

Abbreviated Financial Statements
for the Year Ended 31 October 2000
for
Garrandale Limited



Garrandale Limited

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for the Year Ended 31 October 2000

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Garrandale Limited

Company Information
for the Year Ended 31 October 2000

DIRECTORS: J S Foxcroft
C N Moore
A P Woollands
Mrs D R Woollands
Mrs M A Foxcroft

SECRETARY: J S Foxcroft

REGISTERED OFFICE: The Mills
Canal Street
Derby
DE1 2RJ

REGISTERED NUMBER: 1284029 (England and Wales)

AUDITORS: Bates Weston
Chartered Accountants
Registered Auditors
The Mills
Canal Street
Derby
DE1 2RJ

Garrandale Limited

Report of the Directors
for the Year Ended 31 October 2000

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of engineering, design and general manufacturing.

REVIEW OF BUSINESS

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

Both the result and the year end financial position are considered satisfactory and the directors anticipate this will remain so for the foreseeable future.

The company has an excellent reputation in the field of specialist manufacture and value engineering and has supplied a limited level of installation support particularly to its gas and oil sector customers. In 1999-2000 the company embarked on a substantial expansion programme to provide a "rail installation" service to enable rail sector customers to receive a comprehensive service. Key appointments were made in early 2000 and the first major order was received in mid year.

This development will continue in the coming year and further widen the excellent customer portfolio the company enjoys.

The results for the year were significantly affected by a down turn in gas and oil sector activity resulting from the decline in crude oil prices in the previous year. Towards the year end this sector was showing a modest recovery.

DIVIDENDS

No dividends will be distributed for the year ended 31 October 2000.

DIRECTORS

The directors during the year under review were:

J S Foxcroft
C N Moore
A P Woollands
Mrs D R Woollands
Mrs M A Foxcroft

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

	31.10.00	1.11.99
Ordinary £1 shares		
J S Foxcroft	5,034	5,034
C N Moore	5,032	5,032
A P Woollands	5,032	5,032
Mrs D R Woollands	-	-
Mrs M A Foxcroft	-	-

CHARITABLE DONATIONS

During the year the company made charitable donations of £1,250.

Garrandale Limited

Report of the Directors
for the Year Ended 31 October 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

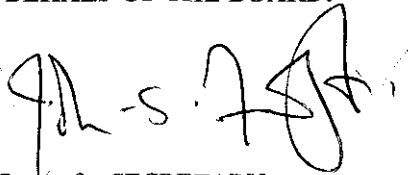
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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, Bates Weston, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'J S Foxcroft', written over a horizontal line.

J S Foxcroft - SECRETARY

Dated: 24 July 2001

Garrandale Limited

Report of the Independent Auditors to
Garrandale Limited
Under Section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages five to twenty one, together with the full financial statements of the company for the year ended 31 October 2000 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages five to twenty one are properly prepared in accordance with that provision.

Bates Weston
Chartered Accountants
Registered Auditors
The Mills
Canal Street
Derby
DE1 2RJ

Dated: 24 July 2001

Garrandale Limited

Abbreviated Profit and Loss Account
for the Year Ended 31 October 2000

		2000		1999	
	Notes	£	£	£	£
GROSS PROFIT			760,839		607,904
Distribution costs		112,022		75,410	
Administrative expenses		507,853		463,228	
			<u>619,875</u>		<u>538,638</u>
OPERATING PROFIT	3		140,964		69,266
Income from investments		-		249	
Interest receivable and similar income		8,299		6,552	
			<u>8,299</u>		<u>6,801</u>
			149,263		76,067
Interest payable and similar charges	4		<u>8,298</u>		<u>9,980</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			140,965		66,087
Tax on profit on ordinary activities	5		<u>27,058</u>		<u>12,058</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			113,907		54,029
Retained profit brought forward			<u>1,328,741</u>		<u>1,273,515</u>
			1,442,648		1,327,544
Transfer from revaluation reserve			<u>1,197</u>		<u>1,197</u>
RETAINED PROFIT CARRIED FORWARD			<u><u>£1,443,845</u></u>		<u><u>£1,328,741</u></u>

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.

