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ALAN DICK & COMPANY LIMITED

REPORT AND ACCOUNTS

For the year ended 31st March 2000

**Richards & Co.
Chartered Accountants
Bristol**



ALAN DICK & COMPANY LIMITED

DIRECTORS

R.P. Bevan
W. Carruthers
A.W. Dick
C.A.J. Dick
C.M. Figgitt
C.J. Mearns
W.S. Thomeycroft

SECRETARY

C.M. Figgitt

REGISTERED OFFICE

The Barlands, London Road,
Cheltenham, Glos., GL52 6UT

BANKERS

HSBC Bank plc
ABN AMRO Bank N.V.
HSBC Bank Middle East Limited
National Westminster Bank plc
The Hong Kong and Shanghai Banking
Corporation Limited

AUDITORS

Richards & Co.

ALAN DICK & COMPANY LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and accounts for the year ended 31st March 2000.

RESULTS AND DIVIDENDS

The group trading profit for the year, after taxation, amounted to £386,895. The directors do not recommend the payment of a dividend.

REVIEW OF THE BUSINESS

The group's principal activities during the year were antennae engineering, civil engineering and contract structuring. The directors are satisfied that the accounts as set out give an adequate review of the group's activities during the year and of its position at the year end. The directors do not anticipate any change in the group's activities.

STATEMENT OF DIRECTORS RESPONSIBILITIES

in respect of the preparation of financial statements.

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 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 to operate; and
- prepare the financial statements in accordance with applicable accounting standards.

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.

DIRECTORS AND THEIR INTERESTS

The directors at 31st March 2000 and their interests in the share capital of the company were as follows:-

	Ordinary £1 shares	
	at 31.3.00	at 1.4.99
M.B. Anders	-	-
R.P. Bevan	-	-
A.W. Dick	51,000	51,000
C.A.J. Dick	4,800	4,800
C.M. Figgitt	-	-
C.J. Mearns	-	-
W.S. Thorneycroft	-	-

continued.....

ALAN DICK & COMPANY LIMITED**REPORT OF THE DIRECTORS continued**

CHARITABLE DONATIONS

During the year the company made charitable donations amounting to £270.

AUDITORS

The auditors, Messrs. Richards & Co., have indicated their willingness to accept re-appointment under Section 384 (1) of the Companies Act 1985.

By order of the Board



C.M. FIGGITT

Secretary

24th January 2001

ALAN DICK & COMPANY LIMITED**REPORT OF THE AUDITORS****to the members of Alan Dick & Company Limited**

We have audited the financial statements on pages 5 to 19 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

Respective responsibilities of directors and auditors

As described on page 2 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 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 affairs of the company and the group at 31st March 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**RICHARDS & CO.**

Registered Auditors,
Chartered Accountants,
Bristol.

24th January 2001

ALAN DICK & COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

GROUP PROFIT AND LOSS ACCOUNT

For the year ended 31st March 2000

	Notes	2000 £	1999 £
TURNOVER	2	33,594,238	29,047,716
Cost of sales		(25,979,416)	(23,586,609)
GROSS PROFIT		<u>7,614,822</u>	<u>5,461,107</u>
Administrative expenses		(6,641,161)	(5,351,705)
OPERATING PROFIT	3	973,661	109,402
Interest receivable	4	13,639	32,296
Interest payable and similar charges	5	(478,767)	(329,392)
PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		508,533	(187,694)
Taxation	6	(142,190)	17,475
PROFIT (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		366,343	(170,219)
Minority interest		20,552	-
PROFIT (LOSS) FOR THE FINANCIAL YEAR		<u>386,895</u>	<u>(170,219)</u>
Profit (loss) for the year retained in:			
The company		366,682	3,308
Subsidiary companies		20,213	(173,527)
		<u>386,895</u>	<u>(170,219)</u>

All of the group's operations are classified as continuing.

