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REGISTRAR OF COMPANIES

Twickenham Plating Group Plc

Report and Financial Statements

Year Ended

31 December 2000



BDO

BDO Stoy Hayward
Chartered Accountants

TWICKENHAM PLATING GROUP PLC

Annual report and financial statements for the year ended 31 December 2000

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Directors

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Directors

J W P Hill (Chairman)
B Sewell
D J Hill
J J Hill

Secretary and registered office

R S Dearing, Brent Way, Brentford, Middlesex, TW8 8HU.

Company number

463525

Auditors

BDO Stoy Hayward, 8 Baker Street, London, W1U 3LL.

Bankers

HSBC Bank Plc, P O Box 160, 168 High Street, Guildford, Surrey, GU1 3YU.

Solicitors

Beachcroft Wansbroughs, 100 Fetter Lane, London, EC4A 1BN.

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TWICKENHAM PLATING GROUP PLC

Report of the directors for the year ended 31 December 2000

The directors present their report together with the audited financial statements for the year ended 31 December 2000.

Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the year.

The directors do not recommend the payment of a dividend.

Principal activity, trading review and future developments

The principal activity of the group is fine metal plating and enamelling, primarily for the electronics industry.

The directors are pleased with the additional sales and consequent trading profits achieved during the year.

There have been no events since the balance sheet date which materially affect the position of the company.

Fixed assets

The directors consider the current market value of land and buildings to be greater than their book value.

Creditors payment policy

The company agrees payment terms with its suppliers when it enters into binding purchase contracts. The group seeks to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

The average number of days' purchases included within trade creditors of the company at 31 December 2000 was 45.

Directors

The directors of the company during the year and their interests in the ordinary share capital of the company were:

	Ordinary shares of £1 each	
	At end of year	**At beginning of year**
J W P Hill	67,524	67,524
D J Hill	28,438	28,438
J J Hill	28,438	28,438
B Sewell	-	-

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 group 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; and
- prepare the financial statements 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 company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board

R S Dearing

Secretary

Date 20/7/01

Report of the independent auditors

To the shareholders of Twickenham Plating Group Plc

We have audited the financial statements of Twickenham Plating Group Plc on pages 5 to 23 which have been prepared under the accounting policies set out on pages 10 and 11.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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

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

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

Basis of 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 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 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.

Fundamental uncertainty

In forming our opinion we have considered the adequacy of the disclosures made in note 9(C) concerning the timing of an impairment charge recognised in the current year. If the impairment actually occurred in an earlier period, this would have reduced the carrying value of freehold properties and the revaluation reserve of the company and group at 31 December 1999 by up to £644,000 and the impairment loss would have been recognised in the statement of total recognised gains and losses in earlier periods.

Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the affairs of the Company and the Group at 31 December 2000 and of the Group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward

BDO STOY HAYWARD
Chartered Accountants
and Registered Auditors
London

20 July 2001

TWICKENHAM PLATING GROUP PLC

Consolidated profit and loss account for the year ended 31 December 2000

	Note	2000 £	1999 £
Turnover	2	**13,826,570**	10,744,561
Cost of sales		**9,251,911**	7,360,020
Gross profit		**4,574,659**	3,384,541
Distribution costs		**692,503**	615,460
Administrative expenses		**2,422,792**	1,973,025
Operating profit	4	**1,459,364**	796,056
Exceptional loss on sale of freehold land and building		**-**	277,688
		1,459,364	518,368
Interest receivable		**2,051**	3,684
Interest payable	5	**(144,706)**	(266,548)
Profit on ordinary activities before taxation		**1,316,709**	255,504
Taxation on profit from ordinary activities	7	**449,205**	189,945
Profit on ordinary activities after taxation	8,18	**867,504**	65,559

All amounts relate to continuing activities.

