

PARAGON HOTELS LIMITED

Report and Accounts

25 March 2000



Paragon Hotels Limited

Registered No. 02971215

DIRECTORS

T J Hemmings (Chairman)
J Barkley
J C Kay
G G Masterton

SECRETARY

S Stott

AUDITORS

Ernst & Young
Ten George Street
Edinburgh
EH2 2DZ

BANKERS

Bank of Scotland
P O Box No 5
The Mound
Edinburgh

SOLICITORS

Halliwell Landau
Manchester

Maclay Murray & Spens
Edinburgh

REGISTERED OFFICE

Edward VII Quay
Navigation Way
Preston
Lancashire
PR2 2YF

Paragon Hotels Limited

DIRECTORS' REPORT

The directors present their report and the group accounts for the year ended 25 March 2000.

RESULTS AND DIVIDENDS

The group made a profit after tax of £1,749,000 (1999: £2,077,000) for the year ended 25 March 2000. The directors do not recommend the payment of any dividend.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The group's principal activity is the ownership and operation of hotels.

The group continued to trade profitably, and the directors are optimistic for the future. During the year the group has invested in its portfolio of hotels, notably the Roxburghe Hotel, Edinburgh and the directors are pleased with its trading to date.

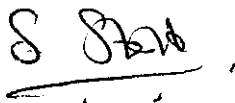
DIRECTORS AND THEIR INTERESTS

The directors at the year end are shown on page 2. No director has an interest in the shares of the company.

AUDITORS

A resolution proposing the reappointment of Ernst & Young as auditors will be submitted at the annual general meeting.

By order of the Board



Secretary

26th January 2001

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of group and of the profit or loss of the group for that period. In preparing those accounts, 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the 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 group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS
to the shareholders of Paragon Hotels Limited

We have audited the accounts on pages 6 to 18, which have been prepared under the historical cost convention and the accounting policies set out on page 10.

Respective responsibilities of directors and auditors

As described on page 4 the group's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the group'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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group as at 25 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.

Ernst & Young

Registered Auditor
Edinburgh

26 January 2001

Paragon Hotels Limited

GROUP PROFIT AND LOSS ACCOUNT for the year ended 25 March 2000

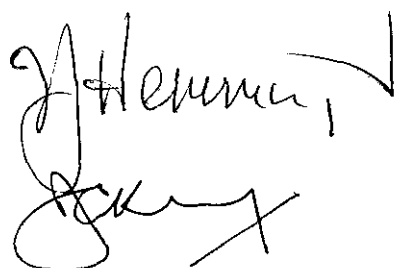
	<i>Notes</i>	<i>2000</i> <i>£000</i>	<i>1999</i> <i>£000</i>
TURNOVER		20,452	21,472
Cost of sales		(13,902)	(15,220)
GROSS PROFIT		6,550	6,252
Administrative expenses		(2,673)	(1,653)
Other operating income	2	307	83
OPERATING PROFIT	3	4,184	4,682
Interest receivable		1,202	521
Interest payable	5	(3,438)	(2,645)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,948	2,558
Tax on profit on ordinary activities	6	(199)	(481)
RETAINED PROFIT FOR THE YEAR		1,749	2,077

All gains and losses arising during the year have been recognised in the profit and loss account and derive from continuing operations of the group.