ALAN DICK & COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31st March 2000

	Company		Group	
	2000	1999	2000	1999
	£	£	£	£
Profit (loss) for the financial year	366,682	3,308	386,895	(170,219)
Unrealised movements in provisions for investments in and loans to subsidiary companies	(38,565)	(169,061)	-	-
	<u>328,117</u>	<u>(165,753)</u>	<u>386,895</u>	<u>(170,219)</u>
Currency translation differences on foreign currency net investments	-	-	(585)	4,466
Total recognised gains and losses relating to the year	<u>328,117</u>	<u>(165,753)</u>	<u>386,310</u>	<u>(165,753)</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

Profit (loss) for the financial year	366,682	3,308	386,895	(170,219)
Other recognised gains and losses relating to the year	(38,565)	(169,061)	(585)	4,466
Net addition to (reduction of) shareholders funds	328,117	(165,753)	386,310	(165,753)
Opening shareholders funds	4,869,072	5,034,825	4,868,992	5,034,745
Closing shareholders funds	<u>5,197,189</u>	<u>4,869,072</u>	<u>5,255,302</u>	<u>4,868,992</u>

ALAN DICK & COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

BALANCE SHEETS AT 31ST MARCH 2000

		Company		Group	
	Notes	2000 £	1999 £	2000 £	1999 £
FIXED ASSETS					
Tangible assets	7	3,078,673	3,146,542	3,217,547	3,193,696
Intangible assets	8	15,000	20,000	15,000	20,000
Investments	9	53,044	4,064	-	-
		<u>3,146,717</u>	<u>3,170,606</u>	<u>3,232,547</u>	<u>3,213,696</u>
CURRENT ASSETS					
Stocks	10	4,849,721	5,375,269	5,450,606	5,459,450
Debtors	11	7,094,566	8,675,068	6,933,061	8,695,643
Cash at bank and in hand		949,544	428,366	1,173,265	431,540
		<u>12,893,831</u>	<u>14,478,703</u>	<u>13,556,932</u>	<u>14,586,633</u>
CREDITORS: amounts falling due within one year	12	<u>(10,455,616)</u>	<u>(12,258,307)</u>	<u>(11,144,279)</u>	<u>(12,402,190)</u>
NET CURRENT ASSETS		<u>2,438,215</u>	<u>2,220,396</u>	<u>2,412,653</u>	<u>2,184,443</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,584,932	5,391,002	5,645,200	5,398,139
CREDITORS: amounts falling due after more than one year					
Bank loans	13	(97,512)	(180,745)	(97,512)	(180,745)
Obligations under finance leases and hire purchase contracts	14	<u>(167,151)</u>	<u>(183,530)</u>	<u>(169,306)</u>	<u>(190,747)</u>
		5,320,269	5,026,727	5,378,382	5,026,647
PROVISION FOR LIABILITIES AND CHARGES					
Deferred taxation	15	<u>(123,080)</u>	<u>(157,655)</u>	<u>(123,080)</u>	<u>(157,655)</u>
		<u>5,197,189</u>	<u>4,869,072</u>	<u>5,255,302</u>	<u>4,868,992</u>
CAPITAL AND RESERVES					
Called up share capital	16	100,000	100,000	100,000	100,000
Profit and loss account	17	<u>5,097,189</u>	<u>4,769,072</u>	<u>5,155,302</u>	<u>4,768,992</u>
		<u>5,197,189</u>	<u>4,869,072</u>	<u>5,255,302</u>	<u>4,868,992</u>

Signed on behalf of the Board

A.W. DICK)

) Directors

C.M. FIGGITT)

Dated: 24th January 2001

ALAN DICK & COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

CASH FLOW STATEMENT

For the year ended 31st March 2000

	Notes	2000 £	1999 £
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES	24	1,962,303	(83,521)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		13,639	32,296
Interest paid		(432,120)	(308,780)
Interest element of finance lease and hire purchase payments		<u>(46,647)</u>	<u>(20,612)</u>
		(465,128)	(297,096)
TAXATION PAID		(63,129)	(541,627)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire tangible fixed assets		(674,499)	(674,583)
Receipts from disposal of tangible fixed assets		<u>73,552</u>	<u>18,398</u>
		<u>(600,947)</u>	<u>(656,185)</u>
NET CASH INFLOW (OUTFLOW) BEFORE FINANCING		833,099	(1,578,429)
FINANCING			
Repayment of bank loans		(83,233)	(79,463)
Finance lease and hire purchase advances		238,016	274,780
Capital element of finance lease and hire purchase payments		<u>(274,482)</u>	<u>(214,329)</u>
		<u>(119,699)</u>	<u>(19,012)</u>
INCREASE (DECREASE) IN CASH	25	<u>713,400</u>	<u>(1,597,441)</u>

ALAN DICK & COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES**NOTES TO THE ACCOUNTS**

1.ACCOUNTING POLICIES**Basis of accounts**

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Consolidation

The consolidated accounts incorporate the accounts of the company and its subsidiary companies. In accordance with Section 230 of the Companies Act 1985, a separate profit and loss account of Alan Dick & Company Limited is not presented, as the results of the company are included in the consolidated profit and loss account. The associated company is dealt with in the accounts by way of the equity method of valuation.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. All differences are taken to the profit and loss account.

