

**Report of the Directors and  
Financial Statements for the Year Ended 31 July 1999  
for  
L T Deeprose Limited**



**L T Deeprose Limited**

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for the Year Ended 31 July 1999**

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**L T Deeprose Limited**  
**Company Information**  
**for the Year Ended 31 July 1999**

**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 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 1999**

The directors present their report with the financial statements of the company for the year ended 31 July 1999.

**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 1999 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

The beneficial interests of the directors holding office on 31 July 1999 in the issued share capital of the company were as follows:

	31.7.99	1.8.98
<b>Ordinary Share Capital £1 shares</b>		
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	-	-

**YEAR 2000 ISSUES**

Year 2000 compliance issues have been considered, including issues connected with customers and suppliers, and measures are being taken to ensure timely compliance. The estimated costs of compliance are not considered material to the company and will be treated as normal revenue expenditure.

**DONATIONS**

Charitable donations in the year amounted to £835 (1998 - £580).

**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.

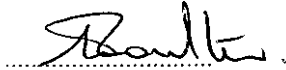
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets 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 1999**

**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: 11.10.99

**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 eighteen 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 ten.

**Respective responsibilities of directors and auditors**

As described on page two 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 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



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

Dated: 11.10.99

**L T Deeprose Limited**  
**Profit and Loss Account**  
**for the Year Ended 31 July 1999**

		31.7.99	31.7.98
	Notes	£	£
<b>TURNOVER</b>		9,160,639	8,538,904
Cost of sales		8,309,032	7,614,004
<b>GROSS PROFIT</b>		851,607	924,900
Administrative expenses		796,215	886,557
		55,392	38,343
Other operating income		36,352	24,449
<b>OPERATING PROFIT</b>	3	91,744	62,792
Interest receivable and similar income		144	45,523
		91,888	108,315
Interest payable and similar charges	4	47,581	17,979
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		44,307	90,336
Tax on profit on ordinary activities	5	12,485	21,120
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		31,822	69,216
Dividends	6	30,000	30,000
		1,822	39,216
Retained profit brought forward		1,223,625	1,180,329
		1,225,447	1,219,545
From revaluation reserve		4,080	4,080
<b>RETAINED PROFIT CARRIED FORWARD</b>		<b>£1,229,527</b>	<b>£1,223,625</b>

**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 1999**

		31.7.99		31.7.98	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	7		726,160		769,838
<b>CURRENT ASSETS:</b>					
Stocks	9	920,495		1,364,227	
Debtors	10	2,398,518		2,246,643	
Cash in hand		3		12	
		<u>3,319,016</u>		<u>3,610,882</u>	
<b>CREDITORS:</b> Amounts falling due within one year	11	<u>2,347,391</u>		<u>2,645,960</u>	
<b>NET CURRENT ASSETS:</b>			<u>971,625</u>		<u>964,922</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			<u>1,697,785</u>		<u>1,734,760</u>
<b>CREDITORS:</b> Amounts falling due after more than one year	12		<u>65,065</u>		<u>103,862</u>
			<u><u>£1,632,720</u></u>		<u><u>£1,630,898</u></u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	17		10,000		10,000
Revaluation reserve	18		393,193		397,273
Profit and loss account			<u>1,229,527</u>		<u>1,223,625</u>
Shareholders' funds	21		<u><u>£1,632,720</u></u>		<u><u>£1,630,898</u></u>

