

Brodie and Stone Holdings plc

FINANCIAL STATEMENTS

for the period ended
31 March 2000



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Brodie and Stone Holdings plc

DIRECTORS AND OFFICERS

DIRECTORS

MS Eggerton
PA Manley
K Rockhill

SECRETARY

PA Manley

REGISTERED OFFICE

2 Bloomsbury Street
London WC1B 3ST

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

COMPANY NUMBER

03701192 (England and Wales)

Brodie and Stone Holdings plc

DIRECTORS' REPORT

The directors submit their report and the financial statements of Brodie and Stone Holdings plc for the period ended 31 March 2000.

INCORPORATION

The company was incorporated on 26 January 1999 as Brodie and Stone Holdings plc.

PRINCIPAL ACTIVITIES

The principal activity of the group during the period was that of sales and marketing of personal care and cosmetic products.

REVIEW OF THE BUSINESS

To achieve greater focus on the various activities within the business, a group structure was created with effect from 1 April 1999. Within that structure, Brodie & Stone International Plc is responsible for developing and marketing our own brands throughout the world. Brodie & Stone Lifestyle Ltd creates own label ranges on behalf of major UK retailers and Brodie & Stone Plc trades exclusively in the USA.

Group turnover increased by 16.5% to £7.7 million from £6.58 million in 1998/1999. Operating profits declined to £245,000 from £437,000 last year, largely as a result of the significant investment the group made in developing own label and USA business.

Following this investment, we are confident that the own label and USA business will be profitable in the current period and will become significant contributors to future group profits. This, together with the continued development of new innovative product ranges, means that we are confident of continuing the growth in turnover and returning to an acceptable level of profitability in the current period.

RESULTS AND DIVIDENDS

The trading profit for the period after taxation was £176,192.

The directors do not recommend the payment of a dividend.

DIRECTORS

The following directors have held office since 1 April 1999:

| | |
|-------------|-----------------------------|
| MS Eggerton | (appointed 26 January 1999) |
| PA Manley | (appointed 1 May 1999) |
| K Rockhill | (appointed 26 January 1999) |

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

Directors' interests in the shares of the company, including family interests, were as follows:

| | |
|-------------|---------------------------------------|
| | <i>Ordinary shares of £1 each</i> |
| | 31.03.00 |
| MS Eggerton | 99,000 |

Brodie and Stone Holdings plc

DIRECTORS' REPORT

FIXED ASSETS

The significant changes in fixed assets during the period are detailed in notes 8 and 9 to the financial statements.

POLICY ON THE PAYMENT OF CREDITORS

With respect to its suppliers, the group does not follow any code or standard on payments practice.

The group's policy for all suppliers is:

- (i) to settle terms of payment with those suppliers when agreeing the terms of each transaction;
- (ii) to ensure that those suppliers are made aware of the term of payment; and
- (iii) to abide by the terms of payment.

YEAR 2000

The group recognised the potential disruption and cost to the business of the Year 2000 issue and completed a review of its systems prior to 31 December 1999. The costs associated with this review have been absorbed within the normal running costs of the business.

Since 31 December 1999 the group has not incurred any material costs or encountered any significant disruptions to its business as a result of the Year 2000 issue and no further costs or disruptions are expected to arise.

INTRODUCTION OF THE EURO

All relevant parts of the Group will be able to handle euro transactions when required.

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board



PA Manley
Secretary

7 August 2000

Brodie and Stone Holdings plc

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- d. 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 requirements of 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.

AUDITORS' REPORT TO THE MEMBERS OF BRODIE & STONE HOLDINGS PLC

We have audited the financial statements on pages 6 to 19.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

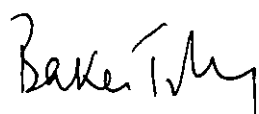
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and 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 affairs of the company and the group at 31 March 2000 and of the group profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY

Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

7 August 2000

Brodie and Stone Holdings plc

GROUP PROFIT AND LOSS ACCOUNT

for the period ended 31 March 2000

| | <i>Notes</i> | 2000 £ |
|---|--------------|-----------------------|
| TURNOVER | 1 | 7,701,856 |
| Cost of sales | | 5,138,599 |
| Gross profit | | <u>2,563,257</u> |
| Administration expenses | | 2,332,858 |
| | | <u>230,399</u> |
| Other operating income | 2 | 14,084 |
| OPERATING PROFIT | | <u>244,483</u> |
| Interest receivable and similar income | 3 | 699 |
| | | <u>245,182</u> |
| Interest payable | 4 | (26,011) |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 5 | <u>219,171</u> |
| Taxation | 7 | 42,979 |
| RETAINED PROFIT FOR THE PERIOD | 16 | <u><u>176,192</u></u> |

The operating profit for the period arises from the group's continuing operations.