The net investments in the Group's overseas subsidiary and associated companies are translated into sterling at rates of exchange ruling at the balance sheet date. Exchange differences resulting from the translation of such net investments at rates ruling at the beginning and end of the year are dealt with in the Statement of Total Recognised Gains and Losses.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost, based on bringing each product to its present location and condition, is calculated as follows:-

- Raw materials - purchase cost on a first-in, first-out basis
- Work in progress - cost of direct materials and labour plus attributable overheads
 based on normal level of activity.

Net realisable value is calculated as the estimated selling price less further costs expected to be incurred to completion.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life as follows:-

- Freehold buildings - over fifty years
- Leasehold buildings - over the period of the lease
- Plant and equipment - over three to ten years
- Motor vehicles - over three to four years
- Office equipment - over three to ten years

ALAN DICK & COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS continued

1. ACCOUNTING POLICIES continued

Research and development

Research and development expenditure is written off to the profit and loss account in the year it is incurred.

Deferred taxation

Deferred taxation is provided on the liability method on all timing differences.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of businesses is being written off evenly over its estimated economic life of twenty years.

Leasing

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations net of future finance charges are included in creditors.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Pensions

Pension costs which are relative to defined contribution schemes are charged to the profit and loss account on the basis of contributions payable for the year.

2. TURNOVER

Turnover represents the value of work done and services provided, stated net of value added tax, outside the group during the year.

An analysis of turnover by geographical market is given below:-

	2000 £	1999 £
United Kingdom and Europe	18,069,523	20,355,431
Asia and Pacific	2,447,925	998,070
Middle East, Indian Ocean and Africa	12,757,696	6,981,555
North and South America	319,094	712,660
	<u>33,594,238</u>	<u>29,047,716</u>

ALAN DICK & COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS continued

	2000 £	1999 £
3. OPERATING PROFIT		
This is stated after accounting for:		
Auditors remuneration - audit services	58,092	68,555
- accountancy and taxation services	18,819	19,925
Depreciation - owned assets	390,838	314,516
- assets held under finance leases and hire purchase contracts	149,546	170,041
Amortisation of goodwill	5,000	5,000
Operating lease rentals - plant and machinery	88,078	96,242
- land and buildings	61,367	41,931
(Profit) loss on disposal of tangible fixed assets	<u>21,696</u>	<u>(7,268)</u>
Directors emoluments		
Aggregate emoluments	554,489	496,898
Aggregate contributions to defined contribution pension schemes	<u>17,245</u>	<u>51,339</u>
	<u>571,734</u>	<u>548,237</u>
Retirement benefits are accruing to seven directors under defined contributions schemes		
The above details include the following amounts in respect of the highest paid director:		
Aggregate emoluments	166,108	140,930
Aggregate contributions to defined contribution pension schemes	<u>1,833</u>	<u>22,625</u>
	<u>167,941</u>	<u>163,555</u>
4. INTEREST RECEIVABLE		
Bank deposit interest	<u>13,639</u>	<u>32,296</u>
5. INTEREST PAYABLE AND SIMILAR CHARGES		
Bank loans and overdraft	432,120	308,780
Finance leases and hire purchase contracts	<u>46,647</u>	<u>20,612</u>
	<u>478,767</u>	<u>329,392</u>
6. TAXATION		
UK Corporation tax		
Current tax on profit for the year	253,694	102,000
Deferred taxation	(34,575)	3,970
Interest on taxation	661	2,412
Adjustments in respect of prior period	<u>2,360</u>	<u>-</u>
	<u>222,140</u>	<u>108,382</u>
Foreign tax		
Current tax on (loss) for the year	<u>(79,950)</u>	<u>(125,857)</u>
	<u>142,190</u>	<u>(17,475)</u>