Garrandale Limited

Note of Historical Cost Profits and Losses
for the Year Ended 31 October 2000

	<u>2000</u>	<u>1999</u>
	£	£
REPORTED PROFIT		
ON ORDINARY ACTIVITIES BEFORE TAXATION	140,965	66,087
Difference between historical cost depreciation and actual depreciation charge calculated on the revalued amount	<u>1,197</u>	<u>1,197</u>
HISTORICAL COST PROFIT		
ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>£142,162</u>	<u>£67,284</u>
 Historical cost profit		
for the year retained after taxation	<u>£113,907</u>	<u>£54,029</u>

The notes form part of these financial statements

Garrandale Limited

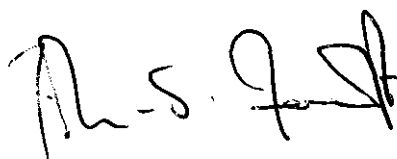
Abbreviated Balance Sheet

31 October 2000

		2000		1999	
	Notes	£	£	£	£
FIXED ASSETS:					
Intangible assets	6		13,750		15,000
Tangible assets	7		977,415		977,529
Investments	8		3,290		3,290
			<u>994,455</u>		<u>995,819</u>
CURRENT ASSETS:					
Stocks	9	41,427		37,576	
Debtors	10	1,596,493		743,744	
Cash at bank and in hand		4,037		114,546	
		<u>1,641,957</u>		<u>895,866</u>	
CREDITORS: Amounts falling due within one year	11	<u>1,036,401</u>		<u>393,044</u>	
NET CURRENT ASSETS:			<u>605,556</u>		<u>502,822</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>1,600,011</u>		<u>1,498,641</u>
CREDITORS: Amounts falling due after more than one year	12		<u>22,013</u>		<u>34,550</u>
			<u>£1,577,998</u>		<u>£1,464,091</u>
CAPITAL AND RESERVES:					
Called up share capital	17		15,098		15,098
Revaluation reserve	18		119,055		120,252
Profit and loss account			<u>1,443,845</u>		<u>1,328,741</u>
SHAREHOLDERS' FUNDS:	21		<u>£1,577,998</u>		<u>£1,464,091</u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:



A.P. Woodlands - DIRECTOR
J.S. Foxcroft

Approved by the Board on 24 July 2001

The notes form part of these financial statements

Garrandale Limited**Cash Flow Statement
for the Year Ended 31 October 2000**

	Notes	2000		1999	
		£	£	£	£
Net cash outflow from operating activities	1		(51,627)		(65,896)
Returns on investments and servicing of finance	2		1		(3,179)
Taxation			(12,058)		(44,461)
Capital expenditure	2		(78,182)		(11,987)
			<u>(141,866)</u>		<u>(125,523)</u>
Financing	2		(18,725)		(65,004)
Decrease in cash in the period			<u>£(160,591)</u>		<u>£(190,527)</u>
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
Decrease in cash in the period		(160,591)		(190,527)	
Cash outflow from decrease in debt and lease financing		<u>18,725</u>		<u>65,004</u>	
Change in net funds resulting from cash flows			<u>(141,866)</u>		<u>(125,523)</u>
Movement in net funds in the period			<u>(141,866)</u>		<u>(125,523)</u>
Net funds at 1 November			<u>26,124</u>		<u>151,647</u>
Net (debt)/funds at 31 October			<u>£(115,742)</u>		<u>£26,124</u>

The notes form part of these financial statements

Garrandale Limited

Notes to the Cash Flow Statement
for the Year Ended 31 October 2000

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

	2000 £	1999 £
Operating profit	140,964	69,266
Depreciation charges	79,330	70,426
Loss on sale of fixed assets	215	965
Increase in stocks	(3,851)	(2,055)
Increase in debtors	(852,748)	(74,890)
Increase/(Decrease) in creditors	584,463	(129,608)
	<hr/>	<hr/>
Net cash outflow from operating activities	<u>(51,627)</u>	<u>(65,896)</u>

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

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest received	8,299	6,552
Interest paid	(2,128)	(3,345)
Interest element of hire purchase payments	(6,170)	(6,635)
Dividends received	-	249
	<hr/>	<hr/>
Net cash inflow/(outflow) for returns on investments and servicing of finance	<u>1</u>	<u>(3,179)</u>
 Capital expenditure		
Purchase of tangible fixed assets	(78,282)	(11,987)
Sale of tangible fixed assets	100	-
	<hr/>	<hr/>
Net cash outflow for capital expenditure	<u>(78,182)</u>	<u>(11,987)</u>
 Financing		
Loan repayments in year	(12,525)	(23,693)
Capital element of hire purchase repayments	(6,200)	(41,311)
	<hr/>	<hr/>
Net cash outflow from financing	<u>(18,725)</u>	<u>(65,004)</u>

