

**PARK LANE CALEDONIAN GROUP
LIMITED**

Report and Financial Statements

30 September 2000

Deloitte & Touche
Lomond House
9 George Square
Glasgow
G2 1QQ



REPORT AND FINANCIAL STATEMENTS 2000

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REPORT AND FINANCIAL STATEMENTS 2000

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J G Wright (Resigned 17 March 2000)
E McDaid
B Clarke
S Robinson
P Conway (Appointed 1 March 2000)

SECRETARY

E McDaid

REGISTERED OFFICE

Stanley House
69/71 Hamilton Road
Motherwell
ML1 3DG

BANKERS

Bank of Scotland
56 Main Street
Uddingston
G71 7LS

SOLICITORS

Anderson Fyfe
90 St Vincent Street
Glasgow
G2 5UB

Miller Samuel
5 Renfield Street
Glasgow
G2 5EZ

AUDITORS

Deloitte & Touche
Chartered Accountants
Lomond House
9 George Square
Glasgow
G2 1QQ

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 September 2000.

ACTIVITIES

The principal activity of the company in the period under review was that of a parent company to subsidiary companies engaged in property investment and development.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors are satisfied with the results for the year. There are a number of development opportunities under consideration for the current year and the directors will continue to pursue suitable business opportunities for the group in the future.

RESULTS

The consolidated loss for the year after taxation amounted to £312,631. The directors do not recommend the payment of a dividend and recommend that the loss of £312,631 be transferred against reserves.

DIRECTORS AND THEIR INTERESTS

J G Wright (Resigned 17 March 2000)

E McDaid

B Clarke

S Robinson

P Conway (Appointed 1 March 2000)

The beneficial interests of the directors holding office on 30 September 2000 in the issued share capital of the company were as follows:

	Ordinary shares of £1 each	
	2000	1999
E McDaid	799	930
B Clarke	-	-
S Robinson	443	443
P Conway (Appointed 1 March 2000)	-	-

J G Wright and E McDaid have a joint beneficial interest in one share.

In addition to the above holdings, certain directors had options to acquire shares in the company as follows:

Each director holding office on 30 September 2000 has an option to acquire 63 shares or such other number as will represent 2% of the aggregate nominal value of the issued share capital of the company at the date of execution of the option agreement. The exercise price for these options is £1 per share.

S Robinson and B Clarke each have options to acquire 162 shares or such other number as will represent 5% of the aggregate nominal value of the issued share capital of the company. The exercise price for these options is £1,000 per share or such lower price which may be payable in certain circumstances in accordance with the terms of the option agreement.

B Clarke has a further option to acquire 162 shares or such other number as will represent 5% of the aggregate nominal value of the issued share capital of the company. The exercise price for these options is £1 per share.

All of the above options were granted on 14 July 1999 and can be exercised until 14 July 2009.

DIRECTORS' REPORT

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

15/3
Director
2001



STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss of the group 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; 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 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 financial statements 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.

AUDITORS' REPORT TO THE MEMBERS OF

PARK LANE CALEDONIAN GROUP LIMITED

We have audited the financial statements on pages 6 to 21 which have been prepared under the accounting policies set out on pages 12 and 13.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of financial statements, which are required to be prepared 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 statements and to report our opinion to you.

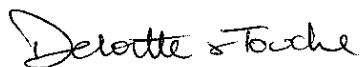
Basis of opinion

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 circumstances of the company and the group, 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 30 September 2000 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors

20 March 2001

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 30 September 2000

	Note	2000 £	1999 £
TURNOVER: continuing operations	2	5,384,561	5,016,820
Cost of sales		4,152,895	3,893,492
Gross profit		1,231,666	1,123,328
Administrative expenses		(926,241)	(968,218)
Other operating income		5,368	-
OPERATING PROFIT: continuing operations	3	310,793	155,110
Gain on sale of fixed assets – continuing operations		-	236,723
Profit on ordinary activities before interest		310,793	391,833
Interest receivable and similar income	5	55,695	37,935
Interest payable and similar charges	6	(742,306)	(451,762)
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(375,818)	(21,994)
Tax credit/(charge) on (loss) on ordinary activities	7	63,187	(78,546)
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION RETAINED		(312,631)	(100,540)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 30 September 2000