ALAN DICK & COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS continued

7. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
COMPANY					
Cost:					
At 1st April 1999	2,388,338	1,414,547	1,670,432	574,661	6,047,978
Additions	-	184,100	260,261	120,706	565,067
Disposals	-	(73,949)	(22,346)	(136,181)	(232,476)
Exchange adjustment	3,633	(7,259)	(8,365)	(4,358)	(16,349)
At 31st March 2000	<u>2,391,971</u>	<u>1,517,439</u>	<u>1,899,982</u>	<u>554,828</u>	<u>6,364,220</u>
Depreciation:					
At 1st April 1999	548,474	1,020,254	957,019	375,689	2,901,436
Provided during the year	48,140	138,278	234,680	100,863	521,961
Disposals	-	(29,583)	(10,665)	(96,980)	(137,228)
Exchange adjustment	764	(355)	(674)	(357)	(622)
At 31st March 2000	<u>597,378</u>	<u>1,128,594</u>	<u>1,180,360</u>	<u>379,215</u>	<u>3,285,547</u>
Net book value					
at 1st April 1999	<u>1,839,864</u>	<u>394,293</u>	<u>713,413</u>	<u>198,972</u>	<u>3,146,542</u>
Net book value at					
31st March 2000	<u>1,794,593</u>	<u>388,845</u>	<u>719,622</u>	<u>175,613</u>	<u>3,078,673</u>
GROUP					
Cost:					
At 1st April 1999	2,388,338	1,524,765	1,747,805	574,661	6,235,569
Additions	-	187,660	366,133	120,706	674,499
Disposals	-	(73,949)	(22,346)	(136,181)	(232,476)
Exchange adjustment	3,633	(5,552)	(7,190)	(4,358)	(13,467)
At 31st March 2000	<u>2,391,971</u>	<u>1,632,924</u>	<u>2,084,402</u>	<u>554,828</u>	<u>6,664,125</u>
Depreciation:					
At 1st April 1999	548,474	1,093,079	1,024,631	375,689	3,041,873
Provided during the year	48,140	149,165	242,216	100,863	540,384
Disposals	-	(29,583)	(10,665)	(96,980)	(137,228)
Exchange adjustment	764	773	369	(357)	1,549
At 31st March 2000	<u>597,378</u>	<u>1,213,434</u>	<u>1,256,551</u>	<u>379,215</u>	<u>3,446,578</u>
Net book value					
at 1st April 1999	<u>1,839,864</u>	<u>431,686</u>	<u>723,174</u>	<u>198,972</u>	<u>3,193,696</u>
Net book value at					
31st March 2000	<u>1,794,593</u>	<u>419,490</u>	<u>827,851</u>	<u>175,613</u>	<u>3,217,547</u>

The cost of depreciable assets included in land and buildings for the company and the group at 31st March 2000 was £1,850,313 (1999 : £1,846,680).

ALAN DICK & COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
NOTES TO THE ACCOUNTS continued

7. TANGIBLE FIXED ASSETS continued

	Company £	Group £
The net book value of land and buildings comprises:		
Freehold	1,622,323	1,622,323
Short leasehold	172,270	172,270
	<u>1,794,593</u>	<u>1,794,593</u>

Included above are the following amounts relating to assets acquired under finance leases and hire purchase contracts:

	Plant and machinery and office equipment		Motor vehicles	
	Company £	Group £	Company £	Group £
Cost:				
At 1st April 1999	532,494	555,738	252,402	252,402
At 31st March 2000	<u>707,168</u>	<u>730,772</u>	<u>134,829</u>	<u>134,829</u>
Accumulated depreciation:				
At 1st April 1999	109,233	109,233	126,704	126,704
At 31st March 2000	<u>210,369</u>	<u>210,369</u>	<u>78,294</u>	<u>78,294</u>

8. INTANGIBLE FIXED ASSETS

	Goodwill	
	Company £	Group £
Cost:		
At 1st April 1999	100,000	100,000
At 31st March 2000	<u>100,000</u>	<u>100,000</u>
Amortisation:		
At 1st April 1999	80,000	80,000
Provided during the year	5,000	5,000
At 31st March 2000	<u>85,000</u>	<u>85,000</u>
Net book value at 1st April 1999	<u>20,000</u>	<u>20,000</u>
Net book value at 31st March 2000	<u>15,000</u>	<u>15,000</u>

ALAN DICK & COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS continued

9. FIXED ASSET INVESTMENTS

COMPANY	Shares in subsidiary companies £	Shares in associated companies £	Total £
Cost:			
At 1st April 1999	73,357	33,185	106,542
Additions	97,203	-	97,203
At 31st March 2000	<u>170,560</u>	<u>33,185</u>	<u>203,745</u>
Provisions			
At 1st April 1999	69,293	33,185	102,478
Provided during the year	48,223	-	48,223
At 31st March 2000	<u>117,516</u>	<u>33,185</u>	<u>150,701</u>
Net book value at 1st April 1999	<u>4,064</u>	<u>-</u>	<u>4,064</u>
Net book value at 31st March 2000	<u>53,044</u>	<u>-</u>	<u>53,044</u>