The notes on pages 10 to 23 form part of these financial statements

TWICKENHAM PLATING GROUP PLC

Consolidated statement of total recognised gains and losses and note of historical cost profits and losses for the year ended 31 December 2000

	Note	2000 £	1999 £
Consolidated statement of total recognised gains and losses			
Profit for the financial year		**867,504**	65,559
Impairment of revalued fixed asset	9/19	**(644,000)**	-
Total recognised gains and losses relating to the year		**223,504**	65,559

	2000 £	1999 £
Note of historical cost profits and losses		
Reported profit on ordinary activities before taxation	**1,316,709**	255,504
Difference between actual and historical cost depreciation	**9,750**	1,750
Revaluation of property revaluation gains of previous years	-	430,000
Historical cost profit on ordinary activities before taxation	**1,326,459**	687,254
Retained historical cost profit for the year after taxation	**877,254**	497,309

The notes on pages 10 to 23 form part of these financial statements.

TWICKENHAM PLATING GROUP PLC

Consolidated balance sheet at 31 December 2000

	Note	2000 £	2000 £	1999 £	1999 £
Fixed assets					
Tangible assets	9		**3,995,413**		4,693,061
Current assets					
Stocks	11	**796,548**		678,149	
Debtors	12	**2,496,991**		2,200,384	
Investments	13	**6,280**		6,280	
Cash at bank and in hand		**342,410**		636,801	
		3,642,229		3,521,614	
Creditors: amounts falling due within one year	14	**1,879,255**		2,459,722	
Net current assets			**1,762,974**		1,061,892
Total assets less current liabilities			**5,758,387**		5,754,953
Creditors: amounts falling due after more than one year	15		**1,813,394**		2,031,182
Provision for liabilities and charges	16		**185,609**		187,891
			3,759,384		3,535,880
Capital and reserves					
Called up share capital	17		**132,400**		132,400
Share premium	18		**9,600**		9,600
Capital redemption reserve	18		**99,600**		99,600
Revaluation reserve	18		**1,189,190**		1,833,190
Capital reserve on consolidation	18		**20,033**		20,033
Profit and loss account	18		**2,308,561**		1,441,057
Shareholders' funds	19		**3,759,384**		3,535,880

These financial statements were approved by the Board on 20/7/2001

J W P Hill
Director

The notes on pages 10 to 23 form part of these financial statements

TWICKENHAM PLATING GROUP PLC

Balance sheet at 31 December 2000

	Note	2000 £	2000 £	1999 £	1999 £
Fixed assets					
Tangible assets	9		**3,473,751**		4,074,523
Investments	10		**5,600**		5,600
			3,479,351		4,080,123
Current assets					
Stocks	11	**645,254**		515,510	
Debtors – falling due within one year	12	**2,397,954**		2,667,805	
– falling due after more than one year	12	**250,000**		-	
Investments	13	**6,280**		6,280	
Cash at bank and in hand		**327,297**		-	
		3,626,785		3,189,595	
Creditors: amounts falling due within one year	14	**1,654,712**		2,048,116	
Net current assets			**1,972,073**		1,141,479
Total assets less current liabilities			**5,451,424**		5,221,602
Creditors: amounts falling due after more than one year	15		**1,931,024**		2,142,140
Provision for liabilities and charges	16		**97,109**		78,061
			3,423,291		3,001,401
Capital and reserves					
Called up share capital	17		**132,400**		132,400
Share premium	18		**9,600**		9,600
Capital redemption reserve	18		**99,600**		99,600
Revaluation reserve	18		**1,189,190**		1,833,190
Profit and loss account	18		**1,992,501**		926,611
Shareholders' funds	19		**3,423,291**		3,001,401