	2000 £	1999 £
LOSS FOR THE FINANCIAL YEAR	(312,631)	(100,540)
Unrealised surplus on revaluation of investment properties	752,340	1,166,685
Release of government grants	178,014	178,014
Release/(charge) of deferred taxation to revaluation surplus	-	104,440
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>617,723</u>	<u>1,348,599</u>

STATEMENT OF MOVEMENTS IN RESERVES

Year ended 30 September 2000

Group	Capital Redemption Reserve £	Profit & Loss Account £	Revaluation Reserve £
At 1 October 1999	222	378,879	2,587,913
Retained loss for year	-	(312,631)	-
Surplus on revaluation	-	-	752,340
Realised on disposal of properties	-	-	-
Redemption of share capital	221	(125,000)	-
Release of government grants	-	-	178,014
At 30 September 2000	<u>443</u>	<u>(58,752)</u>	<u>3,518,267</u>
Company	Capital Redemption Reserve £	Profit & Loss Account £	
At 1 October 1999	222	5,533	
Retained profit for year	-	156,603	
Redemption of share capital	221	(125,000)	
At 30 September 2000	<u>443</u>	<u>37,136</u>	

NOTE OF HISTORICAL COST PROFITS AND LOSSES

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material.

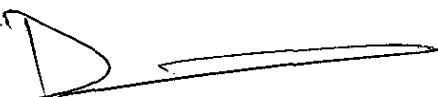
CONSOLIDATED BALANCE SHEET
30 September 2000

	Note	2000 £	1999 £
FIXED ASSETS			
Tangible assets	9	10,358,019	9,654,030
CURRENT ASSETS			
Stocks and work in progress	11	3,713,318	3,164,350
Debtors	12	333,993	92,621
Cash at bank and in hand		491	381,190
		4,047,802	3,638,161
CREDITORS: amounts falling due within one year	13	(3,787,846)	(4,200,886)
NET CURRENT ASSETS/(LIABILITIES)		260,858	(562,725)
TOTAL ASSETS LESS CURRENT LIABILITIES		10,618,877	9,091,305
CREDITORS: amounts falling due after more than one year	14	(6,755,204)	(5,541,065)
ACCRUALS AND DEFERRED INCOME	17	(396,372)	(574,386)
PROVISIONS FOR LIABILITIES AND CHARGES	18	(4,714)	(5,990)
		3,462,587	2,969,864
CAPITAL AND RESERVES			
Called up share capital	19	2,629	2,850
Capital redemption reserve		443	222
Revaluation reserve		3,518,267	2,587,913
Profit and loss account		(58,752)	378,879
Equity Shareholders' funds	20	3,462,587	2,969,864

These financial statements were approved by the Board of Directors on 15/3 2001.

Signed on behalf of the Board of Directors

Director



BALANCE SHEET
30 September 2000

	Note	2000 £	1999 £
FIXED ASSETS			
Investments	10	3,070	3,070
		<u>3,070</u>	<u>3,070</u>
CURRENT ASSETS			
Debtors	12	72,001	10,852
Cash at bank		1,541,099	-
		<u>1,613,100</u>	<u>10,852</u>
CREDITORS: amounts falling due within one year	13	(409,635)	(5,317)
NET CURRENT ASSETS		<u>1,203,465</u>	<u>5,535</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,206,535	8,605
CREDITORS: amounts falling due after more than one year	16	(1,166,327)	-
		<u>40,208</u>	<u>8,605</u>
CAPITAL AND RESERVES			
Called up share capital	19	2,629	2,850
Capital redemption reserve		443	222
Profit and loss account		37,136	5,533
Equity Shareholders' funds		<u>40,208</u>	<u>8,605</u>

These financial statements were approved by the Board of Directors on 15/3/2001.