The companies in which the company's interest is more than 10% are as follows:-

	Country of incorporation	Activity	Class and percentage of shares held
SUBSIDIARY COMPANIES			
Alan Dick (Canada) Inc.	Canada	Dormant	100% of ordinary shares
Alan Dick & Co. (USA) Inc.	U.S.A.	Antennae engineering	100% of ordinary shares
Alan Dick & Company (Composites) Ltd.	England	Design, supply and installation of dielectric structures.	100% of ordinary shares
Alan Dick (Thailand) Company Ltd.	Thailand	Civil engineering	100% of ordinary shares
Al.An for Antennae Support SAE	Egypt	Civil engineering	70% of ordinary shares
ASSOCIATED COMPANY			
Alan Dick and Company (Nigeria) Ltd.	Nigeria	Civil engineering	40% of ordinary shares

ALAN DICK & COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS continued

	Company		Group	
	2000	1999	2000	1999
	£	£	£	£
10. STOCKS				
Work in progress	2,869,481	3,815,967	3,451,825	3,845,716
Payments on account	(1,115,534)	(1,005,525)	(1,363,078)	(1,020,165)
	<u>1,753,947</u>	<u>2,810,442</u>	<u>2,088,747</u>	<u>2,825,551</u>
Raw materials and consumables	3,095,774	2,564,827	3,361,859	2,633,899
	<u>4,849,721</u>	<u>5,375,269</u>	<u>5,450,606</u>	<u>5,459,450</u>
11. DEBTORS				
Trade debtors	6,147,466	8,275,131	6,528,196	8,169,291
Amount due from subsidiary companies	657,623	34,491	-	-
Amount due from associated company	-	28,344	-	28,344
Prepayments and accrued income	289,477	337,102	404,865	498,008
	<u>7,094,566</u>	<u>8,675,068</u>	<u>6,933,061</u>	<u>8,695,643</u>
12. CREDITORS: Amounts falling due within one year				
Current instalments on loans (see note 13)	99,600	99,600	99,600	99,600
Obligations under finance leases and hire purchase contracts (see note 14)	211,081	230,026	220,095	235,120
Bank overdraft (see below)	2,687,567	2,659,242	2,687,567	2,659,242
Trade creditors	5,731,308	7,686,438	6,328,578	7,758,462
Amount due to subsidiary companies	3,983	21,733	-	-
Current corporation tax	206,657	13,072	206,657	13,072
Other taxes and social security costs	392,300	529,106	414,816	529,106
Accruals	940,046	893,785	1,003,892	982,283
Other creditors	183,074	125,305	183,074	125,305
	<u>10,455,616</u>	<u>12,258,307</u>	<u>11,144,279</u>	<u>12,402,190</u>

The bank overdraft is secured by charges over the assets of the company

ALAN DICK & COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS continued

	Company		Group	
	2000	1999	2000	1999
	£	£	£	£
13. BANK LOANS				
Amounts repayable within one year	99,600	99,600	99,600	99,600
Amounts repayable after more than one year but not more than two years	97,512	99,600	97,512	99,600
Amounts repayable after more than two years but not more than five years	-	81,145	-	81,145
	<u>197,112</u>	<u>280,345</u>	<u>197,112</u>	<u>280,345</u>
Amounts repayable within one year (see note 12)	(99,600)	(99,600)	(99,600)	(99,600)
	<u>97,512</u>	<u>180,745</u>	<u>97,512</u>	<u>180,745</u>

The loans are secured by charges over the assets of the company.

	Company	Group
	£	£
14. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS		
Year ending 31st March 2001	238,732	247,746
Year ending 31st March 2002	140,467	142,622
Year ending 31st March 2003	32,492	32,492
Year ending 31st March 2004	20,996	20,996
Year ending 31st March 2005	684	684
	<u>433,371</u>	<u>444,540</u>
less: Finance charges allocated to future periods	(55,139)	(55,139)
	<u>378,232</u>	<u>389,401</u>
Hire purchase contracts shown as:		
Current obligations (see note 12)	211,081	220,095
Non-current obligations	167,151	169,306
	<u>378,232</u>	<u>389,401</u>

