

TEG ENVIRONMENTAL PLC
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 OCTOBER 2000



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Moore and Smalley
Chartered Accountants
Preston

TEG ENVIRONMENTAL PLC

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TEG ENVIRONMENTAL PLC

COMPANY INFORMATION

Directors

A Sykes (Chairman)
R C Bilborough
Dr A Heyworth
J L Hough (Deputy Chairman)
M Cox (Appointed 17 December
1999)

Secretary

M Cox

Company Number

3109613

Registered Office

Crescent House
Sandy Lane
Leyland
Lancashire
PR5 1EB

Auditors

Moore and Smalley
Richard House
Winckley Square
Preston
Lancashire
PR5 1UJ

Solicitors

Sinclair Roche & Temperley
Royex House
5 Aldermanbury Square
London
EC2V 7LE

Bankers

HSBC
140 Leadenhall Street
London
EC3V 4PS

TEG ENVIRONMENTAL PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2000

The directors present their report together with the audited accounts for the company for the year ended 31 October 2000.

Principal Activities and Review of Business

The company's principal activity continues to be that of the design, development and production of the Silo-Cage plant for the thermophilic composting of organic wastes. As a part of the marketing strategy the Company produces through its own plant EnVigro, an organic fertiliser, which demonstrates the efficiency of the TEG process. The sales generated during the year were attributable to EnVigro.

The growth in the sales of EnVigro was affected by the exceptional weather conditions in the second half of the year. Existing and potential customers curtailed or postponed until the Spring their planting and fertilisation programme because of the waterlogged state of their grounds.

The planned acquisition of a 4 acre site on which to build Silo-Cages and operate a large commercial facility to process organic waste is at present being delayed by difficulties with the planning authorities. It is the intention that this facility would allow the Company to demonstrate the thermophilic composting of a variety of wastes on a commercial scale to a wider range of industry. The management has responded to these unexpected delays and has manufactured and built a new production design Silo-Cage plant in a new building at the farm site used for the distribution of EnVigro where the product is now manufactured.

This plant became operational in October 2000 and is providing a demonstration show piece for producers, and managers, of organic waste. There have already been several visitors to many of whom estimates and quotations have been provided. It is encouraging that many more such visits have been booked and are sought from companies from the broad spectrum of industry.

Issue of Share Capital

During the year the company issued 1,584,820 Ordinary Shares of 5 pence each for a total consideration of £1,347,098 to provide the company with working capital.

Future Developments

We enter 2001 with positive news on the progress of negotiations for significant contracts with two major companies in the water industry, and with strong interest being shown by a number of other companies in that sector, with the expectation that further contracts will be secured during the course of the year.

Forecasting the exact timing of Silo-Cage contracts has always been difficult as the main drivers for change within organic waste producing companies have always been legislation and costs. As legislation tightens and the routes available for disposal are reduced, thereby increasing costs to producers, it is the Board's belief that the Company will secure significant contracts this year and then grow rapidly.

The Board will offer shareholders the opportunity to invest further funds in the Company via a share issue, which will take place in February 2001. This issue will provide additional working capital whilst contract negotiations continue.

TEG ENVIRONMENTAL PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2000

Results and Dividends

The results for the year are set out in the profit and loss account on page 6 and reflect the continued policy of maintaining a low cost operation as the Company moves into the trading phase and until contracts are secured. Consistent with this policy the management has, from the outset, adopted a robust policy of writing off its development costs rather than capitalising this investment. In line with this policy these accounts show that £98,283, being the carrying value of the original pilot Silo-Cage plant, has been fully written off.

The directors consider the loss achieved on ordinary activities to be satisfactory, given the progress made in the year as the Company moves from the development stage into marketing and production.

The directors are confident that sufficient funds will be raised via the share issue and hence confirm that it is appropriate to prepare accounts on a going concern basis.

Fixed Assets

Changes to fixed assets during the year are disclosed in notes 10 and 11 to the accounts.

Directors

The directors who served during the year and their beneficial interests in the share capital of the company were as follows.

	Ordinary Shares of 5 pence each	
	31 October 2000	1 November 1999
A Sykes (Chairman)	400,603	370,403
R C Bilborough	256,410	227,000
Dr A Heyworth	117,882	112,000
J L Hough (Deputy Chairman)	585,156	534,156
M Cox (Appointed 17 December 1999)	-	-

The company has adopted an unapproved share option scheme (the "Company Scheme"). The company may not grant an option under the scheme if, as a result, the number of shares issued or issuable in respect of all options granted under the scheme and any employee share option plan operated by the Company would, as a result of options or rights granted within the preceding ten year period, exceed 10% of the ordinary share capital of the company. Under the Company Scheme, options over 160,000 Ordinary Shares were granted to R C Bilborough on 5 September 1997, with a subscription price of 35 pence per ordinary share. Under the terms and conditions of the Company Scheme, an option holder may exercise options in respect of any number of Ordinary Shares comprised in an option at any time after three years and within ten years of the grant.