Signed on behalf of the Board of Directors

Director



CONSOLIDATED CASH FLOW STATEMENT
Year ended 30 September 2000

	Note	2000 £	1999 £
Net cash outflow from operating activities	1	(271,759)	(2,602,900)
Returns on investments and servicing of finance			
Interest paid		(742,306)	(451,762)
Interest received		55,695	37,935
Net cash outflow from returns on investments and servicing of finance		(686,611)	(413,827)
Taxation			
Corporation tax (paid)/recovered (including advance corporation tax)		(90,693)	16,309
Tax paid		(90,693)	16,309
Capital expenditure			
Payments to acquire tangible fixed assets		(42,107)	(1,133,648)
Receipts from sales of tangible fixed assets		-	2,895,055
Net cash (outflow)/inflow from capital expenditure		(42,107)	1,761,407
Acquisition of subsidiaries			
Investment in subsidiaries net of cash balances acquired		-	(2,712,557)
Net cash outflow before financing		(1,091,170)	(3,951,568)
Financing			
Issue of loan stock		1,500,000	-
Related costs		(380,302)	-
Bank loan (paid)/issued		(152,653)	4,217,624
Other loan paid		-	(250,000)
Redemption of share capital		(125,000)	(130,548)
Capital element of hire purchase and finance lease repayments		(7,210)	28,209
Net cash inflow from financing		834,835	3,865,285
Decrease in cash	2,3	(256,335)	(86,283)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Year ended 30 September 2000

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2000 £	1999 £
Operating profit	310,793	155,110
Depreciation charge	90,458	60,191
Amortisation charge	46,629	-
Increase in stock	(548,968)	(3,148,692)
(Increase)/decrease in debtors	(241,372)	276,801
Increase in creditors	70,701	53,690
Net cash outflow from operating activities	(271,759)	(2,602,900)

2. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2000 £	1999 £
Decrease in cash in the period	(256,335)	(86,283)
Cash inflow from increase in debt	(967,085)	(3,967,624)
Change in net debt resulting from cash flows	(1,223,420)	(4,053,907)
Amortisation of loan costs	(46,629)	-
Cash outflow/(inflow) from decrease/(increase) in finance leases	7,210	(28,209)
Net increase in net debt	(1,262,839)	(4,082,116)

3. ANALYSIS OF CHANGES IN NET DEBT

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
Year ended 30 September 2000

	At Beginning of period £	Cash flows £	Non cash flow changes £	At end of Year £
Cash at bank and in hand	381,190	(380,699)	-	491
Bank overdraft	(3,112,804)	124,364	-	(2,988,440)
	<u>(2,731,614)</u>	<u>(256,335)</u>	<u>-</u>	<u>(2,987,949)</u>
Debt due within 1 year:				
Term loan	(349,428)	502,597	(290,822)	(137,653)
Debt due outwith 1 year:				
Bank term loan	(5,355,622)	(349,984)	290,822	(5,414,784)
Loan stock	-	(1,119,698)	(46,629)	(1,166,327)
Other loans	(145,000)	-	-	(145,000)
Hire purchase	(59,230)	7,210	-	(52,020)
	<u>(8,640,894)</u>	<u>(1,216,210)</u>	<u>(46,629)</u>	<u>(9,903,733)</u>

NOTES TO THE ACCOUNTS

Year ended 30 September 2000

1. ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Turnover

Sales of development properties are recognised as turnover where the properties have achieved practical completion and where missives have been concluded with purchasers. Also included in turnover are rents and management charges from tenants of investment properties.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all its subsidiaries.

Acquisitions and disposals

On the acquisition of a business, including an interest in an associated undertaking, fair values are attributed to the group's share of net separable assets. Where the cost of acquisition exceeds the fair values attributable to such net assets, the difference is treated as purchased goodwill and, following the implementation of FRS 10, is capitalised in the group balance sheet in the year of acquisition.

The profit or loss on the disposal or closure of a previously acquired business includes the attributable amount of any purchased goodwill relating to that business not previously charged through the profit and loss account.