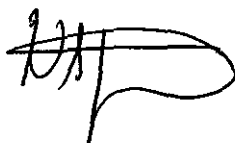
No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

Brodie and Stone Holdings plc
CONSOLIDATED BALANCE SHEETS
31 March 2000

| | <i>Notes</i> | 2000 £ |
|--|--------------|------------------|
| FIXED ASSETS | | |
| Intangible assets | 8 | 189,438 |
| Tangible assets | 9 | 249,346 |
| Investments | 10 | 200 |
| | | <u>438,984</u> |
| CURRENT ASSETS | | |
| Stocks | 11 | 614,455 |
| Debtors | 12 | 1,688,419 |
| Cash at bank and in hand | | 179,405 |
| | | <u>2,482,279</u> |
| CREDITORS: Amounts falling due within one year | 13 | 1,980,616 |
| NET CURRENT ASSETS/(LIABILITIES) | | <u>501,663</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 940,647 |
| CREDITORS: Amounts falling due after more than one year | 14 | 42,270 |
| | | <u>898,377</u> |
| CAPITAL AND RESERVES | | |
| Called up share capital | 15 | 100,000 |
| Profit and loss account | 16 | 798,377 |
| EQUITY SHAREHOLDERS' FUNDS | 17 | <u>898,377</u> |

Approved by the board on

Director



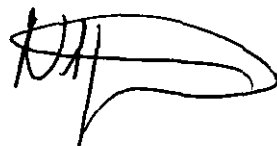
7 August 2000

Brodie and Stone Holdings plc
COMPANY BALANCE SHEETS
31 March 2000

| | <i>Notes</i> | 2000 £ |
|--|--------------|-----------|
| FIXED ASSETS | | |
| Investments | 10 | 112,600 |
| | | <hr/> |
| CURRENT ASSETS | | |
| Debtors | 12 | 104,000 |
| | | <hr/> |
| CREDITORS: Amounts falling due within one year | 13 | 116,600 |
| | | <hr/> |
| NET CURRENT LIABILITIES | | (12,600) |
| | | <hr/> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 100,000 |
| | | <hr/> |
| CAPITAL AND RESERVES | | |
| Called up share capital | 15 | 100,000 |
| | | <hr/> |

Approved by the board on

Director



7 August 2000

Brodie and Stone Holdings plc

CASH FLOW STATEMENT

for the period ended 31 March 2000

| | <i>Notes</i> | 2000 £ |
|---|--------------|-----------|
| Cash flow from operating activities | 18a | 549,995 |
| Returns on investments and servicing of finance | 18b | (129,312) |
| Taxation | | (143,935) |
| Capital expenditure and financial investment | 18b | (120,401) |
| CASH INFLOW BEFORE FINANCING | | 156,347 |
| Financing | 18b | (43,459) |
| INCREASE IN CASH IN THE PERIOD | | 112,888 |

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN DEBT

| | | 2000 £ |
|--|-----|-----------|
| Increase in cash in the period | | 112,888 |
| Change in net debt resulting from cash flows | | (2) |
| New finance leases | | (22,898) |
| MOVEMENT IN NET DEBT IN PERIOD | | 89,988 |
| NET DEBT BROUGHT FORWARD | | (219,467) |
| NET DEBT AT 31 MARCH 2000 | 18c | (129,479) |

Brodie and Stone Holdings plc

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of Brodie and Stone Holdings Plc and all of its subsidiary undertakings excluding two immaterial dormant subsidiaries, Brodie and Stone (Export) Limited and Newton Laboratories Limited.

Subsidiaries created from the new group structure are consolidated using the acquisition method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 March 2000.

INTANGIBLE FIXED ASSETS

Goodwill and trademarks acquired in respect of purchased brands are depreciated in equal annual amounts over a period of five years. Costs of creating and developing own brands are written off immediately in the year in which they arise.

TANGIBLE FIXED ASSETS

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

| | |
|----------------------------------|-------------------------|
| Improvements to property | 15% on reducing balance |
| Fixtures, fittings and equipment | 15% on reducing balance |
| Motor vehicles | 25% on reducing balance |
| Computer equipment | 33% on reducing balance |

INVESTMENTS

Long term investments are described as participating interests and are classified as fixed assets.