TEG ENVIRONMENTAL PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2000

In addition, the company has established the TEG Environmental Plc Company Share Option Plan (the "Plan") which has been approved by the Inland Revenue under schedule 9 to the Income and Corporation Taxes Act 1988. Under the Plan, options over 75,000 Ordinary Shares were granted to Dr A Heyworth on 5 September 1997 with a subscription price of 35 pence per Ordinary Share. In addition, options over 35,000 shares were granted to Mr M Cox on 29 November 1999 with a subscription price of 85 pence per Ordinary Share. These options may be exercised at any time after three years and within ten years of the grant. The future grant of any options to Directors will be subject to Performance Targets set by the Remuneration Committee. The Plan is intended to motivate, retain and reward selected key employees who by their efforts are able to influence the performance and success of the Company's business.

Creditor Payment Policy and Practice

It is the Company's policy that payments to suppliers are made in accordance with the terms and conditions agreed between the Company and its suppliers, providing that all trading terms and conditions have been complied with.

Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss for that year. In preparing these 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;

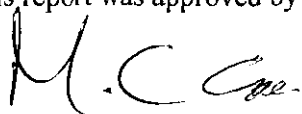
prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 accounts 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

Moore and Smalley have indicated their willingness to continue in office and a resolution for their reappointment will be placed before the Annual General Meeting.

This report was approved by the board on 15 January 2001 and signed on its behalf.



M Cox
Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS OF TEG ENVIRONMENTAL PLC

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 9.

Respective Responsibilities of Directors and Auditors

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and 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 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 company's circumstances, consistently applied and adequately disclosed.

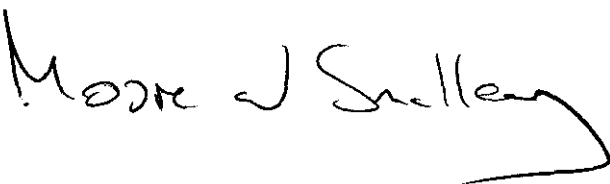
We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the accounts.

Fundamental Uncertainty

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the future operations of the company. The financial statements have been prepared on a going concern basis, the validity of which depends upon future funding being available. The financial statements do not include any adjustments which would result from a failure to obtain funding. Details of the circumstances relating to this fundamental uncertainty are described in note 23. Our opinion is not qualified in this respect.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 October 2000 and of its loss and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Moore and Smalley
Chartered Accountants
and Registered Auditors
Preston**

15 January 2001

TEG ENVIRONMENTAL PLC

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2000

	Notes	2000 £	1999 £
Turnover	2	84,626	94,204
Cost of sales		(76,294)	(85,014)
Gross Profit		8,332	9,190
Selling and administration expenses		(922,372)	(771,732)
Operating Loss	3	(914,040)	(762,542)
Interest receivable	6	44,066	17,195
Interest payable and similar charges	7	(7,332)	(9,136)
Loss on Ordinary Activities before Taxation		(877,306)	(754,483)
Tax on loss on ordinary activities	8	-	-
Loss for the Financial Year	20	(877,306)	(754,483)

Continuing Operations

None of the company's activities were acquired or discontinued during the above two financial years.

Total Recognised Gains and Losses

All recognised gains and losses are included in the profit and loss account.

TEG ENVIRONMENTAL PLC

BALANCE SHEET

AS AT 31 OCTOBER 2000

	Notes	2000		1999	
		£	£	£	£
Fixed Assets					
Intangible assets	10		20,640		24,636
Tangible assets	11		243,136		182,953
			<u>263,776</u>		<u>207,589</u>
Current Assets					
Stocks	12	8,341		6,912	
Debtors	13	73,813		100,412	
Cash at bank and in hand		336,803		41,419	
		<u>418,957</u>		<u>148,743</u>	
Creditors: Amounts Falling Due Within One Year	14	92,439		142,685	
Net Current Assets			<u>326,518</u>		<u>6,058</u>
Total Assets Less Current Liabilities			<u>590,294</u>		<u>213,647</u>
Creditors: Amounts Falling Due After More Than One Year	15	(24,963)		(47,619)	
		<u>565,331</u>		<u>166,028</u>	
Capital and Reserves					
Share capital - Equity	19	328,779		249,538	
Share premium account	20	3,190,375		1,993,007	
Profit and loss account	20	(2,953,823)		(2,076,517)	
Shareholders' Funds	21	<u>565,331</u>		<u>166,028</u>	

These accounts were approved by the board on 15 January 2001 and signed on its behalf.