Paragon Hotels Limited

GROUP BALANCE SHEET at 25 March 2000

	Notes	2000 £000	1999 £000
FIXED ASSETS			
Tangible assets	8	66,625	56,475
Investments	9	17,899	-
		<u>84,524</u>	<u>56,475</u>
CURRENT ASSETS			
Stocks	10	173	154
Debtors	11	3,093	2,157
Cash at bank and in hand		164	12,793
		<u>3,430</u>	<u>15,104</u>
CREDITORS: amounts falling due within one year	12	(8,073)	(2,755)
NET CURRENT (LIABILITIES)/ASSETS		<u>(4,643)</u>	<u>12,349</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>79,881</u>	<u>68,824</u>
CREDITORS: amounts falling due after more than one year	13	(54,000)	(45,000)
PROVISIONS FOR LIABILITIES AND CHARGES	14	(308)	-
TOTAL ASSETS LESS LIABILITIES		<u>25,573</u>	<u>23,824</u>
CAPITAL AND RESERVES			
Called up share capital	15	12,500	12,500
Share premium account	16	5,000	5,000
Profit and loss account	16	8,073	6,324
SHAREHOLDERS' FUNDS	16	<u>25,573</u>	<u>23,824</u>



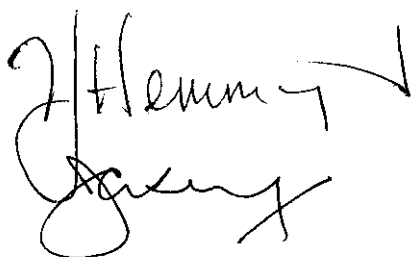
Directors

26th January 2001

Paragon Hotels Limited

BALANCE SHEET at 25 March 2000

	Notes	2000 £000	1999 £000
FIXED ASSETS			
Tangible assets	8	50,327	40,111
Investments	9	15,140	1,164
		<u>65,467</u>	<u>41,275</u>
CURRENT ASSETS			
Stocks	10	93	74
Debtors	11	51,956	51,313
Cash in bank and in hand		78	10,914
		<u>52,127</u>	<u>62,301</u>
CREDITORS: amounts falling due within one year	12	(42,064)	(38,782)
NET CURRENT ASSETS		<u>10,063</u>	<u>23,519</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>75,530</u>	<u>64,794</u>
CREDITORS: amounts falling due after more than one year	13	(45,000)	(36,000)
PROVISION FOR LIABILITIES AND CHARGES	14	(390)	(136)
TOTAL ASSETS LESS LIABILITIES		<u><u>30,140</u></u>	<u><u>28,658</u></u>
CAPITAL AND RESERVES			
Called up share capital	15	12,500	12,500
Share premium account	16	5,000	5,000
Profit and loss account	16	12,640	11,158
SHAREHOLDERS' FUNDS	16	<u><u>30,140</u></u>	<u><u>28,658</u></u>



Directors

26th January 2001

Paragon Hotels Limited

GROUP STATEMENT OF CASH FLOWS for the year ended 25 March 2000

	<i>Notes</i>	<i>2000</i> <i>£000</i>	<i>1999</i> <i>£000</i>
NET CASH INFLOW FROM OPERATING ACTIVITIES	3b	4,672	3,580
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	17	(1,962)	(2,146)
TAXATION		(552)	(235)
MANAGEMENT OF LIQUID RESOURCES	17	(17,899)	-
CAPITAL EXPENDITURE	17	(9,718)	6,443
		<u>(25,459)</u>	<u>7,642</u>
FINANCING		9,000	-
(DECREASE)/INCREASE IN CASH		<u>(16,459)</u>	<u>7,642</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT			
		<i>£000</i>	<i>£000</i>
(Decrease)/increase in cash		(16,459)	7,642
Cash inflow from new loans less repayment of loans		(9,000)	-
Change in net debt		<u>(25,459)</u>	<u>7,642</u>
Net debt at 28 March 1999		<u>(32,207)</u>	<u>(39,849)</u>
Net debt at 25 March 2000		<u>(57,666)</u>	<u>(32,207)</u>

Paragon Hotels Limited

NOTES TO THE ACCOUNTS at 25 March 2000

1. ACCOUNTING POLICIES

Basis of preparation

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

Basis of consolidation

The group accounts consolidate the accounts of Paragon Hotels Limited and all its subsidiary undertakings. No profit and loss account is presented for Paragon Hotels Limited as permitted by section 230 of the Companies Act 1985.