The results relating to a business are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Tangible fixed assets

Depreciation is provided on cost over the estimated useful lives of the assets. The rates of depreciation are as follows:

Investment properties	not provided
Fixtures and fittings	20% on reducing balance
Motor vehicles	25% straight line

Work in progress

Work in progress is valued at the lower of cost and net realisable value. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads including where appropriate interest capitalised on borrowings.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet and depreciated over their estimated useful lives or the lease term, whichever is the shorter. The finance charges are allocated over the period of the contract in proportion to the capital amount outstanding.

Pensions

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

NOTES TO THE ACCOUNTS
Year ended 30 September 2000

1. ACCOUNTING POLICIES (Continued)

Investment properties

In accordance with Statement of Standard Accounting Practice No 19 investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. No depreciation or amortisation is provided in respect of investment properties.

This departure from the requirements of the Companies Act 1985 for all properties to be depreciated is, in the opinion of the directors, necessary for the accounts to give a true and fair view. If this departure from the Act had not been made the loss for the year would have been increased by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Deferred taxation

Provision is made at anticipated tax rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is a reasonable probability that the liability will not arise in the foreseeable future.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

3. OPERATING PROFIT

	2000 £	1999 £
Operating profit is after charging:		
Directors' remuneration	152,500	279,472
Depreciation	90,458	60,191
Auditors' remuneration	16,000	15,000
	<u> </u>	<u> </u>

NOTES TO THE ACCOUNTS

Year ended 30 September 2000

4. INFORMATION REGARDING EMPLOYEES

	2000 No	1999 No
Employees		
Average number of persons employed by the group in the year	7	7
Staff costs incurred during the year in respect of these employees were	£	£
Wages and salaries	304,584	297,965
Social security costs	36,745	30,694
Other pension costs	15,853	14,599
	357,182	343,258
Directors' Remuneration	No	No
No of directors receiving benefits under defined contribution schemes	2	2
Contributions paid by group to directors' defined contribution schemes	£	£
	12,848	11,302
Remuneration of the highest paid director	70,000	114,082
Pension contributions of the highest paid director	6,752	6,553

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2000 £	1999 £
Bank interest received	55,695	37,935

NOTES TO THE ACCOUNTS
Year ended 30 September 2000

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £	1999 £
Bank loans and overdrafts	863,762	552,163
Hire purchase agreements	4,281	5,266
Other	-	2,750
	<u>868,043</u>	<u>560,179</u>
Less amount of interest added to cost of properties under development	<u>(125,737)</u>	<u>(108,417)</u>
	<u><u>742,306</u></u>	<u><u>451,762</u></u>

7. TAXATION

The tax (credit)/charge on the (loss) on ordinary activities for the year was as follows:

	2000 £	1999 £
Based on the adjusted results of the year – UK corporation tax at 30% (1999 30%)	-	137,914
Group relief	582	-
Adjustment to prior years	(62,409)	1,373
Deferred taxation	(1,360)	(60,741)
	<u>(63,187)</u>	<u>78,546</u>

The tax credit is lower than anticipated due to the non recognition of a deferred tax asset.

8. PROFIT OF PARENT COMPANY

As permitted by S 230 of the Companies Act 1985 the profit and loss account of the parent company is not presented as part of these accounts. The amount of the profit for the financial year of the parent company dealt with in the consolidated profit and loss account is £156,603 (1999 profit £137,126).