Director RC Bilborough

Director M Cox

TEG ENVIRONMENTAL PLC

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2000

	Notes	2000 £	1999 £
CASH FLOW STATEMENT			
Net Cash Outflow from Operating Activities	25	(731,486)	(688,749)
Returns on Investments and Servicing of Finance	26	36,734	8,059
Capital Expenditure and Financial Investment	26	(263,288)	(104,653)
Cash Outflow Before use of Liquid Resources and Financing		(958,040)	(785,343)
Financing	26	1,253,424	608,203
Increase/Decrease in Cash		<u>295,384</u>	<u>(177,140)</u>
Reconciliation of Net Cash Flow to Movement in Net Debt			
Increase/Decrease in Cash in the Year		295,384	(177,140)
Decrease in loans	27	<u>23,185</u>	<u>23,186</u>
Decrease in Net Debt	27	318,569	(153,954)
Net Debt at 1 November 1999		<u>(29,377)</u>	<u>124,577</u>
Net Funds/Debt at 31 October 2000	27	<u>289,192</u>	<u>(29,377)</u>

TEG ENVIRONMENTAL PLC

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 2000

1 Accounting Policies

Basis of preparation

The accounts have been prepared on a going concern basis on the grounds that after the year end the Directors of the Company are confident that further funding will be obtained via a share issue. The Directors believe that funds raised as a result of this issue will be sufficient to enable the Company to continue as a going concern for the foreseeable future.

Accounting convention

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

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Plant and machinery	25% reducing balance
Fixtures and fittings	25% reducing balance
Other Fixed Assets	25% reducing balance

Amortisation

The intangible fixed assets represent Intellectual Property Rights. Amortisation is provided to write off the assets over 10 years on a straight line basis.

Stocks

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

Deferred Taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

Leasing commitments

Assets acquired under hire purchase or finance lease agreements are capitalised as fixed assets and depreciated over their useful life. The related liability is included within the hire purchase creditor. Interest is charged to the profit and loss account on a straight line basis.

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

Development costs

Costs relating to research and product development are written off as incurred.

TEG ENVIRONMENTAL PLC

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 2000

2 Turnover

The geographical analysis of turnover is as follows:

	2000	1999
	£	£
Middle East	-	10,290
UK	84,626	83,914
	<u>84,626</u>	<u>94,204</u>

3 Operating Loss

The operating loss is stated after charging or crediting:

	2000	1999
	£	£
Depreciation of tangible fixed assets:		
-owned assets	200,033	46,938
-assets held under finance leases and hire purchase	1,674	2,231
Amortisation of intangible fixed assets	3,996	4,032
Loss on disposal of fixed assets	1,398	1,624
Operating leases - plant and equipment	1,891	5,395
Auditors' remuneration	<u>3,750</u>	<u>3,750</u>

4 Exceptional Item

The accounts include an exceptional depreciation charge of £98,283. This charge has been calculated to write down the carrying value of the prototype silo cage plant and associated goodwill to nil and has been included within these accounts since this plant has been replaced by the new silo cage plant which is now fully operational.

TEG ENVIRONMENTAL PLC

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 2000

5 Directors and Employees

Staff costs, including directors' remuneration, were as follows:

	2000	1999
	£	£
Wages and salaries	259,039	256,114
Social security costs	25,197	21,413
	<u>284,236</u>	<u>277,527</u>

The average weekly number of employees, including directors, during the year was as follows:

	2000	1999
	Number	Number
Administration	11	10

Directors' emoluments

	2000	1999
	£	£
Aggregate emoluments	<u>139,183</u>	<u>78,750</u>

6 Interest Receivable

	2000	1999
	£	£
Bank interest receivable	<u>44,066</u>	<u>17,195</u>

7 Interest Payable and Similar Charges

	2000	1999
	£	£
Hire purchase agreements	524	524
Bank loans and overdraft	6,808	8,612
	<u>7,332</u>	<u>9,136</u>

8 Taxation

No tax is payable due to the trading losses incurred in the period.