The notes form part of these financial statements

Garrandale Limited

Notes to the Cash Flow Statement
for the Year Ended 31 October 2000

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.11.99 £	Cash flow £	Other non-cash changes £	At 31.10.00 £
Net cash:				
Cash at bank and in hand	114,546	(110,509)		4,037
Bank overdraft	-	(50,082)		(50,082)
	<u>114,546</u>	<u>(160,591)</u>		<u>(46,045)</u>
Debt:				
Hire purchase	(75,897)	6,200	-	(69,697)
Debts falling due within one year	(12,525)	33,968	(21,443)	-
Debts falling due after one year	-	(21,443)	21,443	-
	<u>(88,422)</u>	<u>18,725</u>	<u>-</u>	<u>(69,697)</u>
Total	<u>26,124</u>	<u>(141,866)</u>	<u>-</u>	<u>(115,742)</u>
Analysed in Balance Sheet				
Cash at bank and in hand	114,546			4,037
Bank overdraft	-			(50,082)
Hire purchase				
within one year	(41,347)			(47,684)
after one year	(34,550)			(22,013)
Debts falling due within one year	<u>(12,525)</u>			<u>-</u>
	<u>26,124</u>			<u>(115,742)</u>

The notes form part of these financial statements

Notes to the Abbreviated Financial Statements
for the Year Ended 31 October 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 amounts invoiced to customers and, in the case of contracts, the value of the work carried out during the year taking into account the lower of the margin earned to date and that forecast on completion. Full provision is made for all known or expected losses at completion immediately such losses are forecast on each contract. Turnover excludes value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 1992, is being written off evenly over its estimated useful life of twenty years.

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 revaluation
Plant and machinery	-10% on reducing balance
Fixtures and office equipment	-15% on reducing balance
Motor vehicles	-25% on reducing balance
Computer equipment	-25% on cost

Stocks

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

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.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

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.

Pension schemes

The group operates both a defined contribution and a small self administered pension scheme for its employees and directors respectively. Contributions due for the year are charged to the profit and loss account when paid.

Garrandale Limited

Notes to the Abbreviated Financial Statements
for the Year Ended 31 October 2000

1. ACCOUNTING POLICIES - continued

Stocks and work in progress

Stocks of raw materials are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Amounts recoverable on contracts (other than small jobs) are valued at anticipated net sales value of work done after provision for contingencies and anticipated future losses on contracts. Claims are included in the valuation of contracts and credited to profit and loss account only when entitlement has been established.

Small jobs are valued at the lower of cost plus attributable overheads and net sales value.

Cash received on account of contracts is deducted from amounts recoverable on contracts. Such amounts which have been received and exceed amounts recoverable are included in creditors. Contract provisions in excess of amounts recoverable are included in provisions for liabilities and charges.

Consolidated financial statements

In accordance with the exemption granted by Section 248 of the Companies Act 1985 the company has not produced consolidated financial statements.

2. STAFF COSTS

	2000	1999
	£	£
Wages and salaries	1,162,282	879,080
Social security costs	100,720	81,065
Other pension costs	50,464	69,560
	<u>1,313,466</u>	<u>1,029,705</u>

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

	2000	1999
Management and administration	9	9
Production	44	42
	<u>53</u>	<u>51</u>

Garrandale Limited

Notes to the Abbreviated Financial Statements
for the Year Ended 31 October 2000

3. OPERATING PROFIT

The operating profit is stated after charging:

	2000	1999
	£	£
Depreciation - owned assets	49,637	47,176
Depreciation - assets on hire purchase contracts	28,443	22,000
Loss on disposal of fixed assets	215	965
Goodwill written off	1,250	1,250
Auditors' remuneration	6,176	5,000
Operating leases - plant and machinery	1,952	1,952
	<u>152,238</u>	<u>139,668</u>
Directors' emoluments	28,776	50,288
Directors' pension contributions to money purchase schemes	<u>28,776</u>	<u>50,288</u>

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

Money purchase schemes	<u>3</u>	<u>3</u>
------------------------	----------	----------

During the year the company's subsidiary company, Garrandale Systems Limited, paid emoluments to the directors of Garrandale Limited of £29,716 (1999 - £26,930) and pension contributions of £2,404 (1999 - £2,404).

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2000	1999
	£	£
Bank interest	2,128	3,251
Interest on corporation tax	-	94
Hire purchase	6,170	6,635
	<u>8,298</u>	<u>9,980</u>

5. TAXATION

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

	2000	1999
	£	£
UK corporation tax	<u>27,058</u>	<u>12,058</u>

UK corporation tax has been charged at 20% (1999 - 20.41%).