Participating interests are stated at cost. Provision is made for any diminution in the value of fixed asset investments.

STOCKS

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling prices less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow moving items.

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All leases are "operating leases" and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

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 the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

Brodie and Stone Holdings plc

ACCOUNTING POLICIES

PENSIONS CONTRIBUTIONS

The group operates a defined contribution pension scheme. Contributions payable for the period are charged in the profit and loss account.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

Brodie and Stone Holdings plc
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2000

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The group's turnover and profit before taxation were all derived from its principal activity. Sales were made in the following geographical markets:

| | |
|--------------------|------------------|
| | 2000 £ |
| United Kingdom | 7,671,208 |
| Non European Union | 30,648 |
| | <u>7,701,856</u> |

2 OTHER OPERATING INCOME

| | |
|--------------|---------------|
| | 2000 £ |
| Royalties | 10,000 |
| Other income | 4,084 |
| | <u>14,084</u> |

3 INTEREST RECEIVABLE AND SIMILAR INCOME

| | |
|--------------------------|-----------|
| | 2000 £ |
| Bank interest receivable | 699 |

4 INTEREST PAYABLE

| | |
|---|---------------|
| | 2000 £ |
| On bank loans, overdrafts and other loans repayable within 5 years: | |
| Bank interest | 16,269 |
| On other loans | 9,742 |
| | <u>26,011</u> |

5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging/(crediting):

Depreciation and amounts written off tangible fixed assets:

| | |
|--------------------------------------|----------|
| Charge for the period: | |
| owned assets | 43,259 |
| leased assets | 39,843 |
| Loss on disposals | 2,788 |
| Amortisation of goodwill | 5,000 |
| Amortisation of patents and licences | 77,276 |
| Exchange (gains)/losses | (13,872) |
| Operating lease rentals: | |
| Plant and machinery | 7,933 |
| Land and buildings | 25,900 |
| Auditors' remuneration - audit | 22,000 |
| - non-audit services | 29,000 |

Brodie and Stone Holdings plc
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2000

| | | |
|---|---|----------------|
| 6 | EMPLOYEES | 2000 No. |
| | The average monthly number of persons (including directors) employed by the group during the period was: | |
| | Office and management | 13 |
| | Sales and marketing | 11 |
| | | <hr/> 24 |
| | | <hr/> |
| | | 2000 £ |
| | Staff costs for the above persons: | |
| | Wages and salaries | 744,063 |
| | Social security costs | 83,492 |
| | Other pension costs | 30,280 |
| | | <hr/> 857,835 |
| | | <hr/> |
| | DIRECTORS' REMUNERATION | 2000 £ |
| | Emoluments | 429,250 |
| | | <hr/> |
| | Directors' emoluments disclosed above include the following payments to the highest paid director: | 2000 £ |
| | Emoluments | 344,832 |
| | Money purchase pension contributions | 30,280 |
| | | <hr/> 375,112 |
| | | <hr/> |
| | The number of directors to whom relevant benefits are accruing under: | 2000 Number |
| | money purchase pension schemes was | 1 |
| | | <hr/> |
| 7 | TAXATION | 2000 £ |
| | Based on the result for the period: | |
| | UK corporation tax | 42,979 |
| | | <hr/> |

Brodie and Stone Holdings plc
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2000

8 INTANGIBLE FIXED ASSETS

| | <i>Goodwill</i> | <i>Brands, Patents and licences</i> | <i>Total</i> |
|--------------------------------|-----------------|---|--------------|
| | £ | £ | £ |
| GROUP | | | |
| Cost | | | |
| 1 April 1999 and 31 March 2000 | 25,000 | 386,380 | 411,380 |
| Amortisation: | | | |
| 1 April 1999 | 17,500 | 122,166 | 139,666 |
| Charged in the period | 5,000 | 77,276 | 82,276 |
| 31 March 2000 | 22,500 | 199,442 | 221,942 |
| Net book value | | | |
| 31 March 2000 | 2,500 | 186,938 | 189,438 |