9 Earnings Per Share

	2000	1999
Earnings per share (pence)	<u>(0.13)</u>	<u>(0.15)</u>

Calculation of Earnings Per Share is based on the profit/(loss) for the financial year divided by the number of issued ordinary shares at the year end

TEG ENVIRONMENTAL PLC

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 2000

10 Intangible Fixed Assets

Cost	£
At 1 November 1999 and 31 October 2000	40,000
Amortisation	
At 1 November 1999	15,364
Provided during the year	3,996
At 31 October 2000	19,360
Net Book Value	
At 31 October 2000	20,640
<i>At 31 October 1999</i>	<i>24,636</i>

This represents the purchase of the Intellectual Property Rights of both an innovative system of accelerated composting for £35,000 from Dr A Heyworth and design of the Twin Cage Composter for £5,000 from A Rabett.

11 Tangible Fixed Assets

	Plant and Machinery	Fixtures and Fittings	Silo-Cage System	Total
Cost	£	£	£	£
At 1 November 1999	270,728	29,578	-	300,306
Additions	8,132	7,589	248,367	264,088
Disposals	(2,995)	-	-	(2,995)
At 31 October 2000	275,865	37,167	248,367	561,399
Depreciation				
At 1 November 1999	104,548	12,805	-	117,353
Charge for the year	131,469	8,170	62,068	201,707
Disposals	(797)	-	-	(797)
At 31 October 2000	235,220	20,975	62,068	318,263
Net Book Value				
At 31 October 2000	40,645	16,192	186,299	243,136
<i>At 31 October 1999</i>	<i>166,180</i>	<i>16,773</i>	<i>-</i>	<i>182,953</i>

TEG ENVIRONMENTAL PLC

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 2000

Included within plant and machinery are assets held under hire purchase agreements. The net book value of these assets totals £5,020 and the depreciation charged during the year was £1,674.

12	Stocks	2000	1999
		£	£
	Raw materials and consumables	5,040	3,647
	Work in progress	910	2,750
	Finished goods	2,391	515
		<u>8,341</u>	<u>6,912</u>
13	Debtors	2000	1999
		£	£
	Trade debtors	9,589	22,078
	Other debtors	43,979	29,478
	Prepayments and accrued income	20,245	48,856
		<u>73,813</u>	<u>100,412</u>
14	Creditors: Amounts Falling Due Within One Year	2000	1999
		£	£
	Bank loan (Note 16)	20,004	20,004
	Obligations under hire purchase and finance leases (Note 18)	2,644	3,173
	Trade creditors	27,373	86,372
	Other taxes and social security	8,910	6,793
	Accruals and deferred income	33,508	26,343
		<u>92,439</u>	<u>142,685</u>
15	Creditors: Amounts Falling Due After More Than One Year	2000	1999
		£	£
	Bank loans and overdrafts (Note 16)	24,963	44,975
	Obligations under hire purchase and finance leases (Note 18)	-	2,644
		<u>24,963</u>	<u>47,619</u>

TEG ENVIRONMENTAL PLC

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 2000

16	Loans and Borrowings	2000	1999
		£	£
	<i>Analysis of Loans</i>		
	Bank loan	44,967	64,979
		<u>44,967</u>	<u>64,979</u>
	<i>Maturity of debt</i>		
	In one year or less, or on demand	20,004	20,004
	In more than one year, but not more than two years	20,020	20,020
	In more than two years, but not more than five years	4,943	24,955
		<u>44,967</u>	<u>64,979</u>
<p>In February 1997, the company drew down a £100,000 bank loan under the Small Firms Loan Guarantee Scheme, under which the loan is 70% guaranteed by the DTI. Interest is fixed at 10.76% for 5 years and 3.5% over base thereafter. The loan is being repaid by monthly instalments of £1,667. The Company's Bankers hold a fixed charge over the Book Debts of the company and a floating charge over all other assets.</p>			
17	Analysis of changes in loans during current and previous years:	2000	1999
		£	£
	Balance at 1 November	64,979	84,991
	Repaid in year	(20,012)	(20,012)
		<u>44,967</u>	<u>64,979</u>
18	Obligations Under Hire Purchase and Finance Leases	2000	1999
		£	£
	Obligations under hire purchase contracts and finance leases are analysed between obligations due:		
	In the next year	2,644	3,173
	Non-current obligations	-	2,644
		<u>2,644</u>	<u>5,817</u>

TEG ENVIRONMENTAL PLC

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 2000

19	Share Capital	2000 £	1999 £
	Authorised Equity Shares		
	100,000,000 Ordinary shares of £0.05 each	<u>5,000,000</u>	<u>5,000,000</u>
	Allotted		
	Ordinary shares of 5 pence each	<u>328,779</u>	<u>249,538</u>

During the year, the company issued 1,584,820 Ordinary Shares of 5 pence each, with an aggregate nominal value of £79,241. The shares were issued fully paid for cash of £1,347,098, in order to help finance the working capital requirements of the business.