**ON BEHALF OF THE BOARD:**

  
L T Deeprose - DIRECTOR

Approved by the Board on 11.10.99

The notes form part of these financial statements



**L T Deeprise Limited**  
**Cash Flow Statement**  
**for the Year Ended 31 July 1999**

		30.9.99	30.9.98
	Notes	£	£
<b>Net cash inflow/(outflow) from operating activities</b>	1	145,990	(2,325,262)
<b>Returns on investments and servicing of finance</b>	2	(47,437)	27,544
<b>Taxation</b>		(28,620)	(59,922)
<b>Capital expenditure</b>	2	(30,542)	(132,474)
<b>Equity dividends paid</b>		(30,000)	(30,000)
<b>Increase/(Decrease) in cash in the period</b>		<u>£9,391</u>	<u>£(2,520,114)</u>
<hr/>			
<b>Reconciliation of net cash flow to movement in net funds</b>	3		
<b>Increase/(Decrease) in cash in the period</b>		9,391	(2,520,114)
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<u>41,941</u>	<u>(39,810)</u>
Change in net debt resulting from cash flow		<u>51,332</u>	<u>(2,559,924)</u>
<b>Movement in net debt in the period</b>		<u>51,332</u>	<u>(2,559,924)</u>
<b>Net (debt)/funds at 1 August 1998</b>		<u>(1,262,618)</u>	<u>1,297,306</u>
<b>Net debt at 30 July 1999</b>		<u>£(1,211,286)</u>	<u>£(1,262,618)</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 1999**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	31.7.99 £	31.7.98 £
Operating profit	91,744	62,792
Depreciation charges	67,572	81,022
Loss on sale of fixed assets	6,650	3,536
Increase in debtors	(151,875)	(1,655,946)
(Decrease)/Increase in creditors	(311,833)	481,722
(Decrease)/Increase in stocks	443,732	(1,298,388)
<b>Net cash inflow/(outflow) from operating activities</b>	<u>145,990</u>	<u>(2,325,262)</u>

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

	31.7.99 £	31.7.98 £
<b>Returns on investments and servicing of finance</b>		
Interest received	144	45,523
Interest paid	(38,470)	(10,486)
Interest element of hire purchase payments	(9,111)	(7,493)
<b>Net cash (outflow)/inflow for returns on investments and servicing of finance</b>	<u>(47,437)</u>	<u>27,544</u>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(46,506)	(148,214)
Sale of tangible fixed assets	15,964	15,740
<b>Net cash outflow for capital expenditure</b>	<u>(30,542)</u>	<u>(132,474)</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 1999**

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

	At 1.8.98 £	Cash flow £	At 31.7.99 £
Net cash:			
Cash at bank and in hand	12	(9)	3
Bank overdrafts	(1,186,579)	9,400	(1,177,179)
	<u>(1,186,567)</u>	<u>9,391</u>	<u>(1,177,176)</u>
Debt:			
Hire purchase	(76,051)	41,941	(34,110)
	<u>(76,051)</u>	<u>41,941</u>	<u>(34,110)</u>
Total	<u>(1,262,618)</u>	<u>51,332</u>	<u>(1,211,286)</u>

**Analysed in Balance Sheet**

Cash at bank and in hand	12	3
Bank overdrafts	(1,186,579)	(1,177,179)
Hire purchase		
within one year	(68,487)	(26,304)
after one year	(7,564)	(7,806)
	<u>(1,262,618)</u>	<u>(1,211,286)</u>

The notes form part of these financial statements

## **L T Deeprise Limited**

### **Notes to the Financial Statements for the Year Ended 31 July 1999**

#### **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.

##### **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.

#### **2. STAFF COSTS**

	<b>31.7.99</b>	<b>31.7.98</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>704,993</b>	<b>802,786</b>
Social security costs	<b>73,864</b>	<b>83,501</b>
Other pension costs	<b>3,701</b>	<b>3,446</b>
	<hr/>	<hr/>
	<b>782,558</b>	<b>889,733</b>
	<hr/>	<hr/>

**L T Deeprose Limited**  
**Notes to the Financial Statements**  
**for the Year Ended 31 July 1999**

**2. STAFF COSTS - continued**

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

	31.7.99	31.7.98
Management	5	5
Administration	5	5
Production & Sales	28	26
	<u>38</u>	<u>36</u>

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	31.7.99	31.7.98
	£	£
Hire of plant and machinery	250,562	279,013
Depreciation - owned assets	40,278	40,288
Depreciation - assets on hire purchase contracts	27,294	40,734
Loss on disposal of fixed assets	6,650	3,536
Auditors' remuneration	6,000	6,300
Operating lease costs - plant & machinery	818	1,633
Operating lease costs - other	28,500	28,500
	<u>165,468</u>	<u>243,396</u>
Directors' emoluments	<u>165,468</u>	<u>243,396</u>

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

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

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	31.7.99	31.7.98
	£	£
Bank interest	38,470	10,486
Hire purchase	9,111	7,493
	<u>47,581</u>	<u>17,979</u>

**5. TAXATION**

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

	31.7.99	31.7.98
	£	£
UK corporation tax	12,485	21,120
	<u>12,485</u>	<u>21,120</u>

UK corporation tax has been charged at 20.33% (1998 - 21%).