9 TANGIBLE FIXED ASSETS

| | <i>Improvements to property</i> | <i>Fixtures, fittings and equipment</i> | <i>Motor vehicles</i> | <i>Computer equipment</i> | <i>Total</i> |
|-----------------------|-------------------------------------|---|---------------------------|-------------------------------|--------------|
| | £ | £ | £ | £ | £ |
| GROUP | | | | | |
| Cost | | | | | |
| 1 April 1999 | - | 139,757 | 128,136 | 78,794 | 346,687 |
| Additions | 4,216 | 34,310 | 174,851 | 51,510 | 264,887 |
| Disposals | - | - | (174,777) | - | (174,777) |
| 31 March 2000 | 4,216 | 174,067 | 128,210 | 130,304 | 436,797 |
| Depreciation | | | | | |
| 1 April 1999 | - | 66,428 | 24,922 | 40,501 | 131,851 |
| Charged in the period | 527 | 15,257 | 39,843 | 27,475 | 83,102 |
| Disposals | - | - | (27,502) | - | (27,502) |
| 31 March 2000 | 527 | 81,685 | 37,263 | 67,976 | 187,451 |
| Net book value | | | | | |
| 31 March 2000 | 13,689 | 92,382 | 90,947 | 62,318 | 249,346 |

The net book value of motor vehicles includes £90,947 in respect of assets held under hire purchase contracts.

Brodie and Stone Holdings plc
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2000

| | | | | |
|----|---|--------------------|----------------------|-------------------|
| 10 | FIXED ASSETS INVESTMENTS GROUP | <i>Listed</i> £ | <i>Unlisted</i> £ | <i>Total</i> £ |
| | Cost and net book value: 31 March 2000 | - | 200 | 200 |

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

| | Country of incorporation | Class of shares | Percentage of holding | Nature of business | Aggregate capital and reserves |
|-----------------------------------|-----------------------------|--------------------|--------------------------|-----------------------|--------------------------------------|
| Brodie and Stone (Export) Limited | England | Ordinary | 100% | Dormant | £ 495 |
| Newton Laboratories Limited | England | Ordinary | 100% | Dormant | £ 2 |

| | |
|--------------------------------------|--|
| COMPANY | Unlisted subsidiary undertakings £ |
| Cost | |
| Additions | 112,600 |
| 31 March 2000 | 112,600 |
| Amounts written off 31 March 2000 | - |
| Net book value 31 March 2000 | 112,600 |

The company holds more than 20% of the equity of the following undertakings:

| | Class of holding | Proportion directly held | Nature of business |
|------------------------------------|---------------------|--------------------------------|--|
| Brodie and Stone International plc | Ordinary | 100% | Sale and marketing of personal care and cosmetic products |
| Brodie and Stone plc | Ordinary | 100% | Sale and marketing of personal care and cosmetic products |
| Brodie & Stone Lifestyle Limited | Ordinary | 100% | Sale and marketing of personal care and cosmetic products |
| Brodie and Stone (Export) Limited | Ordinary | 100% | Dormant |
| Newton Laboratories Limited | Ordinary | 100% | Dormant |

Brodie and Stone Export Limited and Newton Laboratories Limited are not consolidated as in the opinion of the directors, the figures would be of no value to the members. At 31 March 2000 the companies had capital and reserves of £497 and had not traded during the period.

Brodie and Stone Holdings plc
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2000

| 11 | STOCKS | Group 2000 £ | Company 2000 £ |
|----|----------------|--------------------|----------------------|
| | Raw materials | 363,184 | - |
| | Finished goods | 251,271 | - |
| | | <u>614,455</u> | <u>-</u> |

| 12 | DEBTORS | Group 2000 £ | Company 2000 £ |
|----|--------------------------------|--------------------|----------------------|
| | Due within one year: | | |
| | Trade debtors | 1,386,261 | - |
| | Other debtors | 224,021 | 104,000 |
| | Prepayments and accrued income | 78,137 | - |
| | | <u>1,688,419</u> | <u>104,000</u> |

| 13 | CREDITORS: Amounts falling due within one year | Group 2000 £ | Company 2000 £ |
|----|--|--------------------|----------------------|
| | Bank loans and overdrafts | 181,574 | - |
| | Obligations under finance leases | 18,682 | - |
| | Trade creditors | 1,357,429 | - |
| | Corporation tax | 42,836 | - |
| | Amounts owed to subsidiary undertakings | - | 116,600 |
| | Other taxation and social security costs | 202,725 | - |
| | Accruals and deferred income | 177,370 | - |
| | | <u>1,980,616</u> | <u>116,600</u> |

Included in bank loans and overdraft is a balance of £66,672 which represents the amounts due within one year on a three year loan facility.

