

COMPANY INFORMATION**DIRECTORS:**

Stephen Gee (Chairman)
Simon Kossoff (Managing Director)
Frank Bandura
Antonio M G Carluccio (President)
Priscilla M Carluccio
Scott Svenson (Investor Director)
Peter Webber

SECRETARY:

Frank Bandura

REGISTERED OFFICE:

12 Great Portland Street
LONDON W1W 8QN

REGISTERED NUMBER:

2001576 ✓

AUDITORS:

Mazars
24 Bevis Marks
LONDON EC3A 7NR

CONTENTS**Page**

Chairman's Statement

3

Directors' Report

4-5

Auditors' Report

6

Profit and Loss Account

7

Balance Sheet

8

Cash Flow Statement

9-10

Notes to the Financial Statements

11-21



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CHAIRMAN'S STATEMENT

I am delighted to report that the third year of the Carluccio's caffè and food shop business has been an outstanding success despite the backdrop of poor trading news from much of our sector.

Our turnover for the year more than doubled to £12.7 million (2001: £6.0 million) which in turn generated an operating profit before deduction of pre opening and exceptional costs of £1.1 million (2001: £155,000). After deduction of pre opening and exceptional costs (£643,000) and interest (£108,000) the profit was £322,000 (2001: Loss £92,000).

In my report last year I anticipated that we would "achieve sufficient critical mass of mature caffès by 2004 to trade profitably at all levels of our business", the assumption being that we would need to have opened approximately 20 stores. I am pleased to report that we have traded profitably at all levels of our business in 2002 with only eight Carluccio's, the Neal Street shop and the Fenwick concession which trades for their store opening hours only.

We achieved our target earlier and with less outlets, firstly because every new opening during the year was profitable from its first month and secondly because the sales at all of our units were better than forecast. These factors together with strict cost controls and central overheads kept within budgeted levels have resulted in our now being ahead of our profit plan.

The restaurant business has seen many successful concepts come unstuck as the number of outlets increases due to the paucity of management teams capable of expanding a start up business successfully. In achieving this year's results, Simon Kossoff and his team have demonstrated that they have the skills to manage the business successfully as Carluccio's continues to grow.

Of our ten sites five were opened during the year and with the most recent openings in Bluewater and St Albans we have demonstrated that Carluccio's will be successful outside central London. Our sites need to be suitable for all day trading which is a keystone of our success and in the short term they should be within a reasonable distance of the M25 so that they can be effectively managed. These particular site requirements have made it challenging to maintain our planned opening programme but our success to date in every outlet we have opened has demonstrated that our focussed approach is the right one.

Our success is all the more satisfying viewed in the context of a restaurant sector in difficulties particularly in London. Looking to the future the economic outlook is not encouraging. Recent retail statistics have been inconsistent, consumer debt is at historically high levels, house prices have started to fall in certain areas and there is the threat of conflict with Iraq.

Whilst I would not claim that Carluccio's is immune to outside economic influences I am confident that our dedicated and enthusiastic management and staff, alongside the growing strength of our brand, will continue to provide our customers with the experience that has attracted so many to return again and again to Carluccio's caffès and food shops. I therefore anticipate that next year I will be able to report another year of significant growth.



Stephen Gee
Chairman
January 2003

DIRECTORS' REPORT

The directors present their report with the financial statements of the company for the 52 week period ended 29 September 2002.

REVIEW OF THE BUSINESS

The principal activities of the company in the period under review were those of operating Italian caffè and food shops and retailing and wholesaling fine Italian foods.

The company continued the expansion of its caffè and food shops, opening further outlets in Canary Wharf, West Smithfield, Ealing, Bluewater and St. Albans. A full list of stores can be found on the reverse of this document.

The company raised £1.92 million through a 1 for 3 rights issue in November 2001 whereby additional A and B Ordinary shares were allotted for cash at £1.60 per share.

The profit for the period after taxation was £322,000.