NOTES TO THE ACCOUNTS
Year ended 30 September 2000

9. TANGIBLE FIXED ASSETS

Group	Investment properties £	Fixtures & Fittings and motor vehicles £	Total £
Cost or valuation			
At 1 October 1999	9,333,000	393,551	9,726,551
Additions	-	42,107	42,107
Surplus on revaluation	752,340	-	752,340
	<hr/>	<hr/>	<hr/>
At 30 September 2000	10,085,340	435,658	10,520,998
	<hr/>	<hr/>	<hr/>
Whereof			
At cost	-	435,658	435,658
At valuation	10,085,340	-	10,085,340
	<hr/>	<hr/>	<hr/>
Accumulated depreciation			
At 1 October 1999	-	72,521	72,521
Charge for the year	-	90,458	90,458
	<hr/>	<hr/>	<hr/>
At 30 September 2000	-	162,979	162,979
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 September 2000	10,085,340	272,679	10,358,019
	<hr/>	<hr/>	<hr/>
At 30 September 1999	9,333,000	321,030	9,654,030
	<hr/>	<hr/>	<hr/>

The group's investment properties were valued on an open market value basis at 30 September 2000 by Gilchrist Macnab and Co, Chartered Surveyors and Graham & Sibbald, Chartered Surveyors.

The net book value of investment properties determined under the historical cost convention is £7,003,890 (1999 - £6,179,572).

If the investment properties were sold at their valuation it is estimated that a tax liability of £665,000 (1999 - £580,000) would arise. No provision has been made for this amount as there is no current intention to dispose of the properties.

The net book value of motor vehicles includes £62,850 (1999 £74,642) of assets acquired under Hire Purchase agreements. Depreciation arising thereon amounted to £28,192 (1999 £20,735).

NOTES TO THE ACCOUNTS

Year ended 30 September 2000

10. INVESTMENTS

Company	2000 £	1999 £
Investments in subsidiaries at cost	3,070	3,070

The principal subsidiary companies, all of which are wholly owned and operate in the property sector are:

Name of company	Country of Registration	Proportion of nominal value of issued share capital held
Park Lane Investments Scotland Limited	Scotland	100%
Park Lane Rented Homes Limited	Scotland	100%
Park Lane Developments Limited	Scotland	100%
Park Lane Developments (East) Limited*	Scotland	100%
Park Lane Rented Homes (Scotland) Limited*	England	100%
Glasgow Television and Film Studio Limited*	Scotland	100%

*Interest held by a subsidiary company

11. STOCKS

Group	2000 £	1999 £
Work-in-progress - development sites	3,713,318	3,164,350

Included in work in progress at 30 September 2000 is capitalised interest of £125,737 (1999 - £108,417).

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2000 £	Group 1999 £	Company 2000 £	Company 1999 £
Trade debtors	296,666	34,364	-	-
Prepayments	25,009	7,963	-	-
Other debtors	12,318	50,294	72,001	10,002
Taxation recoverable	-	-	-	850
	<u>333,993</u>	<u>92,621</u>	<u>72,001</u>	<u>10,852</u>

NOTES TO THE ACCOUNTS
Year ended 30 September 2000

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2000 £	Group 1999 £	Company 2000 £	Company 1999 £
Bank loans and overdrafts	3,126,093	3,462,232	-	4,317
Trade creditors	63,906	109,864	-	-
Accrued expenses	461,731	276,113	16,370	1,000
Corporation tax	4,432	157,036	-	-
Hire purchase creditor	22,927	18,827	-	-
Other creditors	83,142	168,148	380,302	-
Other taxes and social security	24,713	8,666	-	-
Group relief	-	-	12,963	-
	<u>3,787,846</u>	<u>4,200,886</u>	<u>409,635</u>	<u>5,317</u>

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

	Group 2000 £	Group 1999 £
Bank loans (note 15)	5,414,784	5,355,662
Loan stock (note 16)	1,166,327	-
Other loan	145,000	145,000
Hire purchase creditor	29,093	40,403
	<u>6,755,204</u>	<u>5,541,065</u>

The loan stock is shown net of arrangement fees of £333,673 which are amortised to the profit and loss account over the period of the loan stock.

Obligations under finance leases and hire purchase contracts are secured by the related assets and wholly repayable within 5 years.

