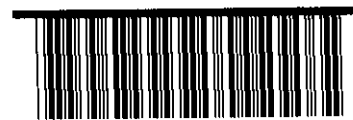


**Report of the Directors and
Financial Statements for the Year Ended 31 July 2000
for
L T Deeprose Limited**



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L T Deeprose Limited

**Contents of the Financial Statements
for the Year Ended 31 July 2000**

	Page
Company Information	1
Report of the Directors	2
Report of the Auditors	4
Profit and Loss Account	5
Balance Sheet	7
Cash Flow Statement	8
Notes to the Cash Flow Statement	9
Notes to the Financial Statements	11

L T Deeprose Limited
Company Information
for the Year Ended 31 July 2000

DIRECTORS:

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

SECRETARY:

V B Goodwin

REGISTERED OFFICE:

Midleton Industrial Estate
Guildford
Surrey
GU2 5YA

REGISTERED NUMBER:

585437

AUDITORS:

Turnbills
Registered Auditor
Chartered Accountants
Stafford House
33/39 Station Road
Aldershot
Hampshire

L T Deeprose Limited

Report of the Directors for the Year Ended 31 July 2000

The directors present their report with the financial statements of the company for the year ended 31 July 2000.

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 interim dividend was paid during the year. The directors recommend a final dividend of £3 per share.

The total distribution of dividends for the year ended 31 July 2000 will be £30,000.

DIRECTORS

The directors during the year under review were:

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

The beneficial interests of the directors holding office on 31 July 2000 in the issued share capital of the company were as follows:

	31.7.00	1.8.99
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	-	-
J C Robinson	-	-

YEAR 2000 ISSUES

No year 2000 compliance issues have been experienced, nor are any anticipated.

DONATIONS

Charitable donations in the year amounted to £800 (1999 - £835).

L T Deeprose Limited

Report of the Directors for the Year Ended 31 July 2000

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

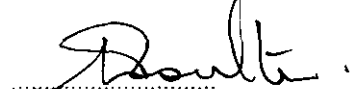
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

AUDITORS

The auditors, Turnbills, 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: 13th November 2000

L T Deeprose Limited

**Report of the Auditors to the Shareholders of
L T Deeprose Limited**

We have audited the financial statements on pages five to twenty 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 page eleven.

Respective responsibilities of directors and auditors

As described on page three 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 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 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Turnbills
Registered Auditor
Chartered Accountants
Stafford House
33/39 Station Road
Aldershot
Hampshire

Dated: 13th November 2000

L T Deeprise Limited
Profit and Loss Account
for the Year Ended 31 July 2000

		<u>31.7.00</u>	<u>31.7.99</u>
	Notes	£	£
TURNOVER		7,745,689	9,160,639
Cost of sales		<u>6,716,257</u>	<u>8,309,032</u>
GROSS PROFIT		1,029,432	851,607
Administrative expenses		<u>944,952</u>	<u>796,215</u>
		84,480	55,392
Other operating income		<u>32,600</u>	<u>36,352</u>
OPERATING PROFIT	3	117,080	91,744
Interest receivable and similar income		<u>44,883</u>	<u>144</u>
		161,963	91,888
Interest payable and similar charges	4	<u>7,502</u>	<u>47,581</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		154,461	44,307
Tax on profit on ordinary activities	5	<u>27,962</u>	<u>12,485</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		126,499	31,822
Dividends	6	<u>30,000</u>	<u>30,000</u>
		96,499	1,822
Retained profit brought forward		<u>1,229,527</u>	<u>1,223,625</u>
		1,326,026	1,225,447
From revaluation reserve		<u>4,080</u>	<u>4,080</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>£1,330,106</u></u>	<u><u>£1,229,527</u></u>

The notes form part of these financial statements

L T Deeprise Limited
Profit and Loss Account
for the Year Ended 31 July 2000

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

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.