DIRECTORS

The names of the current directors are stated on page 2. They served throughout the period unless otherwise stated, and their beneficial interests in the share capital were as follows:

Name	B Ordinary £0.50 29 September 2002	B Ordinary £0.50 30 th September 2001
Stephen Gee	327,500	202,500
Simon Kossoff	243,000	243,000
Frank Bandura	12,500	-
Antonio M G Carluccio	19,440	19,440
Priscilla M Carluccio	1,015,060	952,560
Scott Svenson (A Ordinary £0.50)	302,820	138,303
Peter Webber	296,500	202,500

The following options were held by directors at the period end:

	Class	Number of Shares	Exercise price	Date from which exercised	Expiry date
Simon Kossoff	D Ordinary	72,000	£1.01	27 July 2002	9 February 2011
Frank Bandura	D Ordinary	40,000	£1.01	27 September 2002	9 February 2011

EMPLOYEES

Carluccio's employees are encouraged to participate in and contribute to the success of the Company through incentive and share option schemes. Where reasonable and practicable within existing legislation, all persons and employees that have become disabled, have been treated in the same way in matters relating to employment, training, career development and promotion.

DIRECTORS' REPORT (continued)**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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 maintaining 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

On 1 September 2002, Mazars Neville Russell changed their name to Mazars. Mazars have signified their willingness to continue in office.

On behalf of the Board



Frank Bandura
Secretary
21st January 2003

INDEPENDENT REPORT OF THE AUDITOR TO THE SHAREHOLDERS OF CARLUCCIOS LIMITED

We have audited the financial statements of Carluccio's Limited for the period ended 29 September 2002 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 29 September 2002 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



MAZARS
CHARTERED ACCOUNTANTS
and Registered Auditors

24 Bevis Marks
London EC3A 7NR

23 January 2003

PROFIT AND LOSS ACCOUNT
For the period ended 29 September 2002

	Note	2002 £'000	2001 £'000
TURNOVER	2	12,668	6,049
Cost of sales		(9,857)	(4,714)
GROSS PROFIT		<u>2,811</u>	<u>1,335</u>
Operating Expenses		(1,738)	(1,180)
Pre-Opening Expenses		(538)	(220)
Exceptional Expenses	4	(105)	-
		<u>(2,381)</u>	<u>(1,400)</u>
Operating profit before Pre-Opening Expenses and Exceptional Items		1,073	155
OPERATING PROFIT/(LOSS)	3	<u>430</u>	<u>(65)</u>
Net interest (payable)/receivable and similar income	5	(108)	(27)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>322</u>	<u>(92)</u>
Tax on profit on ordinary activities	6	-	-
RETAINED PROFIT/(LOSS) FOR THE PERIOD AFTER TAXATION		<u>322</u>	<u>(92)</u>

There are no recognised gains or losses for the period other than those stated in the profit and loss account.

The company's turnover and expenses all relate to continuing operations.

BALANCE SHEET as at 29 September 2002

	Notes	£'000	2002 £'000	£'000	2001 £'000
FIXED ASSETS					
Intangible assets	9		12		12
Tangible assets	10		5,630		2,520
			<hr/>		<hr/>
			5,642		2,532
CURRENT ASSETS					
Stocks	11	381		247	
Debtors	12, 13	645		425	
Cash at bank		1,494		311	
		<hr/>		<hr/>	
		2,520		983	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	(3,130)		(1,409)	
		<hr/>		<hr/>	
NET CURRENT (LIABILITIES)/ASSETS			(610)		(426)
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,032		2,106
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	15		(1,248)		(551)
			<hr/>		<hr/>
			3,748		1,555
			<hr/>		<hr/>
CAPITAL AND RESERVES					
Called up share capital	16		2,400		1,800
Share premium account	17		1,578		272
Profit and loss account	17		(194)		(517)
			<hr/>		<hr/>
EQUITY SHAREHOLDERS' FUNDS	18		3,784		1,555
			<hr/>		<hr/>

Approved by the board on 21st January 2003 and signed on their behalf by


Simon Kossoff
Director


Stephen Gee
Director

CASH FLOW STATEMENT

For the period ended 29 September 2002

	2002	2001
	£'000	£'000
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Operating Profit/(Loss)	430	(65)
Depreciation charges	312	119
Amortisation of patents	1	-
Increase in stocks	(134)	(66)
Increase in debtors	(220)	(86)
Increase in creditors	1,632	520
Net cash inflow from operating activities	2,021	422
CASH FLOW STATEMENT		
Net cash inflow from operating activities	2,021	422
Returns on investments and servicing of finance		
Interest paid	(151)	(48)
Interest received	43	21
	(108)	(27)
Taxation	-	-
Capital expenditure		
Payments to acquire tangible fixed assets	(2,963)	(1,362)
Payments to acquire intangible fixed assets	(2)	(8)
Receipts from sale of tangible fixed assets	-	2
	(2,965)	(1,368)
Cash outflow before financing	(1,052)	(973)
Finance		
Issue of loans	490	510
Issue of share capital	1,920	-
Expenses paid in connection with share issue	(14)	-
Capital element of finance lease	(162)	(75)
	2,234	435
Increase/(Decrease) in cash	1,182	(538)

