7.02</u>	<u>31.7.01</u>
	Notes	£	£
TURNOVER		5,749,867	8,641,148
Cost of sales		<u>5,044,248</u>	<u>8,186,647</u>
GROSS PROFIT		705,619	454,501
Administrative expenses		<u>769,373</u>	<u>943,203</u>
		(63,754)	(488,702)
Other operating income		<u>50,733</u>	<u>32,016</u>
OPERATING LOSS	3	(13,021)	(456,686)
Interest receivable and similar income		<u>22,060</u>	<u>55,708</u>
		9,039	(400,978)
Interest payable and similar charges	4	<u>8,220</u>	<u>8,696</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		819	(409,674)
Tax on profit/(loss) on ordinary activities	5	<u>-</u>	<u>(27,964)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		819	(381,710)
Retained profit brought forward		<u>952,476</u>	<u>1,330,106</u>
		953,295	948,396
From revaluation reserve		<u>7,600</u>	<u>4,080</u>
RETAINED PROFIT CARRIED FORWARD		<u>£960,895</u>	<u>£952,476</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

L T Deeprise Limited

Statement of Total Recognised Gains and Losses
for the Year Ended 31 July 2002

	<u>31.7.02</u>	<u>31.7.01</u>
	£	£
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	819	(381,710)
Revaluation in the year	<u>-</u>	<u>275,000</u>
TOTAL RECOGNISED GAINS AND LOSSES		
RELATING TO THE YEAR	<u>£819</u>	<u>£(106,710)</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

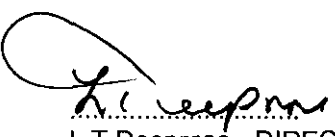
The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material.

L T Deeprise Limited

Balance Sheet
31 July 2002

		<u>31.7.02</u>		<u>31.7.01</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	6		1,001,258		1,086,812
Investments	7		<u>-</u>		<u>-</u>
			1,001,258		1,086,812
CURRENT ASSETS:					
Stocks	8	451,875		17,262	
Debtors	9	1,154,206		944,232	
Cash at bank and in hand		<u>204,481</u>		<u>876,465</u>	
		1,810,562		1,837,959	
CREDITORS: Amounts falling due within one year	10	<u>1,133,913</u>		<u>1,190,128</u>	
NET CURRENT ASSETS:			<u>676,649</u>		<u>647,831</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,677,907		1,734,643
CREDITORS: Amounts falling due after more than one year	11		<u>54,579</u>		<u>112,134</u>
			<u>£1,623,328</u>		<u>£1,622,509</u>
CAPITAL AND RESERVES:					
Called up share capital	14		10,000		10,000
Revaluation reserve	15		652,433		660,033
Profit and loss account			<u>960,895</u>		<u>952,476</u>
SHAREHOLDERS' FUNDS:	17		<u>£1,623,328</u>		<u>£1,622,509</u>

ON BEHALF OF THE BOARD:


L T Deeprise - DIRECTOR

Approved by the Board on

25th October 2002

L T Deeprose Limited

Cash Flow Statement
for the Year Ended 31 July 2002

		<u>31.7.02</u>		<u>31.7.01</u>	
	Notes	£	£	£	£
Net cash outflow from operating activities	1		(751,873)		(340,474)
Returns on investments and servicing of finance	2		13,840		47,012
Taxation			27,964		-
Capital expenditure	2		38,085		(90,721)
Equity dividends paid			-		(30,000)
Decrease in cash in the period			<u>£(671,984)</u>		<u>£(442,147)</u>

Reconciliation of net cash flow to movement in net funds

	3		
Decrease in cash in the period		(671,984)	(442,147)
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<u>52,636</u>	<u>(22,558)</u>
Change in net funds resulting from cash flows		<u>(619,348)</u>	<u>(419,589)</u>
Movement in net funds in the period		(619,348)	(419,589)
Net funds at 1 August		<u>802,206</u>	<u>1,221,795</u>
Net funds at 31 July		<u>£182,858</u>	<u>£802,206</u>

