

GSS GROUP LIMITED

Report and Financial Statements

31 March 2000

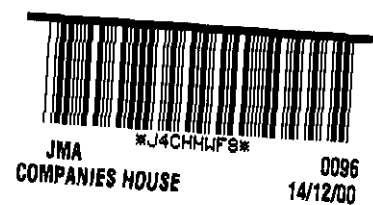
Company Registration No. 961841

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HLB KIDSONS

CHARTERED ACCOUNTANTS

MANCHESTER



GSS GROUP LIMITED

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GSS GROUP LIMITED**OFFICERS AND PROFESSIONAL ADVISERS****Directors**

F W Lock (Managing Director)

A D Cooper

N Harrison

M G Cattell

Secretary

R Mitton

Registered Office12 Ambassador Place
Stockport Road
Altrincham
Cheshire
WA15 8EQ**Bankers**The Royal Bank of Scotland
Liverpool Dale Street Branch
1 Dale Street
Liverpool
Merseyside L2 2PP**Solicitors**Whittles Solicitors
Pearl Assurance House
23 Princess Street
Albert Square
Manchester M2 4ER**Auditors**HLB Kidsons
Devonshire House
36 George Street
Manchester
M1 4HA

GSS GROUP LIMITED**DIRECTORS' REPORT****For the year ended 31 March 2000**

The Directors are pleased to present their Report and Financial Statements of the Company for the financial year ended 31 March 2000.

Activities

The company trades principally in areas of business related to the engineering construction industry in the United Kingdom and overseas through the medium of an overseas subsidiary company.

The activities of the group consist of:

- Provision of projects and construction management services to clients in the process and related engineering industries.
- Provision of technically qualified project and construction management personnel.
- The design, development and delivery of tailored training programmes to both owner and construction contractors in the areas of health and safety, engineering management skills to relevant NVQ levels, employment and industrial relations and employment law.
- Domestic house building

Review of developments and future prospects

Group turnover has been substantially maintained but the profit margins are reduced. A review is in hand to eliminate low profit margin business and increase the yield on other work. Turnover is expected to increase for the UK companies in the year to March 2001, but with the economic changes in the Far East the overseas turnover is likely to decrease for a sustained period. Sales prospects are improving and increased sales prices are being achieved on the Arden project at New Mills. New government pension funding requirements (MFR) have substantially increased annual funding for our defined benefit scheme and this will increase our corporate overhead over the next three years.

Dividends and transfers to reserves

The group made a loss attributable to shareholders of £24,817 (1999: profit £67,898). The directors recommend a dividend of £3,000 (1999: £4,000) and that the retained loss for the year be carried to reserves.

Fixed Assets

Movements in fixed assets are set out in note 9 to the financial statements.

GSS GROUP LIMITED**DIRECTORS' REPORT****For the year ended 31 March 2000****Directors and their interests**

The directors' beneficial interests, as defined by the Companies Act 1985, in the shares of the company at 31 March 2000 and 1999 were as follows:

	Ordinary shares	
	31 March 2000	31 March 1999
F W Lock	15,000	15,000

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 group as at the end of the financial year and of the profit or loss of the group for that period.

In preparing those financial statements, the directors are required to select suitable accounting policies and then apply them on a consistent basis making judgements and estimates that are reasonable and prudent. The director must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and group 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 group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to reappoint HLB Kidsons will be proposed at the forthcoming Annual General Meeting.



F W Lock
Director

2000

GSS GROUP LIMITED
AUDITORS' REPORT TO THE MEMBERS

For the year ended 31 March 2000

We have audited the financial statements on pages 6 to 23 which have been prepared under the accounting policies set out on pages 11 and 12.