CASH FLOW STATEMENT
For the period ended 29 September 2002
(continued)

	£'000	£'000	£'000	£'000
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT				
Increase/(Decrease) in cash in the period		1,182		(538)
Cash inflows from movement in net debt	(328)		(435)	
Finance leases entered into	(457)		(270)	
Change in net debt	<u> </u>	397	<u> </u>	(1,243)
Net (debt)/funds at 30 th September 2001		(496)		747
Net (debt)/funds at 29 th September 2002		<u> </u> <u> </u>		<u> </u> <u> </u>

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 29 September 2002

1 ACCOUNTING POLICIES

(a) Accounting convention

The financial statements have been prepared under the historical cost convention.

(b) Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

(c) Depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life starting from the first full period following the date that the asset is first brought into use.

Furniture, fixtures and equipment -	10% - 33% on a straight line basis
Motor vehicles -	33% on a straight line basis

Short term leasehold properties and improvements thereto are depreciated over the length of the lease except where the anticipated renewal or extension of the lease is sufficiently certain so that a longer estimated useful life is appropriate. The maximum depreciation period for short term leasehold properties is 25 years.

(d) Pre-opening start up costs

Pre-opening start up costs comprising expenditure incurred in the creation and marketing of new caffè and food shops are expensed in the period they are incurred.

(e) Stocks

Stock is valued at the lower of cost and net realisable value.

(f) Foreign currencies

Assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Sterling at an average rate of exchange for the period unless a contracted rate has been negotiated, in which case this rate is used.

(g) Intangible assets

Intangible assets comprise trademarks. These are shown at cost.

Intangible assets are amortised through the profit and loss account in equal instalments over the shorter of their estimated useful lives or 20 years.

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 29 September 2002 (continued)

1 ACCOUNTING POLICIES (continued)

(h) Leases

Finance Leases

Assets held under finance leases and the related lease obligations are included at the fair value of the leased assets at the inception of the lease. Depreciation on leased assets is calculated to write off this amount on a straight line basis over the useful life of the asset.

Rentals payable are apportioned between the finance charge and a reduction of the outstanding obligation for future amounts payable so that the charge for each accounting period is a constant percentage of the remaining balance of the capital sum outstanding.

Operating Leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

(i) Pensions

Contributions payable to employee's personal pension plans are charged to the profit and loss account in the period to which they relate. The company does not participate in a defined benefit scheme.

(j) Deferred Tax (FRS 19)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less tax. Deferred tax assets are recognised only to the extent that the directors consider it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

2. TURNOVER

The turnover and profit/(loss) before taxation are attributable to the one principal activity of the company, carried out wholly in the UK.

3. OPERATING PROFIT/(LOSS)

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

	2002 £'000	2001 £'000
Hire of other assets – operating leases	876	405
Depreciation – owned assets	206	65
Depreciation – leased assets	107	54
Auditors' remuneration	9	6
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NOTES TO THE FINANCIAL STATEMENTS

For the period ended 29 September 2002 (continued)

4. EXCEPTIONAL EXPENSES

One of the companies supplying foreign exchange to Carluccio's, Exchange Direct Plc, went into liquidation on 13th December 2001. The Company's total pre-tax exposure is £105,000. The Company continues to pursue all possible routes of recovery.

5. NET INTEREST (PAYABLE)/RECEIVABLE AND SIMILAR INCOME

	2002 £'000	2001 £'000
Interest receivable and similar income	43	21
Other interest payable and similar charges	(92)	(18)
Finance lease charges	(59)	(30)
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Net interest (payable)/receivable and similar income	(108)	(27)
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6. TAXATION

No liability to UK corporation tax arose on ordinary activities for the period ended 29 September 2002 nor for the period ended 30 September 2001 owing to the incidence of unutilised trading losses. Trading losses carried forward at the period end were £1,452,000. There was an unprovided deferred tax asset at the period end of £47,000 (2001: £197,000).