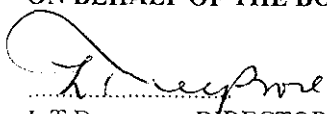
The notes form part of these financial statements

L T Deeprose Limited

**Balance Sheet
31 July 2000**

		<u>31.7.00</u>		<u>31.7.99</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		804,956		726,160
CURRENT ASSETS:					
Stocks	9	19,035		920,495	
Debtors	10	1,071,485		2,398,518	
Cash at bank and in hand		<u>1,273,496</u>		<u>3</u>	
		2,364,016		3,319,016	
CREDITORS: Amounts falling due within one year	11	<u>1,379,373</u>		<u>2,347,391</u>	
NET CURRENT ASSETS:			<u>984,643</u>		<u>971,625</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,789,599		1,697,785
CREDITORS: Amounts falling due after more than one year	12		<u>60,380</u>		<u>65,065</u>
			<u>£1,729,219</u>		<u>£1,632,720</u>
CAPITAL AND RESERVES:					
Called up share capital	17		10,000		10,000
Revaluation reserve	18		389,113		393,193
Profit and loss account			<u>1,330,106</u>		<u>1,229,527</u>
SHAREHOLDERS' FUNDS:	21		<u>£1,729,219</u>		<u>£1,632,720</u>

ON BEHALF OF THE BOARD:


L T Deeprose - DIRECTOR

Approved by the Board on 13th November 2000

The notes form part of these financial statements

L T Deeprise Limited

**Cash Flow Statement
for the Year Ended 31 July 2000**

		<u>31.7.00</u>		<u>31.7.99</u>	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		2,597,337		145,990
Returns on investments and servicing of finance	2		37,381		(47,437)
Taxation			(4,983)		(28,620)
Capital expenditure	2		(149,063)		(30,542)
Equity dividends paid			<u>(30,000)</u>		<u>(30,000)</u>
Increase in cash in the period			<u><u>£2,450,672</u></u>		<u><u>£9,391</u></u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Increase in cash in the period		2,450,672		9,391	
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		<u>(17,591)</u>		<u>41,941</u>	
Change in net debt resulting from cash flows			<u>2,433,081</u>		<u>51,332</u>
Movement in net debt in the period			2,433,081		51,332
Net debt at 1 August			<u>(1,211,286)</u>		<u>(1,262,618)</u>
Net funds/(debt) at 31 July			<u><u>£1,221,795</u></u>		<u><u>£(1,211,286)</u></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 2000**

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

	31.7.00 £	31.7.99 £
Operating profit	117,080	91,744
Depreciation charges	78,201	67,572
Loss on sale of fixed assets	-	6,650
Profit on sale of fixed assets	(7,934)	-
Decrease in stocks	901,460	443,732
Decrease/(Increase) in debtors	1,327,033	(151,875)
Increase/(Decrease) in creditors	<u>181,497</u>	<u>(311,833)</u>
Net cash inflow from operating activities	<u><u>2,597,337</u></u>	<u><u>145,990</u></u>

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

	31.7.00 £	31.7.99 £
Returns on investments and servicing of finance		
Interest received	44,883	144
Interest paid	(1,476)	(38,470)
Interest element of hire purchase payments	<u>(6,026)</u>	<u>(9,111)</u>
Net cash inflow/(outflow) for returns on investments and servicing of finance	<u><u>37,381</u></u>	<u><u>(47,437)</u></u>
Capital expenditure		
Purchase of tangible fixed assets	(179,193)	(46,506)
Sale of tangible fixed assets	<u>30,130</u>	<u>15,964</u>
Net cash outflow for capital expenditure	<u><u>(149,063)</u></u>	<u><u>(30,542)</u></u>