The notes form part of these financial statements

L T Deeprise Limited

Notes to the Cash Flow Statement
for the Year Ended 31 July 2002

1. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	31.7.02 £	31.7.01 £
Operating loss	(13,021)	(461,686)
Depreciation charges	58,452	79,594
Loss on sale of fixed assets	-	9,270
Profit on sale of fixed assets	(10,983)	-
(Increase)/Decrease in stocks	(434,613)	1,773
(Increase)/Decrease in debtors	(237,938)	155,217
Decrease in creditors	<u>(113,770)</u>	<u>(124,542)</u>
Net cash outflow from operating activities	<u><u>(751,873)</u></u>	<u><u>(340,474)</u></u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.7.02 £	31.7.01 £
Returns on investments and servicing of finance		
Interest received	22,060	55,708
Interest paid	-	(148)
Interest element of hire purchase payments	<u>(8,220)</u>	<u>(8,548)</u>
Net cash inflow for returns on investments and servicing of finance	<u><u>13,840</u></u>	<u><u>47,012</u></u>
Capital expenditure		
Purchase of tangible fixed assets	(1,916)	(116,032)
Sale of tangible fixed assets	<u>40,001</u>	<u>25,311</u>
Net cash inflow/(outflow) for capital expenditure	<u><u>38,085</u></u>	<u><u>(90,721)</u></u>

L T Deeprise Limited

Notes to the Cash Flow Statement
for the Year Ended 31 July 2002

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.8.01 £	Cash flow £	At 31.7.02 £
Net cash:			
Cash at bank and in hand	<u>876,465</u>	<u>(671,984)</u>	<u>204,481</u>
	<u>876,465</u>	<u>(671,984)</u>	<u>204,481</u>
Debt:			
Hire purchase	<u>(74,259)</u>	<u>52,636</u>	<u>(21,623)</u>
	<u>(74,259)</u>	<u>52,636</u>	<u>(21,623)</u>
Total	<u>802,206</u>	<u>(619,348)</u>	<u>182,858</u>
Analysed in Balance Sheet			
Cash at bank and in hand	876,465		204,481
Hire purchase			
within one year	(52,636)		(19,134)
after one year	<u>(21,623)</u>		<u>(2,489)</u>
	<u>802,206</u>		<u>182,858</u>

Notes to the Financial Statements
for the Year Ended 31 July 2002

1. **ACCOUNTING POLICIES**

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 1% on cost
Leasehold property	- 1% on cost
Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Fixed Asset investments are recorded in the accounts at the lower of the cost and net realisable value.

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Long-term contracts are valued at cost, plus attributable profits where these are considered to be reasonably certain, less provisions for foreseeable losses.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a pension scheme for the benefit of certain employees. The funds of the scheme are administered by trustees. Independent actuaries complete valuations at least every three years and in accordance with their recommendations annual contributions are paid to the scheme so as to secure the benefits set out in the rules and the periodic augmentation of current pensions. The costs of pension plans are charged to the profit and loss account so as to spread the costs over employees' working lives within the company.

Operating leases

The costs of operating leases are charged to the profit and loss account as they are incurred.

L T Deeprise Limited

Notes to the Financial Statements
for the Year Ended 31 July 2002

2. **STAFF COSTS**

	31.7.02	31.7.01
	£	£
Wages and salaries	689,913	825,517
Social security costs	73,473	90,947
Other pension costs	<u>17,191</u>	<u>19,268</u>
	<u>780,577</u>	<u>935,732</u>

The average monthly number of employees during the year was as follows:

	31.7.02	31.7.01
Management	5	6
Administration	5	5
Production & sales	<u>27</u>	<u>24</u>
	<u>37</u>	<u>35</u>

3. **OPERATING LOSS**

The operating loss is stated after charging/(crediting):

	31.7.02	31.7.01
	£	£
Hire of plant and machinery	198,900	213,655
Depreciation - owned assets	44,599	32,547
Depreciation - assets on hire purchase contracts	13,853	42,048
(Profit)/Loss on disposal of fixed assets	(10,983)	9,270
Auditors' remuneration	7,250	7,000
Operating leases - plant & machinery	953	953
Operating leases - other	<u>10,570</u>	<u>10,570</u>
Directors' emoluments	169,534	248,878
Compensation to directors for loss of office	<u>-</u>	<u>18,750</u>

The number of directors to whom retirement benefits were accruing was as follows:

	<u>3</u>	<u>4</u>
Defined benefit schemes		

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

	31.7.02	31.7.01
	£	£
Bank overdraft interest	-	148
Hire purchase interest	<u>8,220</u>	<u>8,548</u>
	<u>8,220</u>	<u>8,696</u>

L T Deeprise Limited

Notes to the Financial Statements
for the Year Ended 31 July 2002

5. **TAXATION**

Analysis of the tax credit

The tax credit on the profit on ordinary activities for the year was as follows:

	31.7.02	31.7.01
	£	£
Current tax:		
UK corporation tax	-	(27,964)
Tax on profit/(loss) on ordinary activities	-	(27,964)

UK corporation tax has been charged at 20% (2001 - 20%).