Garrandale Limited

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 October 2000**

6. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST:	
At 1 November 1999	
and 31 October 2000	25,000
AMORTISATION:	
At 1 November 1999	10,000
Charge for year	1,250
At 31 October 2000	11,250
NET BOOK VALUE:	
At 31 October 2000	13,750
At 31 October 1999	15,000

7. TANGIBLE FIXED ASSETS

	Freehold property	Plant and machinery	Fixtures and office equipment
	£	£	£
COST OR VALUATION:			
At 1 November 1999	582,981	653,182	66,812
Additions	3,150	24,810	1,676
At 31 October 2000	586,131	677,992	68,488
DEPRECIATION:			
At 1 November 1999	16,530	319,607	52,141
Charge for year	5,861	37,081	2,452
At 31 October 2000	22,391	356,688	54,593
NET BOOK VALUE:			
At 31 October 2000	563,740	321,304	13,895
At 31 October 1999	566,451	333,575	14,672

Garrandale Limited

Notes to the Abbreviated Financial Statements
for the Year Ended 31 October 2000

7. TANGIBLE FIXED ASSETS - continued

	Motor vehicles	Computer equipment	Totals
	£	£	£
COST OR VALUATION:			
At 1 November 1999	127,288	40,900	1,471,163
Additions	43,584	5,062	78,282
Disposals	(5,600)	-	(5,600)
	<hr/>	<hr/>	<hr/>
At 31 October 2000	165,272	45,962	1,543,845
	<hr/>	<hr/>	<hr/>
DEPRECIATION:			
At 1 November 1999	76,216	29,141	493,635
Charge for year	25,422	7,264	78,080
Eliminated on disposals	(5,285)	-	(5,285)
	<hr/>	<hr/>	<hr/>
At 31 October 2000	96,353	36,405	566,430
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE:			
At 31 October 2000	68,919	9,557	977,415
	<hr/>	<hr/>	<hr/>
At 31 October 1999	51,072	11,759	977,529
	<hr/>	<hr/>	<hr/>

Cost or valuation at 31 October 2000 is represented by:

	Freehold property	Plant and machinery	Fixtures and office equipment
	£	£	£
Valuation in 1997	535,000	-	-
Cost	51,131	677,992	68,488
	<hr/>	<hr/>	<hr/>
	586,131	677,992	68,488
	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>
	Motor vehicles	Computer equipment	Totals
	£	£	£
Valuation in 1997	-	-	535,000
Cost	165,272	45,962	1,008,845
	<hr/>	<hr/>	<hr/>
	165,272	45,962	1,543,845
	<hr/>	<hr/>	<hr/>

Garrandale Limited

Notes to the Abbreviated Financial Statements
for the Year Ended 31 October 2000

7. TANGIBLE FIXED ASSETS - continued

If freehold property had not been revalued it would have been included at the following historical cost:

	2000 £	1999 £
Cost	463,291	463,291
Aggregate depreciation	49,836	45,683
Value of land in freehold land and buildings	365,474	369,627

Freehold property was valued on an open market basis on 14 July 1997 by Salloway and Associates.

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

	Plant and machinery	Motor vehicles	Totals
	£	£	£
COST:			
At 1 November 1999	71,540	80,135	151,675
Additions	-	43,584	43,584
At 31 October 2000	71,540	123,719	195,259
DEPRECIATION:			
At 1 November 1999	8,764	35,059	43,823
Charge for year	6,278	22,165	28,443
At 31 October 2000	15,042	57,224	72,266
NET BOOK VALUE:			
At 31 October 2000	56,498	66,495	122,993
At 31 October 1999	62,776	45,076	107,852

8. FIXED ASSET INVESTMENTS

	£
COST:	
At 1 November 1999 and 31 October 2000	3,290
NET BOOK VALUE:	
At 31 October 2000	3,290
At 31 October 1999	3,290
Unlisted investments	3,290

Garrandale Limited

Notes to the Abbreviated Financial Statements
for the Year Ended 31 October 2000

8. FIXED ASSET INVESTMENTS - continued

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

Garrandale Systems Limited
Nature of business: Engineering

Class of shares:	%
Ordinary	holding 51.00

	2000	1999
	£	£
Aggregate capital and reserves	68,077	81,553
Loss for the year	(12,746)	(269,164)

9. STOCKS

	2000	1999
	£	£
Materials and consumables	25,670	29,426
Long term contract balances - net cost less foreseeable losses	15,757	8,150
	41,427	37,576