Goodwill

Purchased goodwill arising prior to 29 March 1998 is set off directly against reserves.

Fixed assets

Depreciation is provided to write down the assets to their estimated residual value by equal instalments over their estimated useful economic lives as follows:-

Land	- not depreciated
Freehold hotel properties	- 50 years
Fixtures, fittings and equipment	- 4 to 10 years
Motor vehicles	- 4 years

Depreciation is not provided, if on calculation it is found to be immaterial.

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments. Grants in respect of land and buildings which are not depreciated are credited against the cost of the asset in accordance with generally accepted accounting policies.

Revenue grants are released to profit over the life of the project to which they relate.

Assets under development

These assets are separately recorded under fixed assets then transferred to the appropriate classification within fixed assets once the project is complete.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Taxation

The charge for taxation takes into account the timing differences in the accounting and taxation treatment of certain items to the extent that they are expected to reverse in the future. Deferred taxation is provided using the liability method.

Turnover

Turnover comprises the value of sales of goods and services supplied in the normal course of operation of an hotel business (excluding Value Added Tax).

Investments

Income from listed investments is recognised on a cash basis.

Paragon Hotels Limited

NOTES TO THE ACCOUNTS at 25 March 2000

1. ACCOUNTING POLICIES (continued)

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the group, are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease.

2. OTHER OPERATING INCOME

Other operating income forms part of the group's normal trading activities and comprises:

	2000 £000	1999 £000
Dividend income	274	-
Profit on disposal of fixed assets	33	83
	<u>307</u>	<u>83</u>

3. OPERATING PROFIT

(a) This is stated after charging:

	2000 £000	1999 £000
Auditors' remuneration - audit services	30	35
- non-audit services	20	25
Depreciation of owned assets	530	456
Operating lease rentals - land and buildings	120	120
	<u></u>	<u></u>

(b) Reconciliation of operating profit to net cash inflow from operating activities

	2000 £000	1999 £000
Operating profit	4,184	4,682
Depreciation of tangible fixed assets	530	456
Profit on sale of tangible fixed assets	(33)	(83)
Dividend income	(274)	-
(Increase)/decrease in stocks	(19)	38
(Increase) in operating debtors and prepayments	(751)	(247)
Increase/(decrease) in operating creditors and accruals	1,035	(1,266)
	<u></u>	<u></u>
Net cash inflow from operating activities	<u>4,672</u>	<u>3,580</u>

Paragon Hotels Limited

NOTES TO THE ACCOUNTS at 25 March 2000

4. DIRECTORS' REMUNERATION AND STAFF COSTS

	2000	1999
	£000	£000
Fees	-	25
Emoluments (including pension contributions):	-	-
	<u>-</u>	<u>25</u>

The company has no employees. Gross profit is stated after charging £6,181,718 (1999: £6,500,985) paid to the hotel staff who are employed by a hotel management company.

5. INTEREST PAYABLE

	2000	1999
	£000	£000
Bank loans and overdrafts	3,438	2,645

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge is made up as follows:

	2000	1999
	£000	£000
Based on the profit for the year:		
Corporation tax at 31%	(58)	476
Prior year adjustments	(51)	5
Transfer to deferred taxation	308	-
	<u>199</u>	<u>481</u>

The effective tax rate is lower than normal as a result of capital allowances being higher than depreciation.

7. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the accounts of the parent company was £1,482,000 (1999: £1,722,000).