6. **TANGIBLE FIXED ASSETS**

	<u>Freehold property</u>	<u>Leasehold property</u>	<u>Plant and machinery</u>
	£	£	£
COST OR VALUATION:			
At 1 August 2001	73,750	760,000	325,551
Additions	-	-	1,200
Disposals	-	-	(11,125)
At 31 July 2002	<u>73,750</u>	<u>760,000</u>	<u>315,626</u>
DEPRECIATION:			
At 1 August 2001	3,551	-	293,770
Charge for year	738	7,600	5,737
Eliminated on disposals	-	-	(6,830)
At 31 July 2002	<u>4,289</u>	<u>7,600</u>	<u>292,677</u>
NET BOOK VALUE:			
At 31 July 2002	<u>69,461</u>	<u>752,400</u>	<u>22,949</u>
At 31 July 2001	<u>70,199</u>	<u>760,000</u>	<u>31,781</u>

L T Deeprise Limited

Notes to the Financial Statements
for the Year Ended 31 July 2002

6. **TANGIBLE FIXED ASSETS - continued**

	<u>Fixtures and fittings</u>	<u>Motor vehicles</u>	<u>Totals</u>
	£	£	£
COST OR VALUATION:			
At 1 August 2001	156,181	337,672	1,653,154
Additions	716	-	1,916
Disposals	<u>-</u>	<u>(49,770)</u>	<u>(60,895)</u>
At 31 July 2002	<u>156,897</u>	<u>287,902</u>	<u>1,594,175</u>
DEPRECIATION:			
At 1 August 2001	98,602	170,419	566,342
Charge for year	8,744	35,633	58,452
Eliminated on disposals	<u>-</u>	<u>(25,047)</u>	<u>(31,877)</u>
At 31 July 2002	<u>107,346</u>	<u>181,005</u>	<u>592,917</u>
NET BOOK VALUE:			
At 31 July 2002	<u>49,551</u>	<u>106,897</u>	<u>1,001,258</u>
At 31 July 2001	<u>57,579</u>	<u>167,253</u>	<u>1,086,812</u>

Cost or valuation at 31 July 2002 is represented by:

	<u>Freehold property</u>	<u>Leasehold property</u>	<u>Plant and machinery</u>
	£	£	£
Valuation in 1997	25,650	275,924	-
Valuation in 2001	-	260,000	-
Cost	<u>48,100</u>	<u>224,076</u>	<u>315,626</u>
	<u>73,750</u>	<u>760,000</u>	<u>315,626</u>

	<u>Fixtures and fittings</u>	<u>Motor vehicles</u>	<u>Totals</u>
	£	£	£
Valuation in 1997	-	-	301,574
Valuation in 2001	-	-	260,000
Cost	<u>156,897</u>	<u>287,902</u>	<u>1,032,601</u>
	<u>156,897</u>	<u>287,902</u>	<u>1,594,175</u>

L T Deeprise Limited

Notes to the Financial Statements
for the Year Ended 31 July 2002

6. **TANGIBLE FIXED ASSETS - continued**

If leasehold land & buildings had not been revalued they would have been included at the following historical cost:

	31.7.02	31.7.01
	£	£
Cost	<u>224,076</u>	<u>224,076</u>
Aggregate depreciation	<u>22,345</u>	<u>22,345</u>
Value of land in freehold land and buildings	<u>213,224</u>	<u>213,224</u>

Leasehold land & buildings were valued on an open market value basis on 31 July 1997 by Wadham and Isherwood, surveyors.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	<u>Fixtures and fittings</u>	<u>Motor vehicles</u>	<u>Totals</u>
	£	£	£
COST:			
At 1 August 2001	52,059	166,554	218,613
Transferred to ownership	<u>(11,156)</u>	<u>(118,143)</u>	<u>(129,299)</u>
At 31 July 2002	<u>40,903</u>	<u>48,411</u>	<u>89,314</u>
DEPRECIATION:			
At 1 August 2001	13,370	60,894	74,264
Charge for year	4,776	9,077	13,853
Transferred to ownership	<u>(4,304)</u>	<u>(48,791)</u>	<u>(53,095)</u>
At 31 July 2002	<u>13,842</u>	<u>21,180</u>	<u>35,022</u>
NET BOOK VALUE:			
At 31 July 2002	<u>27,061</u>	<u>27,231</u>	<u>54,292</u>
At 31 July 2001	<u>38,689</u>	<u>105,660</u>	<u>144,349</u>

7. **FIXED ASSET INVESTMENTS**

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

Lantern (Real Estate) Limited incorporated in England
Nature of Business : Dormant Class of shares: Ordinary Holding : 100%

This investment was written off by the company during the 1997 financial year.