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

	2000	1999
	£	£
Trade debtors	1,186,048	447,435
Amounts owed by group company	10,984	51,027
Prepayments and accruals	16,263	15,836
Amounts recoverable on contracts	383,198	229,446
	1,596,493	743,744

Garrandale Limited

Notes to the Abbreviated Financial Statements
for the Year Ended 31 October 2000

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

	2000 £	1999 £
Bank loans and overdrafts (see note 13)	50,082	12,525
Hire purchase contracts (see note 14)	47,684	41,347
Trade creditors	566,326	138,228
Amounts owed to subsidiary undertaking	25,547	1,117
Accruals and deferred income	45,543	14,468
Other creditors	68,180	47,199
Payments on account	78,889	22,048
Provision for losses on contracts	1,573	24,388
Social security and other taxes	125,519	79,666
Taxation	27,058	12,058
	<u>1,036,401</u>	<u>393,044</u>

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

	2000 £	1999 £
Hire purchase contracts (see note 14)	<u>22,013</u>	<u>34,550</u>

13. LOANS AND OVERDRAFTS

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

	2000 £	1999 £
Amounts falling due within one year or on demand:		
Bank overdrafts	50,082	-
Bank loans	-	12,525
	<u>50,082</u>	<u>12,525</u>

Garrandale Limited

Notes to the Abbreviated Financial Statements
for the Year Ended 31 October 2000

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2000 £	1999 £
Gross obligations repayable:		
Within one year	54,415	47,254
Between one and five years	25,239	39,351
	<u>79,654</u>	<u>86,605</u>
Finance charges repayable:		
Within one year	6,731	5,907
Between one and five years	3,226	4,801
	<u>9,957</u>	<u>10,708</u>
Net obligations repayable:		
Within one year	47,684	41,347
Between one and five years	22,013	34,550
	<u>69,697</u>	<u>75,897</u>

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

	Operating leases			
	Land and buildings		Other	
	2000 £	1999 £	2000 £	1999 £
Expiring:				
Within one year	-	-	1,952	-
Between one and five years	-	-	-	1,952
In more than five years	58,000	53,888	-	-
	<u>58,000</u>	<u>53,888</u>	<u>1,952</u>	<u>1,952</u>

Garrandale Limited

Notes to the Abbreviated Financial Statements
for the Year Ended 31 October 2000

15. SECURED DEBTS

The following secured debts are included within creditors:

	2000	1999
	£	£
Bank overdrafts	50,082	-
Bank loans	-	12,525
Hire purchase contracts	69,697	75,897
	<u>119,779</u>	<u>88,422</u>

The loans are secured over freehold property, a fixed charge over book and other debts and a floating charge over all other assets.

16. PROVISIONS FOR LIABILITIES AND CHARGES

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

	2000	1999
	£	£
Accelerated capital allowances	<u>39,255</u>	<u>40,143</u>

17. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2000	1999
			£	£
20,000	Ordinary	£1	<u>20,000</u>	<u>20,000</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2000	1999
			£	£
15,098	Ordinary	£1	<u>15,098</u>	<u>15,098</u>

18. REVALUATION RESERVE

	2000	1999
	£	£
Brought forward	120,252	121,449
Transfer to profit and loss account of depreciation on revaluation surplus	<u>(1,197)</u>	<u>(1,197)</u>
	<u>119,055</u>	<u>120,252</u>

19. CONTINGENT LIABILITIES

There is a contingent liability in respect of a bank guarantee given on behalf of Garrandale Systems Limited. As at 31 October 2000 Garrandale Systems Limited had bank borrowings of £210,652 (1999 - £309,644).

No liability for deferred taxation on the revalued property is considered to arise as any liabilities would be covered by other reliefs.

Garrandale Limited

Notes to the Abbreviated Financial Statements
for the Year Ended 31 October 2000

20. OTHER FINANCIAL COMMITMENTS

There is a group set off arrangement with the HSBC Bank Plc., a fixed charge over the company's book debts and a floating charge over all other assets.

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the financial year	113,907	54,029
Net addition to shareholders' funds	113,907	54,029
Opening shareholders' funds	1,464,091	1,410,062
Closing shareholders' funds	1,577,998	1,464,091
Equity interests	1,577,998	1,464,091

22. INTER-GROUP TRANSACTIONS

During the year the company made sales to Garrandale Systems Limited of £295,392 (1999 - £266,305) and purchases from the same company of £63,309 (1999 - £7,918).

Balances outstanding are disclosed in the foregoing notes to these financial statements as are other commitments in respect of the subsidiary.

Also during the year management and service charges were received from Garrandale Systems Limited of £80,400 (1999 - £103,800).