The notes form part of these financial statements

L T Deeprose Limited

**Notes to the Cash Flow Statement
for the Year Ended 31 July 2000**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.8.99 £	Cash flow £	At 31.7.00 £
Net cash:			
Cash at bank and in hand	3	1,273,493	1,273,496
Bank overdrafts	<u>(1,177,179)</u>	<u>1,177,179</u>	<u>-</u>
	<u>(1,177,176)</u>	<u>2,450,672</u>	<u>1,273,496</u>
 Debt:			
Hire purchase	<u>(34,110)</u>	<u>(17,591)</u>	<u>(51,701)</u>
	<u>(34,110)</u>	<u>(17,591)</u>	<u>(51,701)</u>
 Total	<u>(1,211,286)</u>	<u>2,433,081</u>	<u>1,221,795</u>
 Analysed in Balance Sheet			
Cash at bank and in hand	3		1,273,496
Bank overdrafts	<u>(1,177,179)</u>		<u>-</u>
Hire purchase			
within one year	<u>(26,304)</u>		<u>(38,256)</u>
after one year	<u>(7,806)</u>		<u>(13,445)</u>
	<u>(1,211,286)</u>		<u>1,221,795</u>

The notes form part of these financial statements

L T Deeprose Limited

Notes to the Financial Statements for the Year Ended 31 July 2000

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

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 2000**

2. STAFF COSTS

	31.7.00	31.7.99
	£	£
Wages and salaries	886,343	704,993
Social security costs	89,287	73,864
Other pension costs	<u>21,052</u>	<u>3,701</u>
	<u><u>996,682</u></u>	<u><u>782,558</u></u>

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

	31.7.00	31.7.99
Management	6	5
Administration	6	5
Production & sales	<u>21</u>	<u>28</u>
	<u><u>33</u></u>	<u><u>38</u></u>

3. OPERATING PROFIT

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

	31.7.00	31.7.99
	£	£
Hire of plant and machinery	165,508	250,562
Depreciation - owned assets	52,595	40,278
Depreciation - assets on hire purchase contracts	25,606	27,294
(Profit)/Loss on disposal of fixed assets	(7,934)	6,650
Auditors' remuneration	6,250	6,000
Operating leases - plant & machinery	934	818
Operating leases - other	<u>30,070</u>	<u>28,500</u>
	<u><u>219,002</u></u>	<u><u>165,468</u></u>
Directors' emoluments	<u><u>219,002</u></u>	<u><u>165,468</u></u>

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

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

Information regarding the highest paid director for the year ended 31 July 2000 is as follows:

	31.7.00
	£
Emoluments etc	<u><u>57,091</u></u>

L T Deeprise Limited

**Notes to the Financial Statements
for the Year Ended 31 July 2000**

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.7.00	31.7.99
	£	£
Bank interest	1,476	38,470
Hire purchase	<u>6,026</u>	<u>9,111</u>
	<u>7,502</u>	<u>47,581</u>

5. TAXATION

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

	31.7.00	31.7.99
	£	£
UK corporation tax	27,964	12,485
Overprovision previous years	<u>(2)</u>	<u>-</u>
	<u>27,962</u>	<u>12,485</u>

UK corporation tax has been charged at 20% (1999 - 20.33%).

6. DIVIDENDS

	31.7.00	31.7.99
	£	£
Equity shares:		
Final	<u>30,000</u>	<u>30,000</u>

7. TANGIBLE FIXED ASSETS

	<u>Freehold property</u>	<u>Leasehold property</u>	<u>Plant and machinery</u>
	£	£	£
COST OR VALUATION:			
At 1 August 1999	26,150	500,000	310,710
Additions	<u>47,600</u>	<u>-</u>	<u>4,911</u>
At 31 July 2000	<u>73,750</u>	<u>500,000</u>	<u>315,621</u>
DEPRECIATION:			
At 1 August 1999	2,076	10,000	278,376
Charge for year	<u>738</u>	<u>5,000</u>	<u>7,449</u>
At 31 July 2000	<u>2,814</u>	<u>15,000</u>	<u>285,825</u>
NET BOOK VALUE:			
At 31 July 2000	<u>70,936</u>	<u>485,000</u>	<u>29,796</u>
At 31 July 1999	<u>24,074</u>	<u>490,000</u>	<u>32,334</u>