Respective responsibilities of directors and auditors

As described on page 4 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 circumstances of the company and the group, 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 affairs of the company and the group as at 31 March 2000 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Registered Auditors
Chartered Accountants

Devonshire House
36 George Street
Manchester
M1 4HA

10 November 2000

GSS GROUP LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2000

	Note	2000 £	1999 £
Turnover	2	3,592,694	3,854,939
Cost of sales		(2,960,255)	(3,085,778)
Gross profit		<u>632,439</u>	<u>769,161</u>
Administration expenses		(638,384)	(665,614)
Other operating income		13,034	7,483
Operating profit	4	<u>7,089</u>	<u>111,030</u>
Interest payable and similar charges	5	(28,675)	(29,906)
(Loss)/profit on ordinary activities before taxation	2	<u>(21,586)</u>	<u>81,124</u>
Tax on profit on ordinary activities	6	(3,231)	(13,226)
(Loss)/profit for the financial year	7	<u>(24,817)</u>	<u>67,898</u>
Equity dividends	8	(3,000)	(4,000)
Retained (loss)/profit for the financial year		<u>(27,817)</u>	<u>63,898</u>
Retained profit brought forward		403,983	341,763
Foreign exchange movement		-	(1,678)
Retained profit carried forward		<u>376,166</u>	<u>403,983</u>

The results for the years ended 31 March 2000 and 31 March 1999 relate solely to continuing activities.

GSS GROUP LIMITED
CONSOLIDATED BALANCE SHEET
For the year ended 31 March 2000

	Note	2000 £	1999 £
Fixed assets			
Tangible assets	9	13,260	7,697
Investments	10	7,000	7,000
		<u>20,260</u>	<u>14,697</u>
Current assets			
Stocks	11	840,648	741,075
Debtors	12	564,370	755,805
Cash at bank and in hand		418,640	216,138
		<u>1,823,658</u>	<u>1,713,018</u>
Creditors: Amounts falling due within one year	13	<u>(1,322,752)</u>	<u>(1,178,732)</u>
Net current assets		500,906	534,286
Total assets less current liabilities		<u>521,166</u>	<u>548,883</u>
Provisions for liabilities and charges		(21,000)	(21,000)
		<u>500,166</u>	<u>527,983</u>
Capital and reserves			
Called up share capital	15	97,000	97,000
Capital redemption reserve	16	3,000	3,000
Capital reserve	17	24,000	24,000
Profit and loss account		376,166	403,983
Equity shareholders' funds		<u>500,166</u>	<u>527,983</u>

GSS GROUP LIMITED

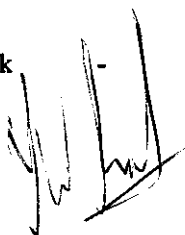
BALANCE SHEET

31 MARCH 2000

	Note	2000 £	1999 £
Fixed assets			
Tangible assets	9	13,260	7,697
Investments	10	271,237	40,937
		<u>284,497</u>	<u>48,634</u>
Current assets			
Debtors	12	931,137	1,035,881
Cash at bank and in hand		937	1,265
		<u>932,074</u>	<u>1,037,146</u>
Creditors: amounts falling due within one year	13	<u>(682,973)</u>	<u>(482,698)</u>
Net current assets		249,101	554,448
Total assets less current liabilities		<u>533,598</u>	<u>603,082</u>
Capital and reserves			
Called up share capital	15	97,000	97,000
Capital redemption reserve		3,000	3,000
Revaluation reserve	16	231,000	-
Profit and loss account	18	202,598	503,082
Equity shareholders' funds		<u>533,598</u>	<u>603,082</u>

These financial statements were approved by the Board of Directors on 10 November 2000 and signed on their behalf by:

F W Lock



Director

GSS GROUP LIMITED

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2000

	Note	2000 £	1999 £
Net cash inflow from operating activities	22a	64,136	38,660
Returns on investment and servicing of finance	22b	(28,675)	(29,906)
Taxation		(8,808)	(2,011)
Capital expenditure and financial investment	22b	(11,248)	439
Equity dividends paid		(4,000)	(2,000)
Cash inflow before financing		<u>11,405</u>	<u>5,182</u>
Financing	22b	25,100	(5,000)
Increase in cash in the period		<u>36,505</u>	<u>182</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