8. TANGIBLE FIXED ASSETS

Group	Freehold land and buildings	Fixtures, fittings and equipment	Motor vehicles	Assets under development	Total
	£000	£000	£000	£000	£000
Cost:					
At 28 March 1999	50,555	4,221	60	2,899	57,735
Additions	39	303	9	10,379	10,730
Reclassification	8,602	4,676	-	(13,278)	-
Disposals	(50)	-	-	-	(50)
At 25 March 2000	<u>59,146</u>	<u>9,200</u>	<u>69</u>	<u>-</u>	<u>68,415</u>
Depreciation:					
At 28 March 1999	-	1,232	28	-	1,260
Provided during the year	-	526	4	-	530
Disposals	-	-	-	-	-
At 25 March 2000	<u>-</u>	<u>1,758</u>	<u>32</u>	<u>-</u>	<u>1,790</u>
Net book value					
At 25 March 2000	<u>59,146</u>	<u>7,442</u>	<u>37</u>	<u>-</u>	<u>66,625</u>
At 28 March 1999	<u>50,555</u>	<u>2,989</u>	<u>32</u>	<u>2,899</u>	<u>56,475</u>

Paragon Hotels Limited

NOTES TO THE ACCOUNTS at 25 March 2000

8. TANGIBLE FIXED ASSETS (continued)

<i>Company</i>	<i>Freehold land and buildings</i>	<i>Fixtures fittings and equipment</i>	<i>Motor vehicles</i>	<i>Assets under development</i>	<i>Total</i>
Cost:	£000	£000	£000	£000	£000
At 28 March 1999	35,358	2,468	36	2,899	40,761
Additions		193	9	10,379	10,581
Inter group transfer	-	-	6	-	6
Reclassification	8,602	4,676	-	(13,278)	-
At 25 March 2000	43,960	7,337	51	-	51,348
Depreciation:					
At 28 March 1999	-	623	27	-	650
Provided during the year	-	365	2	-	367
Inter Group transfer	-	-	4	-	4
At 25 March 2000	-	988	33	-	1,021
Net book value					
At 25 March 2000	43,960	6,349	18	-	50,327
At 28 March 1999	35,358	1,845	9	2,899	40,111

9. INVESTMENTS

<i>Group</i>	<i>Listed investments</i>	
	<i>2000</i>	<i>1999</i>
Cost:	£000	£000
At 28 March 1999	-	-
Additions	17,899	-
At 25 March 2000	17,899	-

The market value of the listed investments at 25 March 2000 was £17,560,000.

<i>Company</i>	<i>Listed investments</i>	
	<i>2000</i>	<i>1999</i>
Cost:	£000	£000
At 28 March 1999	-	-
Additions	13,976	-
At 25 March 2000	13,976	-

The market value of the listed investments at 25 March 2000 was £13,170,000.

<i>Company</i>	<i>Subsidiary undertakings</i>	
	<i>2000</i>	<i>1999</i>
Cost:	£000	£000
At 28 March 1999 and at 25 March 2000	8,021	8,021
Provision against cost of investment at 28 March 1999 and 25 March 2000	(6,857)	(6,857)
Net book value at 25 March 2000	1,164	1,164
Net book value of total investments	15,140	1,164

Paragon Hotels Limited

NOTES TO THE ACCOUNTS at 25 March 2000

9. INVESTMENTS (continued)

Subsidiary undertakings

All held by the company apart from Grovefield Hotel Limited which is held by Southern Hotels (Cairn) Limited.

<i>Name of company</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
Cairn Hotels Limited	Ordinary shares	100%	Hotels
Southern Hotels (Cairn) Limited	Ordinary shares	100%	Non-trading
Grovefield Hotel Limited	Ordinary shares	100%	Non-trading
Englefield Hotel Limited	Ordinary shares	100%	Non-trading
Cartland Hotels Limited	Ordinary shares	100%	Non-trading
PHL Hotels Limited	Ordinary shares	100%	Hotels
Balmoral Hotel Harrogate Limited	Ordinary shares	100%	Non-trading
Roxburghe Hotel Limited	Ordinary shares	100%	Non-trading
Roxburghe Hotel Limited	Preference shares	100%	Non-trading

10. STOCKS

	<i>2000</i>	<i>Group 1999</i>	<i>2000</i>	<i>Company 1999</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Food and liquor	173	154	93	74

The difference between purchase price or production cost of stocks and their replacement cost is not material.