L T Deeprose Limited

**Notes to the Financial Statements
for the Year Ended 31 July 2000**

7. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings	Motor vehicles	Totals
	£	£	£
COST OR VALUATION:			
At 1 August 1999	122,173	315,720	1,274,753
Additions	27,151	99,531	179,193
Disposals	(6,690)	(75,798)	(82,488)
At 31 July 2000	<u>142,634</u>	<u>339,453</u>	<u>1,371,458</u>
DEPRECIATION:			
At 1 August 1999	85,897	172,244	548,593
Charge for year	9,069	55,945	78,201
Eliminated on disposals	(3,722)	(56,570)	(60,292)
At 31 July 2000	<u>91,244</u>	<u>171,619</u>	<u>566,502</u>
NET BOOK VALUE:			
At 31 July 2000	<u>51,390</u>	<u>167,834</u>	<u>804,956</u>
At 31 July 1999	<u>36,276</u>	<u>143,476</u>	<u>726,160</u>

Cost or valuation at 31 July 2000 is represented by:

	Freehold property	Leasehold property	Plant and machinery
	£	£	£
Valuation in 1988	25,650	382,424	-
Valuation in 1997	-	(106,500)	-
Cost	<u>48,100</u>	<u>224,076</u>	<u>315,621</u>
	<u>73,750</u>	<u>500,000</u>	<u>315,621</u>
	Fixtures and fittings	Motor vehicles	Totals
	£	£	£
Valuation in 1988	-	-	408,074
Valuation in 1997	-	-	(106,500)
Cost	<u>142,634</u>	<u>339,453</u>	<u>1,069,884</u>
	<u>142,634</u>	<u>339,453</u>	<u>1,371,458</u>

L T Deeprose Limited

**Notes to the Financial Statements
for the Year Ended 31 July 2000**

7. TANGIBLE FIXED ASSETS - continued

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

	31.7.00	31.7.99
	£	£
Cost	<u>224,076</u>	<u>224,076</u>
Aggregate depreciation	<u>20,104</u>	<u>17,863</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 1999	11,156	122,574	133,730
Additions	22,980	63,061	86,041
Transferred to ownership	<u>-</u>	<u>(92,131)</u>	<u>(92,131)</u>
At 31 July 2000	<u>34,136</u>	<u>93,504</u>	<u>127,640</u>
DEPRECIATION:			
At 1 August 1999	2,409	47,918	50,327
Charge for year	4,133	21,473	25,606
Transferred to ownership	<u>-</u>	<u>(40,307)</u>	<u>(40,307)</u>
At 31 July 2000	<u>6,542</u>	<u>29,084</u>	<u>35,626</u>
NET BOOK VALUE:			
At 31 July 2000	<u>27,594</u>	<u>64,420</u>	<u>92,014</u>
At 31 July 1999	<u>8,747</u>	<u>74,656</u>	<u>83,403</u>

L T Deeprise Limited

**Notes to the Financial Statements
for the Year Ended 31 July 2000**

8. 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

Country of incorporation: England

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

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

9. STOCKS

	31.7.00	31.7.99
	£	£
Stock	<u>19,035</u>	<u>920,495</u>

10. DEBTORS

	31.7.00	31.7.99
	£	£
Amounts falling due within one year:		
Trade debtors	229,823	250,388
Long term contracts	656,201	2,001,737
Prepayments	43,730	32,816
Other debtors	<u>6,299</u>	<u>78,507</u>
	<u>936,053</u>	<u>2,363,448</u>

Amounts falling due after more than one year:

Recoverable long term contract	<u>135,432</u>	<u>35,070</u>
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Aggregate amounts	<u>1,071,485</u>	<u>2,398,518</u>
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L T Deeprise Limited

**Notes to the Financial Statements
for the Year Ended 31 July 2000**

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

	31.7.00 £	31.7.99 £
Bank loans and overdrafts (see note 13)	-	1,177,179
Hire purchase contracts (see note 14)	38,256	26,304
Trade creditors	1,140,140	1,053,429
Directors current accounts	28,000	-
Owed to group undertaking	3,000	3,000
Other creditors	7,746	1,064
Dividend proposed	30,000	30,000
Social security & other taxes	66,867	24,630
Taxation	27,964	4,985
Accrued expenses	37,400	26,800
	<u>1,379,373</u>	<u>2,347,391</u>

Hire purchase creditors are secured on the assets.