Increase in cash in the period	36,505	182
Cash outflow/(inflow) from Increase in debt and lease financing	(25,100)	5,000
Change in net debt resulting from cashflows	<u>11,405</u>	<u>5,182</u>
Translation differences	-	(1,678)
Movement in net debt in the year	<u>11,405</u>	<u>3,504</u>
Net debt at 1 April 1999	(518,896)	(522,400)
Net debt at 31 March 2000	22c	<u>(507,491)</u>

GSS GROUP LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****For the year ended 31 March 2000**

	2000	1999
	£	£
(Loss)/profit for the financial year	(13,055)	63,898
Currency translation differences on foreign currency net investment	-	(1,678)
Total recognised gains and losses relating to the year	(13,055)	62,220

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**For the year ended 31 March 2000**

	2000	1999
	£	£
(Loss)/profit for the financial year	(24,817)	67,898
Dividends	(3,000)	(4,000)
	(27,817)	63,898
Other recognised gains or losses relating to the year	-	(1,678)
Net (reduction)/increase in shareholders' funds	(27,817)	62,220
Opening shareholders funds	527,983	465,763
Closing shareholders' funds	500,166	527,983

GSS GROUP LIMITED**NOTES TO THE ACCOUNTS****For the year ended 31 March 2000****1 Accounting policies**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies are described below.

Accounting convention

The financial statements are prepared under the historical cost convention as defined by the revaluation of fixed asset investments.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and all subsidiaries for the year ended 31 March 2000.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The estimated useful lives of depreciation are as follows:

Leasehold improvements	3 years
Plant and machinery	4 – 10 years
Motor vehicles	4 – 5 years

Investments

In the company investments held as fixed assets are stated at valuation equivalent to the net book value of the subsidiaries concerned.

Stocks

Stocks and work-in-progress are stated at the lower of cost and net realisable value. The land held for developments is stated at cost less provisions made from delays incurred in development. Cost includes materials, direct labour, interest on borrowings and production overheads appropriate to the relevant stage of production.

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

GSS GROUP LIMITED**NOTES TO THE ACCOUNTS****For the year ended 31 March 2000****1 Accounting policies (continued)****Leases**

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Operating lease rentals are charged to income in equal annual amounts over the lease term.

Pension costs

The expected cost of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of employees in the scheme in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

Foreign exchange

Transactions of UK companies denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These transaction differences are dealt with in the profit and loss account.

The financial statements of the foreign subsidiary are translated into sterling at the closing rate of exchange and the difference arising from the consolidation of the group net investment in the subsidiary at the closing rate is taken direct to reserves. Other translation differences are dealt with in the profit and loss account.

2 Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the group's ordinary activities after deduction of trade discounts and value added tax. The group's activities include the procurement of goods and services on behalf of its client. Since the group only acts as agents, no provision is made for amounts outstanding in respect of such goods and services.

Geographical analysis of turnover

	2000 £	1999 £
United Kingdom	2,525,587	2,051,133
Other	1,067,107	1,803,806
	<u>3,592,694</u>	<u>3,854,939</u>

GSS GROUP LIMITED**NOTES TO THE ACCOUNTS****For the year ended 31 March 2000****3 Information regarding directors and employees**

	2000	1999
	£	£
Directors' emoluments	154,031	151,314
Directors participating in defined benefit pension scheme	3	3

In addition to the above emoluments, F W Lock received fees for services as a director of £4,750 from GSS (Overseas) Limited.

	2000	1999
	£	£
Average number of persons employed		
Direct	66	69
Administration	8	8
	74	77

	£	£
Staff costs during the year		
Wages and salaries	1,240,007	997,348
Social security costs	126,460	110,349
Pension costs	6,922	-
	1,373,389	1,107,697

4 Operating profit/(loss)

	2000	1999
	£	£
Operating profit/(loss) is after charging:		
Depreciation and amortisation		
Owned assets	5,685	7,442
Auditors' remuneration		
Audit fees	14,500	14,500
Non-audit fees	3,200	3,200