In accordance with the terms of the Company share option schemes, options granted and remaining in issue are as follows:

Date Granted	Exercise Price	First Date of Exercise	Expiry Date	Number of Shares
05/09/97	£0.35	06/09/00	05/09/07	235,000
29/11/99	£0.85	30/11/02	29/11/09	81,500

20	Reserves	Share Premium Account £	Profit and Loss Account £
	At 1 November 1998	1,399,243	(1,322,034)
	Loss for the year	-	(754,483)
	Premium on allotment	593,764	-
	At 1 November 1999	1,993,007	(2,076,517)
	Loss for the year	-	(877,306)
	Premium on allotment	1,197,368	-
	At 31 October 2000	<u>3,190,375</u>	<u>(2,953,823)</u>

The premium on allotment is stated after deducting costs of £70,489 in respect of the share issue.

TEG ENVIRONMENTAL PLC

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 2000

21 Reconciliation of Movement in Shareholders' Funds

	2000	1999
	£	£
Loss for the financial year	(877,306)	(754,483)
Issue of share capital	1,276,609	631,389
Increase in the shareholders' funds	399,303	(123,094)
Opening shareholders' funds	166,028	289,122
Closing shareholders' funds	565,331	166,028

22 Operating Lease Commitments

At 31 October 2000 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and Buildings		Other	
	2000	1999	2000	1999
	£	£	£	£
Operating leases which expire:				
Within one year	18,540	18,540	6,240	3,287
Between two and five years	-	-	21,698	4,117
	18,540	18,540	27,938	7,404

23 Future Operations

As noted in the Directors' report, the Company expects to gain two significant contracts in 2001. In order to service short term working capital requirements, additional funding will be required. It is therefore proposed that a share issue should be undertaken in February 2001. The Directors are confident of support for the issue since negotiations for two major contracts are progressing and are confident that sufficient funds will be available to ensure that the Company can operate on a going concern basis for at least the next twelve months.

24 Contingent Liabilities

Under the terms of the acquisition of the Intellectual Property Rights to the innovative system of accelerated composting from Dr A Heyworth, a royalty of 3% is payable, based on future profits before tax of TEG Environmental Plc and its subsidiaries (if any), as shown in the audited consolidated profit and loss account if the profits before tax exceed £100,000. The royalty payment is subject to a maximum of £50,000 in any one financial year and to £140,000 in total.

TEG ENVIRONMENTAL PLC

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 2000

25 Reconciliation of Operating Loss to Net Cash Outflow From Operating Activities

	2000	1999
	£	£
Operating loss	(914,040)	(762,542)
Depreciation charges	201,707	49,169
Amortisation of intangible fixed assets	3,996	4,032
Loss on sale of fixed assets	1,398	1,624
Increase in stocks	(1,429)	(2,621)
Decrease/Increase in debtors	26,599	(21,080)
Decrease/Increase in other creditors	(49,717)	42,669
	<u>(731,486)</u>	<u>(688,749)</u>

26 Gross Cash Flows

	2000	1999
	£	£
<i>Returns on Investments and Servicing of Finance</i>		
Interest received	44,066	17,195
Interest paid	(6,808)	(8,612)
Interest element of finance lease rentals payment	(524)	(524)
	<u>36,734</u>	<u>8,059</u>

Capital Expenditure and Financial Investment

Payments to acquire tangible fixed assets	(264,088)	(112,653)
Proceeds from the sale of tangible fixed assets	800	8,000
	<u>(263,288)</u>	<u>(104,653)</u>

Financing

Issue of ordinary share capital	1,276,609	631,389
Decrease in other bank loans due within one year	-	-
Decrease in bank loans due in more than one year	(20,012)	(20,012)
Capital element of finance lease rentals payments	(3,173)	(3,174)
	<u>1,253,424</u>	<u>608,203</u>

TEG ENVIRONMENTAL PLC

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 2000

27 Analysis of Changes in Net Debt

	1999 £	Cash flows £	2000 £
Cash at bank and in hand	41,419	295,384	336,803
Debt due within one year	(20,004)	-	(20,004)
Debt due after one year	(44,975)	20,012	(24,963)
Finance leases	(5,817)	3,173	(2,644)
	(70,796)	23,185	(47,611)
	<u>(29,377)</u>	<u>318,569</u>	<u>289,192</u>