These financial statements were approved by the Board on 20/7/2001

J W P Hill
Director

The notes on pages 10 to 23 form part of these financial statements

TWICKENHAM PLATING GROUP PLC

Consolidated cash flow statement for the year ended 31 December 2000

	Note	2000 £	2000 £	1999 £	1999 £
Net cash inflow from operating activities	22		**1,082,999**		1,105,783
Returns on investments and servicing of finance					
Bank interest received		**2,051**		3,684	
Bank interest paid		**(127,190)**		(241,879)	
Interest element of hire purchase payments		**(17,516)**		(24,669)	
Net cash outflow from returns on investment and servicing of finance			**(142,655)**		(262,864)
Taxation					
Corporation tax paid			**(181,772)**		(149,061)
Capital expenditure					
Payments to acquire tangible fixed assets		**(270,584)**		(296,400)	
Exceptional receipt from disposal of property		**-**		665,000	
Receipts from sales of other fixed assets		**10,999**		88,312	
Net cash (outflow)/inflow from investing activities			**(259,585)**		456,912
Net cash inflow before financing			**498,987**		1,150,770
Financing					
Repayment of long term loans and overdraft		**(174,960)**		(940,968)	
Capital element of hire purchase and finance lease rental payments		**(204,064)**		(221,164)	
Net cash outflow from financing			**(379,024)**		(1,162,132)
Increase/(decrease) in cash	24		**119,963**		(11,362)

The notes on pages 10 to 23 form part of these financial statements

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold properties and are in accordance with applicable accounting standards. The following accounting policies have been applied:

Basis of consolidation

The consolidated accounts incorporate the financial statements of Twickenham Plating Group Plc and its subsidiary undertakings.

The acquisition method is used to consolidate the results for the year.

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, except freehold land over their expected useful lives. It is calculated on a straight line basis at the following rates:

Freehold buildings	-	2% per annum
Plant, machinery, equipment and fittings	-	10% - 33% per annum
Motor vehicles	-	25% per annum

Plant and machinery held at the end of its useful life is scrapped, and shown as a disposal in the fixed asset note.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value.

Cost represents cost of materials on a first in, first out basis together with attributable overheads based on the normal level of activity.

Net realisable value represents selling price less estimated costs to completion and disposal.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it can be reasonably foreseen that such deferred taxation will be payable in the future.

1 Accounting policies *(Continued)*

Tangible fixed assets

In accordance with the transitional arrangements in FRS 15, unimpaired assets acquired prior to 31 December 1999, stated at valuation have been retained at their book values. Additions to tangible fixed assets in subsequent accounting periods are carried at cost. Where an asset that was previously revalued is disposed of, its book value is eliminated and an appropriate transfer made from the revaluation reserve to the profit and loss reserve.

Impairments of revalued fixed assets are recognised in the profit and loss account if caused by a clear consumption of economic benefits. Other impairments of revalued fixed assets are recognised in the statement of total recognised gains and losses until the carrying amount of the asset reaches its depreciated historical cost and thereafter in the profit and loss account. Impairment losses associated with assets carried at frozen revalued amounts under the transitional rules of FRS 15 are included within accumulated depreciation.

Hire purchase and leased assets

Where assets are financed by hire purchase agreements that give rights approximating to ownership, the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum hire purchase payments payable during the term of the agreement. The corresponding hire purchase commitments are shown as amounts payable to hire purchase creditors. Depreciation on the relevant assets is charged to the profit and loss account.

Hire purchase payments are split between capital and interest using the actuarial method. The interest is charged to the profit and loss account. The capital part reduces the amounts payable to the hire purchase creditor.

Leases which do not give rights approximating to ownership are treated as 'operating leases'. Their annual rentals are charged to the profit and loss account on a straight-line basis over the lease term.

Pensions

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

2 Turnover

	2000 £	1999 £
Analysis by geographical market		
United Kingdom	**11,306,194**	8,717,761
Other European Union	**1,356,290**	774,314
Rest of the World	**1,164,086**	1,252,486
	13,826,570	10,744,561

No further disclosure of segmental information has been made as the directors consider it would be prejudicial to the group's interest.

3 Employees (including directors)

	2000 £	1999 £
Staff costs consist of:		
Wages and salaries	**3,051,396**	2,748,578
Social security costs	**330,314**	265,611
Other pension costs	**58,560**	55,432
	3,440,270	3,069,621

The average weekly number of employees (including directors) during the year was as follows:	**Number**	**Number**
Production staff	**126**	127
Sales staff	**4**	4
Administration staff	**19**	20
	149	151