GSS GROUP LIMITED
NOTES TO THE ACCOUNTS

For the year ended 31 March 2000

5 Interest payable and similar charges

	2000 £	1999 £
Bank loans and overdrafts	41,457	49,784
Other loans repayable within five years	17,162	17,387
Less: included in stock	(29,944)	(37,265)
	<u>28,675</u>	<u>29,906</u>

6 Tax on profit on ordinary activities

	2000 £	1999 £
United Kingdom corporation tax at 21% (1999 -21%) based on the profit for the year (less double taxation relief)	-	3,000
Overseas taxation	3,231	10,226
	<u>3,231</u>	<u>13,226</u>

7 Profit and loss account of parent company

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not provided as part of these financial statements. The amount of the consolidated retained in the parent company is £25,216.

8 Equity dividends

	2000 £	1999 £
Proposed 3.09p (1999: 4.12p) per ordinary share	<u>3,000</u>	<u>4,000</u>

GSS GROUP LIMITED
NOTES TO THE ACCOUNTS
For the year ended 31 March 2000

9 Tangible fixed assets

Group and Company	Leasehold improvements £	Equipment and motor vehicles £	Total £
Cost			
At 1 April 1999	30,490	128,244	158,734
Additions	-	11,248	11,248
At 31 March 2000	30,490	139,492	169,982
Accumulated depreciation			
At 1 April 1999	30,289	120,748	151,037
Charge for the year	147	5,538	5,685
At 31 March 2000	30,436	126,286	156,722
Net book value			
At 31 March 2000	54	13,206	13,260
At 31 March 1999	201	7,496	7,697

GSS GROUP LIMITED**NOTES TO THE ACCOUNTS****For the year ended 31 March 2000****10 Investments**

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Shares in subsidiary companies	-	-	264,237	33,937
Other investments	7,000	7,000	7,000	7,000
	<u>7,000</u>	<u>7,000</u>	<u>271,237</u>	<u>40,937</u>

All of the above investments are unlisted.

Company: shares in subsidiary companies

The principal subsidiary companies at 31 March 2000 were:

Company	Country of Incorporation	Nature of business	Proportion of shares held
G.S.S. Personnel Services Ltd.	England	Training, recruitment and employment agency	100%
G.S.S. Developments Ltd.	England	Domestic house building	100%
CIMS & Associates Ltd.	England	Providing quantity surveying services	100%
G.S.S. Projects Ltd.	England	Providing services to the construction industry	100%
General Site Services Ltd.	England	Providing services to the construction industry	100%
General Site Services (Overseas) Ltd.	Jersey C.I.	Providing services to the construction industry	100%
South African Project Management Services (Pty.) Ltd.	South Africa	Providing services to the construction industry	100%
G.S.S. Engineering Recruitment Limited	England	Fee and agency recruitment services	100%

GSS GROUP LIMITED
NOTES TO THE ACCOUNTS
For the year ended 31 March 2000

11 Investments (continued)

	£
Cost brought forward	100,167
Revaluation	231,000
Valuation carried forward	<u>331,167</u>
Provision brought forward	66,230
Provision in year	700
Provision carried forward	<u>66,930</u>
Net book amount at 31 March 2000	<u>264,237</u>
Net book amount at 31 March 1999	<u>33,937</u>

11 Stocks

Group	2000 £	1999 £
Land held for development	234,985	339,423
Housing development work in progress	605,663	401,652
	<u>840,648</u>	<u>741,075</u>
Finance charges included within cost	<u>85,640</u>	<u>94,606</u>

12 Debtors

	GROUP		COMPANY	
	2000 £	1999 £	2000 £	1999 £
Trade debtors	415,450	656,705	24,341	63,230
Amounts owed by subsidiaries	-	-	879,420	961,051
Amounts owed by related companies	13,394	10,825	13,394	10,825
Other debtors	32,070	13,404	9,582	-
Prepayments and accrued income	103,456	74,871	4,400	775
	<u>564,370</u>	<u>755,805</u>	<u>931,137</u>	<u>1,035,881</u>