11. DEBTORS

	<i>2000</i>	<i>Group 1999</i>	<i>2000</i>	<i>Company 1999</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Trade debtors	1,094	1,036	753	742
Other debtors and prepayments	1,814	1,121	1,161	579
Amounts owed by subsidiary undertakings	-	-	49,857	49,992
Taxation recoverable	185	-	185	-
	3,093	2,157	51,956	51,313

Amounts falling due after more than one year included above are:

	<i>2000</i>	<i>Company 1999</i>
	<i>£000</i>	<i>£000</i>
Amounts owed by subsidiary undertakings	49,857	49,992

Paragon Hotels Limited

NOTES TO THE ACCOUNTS at 25 March 2000

12. CREDITORS: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	2000	1999	2000	1999
	£000	£000	£000	£000
Amounts due to subsidiary undertakings	-	-	35,911	36,996
Trade creditors	377	392	244	163
Corporation tax	-	476	-	460
Other creditors	1,353	835	901	538
Accruals	2,513	1,052	2,205	625
Bank overdraft	3,830	-	2,803	-
	<u>8,073</u>	<u>2,755</u>	<u>42,064</u>	<u>38,782</u>

13. CREDITORS: amounts falling due after more than one year

	<i>Group</i>		<i>Company</i>	
	2000	1999	2000	1999
	£000	£000	£000	£000
Bank loans - wholly repayable within two and five years	54,000	45,000	45,000	36,000

The bank loans and overdrafts are secured by bond and floating charge and standard securities over all of the group's properties.

14. PROVISION FOR LIABILITIES AND CHARGES

Deferred taxation provided in the accounts and the amounts not provided are as follows:

<i>Group</i>	<i>Provided</i>		<i>Not provided</i>	
	2000	2000	1999	1999
	£000	£000	£000	£000
Capital allowances in advance of depreciation	366	-	-	-
Other timing differences	(58)	-	-	-
	<u>308</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Company</i>	<i>Provided</i>		<i>Not provided</i>	
	2000	2000	1999	1999
	£000	£000	£000	£000
Capital allowances in advance of depreciation	448	-	147	-
Other timing differences	(58)	-	(11)	-
	<u>390</u>	<u>-</u>	<u>136</u>	<u>-</u>

Paragon Hotels Limited

NOTES TO THE ACCOUNTS at 25 March 2000

15. SHARE CAPITAL

Authorised

	2000	1999
	£	£
'A' ordinary shares of £1 each	2,500,000	2,500,000
'B' ordinary shares of £1 each	1,666,667	1,666,667
'C' ordinary shares of £1 each	833,333	833,333
'D' ordinary shares of £1 each	2,000,000	2,000,000
Redeemable preference shares of £1 each	7,500,000	7,500,000
	<u>14,500,000</u>	<u>14,500,000</u>

Allotted, called up and fully paid

	2000	1999	2000	1999
	No	No	£000	£000
'A' ordinary shares of £1 each	2,500,000	2,500,000	2,500,000	2,500,000
'B' ordinary shares of £1 each	1,666,667	1,666,667	1,666,667	1,666,667
'C' ordinary shares of £1 each	833,333	833,333	833,333	833,333
Redeemable preference shares of £1 each	7,500,000	7,500,000	7,500,000	7,500,000
	<u>12,500,000</u>	<u>12,500,000</u>	<u>12,500,000</u>	<u>12,500,000</u>

The holders of all classes of ordinary shares are entitled to such dividend as may be determined by the directors. The holders of the preference shares are not entitled to any participation in the profits of the company.