| 14 | CREDITORS: Amounts falling due in more than one year | Group 2000 £ | Company 2000 £ |
|----|---|--------------------|----------------------|
| | Bank loan | 11,303 | - |
| | Obligations under finance leases | 30,967 | - |
| | | <u>42,270</u> | <u>-</u> |
| | Repayable by instalments: | | |
| | Obligations under finance leases and bank loans between two and five years | 42,270 | - |

Brodie and Stone Holdings plc
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2000

| | | |
|----|---|--------------------|
| 14 | CREDITORS: Amounts falling due in more than one year (<i>continued</i>) | |
| | i) The bank loan is held for a period of three years and is secured by a fixed and floating charge over the company's assets. Interest is payable at 2.5% above the Lloyds Bank base rate. | |
| | ii) The company entered into a debenture deed on 13 April 1999 to the benefit of Lloyds Bank plc which involves a fixed and floating charge over the undertaking and all present and future assets. | |
| 15 | SHARE CAPITAL | 2000 £ |
| | Authorised: 100,000 shares of £1 each | 100,000 |
| | Allotted, issued and fully paid: 100,000 ordinary shares of £1 each | 100,000 |
| 16 | PROFIT AND LOSS ACCOUNT | 2000 £ |
| | Brought forward | 622,185 |
| | Profit for the financial period | 176,192 |
| | 31 March 2000 | 798,377 |
| 17 | RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS | Group 2000 £ |
| | GROUP | |
| | Profit for the financial period | 176,192 |
| | Issue of shares | 100,000 |
| | Net addition to shareholders' funds | 276,192 |
| | Opening equity shareholders' funds | 622,185 |
| | Closing equity shareholders' funds | 898,377 |
| 18 | CASH FLOWS | 2000 £ |
| a | Reconciliation of operating profit to net cash inflow from operating activities | |
| | Operating profit | 244,483 |
| | Depreciation | 165,378 |
| | Loss on sale of fixed assets | 2,789 |
| | Increase in stocks | (8,898) |
| | Increase in debtors | (142,300) |
| | Increase in creditors | 288,543 |
| | Net cash flow from operating activities | 549,995 |

Brodie and Stone Holdings plc
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2000

18

CASH FLOWS (*continued*)

2000
£

b

Analysis of cash flows for headings netted in the cash flow

Returns on investments and servicing of finance

Interest received 699

Interest paid (130,011)

Net cash outflow for returns on investment and servicing of income (129,312)

Capital expenditure and financial investment

Purchase of tangible fixed assets (264,887)

Sale of tangible fixed assets 144,486

Net cash outflow for capital expenditure and financial investment (120,401)

Financing

Repayment of bank loan (66,357)

Finance leases advanced 22,898

Net cash outflow from financing (43,459)

c

Analysis of net debt

Brought forward £

Cash flow £

Other non cash changes £

At 31 March 2000 £

Cash in hand, at bank 64,678 114,728 179,406

Overdrafts (113,062) (1,840) (114,902)

112,888

Debt due after 1 year (77,660) (2) (77,662)

Debt due within one year (66,672) - (66,672)

Finance leases (26,751) (22,898) (49,649)

-

Total (219,467) 112,888 (22,900) (129,479)

Analysed in balance sheet

Cash at bank and in hand 64,678 179,406

Bank overdraft and loan (179,732) (181,574)

Long term loan (77,662) (77,662)

Finance lease:

due in one year (8,650) (18,682)

due after one year (18,101) (30,967)

(219,467) (129,479)

Brodie and Stone Holdings plc
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2000

19 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2000 the company had annual commitments under non-cancellable operating leases as follows:

| | |
|--------------------------------------|-----------|
| | 2000 £ |
| Plant and machinery | |
| expiring in the first year | 436 |
| expiring in the second to fifth year | 7,497 |
| Land and buildings | |
| expiring in the first year | 8,100 |
| expiring in the second to fifth year | 17,800 |
| | <hr/> |
| | 33,833 |
| | <hr/> |

20 CONTINGENT LIABILITIES

There is a bank guarantee in favour of HM Customs and Excise in the sum of £60,000 for two of the subsidiary companies. Their bankers have fixed and floating charges over all the assets of the company.

21 RELATED PARTY TRANSACTION

The group and company is controlled by the director MS Eggerton, due to his controlling interest in the share capital of the group's ultimate parent undertaking, Brodie and Stone Holdings plc.

22 COMPANY PROFIT AND LOSS ACCOUNT

As permitted by s230 Companies Act 1985, the company has not presented its own profit and loss account.