7. STAFF COSTS

	2002 £'000	2001 £'000
Wages and salaries	3,827	1,950
Social security costs	283	166
Other pension costs	16	14
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	4,126	2,130
	<hr/>	<hr/>

The average number of persons, including executive directors, employed by the company during the period was:

	2002 Number	2001 Number
Administration	17	13
Caffé & Food Shops	267	118
	<hr/>	<hr/>
	284	131
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 29 September 2002 (continued)

8. DIRECTORS

	2002 £'000	2001 £'000
Remuneration		
Emoluments	357	288
Contributions to money purchase pension schemes	16	14
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Total emoluments	373	302
	<hr/>	<hr/>
The emoluments of directors disclosed above include the following amounts paid to the highest paid director:		
Emoluments	137	120
Contributions to money purchase schemes	10	9
	<hr/>	<hr/>
	147	129
	<hr/>	<hr/>
	Number	Number
During the period the following number of directors:		
Accrued benefits under money purchase schemes	2	2
Exercised share options	-	-
	<hr/>	<hr/>
	2	2
	<hr/>	<hr/>

9. INTANGIBLE FIXED ASSETS

	Trade marks £'000
COST	
At 30 September 2001	12
Additions	2
	<hr/>
At 29 September 2002	14
	<hr/>
AMORTISATION	
At 30 September 2001	1
Charge for the period	1
	<hr/>
	2
	<hr/>
NET BOOK VALUES	
At 29 September 2002	12
	<hr/>
At 30 September 2001	12
	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 29 September 2002 (continued)

10. TANGIBLE FIXED ASSETS

	Short term leasehold property £'000	Leasehold improvements £'000	Furniture, fixtures and vehicles £'000	Total £'000
COST				
As at 30 September 2001	360	1,654	764	2,779
Additions	510	2,076	837	3,422
As at 29 September 2002	870	3,730	1,601	6,201
DEPRECIATION				
As at 30 September 2001	21	112	126	259
Charge for period	23	116	173	312
As at 29 September 2002	44	228	299	571
NET BOOK VALUES				
As at 29 September 2002	826	3,502	1,302	5,630
As at 30 September 2001	339	1,542	638	2,520

The net book value of furniture, fixtures and vehicles of £1,302,000 (2001: £638,000) includes an amount of £674,000 (2001:£341,000) in respect of assets held under finance leases.

11. STOCKS

	2002 £'000	2001 £'000
Materials	121	87
Finished Goods and Goods For Resale	260	160
	<u>381</u>	<u>247</u>

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 29 September 2002 (continued)

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £'000	2001 £'000
Trade debtors	141	135
Amounts due from related undertakings	11	13
Other debtors	26	28
Prepayments and accrued income	318	137
	<hr/>	<hr/>
	496	313
	<hr/>	<hr/>

13. DEBTORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002 £'000	2001 £'000
Other debtors	149	112
	<hr/>	<hr/>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £'000	2001 £'000
Bank loan	150	180
Obligations under finance leases	195	77
Trade creditors	1,239	670
Other taxes and social security	357	110
Accruals and deferred income	1,189	373
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	3,130	1,410
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NOTES TO THE FINANCIAL STATEMENTS
For the period ended 29 September 2002 (continued)

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002 £'000	2001 £'000
Bank loan	850	330
Obligations under finance leases	398	221
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	1,248	551
	<hr/>	<hr/>
Amounts repayable by instalments:		
Wholly repayable within five years	1,000	510
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The bank loan bears interest at 2% over Bank of Scotland base rate or LIBOR and is secured by way of a fixed and floating charge over the assets of the company.

**Analysis of debt maturity
2002:**

	Bank loans and overdrafts £'000	
Amounts payable:		
In one year or less or on demand	150	
Between one and two years	260	
Between two and five years	590	
	<hr/>	
	1,000	
	<hr/>	
	2002 £'000	2001 £'000
Obligations under finance leases and hire purchase contracts:		
Amounts payable within 1 year	195	77
Within two to five years	398	221
	<hr/>	<hr/>
	593	298
	<hr/>	<hr/>

Obligations under finance leases are secured on the related assets.