GSS GROUP LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 March 2000

13 Creditors: Amounts falling due within one year

	GROUP		COMPANY	
	2000	1999	2000	1999
	£	£	£	£
Bank loans and overdrafts	738,981	572,984	523,605	315,865
Other loans (note 23)	187,150	162,050	-	-
Trade creditors	162,007	96,479	38,479	46,732
Amounts owed to subsidiaries	-	-	41,545	52,849
Other taxes and social security	114,230	71,474	35,628	24,620
Accruals and deferred income	92,030	250,245	28,947	34,015
Other creditors	13,592	4,161	11,769	1,617
Corporation tax	11,762	17,339	-	3,000
Proposed dividends	3,000	4,000	3,000	4,000
	<u>1,322,752</u>	<u>1,178,732</u>	<u>682,973</u>	<u>482,698</u>

14 Provisions for liabilities and charges: group

	£
Deferred taxation	
Balance at 31 March 2000 and 31 March 1999	<u>21,000</u>

The amount of provided and not provided deferred tax is as follows:

	Provided 2000 £	Provided 1999 £	Not Provided 2000 £	Not Provided 1999 £
Accelerated capital allowances	-	-	(2,847)	(4,276)
Short term timing differences	-	-	(7,000)	(7,350)
Unutilised losses	-	-	(34,508)	(39,212)
ACT	-	-	(1,316)	(1,316)
Repatriation of overseas retained earnings	21,000	21,000	-	-
	<u>21,000</u>	<u>21,000</u>	<u>(45,671)</u>	<u>(52,154)</u>

Company

	Not Provided 2000 £	Not Provided 1999 £
Deferred taxation		
Accelerated capital allowances	<u>(2,777)</u>	<u>(4,178)</u>

GSS GROUP LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 March 2000

15 Called up share capital

	2000 £	1999 £
Authorised 100,000 ordinary shares of £1 each	100,000	100,000
Called up, allotted and fully paid 97,000 ordinary shares of £1 each	97,000	97,000

16 Revaluation reserve

	2000 £
Revaluation of fixed asset investments	231,000

17 Capital reserve: group

	2000 £
Balance at 31 March 2000 and 31 March 1999	24,000

18 Profit and loss account company

	2000 £
Balance at 31 March 1999	503,082
Retained loss for the year	(300,484)
Balance at 31 March 2000	202,598

19 Financial commitments

Neither the group nor the company had any capital commitments at 31 March 2000 (1999 – nil).

GSS GROUP LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 March 2000

19 Financial commitments (continued)**Operating Lease Commitments**

At 31 March 2000, the Group was committed to making the following payments during the year in respect of operating leases:

	Land and Buildings £	Other £
Leases which expire:		
Within one year	-	-
Within two to five years	-	29,492
After five years	26,796	-
	<hr/>	<hr/>

20 Contingent liabilities

£175,000 of the group bank loans and overdrafts are secured by a charge over work in progress.

Unlimited cross guarantees exist between the parent company and certain subsidiaries to the Royal Bank of Scotland. At 31 March 2000 these amounted to £248,010 (1999: £229,111).

21 Pension schemes

The group operates defined pension schemes for all qualifying employees. The assets of the schemes are held in separate trustee administered funds. The U.K. scheme is subject to triennial valuation by independent actuaries, the last valuation being carried out as at 31 March 1999, using the attained age method, in which the actuarial liability makes allowances for projected earnings. The following actuarial assumptions were applied:

Investment returns	9.0% per annum
Salary growth	7.0% per annum

At the last actuarial valuation date, the market value of the assets of the U.K. scheme was £1,811,000 and this actuarial value was sufficient to cover 118% of the benefits which had accrued to members, after allowing for expected future increases in earnings. The employer's contribution rate over the average remaining service lives of the members of the scheme takes account of the surplus disclosed by the valuation; accordingly the contributions paid by the company during the year to 31 March 2000 were £6,922.