**L T Deeprose Limited**

**Notes to the Financial Statements  
for the Year Ended 31 July 1999**

**6. DIVIDENDS**

	31.7.99	31.7.98
	£	£
Equity shares:		
Final	30,000	30,000

**7. TANGIBLE FIXED ASSETS**

	Freehold property	Leasehold property	Plant and machinery
	£	£	£
<b>COST OR VALUATION:</b>			
At 1 August 1998	26,150	500,000	310,710
At 31 July 1999	26,150	500,000	310,710
<b>DEPRECIATION:</b>			
At 1 August 1998	1,815	5,000	270,292
Charge for year	261	5,000	8,084
At 31 July 1999	2,076	10,000	278,376
<b>NET BOOK VALUE:</b>			
At 31 July 1999	24,074	490,000	32,334
At 31 July 1998	24,335	495,000	40,418
	Fixtures and fittings	Motor vehicles	Totals
	£	£	£
<b>COST OR VALUATION:</b>			
At 1 August 1998	108,595	375,330	1,320,785
Additions	16,063	30,443	46,506
Disposals	(2,485)	(90,053)	(92,538)
At 31 July 1999	122,173	315,720	1,274,753
<b>DEPRECIATION:</b>			
At 1 August 1998	80,707	193,131	550,945
Charge for year	6,402	47,825	67,572
Eliminated on disposals	(1,212)	(68,712)	(69,924)
At 31 July 1999	85,897	172,244	548,593
<b>NET BOOK VALUE:</b>			
At 31 July 1999	36,276	143,476	726,160
At 31 July 1998	27,888	182,197	769,838

**L T Deeprise Limited**

**Notes to the Financial Statements  
for the Year Ended 31 July 1999**

**7. TANGIBLE FIXED ASSETS - continued**

Cost or valuation at 31 July 1999 is represented by:

	Freehold property	Leasehold property	Plant and machinery
	£	£	£
Valuation in 1988	25,650	382,424	-
Valuation in 1997	-	(106,500)	-
Cost	500	224,076	310,710
	<u>26,150</u>	<u>500,000</u>	<u>310,710</u>

	Fixtures and fittings	Motor vehicles	Totals
	£	£	£
Valuation in 1988	-	-	408,074
Valuation in 1997	-	-	(106,500)
Cost	122,173	315,720	973,179
	<u>122,173</u>	<u>315,720</u>	<u>1,274,753</u>

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

	31.7.99	31.7.98
	£	£
Cost	224,076	224,076
Aggregate depreciation	17,863	15,622
Value of land in freehold land and buildings	213,224	213,224

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

**L T Deeprose Limited**

**Notes to the Financial Statements  
for the Year Ended 31 July 1999**

**7. TANGIBLE FIXED ASSETS - continued**

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

	Fixtures and fittings	Motor vehicles	Totals
	£	£	£
<b>COST:</b>			
At 1 August 1998	-	172,990	172,990
Additions	11,156	30,443	41,599
Transferred to ownership	-	(80,859)	(80,859)
	<u>11,156</u>	<u>122,574</u>	<u>133,730</u>
At 31 July 1999	11,156	122,574	133,730
<b>DEPRECIATION:</b>			
At 1 August 1998	-	50,787	50,787
Charge for year	2,409	24,885	27,294
Transferred to ownership	-	(27,754)	(27,754)
	<u>2,409</u>	<u>47,918</u>	<u>50,327</u>
At 31 July 1999	2,409	47,918	50,327
<b>NET BOOK VALUE:</b>			
At 31 July 1999	<u>8,747</u>	<u>74,656</u>	<u>83,403</u>
At 31 July 1998	<u>-</u>	<u>122,203</u>	<u>122,203</u>

**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**

	31.7.99	31.7.98
	£	£
Stock	<u>920,495</u>	<u>1,364,227</u>



**L T Deeprise Limited**

**Notes to the Financial Statements  
for the Year Ended 31 July 1999**

**10. DEBTORS**

	31.7.99 £	31.7.98 £
Amounts falling due within one year:		
Trade debtors	250,388	267,665
Long term contracts	2,001,737	1,613,974
Prepayments	32,816	56,064
Other debtors	78,507	163,902
	<u>2,363,448</u>	<u>2,101,605</u>
Amounts falling due after more than one year:		
Recoverable long term contract	<u>35,070</u>	<u>145,038</u>
Aggregate amounts	<u>2,398,518</u>	<u>2,246,643</u>

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

	31.7.99 £	31.7.98 £
Bank loans and overdrafts (see note 13)	1,177,179	1,186,579
Hire purchase contracts (see note 14)	26,304	68,487
Trade creditors	1,053,429	1,097,645
Directors current accounts	-	88,000
Owed to group undertaking	3,000	3,000
Other creditors	1,064	32,330
Dividend proposed	30,000	-
Social security & other taxes	24,630	41,674
Taxation	4,985	21,120
Accrued expenses	26,800	107,125
	<u>2,347,391</u>	<u>2,645,960</u>

Hire purchase creditors are secured on the assets.