On a return of assets or liquidation or otherwise, the assets are available for distribution as follows:

- in paying to the holders of all classes of ordinary shares pro rata in proportion to the number of shares held by them a sum equivalent to the amount paid up in the shares and any premium paid on subscription.
- in paying to the holders of the preference shares a sum equivalent to i) 25% of each complete £4million available for distribution after the above payments to the ordinary shareholders subject to a maximum of £7million and ii) 25% of the next complete £2million available for distribution after the previous payments subject always to a maximum of £1 per preference share.
- any surplus shall be distributed amongst the holders of the 'A' and 'B' ordinary shares in proportion to the shares held by them and the amounts paid up on the shares and any premium paid on subscription.

The holders of 'A' and 'B' shares are entitled to one vote for each share held. The holders of 'C' shares and the preference shares have no votes.

Paragon Hotels Limited

NOTES TO THE ACCOUNTS at 25 March 2000

16. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

<i>Group</i>	<i>Share capital £000</i>	<i>Share premium £000</i>	<i>Profit and loss account £000</i>	<i>Total £000</i>
At 28 March 1998	12,500	5,000	4,247	21,747
Retained profit for the year	-	-	2,077	2,077
At 27 March 1999	12,500	5,000	6,324	23,824
Retained profit for the year	-	-	1,749	1,749
At 25 March 2000	12,500	5,000	8,073	25,573

The cumulative amount of goodwill written off at 25 March 2000 is £2,338,000 (1999: £ 2,338,000).

<i>Company</i>	<i>Share capital £000</i>	<i>Share premium account £000</i>	<i>Profit and loss account £000</i>	<i>Total £000</i>
At 28 March 1998	12,500	5,000	9,436	26,936
Profit for the year	-	-	1,722	1,722
At 27 March 1999	12,500	5,000	11,158	28,658
Profit for the year	-	-	1,482	1,482
At 25 March 2000	12,500	5,000	12,640	30,140

17. NOTES TO THE CASH FLOW STATEMENT

	<i>2000 £000</i>	<i>1999 £000</i>
Returns on investments and servicing of finance		
Interest paid	(3,438)	(2,667)
Interest received	1,202	521
Dividend income	274	-
Net cash outflow from returns on investments and servicing of finance	(1,962)	(2,146)
Management of liquid resources		
Purchase of listed investments	17,899	-
Capital expenditure		
Proceeds of sale of tangible fixed assets	83	10,380
Purchase of tangible fixed assets	(9,801)	(3,937)
Net cash (outflow)/inflow for capital expenditure	(9,718)	6,443

	<i>At 28 March 1999 £000</i>	<i>Cash flows £000</i>	<i>At 25 March 2000 £000</i>
Analysis of changes in net debt:			
Cash at bank and in hand	12,793	(12,629)	164
Bank overdraft	-	(3,830)	(3,830)
Bank loans	(45,000)	(9,000)	(54,000)
	(32,207)	(25,459)	(57,666)

Paragon Hotels Limited

NOTES TO THE ACCOUNTS

at 25 March 2000

18. CAPITAL COMMITMENTS

	2000	1999
	£000	£000
Contracted but not provided	-	-

19. OTHER FINANCIAL COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows:

<i>Group</i>	<i>Land and buildings</i>		<i>Fixtures and fittings</i>	
	2000	1999	2000	1999
	£000	£000	£000	£000
Operating leases which expire:				
within one year	120	120	-	-
between two and five years	-	-	-	-
	<u>120</u>	<u>120</u>	<u>-</u>	<u>-</u>

20. RELATED PARTY TRANSACTIONS

The company paid a management fee of £140,000 to Hemway Limited for goods and services provided. Hemway Limited is a related party through the interests of Mr T J Hemmings.

21. CONTINGENT LIABILITIES

The company is party to an agreement with its bankers whereby the bank is entitled to hold all sums at credit of any accounts in the company's name in security of all sums due to the bank by the company's subsidiary undertakings. The overdraft is secured by bond and floating charge and standard security over all of the group's properties.

22. ULTIMATE PARENT COMPANY

The company's ultimate parent company and controlling party is Calgarth Limited, which is incorporated in the Isle of Man.