Included within trade creditors is £1,489 (1999 - £1,345) due to Deeprise Engineering Limited, a company related by joint control.

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

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

	31.7.00 £	31.7.99 £
Trade creditors	46,935	57,259
Hire purchase contracts (see note 14)	13,445	7,806
	<u>60,380</u>	<u>65,065</u>

13. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	31.7.00 £	31.7.99 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>-</u>	<u>1,177,179</u>

L T Deeprise Limited

**Notes to the Financial Statements
for the Year Ended 31 July 2000**

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	31.7.00	31.7.99
	£	£
Gross obligations repayable:		
Within one year	43,354	29,555
Between one and five years	<u>15,452</u>	<u>9,029</u>
	<u>58,806</u>	<u>38,584</u>
Finance charges repayable:		
Within one year	5,098	3,251
Between one and five years	<u>2,007</u>	<u>1,223</u>
	<u>7,105</u>	<u>4,474</u>
Net obligations repayable:		
Within one year	38,256	26,304
Between one and five years	<u>13,445</u>	<u>7,806</u>
	<u>51,701</u>	<u>34,110</u>

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

	Operating leases			
	Land and buildings		Other	
	31.7.00	31.7.99	31.7.00	31.7.99
	£	£	£	£
Expiring:				
Within one year	-	-	-	818
Between one and five years	-	-	953	-
In more than five years	<u>34,570</u>	<u>28,500</u>	<u>-</u>	<u>-</u>
	<u>34,570</u>	<u>28,500</u>	<u>953</u>	<u>818</u>

L T Deeprose Limited

**Notes to the Financial Statements
for the Year Ended 31 July 2000**

15. SECURED DEBTS

The following secured debts are included within creditors:

	31.7.00 £	31.7.99 £
Bank overdraft	-	377,179
Bank loan	-	800,000
	<u>-</u>	<u>1,177,179</u>

The bank loan and overdraft are secured by a fixed charge over specific assets of the company.

16. PROVISIONS FOR LIABILITIES AND CHARGES

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

	31.7.00 £	31.7.99 £
Accelerated capital allowances	(8,833)	(3,236)
On revaluation of assets	(7,545)	(7,545)
	<u>(16,378)</u>	<u>(10,781)</u>

17. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.7.00 £	31.7.99 £
10,000	Ordinary Share Capital	£1	<u>10,000</u>	<u>10,000</u>

18. REVALUATION RESERVE

	31.7.00 £	31.7.99 £
Brought forward	393,193	397,273
Transfer to P & L reserves	(4,080)	(4,080)
	<u>389,113</u>	<u>393,193</u>

L T Deeprise Limited

**Notes to the Financial Statements
for the Year Ended 31 July 2000**

19. PENSION COMMITMENTS

The company operates a funded 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 cost of these and any material variations from regular cost arising from actuarial valuations are charged or credited to profits on a systematic basis over the remaining service life of the employees.

The main assumption used in the most recent actuarial valuation, carried out at 1 September 1998, using the projected unit method was that the investment returns would exceed salary growth by 2% per annum on average.

The actuarial 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 earnings.

The profit and loss account charge in respect of pension contributions was £21,052 (1999 - £3,701).

20. RELATED PARTY DISCLOSURES

During the year purchases from Deeprise Engineering Limited, related by virtue of joint control, amounted to £37,470 (1999 - £38,665), and the balance outstanding at the year end was £1,489 (1999 - £1,345).

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.7.00	31.7.99
	£	£
Profit for the financial year	126,499	31,822
Dividends	<u>(30,000)</u>	<u>(30,000)</u>
Net addition to shareholders' funds	96,499	1,822
Opening shareholders' funds	<u>1,632,720</u>	<u>1,630,898</u>
Closing shareholders' funds	<u><u>1,729,219</u></u>	<u><u>1,632,720</u></u>
Equity interests	<u><u>1,729,219</u></u>	<u><u>1,632,720</u></u>