NOTES TO THE ACCOUNTS

Year ended 30 September 2000

15. LOANS AND OVERDRAFTS

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

	Group 2000 £	Group 1999 £	Company 2000 £	Company 1999 £
Amounts falling due within one year or on demand:				
Bank loans and overdrafts	3,126,093	3,462,232	-	4,317
Amounts falling due between one and two years:				
Bank loans	192,241	290,822	-	-
Other loan	145,000	145,000	-	-
	<u>337,241</u>	<u>435,822</u>	<u>-</u>	<u>-</u>
Amounts falling due between two and five years:				
Bank loans and loan stock	2,136,156	470,440	1,250,000	-
Amounts falling due after 5 years:				
Bank loans and loan stock	<u>4,586,387</u>	<u>4,594,400</u>	<u>250,000</u>	<u>-</u>
	<u>10,185,877</u>	<u>8,962,894</u>	<u>1,500,000</u>	<u>4,317</u>

Bank loans and overdrafts are secured by a bond and floating charge over the assets of the company and the assignation of key man policies over the lives of David Sean Robinson and Brian John Clarke.

The group's long term loans attract interest at rates ranging from 1.5% – 2% over the bank's base rate.

16. LOAN STOCK

	Group 2000 £	Group 1999 £	Company 2000 £	Company 1999 £
Loan stock				
At 1 October 1999	-	-	-	-
New loans	1,500,000	-	1,500,000	-
Loans repaid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 30 September 2000	<u>1,500,000</u>	<u>-</u>	<u>1,500,000</u>	<u>-</u>
Capitalised fees				
At 1 October 1999	-	-	-	-
Fees capitalised	380,302	-	380,302	-
Fees amortised	<u>(46,629)</u>	<u>-</u>	<u>(46,629)</u>	<u>-</u>
At 30 September 2000	<u>333,673</u>	<u>-</u>	<u>333,673</u>	<u>-</u>
Net book value				
At 30 September 2000	<u>1,166,327</u>	<u>-</u>	<u>1,166,327</u>	<u>-</u>

NOTES TO THE ACCOUNTS Year ended 30 September 2000

17. ACCRUALS AND DEFERRED INCOME

	Group 2000 £
Grants	
At 1 October 1999	574,386
Transfer to revaluation reserve	(178,014)
	<hr/>
At 30 September 2000	396,372
	<hr/>

18. PROVISIONS FOR LIABILITIES AND CHARGES

Group	Provided 2000 £	Provided 1999 £	Unprovided 2000 £	Unprovided 1999 £
Deferred tax				
Accelerated capital allowances	4,714	5,990	-	-
Taxation on revaluation surplus	-	-	-	580,000
	<hr/>	<hr/>	<hr/>	<hr/>
	4,714	5,990	-	580,000
	<hr/>	<hr/>	<hr/>	<hr/>

The movement in deferred tax is as follows:

	£
At 1 October 1999	5,990
Profit and loss account - current year	(1,127)
- prior year	(149)
	<hr/>
At 30 September 2000	4,714
	<hr/>

NOTES TO THE ACCOUNTS

Year ended 30 September 2000

19. CALLED UP SHARE CAPITAL

	Nominal value	2000 £	1999 £
Authorised:			
Number: Class:			
100,000,000 Ordinary	£1	100,000,000	100,000,000

	Nominal value	2000 £	1999 £
Allotted and fully paid:			
Number : Class:			
2,629 Ordinary	£1	2,629	2,850

During the year the company bought back 221 of its ordinary shares for a total consideration of £125,000.

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Loss for the financial year	(312,631)	(100,540)
Share capital redeemed	(125,000)	(130,548)
Other recognised gains or losses	930,354	1,449,139
Net addition to shareholders funds	492,723	1,218,051
Opening shareholders' funds	2,969,864	1,751,813
Closing shareholders' funds	3,462,587	2,969,864

21. RELATED PARTY TRANSACTIONS

Accountancy fees of £nil (1999 - £5,470) were paid by group companies to McDaid & Partners. E McDaid, a director of the company is also a partner in McDaid & Partners, Chartered Accountants.

The following transactions and balances arose between group companies and Nordham Developments Limited.

	2000 £	1999 £
Debtors	891	891
Creditors	-	43,836

J G Wright, director of the company during the year, is also a director of Nordham Developments Limited.