ALAN DICK & COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS continued

	Company		Group	
	2000	1999	2000	1999
	£	£	£	£
15. DEFERRED TAXATION				
Balance attributable to:				
Excess capital allowances	122,315	156,865	122,315	156,865
Deferred capital gain	765	790	765	790
	<u>123,080</u>	<u>157,655</u>	<u>123,080</u>	<u>157,655</u>
16. SHARE CAPITAL				
Authorised, allotted, called up and fully paid				
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
17. PROFIT AND LOSS ACCOUNT				
Balance brought forward	4,769,072	4,934,825	4,768,992	4,934,745
Total recognised gains and losses relating to the year	328,117	(165,753)	386,310	(165,753)
	<u>5,097,189</u>	<u>4,769,072</u>	<u>5,155,302</u>	<u>4,768,992</u>
18. CAPITAL COMMITMENTS				
Authorised and contracted for	-	-	-	-
			2000	1999
			£	£
19. STAFF COSTS				
Wages and salaries			6,022,041	5,984,619
Social security costs			545,662	548,255
Other pension costs			84,170	98,905
			<u>6,651,873</u>	<u>6,631,779</u>
The average monthly number of employees during the year was made up as follows:-				
			No.	No.
Office and management			127	121
Manufacture and contracting			123	126
			<u>250</u>	<u>247</u>

ALAN DICK & COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS continued

20. CONTINGENT LIABILITIES**Performance bonds**

As part of its trading practices the company arranges bank guarantees for performance bonds given to customers. At 31st March 2000 the contingent liability of the company and the group under these bonds amounted to £1,003,485 (1999 : £746,261). The contingent liability to the bank under these bonds is secured by charges over the assets of the company.

Bid bonds

As part of its trading practices the company arranges bank guarantees for bid bonds given to customers. At 31st March 2000 the contingent liability of the company and the group under these bonds amounted to £35,095 (1999 : £20,214). The contingent liability to the bank under these bonds is secured by charges over the assets of the company.

21. LEASING COMMITMENTS

At 31st March 2000 the company and group had annual commitments under non-cancellable operating leases as detailed belows:-

	Company		Group	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Operating leases which expire:				
Within one year	-	22,843	5,639	22,843
Within two to five years	19,000	109,329	19,000	109,329
After more than five years	<u>8,533</u>	<u>-</u>	<u>8,533</u>	<u>-</u>

22. PENSION COSTS

The company operates defined contribution pension schemes and contributions are charged in the profit and loss account as they accrue. The charge for the year was £84,170.

23. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

In accordance with the provisions of Financial Reporting Standard 8 it is disclosed that A.W. Dick controls the majority of the voting rights of the ordinary share capital of the company.

The amount owed to directors of £183,074 included in other creditors is attributable to A.W. Dick.

ALAN DICK & COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
NOTES TO THE CASH FLOW STATEMENT

	2000 £	1999 £
24. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES		
Operating profit	973,661	109,402
Depreciation	540,384	484,557
Amortisation of goodwill	5,000	5,000
(Profit) loss on sale of fixed assets	21,696	(7,268)
Effect of foreign exchange rates changes	34,982	(12,801)
(Increase) decrease in stocks	8,844	(1,267,103)
(Increase) decrease in debtors	1,842,532	(1,666,897)
Increase (decrease) in creditors	(1,464,796)	2,271,589
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES	<u>1,962,303</u>	<u>(83,521)</u>
25. RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS (DEBT)		
Increase (decrease) in cash	713,400	(1,597,441)
Cash (inflow) outflow from (increase) reduction in debt and lease financing	<u>119,699</u>	<u>19,012</u>
Change in net funds (debt)	833,099	(1,578,429)
Net funds (debt) at 31st March 1999	<u>(2,933,914)</u>	<u>(1,355,485)</u>
Net funds (debt) at 31st March 2000	<u>(2,100,815)</u>	<u>(2,933,914)</u>

26. ANALYSIS OF CHANGES IN NET FUNDS (DEBT)

	At 31st March 1999 £	Cash flows £	Other changes £	At 31st March 2000 £
Cash at bank and in hand	431,540	741,725	-	1,173,265
Bank overdraft	<u>(2,659,242)</u>	<u>(28,325)</u>	-	<u>(2,687,567)</u>
	(2,227,702)	713,400	-	(1,514,302)
Debt due within one year	(334,720)	396,594	(381,569)	(319,695)
Debt due after more than one year	<u>(371,492)</u>	<u>(276,895)</u>	381,569	<u>(266,818)</u>
	<u>(2,933,914)</u>	<u>833,099</u>	-	<u>(2,100,815)</u>