8. **STOCKS**

	31.7.02	31.7.01
	£	£
Stock	<u>451,875</u>	<u>17,262</u>

L T Deeprise Limited

Notes to the Financial Statements
for the Year Ended 31 July 2002

9. **DEBTORS**

	31.7.02 £	31.7.01 £
Amounts falling due within one year:		
Trade debtors	186,571	136,801
Long term contracts	870,903	547,845
Prepayments & accrued income	30,453	29,275
Other debtors	540	42,740
Corporation tax recoverable	-	27,964
	<u>1,088,467</u>	<u>784,625</u>

Amounts falling due after more than one year:

Recoverable long term contract	<u>65,739</u>	<u>159,607</u>
Aggregate amounts	<u>1,154,206</u>	<u>944,232</u>

10. **CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.7.02 £	31.7.01 £
Hire purchase contracts (see note 12)	19,134	52,636
Trade creditors	1,021,064	1,083,557
Owed to group undertaking	3,000	3,000
Social security & other taxes	68,880	27,409
Other creditors	7,835	11,526
Accruals	<u>14,000</u>	<u>12,000</u>
	<u>1,133,913</u>	<u>1,190,128</u>

Hire purchase creditors are secured on the assets.

Included within trade creditors is £1,190 (2001 - £1,677) due to Deeprise Engineering Limited, a company related by joint control.

The amount owed to group undertaking relates to Lantern (Real Estate) Limited.

11. **CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	31.7.02 £	31.7.01 £
Trade creditors	52,090	90,511
Hire purchase contracts (see note 12)	<u>2,489</u>	<u>21,623</u>
	<u>54,579</u>	<u>112,134</u>

L T Deeprise Limited

Notes to the Financial Statements
for the Year Ended 31 July 2002

12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	31.7.02 £	31.7.01 £
Gross obligations repayable:		
Within one year	21,730	59,457
Between one and five years	<u>2,885</u>	<u>24,615</u>
	<u>24,615</u>	<u>84,072</u>
Finance charges repayable:		
Within one year	2,596	6,821
Between one and five years	<u>396</u>	<u>2,992</u>
	<u>2,992</u>	<u>9,813</u>
Net obligations repayable:		
Within one year	19,134	52,636
Between one and five years	<u>2,489</u>	<u>21,623</u>
	<u>21,623</u>	<u>74,259</u>

The following payments are committed to be paid within one year:

	Operating leases			
	Land and buildings		Other	
	31.7.02 £	31.7.01 £	31.7.02 £	31.7.01 £
Expiring:				
Between one and five years	-	-	953	953
In more than five years	<u>10,570</u>	<u>10,570</u>	-	-
	<u>10,570</u>	<u>10,570</u>	<u>953</u>	<u>953</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

The amounts for which no provision has been made in respect of deferred taxation, are as follows:

	31.07.02 £	31.07.01 £
Accelerated capital allowances	(15,446)	(8,250)
On revaluation of assets	(7,600)	(7,545)
	<u>(23,046)</u>	<u>(15,795)</u>

L T Deeprise Limited

Notes to the Financial Statements
for the Year Ended 31 July 2002

14. **CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.7.02	31.7.01
		£1	£	£
10,000	Ordinary Share Capital		<u>10,000</u>	<u>10,000</u>

15. **REVALUATION RESERVE**

	31.7.02	31.7.01
	£	£
Brought forward	660,033	389,113
Revaluation surplus	-	275,000
Transfer to P & L reserves	<u>(7,600)</u>	<u>(4,080)</u>
	<u>652,433</u>	<u>660,033</u>

16. **RELATED PARTY DISCLOSURES**

During the year charges from Deeprise Engineering Limited, related by virtue of joint control, were as follows:-

	31.7.02	31.7.01
	£	£
Rent	24,000	24,000
Vehicle maintenance	<u>11,763</u>	<u>18,1210</u>
	<u>35,763</u>	<u>42,121</u>

The balance outstanding at the end of the year was £1,190 (2001:£1,677).

17. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31.7.02	31.7.01
	£	£
Profit/(Loss) for the financial year	819	(381,710)
Other recognised gains and losses relating to the year (net)	<u>-</u>	<u>275,000</u>
Net addition/(reduction) to shareholders' funds	819	(106,710)
Opening shareholders' funds	<u>1,622,509</u>	<u>1,729,219</u>
Closing shareholders' funds	<u>1,623,328</u>	<u>1,622,509</u>
Equity interests	<u>1,623,328</u>	<u>1,622,509</u>

L T Deeprise Limited

Notes to the Financial Statements
For the year ended 31st July 2002

18. PENSION COSTS

The company operates a defined contribution pension scheme in the UK for certain employees. A full actuarial valuation was carried out at 1st September 1998 and updated to 31st July 2002 by a qualified independent actuary.

The major assumptions used by the actuary as at 31.7.02 were:

Rate of increase in salaries	4.3%
Discount rate	5.8%
Inflation rate	2.3%
Limited price indexation	

The assets in the scheme at market value and the expected rate of return were:

	Value at 31.07.02 £'000	Expected Rate of return
Equities	1,113	7.8%
Bonds	196	5.1%
Other	78	5.1%
Present value of scheme liabilities	(1,348)	
Net pension asset	39	

The present value of scheme liabilities has been calculated by the actuary to within an accuracy of 10%

	31.07.02 £'000	31.07.01 £'000
Charge to operating profit	66	19

The full actuarial valuation at 1st September 1998 showed the value of the assets of the scheme was £803,000 and represented 146% of the benefits that had accrued to members after allowing for expected future increases in earning.

L T Deeprose Limited

Trading and Profit and Loss Account
for the Year Ended 31 July 2002

	<u>31.7.02</u>		<u>31.7.01</u>	
	£	£	£	£
Sales		5,749,867		8,641,148
Cost of sales:				
Opening stock	17,262		19,035	
Purchases	1,520,172		1,706,174	
Subcontractors	3,350,745		5,712,270	
Staff wages	284,306		320,970	
Staff national insurance	25,206		28,901	
Staff pension contributions	2,416		2,393	
Plant & machinery hire	198,900		213,655	
Professional fees	97,116		200,511	
	5,496,123		8,203,909	
Closing stock	(451,875)		(17,262)	
		<u>5,044,248</u>		<u>8,186,647</u>
GROSS PROFIT		705,619		454,501
Other income:				
Rents receivable	35,829		17,460	
Sundry receipts	14,904		14,556	
Bank interest received	22,060		55,708	
		<u>72,793</u>		<u>87,724</u>
		778,412		542,225
Expenditure:				
Directors' remuneration	139,900		208,083	
Directors' national insurance	18,035		27,161	
Directors' pensions	5,379		7,528	
Compensation - loss of office	-		18,750	
Postage print & stationery	14,053		21,835	
Telephone	13,661		10,732	
Advertising	16,240		6,532	
Insurance	31,977		26,418	
Repairs & renewals	9,980		11,446	
Sundry expenses	21,116		52,087	
Motor expenses	50,442		63,034	
Audit & accountancy	7,250		7,000	
Legal and professional fees	11,702		2,970	
Salaries	265,707		277,714	
Staff national insurance	30,232		34,885	
Staff pensions	9,396		9,347	
Private health care costs	13,595		13,685	
Rent & rates	54,815		52,669	
Light & heat	3,908		3,055	
		<u>717,388</u>		<u>854,931</u>
Carried forward		61,024		(312,706)

L T Deeprise Limited

Trading and Profit and Loss Account
for the Year Ended 31 July 2002

	<u>31.7.02</u>		<u>31.7.01</u>	
	£	£	£	£
Brought forward		61,024		(312,706)
Finance costs:				
Bank overdraft interest	-		148	
Hire purchase interest	8,220		8,548	
Bank charges	<u>4,516</u>		<u>4,408</u>	
		<u>12,736</u>		<u>13,104</u>
		48,288		(325,810)
Depreciation:				
Freehold property	738		737	
Leasehold property	7,600		-	
Plant & machinery	5,737		7,945	
Fixtures & fittings	8,744		10,161	
Motor vehicles	<u>35,633</u>		<u>55,751</u>	
		<u>58,452</u>		<u>74,594</u>
		(10,164)		(400,404)
Profit/(Loss) on disposal of fixed assets:				
Plant & machinery	9,705		-	
Motor vehicles	<u>1,278</u>		<u>(9,270)</u>	
		<u>10,983</u>		<u>(9,270)</u>
NET PROFIT/(LOSS)		<u><u>£819</u></u>		<u><u>£(409,674)</u></u>