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 29 September 2002 (continued)

16. SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	2002 £'000	2001 £'000	2002 £'000	2001 £'000
A Ordinary shares (£0.50 each)	3,383	3,383	1,442	990
B Ordinary shares (£0.50 each)	3,451	3,451	958	810
C Ordinary shares (£0.50 each)	358	358	-	-
D Ordinary shares (£0.50 each)	308	308	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	7,500	7,500	2,400	1,800
	<hr/>	<hr/>	<hr/>	<hr/>

Holders of the Initial B Ordinary shares can receive a maximum of 399,996 Class B ordinary shares of £0.50 each upon the occurrence of a business or company sale or the admission of the shares of the company to a listing on a recognised stock exchange, subject to the achievement of certain performance criteria. The shares will be issued as a capitalisation of reserves and will rank *pari passu* with the other Class B ordinary shares.

The 3 warrant agreements in issue entitle the holders to an option over a maximum of 209,520 Class C ordinary shares of £0.50 each. The actual amount received will in part depend on the satisfaction of certain performance criteria. Class C shares shall have the same rights as all other classes with respect to dividends and participation during a winding up or other return of capital. The exercise price is £1.01 and the exercise period is the earlier of 27 July 2005 or the occurrence of a business or company sale or the admission of the shares of the company to a listing on a recognised stock exchange.

Rights Issue

A 1 for 3 rights issue at £1.60 per share was carried out in November 2001, resulting in an increase in issued share capital as follows:

	No of shares '000	Nominal value £'000	Proceeds £'000
A Ordinary shares (£0.50 each)	903	452	1,445
B Ordinary shares (£0.50 each)	297	148	475
	<hr/>	<hr/>	<hr/>
	1,200	600	1,920
	<hr/>	<hr/>	<hr/>

The Class A and Class B Ordinary shares issued following the rights issue rank *pari passu* with the already issued Ordinary shares of the same classes.

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 29 September 2002 (continued)

16. SHARE CAPITAL (continued)

Share Option Scheme

The following options over Class D Ordinary shares have been granted to key management:

	Number of shares	Exercise price	Period during which exercisable
D Ordinary shares (£0.50 each)	174,000	£1.01	27 July 2002 to 9 February 2011

On 28th February 2002 the Board of Directors approved further share option grants to key management totalling 115,000 D Ordinary shares of £0.50 each. The share options were granted after the period end.

17. RESERVES

	Share premium account £'000	Profit and loss account £'000	Total £'000
At 30 September 2001	272	(517)	(245)
Retained profit for the period	-	322	322
Premium on Rights Issue of shares	1,306	-	1,306
At 29 September 2002	1,578	(195)	1,383

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £'000	2001 £'000
Profit/(Loss) for the financial period	322	(92)
Rights Issue	600	-
Movement on share premium account	1,306	-
Net increase/(decrease) in shareholders' funds	2,228	(92)
Opening shareholders' funds	1,555	1,647
Closing shareholders' funds	3,783	1,555
Equity interests	3,783	1,555

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 29 September 2002 (continued)

19. **CASH FLOW STATEMENT**

(a) **Analysis of changes in net debt**

	At 30 September 2001 £'000	Cash flows £'000	Other Changes £'000	At 29 September 2002 £'000
Cash at bank and in hand	312	1,182	-	1,494
Finance lease	(298)	162	(457)	(593)
Debt due after 1 year	(330)	(520)	-	(850)
Debt due within 1 year	(180)	30	-	(150)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	(496)	854	(457)	(99)
	<hr/>	<hr/>	<hr/>	<hr/>

(b) **Major non-cash transactions**

During the period the company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £457,000.

20. **CAPITAL COMMITMENTS**

	2002 £'000	2001 £'000
Capital commitments contracted for but not provided for in the financial statements	-	515
	<hr/>	<hr/>

21. **OPERATING LEASE COMMITMENTS**

At 29 September 2002 the company was committed to making the following payments under non-cancellable operating leases in the period to 28 September 2003.

	Land and buildings	
	2002 £'000	2001 £'000
Operating leases which expire :		
Within 1 year	-	-
Within 2 to 5 years	183	37
After 5 years	1,122	618
	<hr/>	<hr/>
	1,305	655
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 29 September 2002 (continued)

22. OTHER FINANCIAL COMMITMENTS

The company has entered into forward contracts to purchase Euros as follows:

	£'000
Total contract value	161
	<hr/>

The contract will all be exercised within 6 months of the balance sheet date.

23. PENSIONS

The company makes contributions to personal pension plans of directors. The total amount paid during the period is £16,000 (2001: £14,000).

The company operates a stakeholder pension scheme for its employees. The scheme is not contributed to by the company.

The company does not operate a defined benefit scheme.