Included within trade creditors is £1,345 (1998 - £1,923) due to Deeprise Engineering Limited, a company related by joint control.

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

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

	31.7.99 £	31.7.98 £
Trade creditors	57,259	96,298
Hire purchase contracts (see note 14)	7,806	7,564
	<u>65,065</u>	<u>103,862</u>

**L T Deeprose Limited**

**Notes to the Financial Statements  
for the Year Ended 31 July 1999**

**13. LOANS AND OVERDRAFTS**

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

	31.7.99 £	31.7.98 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>1,177,179</u>	<u>1,186,579</u>

**14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS**

	31.7.99 £	31.7.98 £
Gross obligations repayable:		
Within one year	29,555	76,406
Between one and five years	<u>9,029</u>	<u>8,530</u>
	<u>38,584</u>	<u>84,936</u>
Finance charges repayable:		
Within one year	3,251	7,919
Between one and five years	<u>1,223</u>	<u>966</u>
	<u>4,474</u>	<u>8,885</u>
Net obligations repayable:		
Within one year	26,304	68,487
Between one and five years	<u>7,806</u>	<u>7,564</u>
	<u>34,110</u>	<u>76,051</u>

**15. SECURED DEBTS**

The following secured debts are included within creditors:

	31.7.99 £	31.7.98 £
Bank overdraft	377,179	489,212
Bank loan	<u>800,000</u>	<u>697,367</u>
	<u>1,177,179</u>	<u>1,186,579</u>

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

**L T Deeprise Limited**

**Notes to the Financial Statements  
for the Year Ended 31 July 1999**

**16. PROVISIONS FOR LIABILITIES AND CHARGES**

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

	31.7.99	31.7.98
	£	£
Accelerated capital allowances	(3,236)	(6,122)
On revaluation of assets	(7,545)	(7,797)
	<u>(10,781)</u>	<u>(13,919)</u>

**17. CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.7.99	31.7.98
			£	£
10,000	Ordinary Share Capital	£1	<u>10,000</u>	<u>10,000</u>

**18. REVALUATION RESERVE**

	31.7.99	31.7.98
	£	£
Brought forward	397,273	401,353
Transfer to P & L reserves	(4,080)	(4,080)
	<u>393,193</u>	<u>397,273</u>

**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 1995 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 £648,100 and represented 125% 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 £3,701 (1998 - £3,446).

**20. RELATED PARTY DISCLOSURES**

During the year purchases from Deeprise Engineering Limited, related by virtue of joint control, amounted to £38,665 (1998 - £37,309), and the balance outstanding at the year end was £1,345 (1998 - £1,923).

**L T Deeprose Limited**

**Notes to the Financial Statements  
for the Year Ended 31 July 1999**

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

	31.7.99	31.7.98
	£	£
Profit for the financial year	31,822	69,216
Dividends	(30,000)	(30,000)
<b>NET ADDITION TO SHAREHOLDERS' FUNDS</b>	<b>1,822</b>	<b>39,216</b>
Opening shareholders' funds	1,630,898	1,591,682
<b>CLOSING SHAREHOLDERS' FUNDS</b>	<b>1,632,720</b>	<b>1,630,898</b>
 Equity interests	 <b>1,632,720</b>	 <b>1,630,898</b>

**22. NON-CANCELLABLE OPERATING LEASES**

At 31 July 1999 the company had annual commitments under non-cancellable operating leases with respect to land & other buildings, as set out below.

	1999		1998	
	£	£	£	£
Operating leases expiring:	Other	Land	Other	Land
Within one year	818	-	815	-
In two to five years	-	-	818	-
Over five years	-	28,500	-	28,500
	<u>818</u>	<u>28,500</u>	<u>1633</u>	<u>28,500</u>