GSS GROUP LIMITED
NOTES TO THE ACCOUNTS
For the year ended 31 March 2000

22 Notes to the cash flow statement
(a) Reconciliation of operating profit to operating cashflows

	2000 £	1999 £
Operating profit	7,089	111,030
Depreciation and amortisation	5,685	7,442
Profit on sale of fixed assets	-	(256)
(Increase) in stocks	(99,573)	(43,555)
Decrease in debtors	191,435	(93,841)
Increase/(decrease) in creditors	(40,500)	57,840
	<u>64,136</u>	<u>38,660</u>

(b) Analysis of cashflows for heading netted in the cashflow statement

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest paid	(28,675)	(29,906)
	<u> </u>	<u> </u>
Capital expenditure and finance investment		
Purchase of tangible fixed assets	(11,248)	(4,232)
Receipts from sale of other investments	-	4,671
	<u>(11,248)</u>	<u>439</u>
	<u> </u>	<u> </u>
Financing		
Loans received	25,100	5,000
Loans repaid	-	(10,000)
	<u>25,100</u>	<u>(5,000)</u>
	<u> </u>	<u> </u>

GSS GROUP LIMITED
NOTES TO THE ACCOUNTS
For the year ended 31 March 2000

22 Notes to the cash flow statement (continued)

(c) Analysis of net debt

	At 31 March 2000 £	Cashflow £	At 1 April 1999 £
Cash in hand and at bank	418,640	202,502	216,138
Overdraft	(738,981)	(165,997)	(572,984)
	<hr/> (320,341) <hr/> (187,150)	<hr/> 36,505 <hr/> (25,100)	<hr/> (356,846) <hr/> (162,050)
Other loans	<hr/> (507,491) <hr/>	<hr/> 11,405 <hr/>	<hr/> (518,896) <hr/>

23 Related party transactions

(a) Loans

The other loans included within creditors (note 15) represent the following amounts borrowed by subsidiary company GSS Developments Limited from related parties:

£25,000 (1999: £25,000) provided by each of Mr G Jones and Mr D G Jones, each of who own 41,000 ordinary shares in GSS Group Limited. Interest is payable on these amounts quarterly at 10% per annum. There is no fixed repayment date. During the year each have been paid £2,500 (1999 - £2,500) on these amounts.

£47,050 (1999: £47,050) provided by Mr M G Cattell, director of GSS Group Limited. Interest is payable monthly at the rate of 20% per annum. During the year £9,410 (1999: £9,410) interest has been paid on this balance.

£90,100 (1999: £65,000) provided by Mr F W Lock, director of both the company and the parent company. Interest is payable quarterly at 10% per annum, there is no fixed repayment date. During the year interest of £2,752 (1999: £nil) has been paid on this amount.

GSS GROUP LIMITED
NOTES TO THE ACCOUNTS
For the year ended 31 March 2000

23 Related party transactions (continued)

(b) Other transactions

During the year GSS Group Limited has paid rent for the premises it occupies of £26,796 to Jayel Commercial Developments Limited, a company whose ownership structure is as follows:

	At 31 March 2000	At 31 March 1999
GSS Group Limited	7.4%	7.4%
Mr F W Lock (Director of GSS Group Limited)	10.7%	10.7%
Mr A D Cooper (Director of GSS Group Limited)	5.3%	5.3%
Mr D G Jones (Shareholder of GSS Group Limited)	33.0%	33.0%
Mr G Jones (Shareholder of GSS Group Limited)	33.0%	33.0%
J W Lock (Grandchild of F W Lock)	5.3%	5.3%
H E Lock (Grandchild of F W Lock)	5.3%	5.3%

In addition, Jayel Commercial Developments Limited paid £2,000 (1999: £2,000) to the group for management services provided during the year.

The following directors have given personal guarantees with the bank overdraft facility:

Mr A D Cooper	£15,000
Mr F W Lock	£15,000
Mr M G Cattell	£15,000

24 Ultimate controlling party

The ultimate controlling parties are G Jones and D G Jones, each of whom owns 42.3% of the issued share capital of the company. Day to day management of the company and its subsidiaries, however, has been delegated to the board of directors.