4 Operating profit

	2000 £	1999 £
This is arrived at after charging/(crediting):		
Depreciation on owned assets	**288,238**	225,501
Depreciation on assets held under hire purchase agreements	**59,519**	113,049
Auditors' remuneration - audit	**32,000**	25,000
- non-audit	**92,530**	26,905
Operating lease rentals	**-**	3,750
Exchange loss/(gain)	**73,396**	(68,071)
Auditors remuneration in respect of the company was:		
Audit	**27,000**	20,000

5 Interest payable

	2000 £	1999 £
Bank loans and overdrafts	**127,190**	241,879
Hire purchase contracts	**17,516**	24,669
	144,706	266,548

6 Directors' emoluments

	2000 £	1999 £
Total emoluments (excluding pension contributions)	**488,563**	327,348
Pension contributions	**111,715**	108,433
	600,278	435,781
In respect of the highest paid director:		
Total emoluments (excluding pension contributions)	**221,793**	140,980
Pension contributions	**98,000**	98,000
	319,793	238,980

There were 4 directors (1999 - 3) in the company's defined contribution pension scheme.

7 Taxation

	2000 £	1999 £
Corporation tax at current rates - Current year	**447,000**	178,928
- Underprovision in prior years	**4,487**	-
Transfer (from)/to deferred taxation account (see note 16)	**(2,282)**	11,017
	449,205	189,945

8 Profit on ordinary activities after taxation

The profit after taxation arising in the holding company amounted to £1,065,890 (1999 - £468,046). No profit and loss account for Twickenham Plating Group Plc is presented as allowed by S.230(3) of the Companies Act 1985.

9 (A) Tangible fixed assets - Group

	Freehold land and buildings £	Plant, machinery, equipment and fittings £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2000	3,631,394	1,907,510	600,262	6,139,166
Additions	-	171,556	130,872	302,428
Disposals	-	(62,933)	(30,735)	(93,668)
At 31 December 2000	**3,631,394**	**2,016,133**	**700,399**	**6,347,926**
Depreciation				
At 1 January 2000	328,000	886,782	231,323	1,446,105
Provided for the year	38,000	167,130	142,627	347,757
Disposals	-	(62,933)	(22,416)	(85,349)
Impairment	644,000	-	-	644,000
At 31 December 2000	**1,010,000**	**990,979**	**351,534**	**2,352,513**
Net book value				
At 31 December 2000	**2,621,394**	**1,025,154**	**348,865**	**3,995,413**
At 31 December 1999	3,303,394	1,020,728	368,939	4,693,061

The net book value of tangible assets includes an amount of £155,781 (1999 - £506,155) in respect of assets held under hire purchase contracts.

9 (B) Tangible fixed assets - Company

	Freehold land and buildings £	Plant, machinery, equipment and fittings £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2000	3,631,394	932,046	500,679	5,064,119
Additions	-	171,556	130,872	302,428
Disposals	-	(62,933)	(30,735)	(93,668)
At 31 December 2000	**3,631,394**	**1,040,669**	**600,816**	**5,272,879**
Depreciation				
At 1 January 2000	328,000	468,013	193,583	989,596
Provided for the year	38,000	95,130	117,751	250,881
Disposals	-	(62,933)	(22,416)	(85,349)
Impairment	644,000	-	-	644,000
At 31 December 2000	**1,010,000**	**500,210**	**288,918**	**1,799,128**
Net book value				
At 31 December 2000	**2,621,394**	**540,459**	**311,898**	**3,473,751**
At 31 December 1999	3,303,394	464,033	307,096	4,074,523

The net book value of tangible assets includes an amount of £155,781 (1999 - £355,373) in respect of assets held under hire purchase contracts.

9 Tangible fixed assets *(Continued)*

(C) Group and company

Land and buildings are stated at valuation based on:

	Freehold land and buildings 2000 £	Freehold land and buildings 1999 £
Open market value 1990	**1,942,000**	1,942,000
Open market value 1991	**1,557,000**	1,557,000
Cost	**132,394**	132,394
	3,631,394	3,631,394

The historical cost is as follows:

Cost	**2,242,118**	2,242,118
Accumulated depreciation based on historical cost	**303,342**	275,092
Historical cost net book value	**1,938,776**	1,967,026

All other tangible fixed assets are stated at historical cost.

Fundamental uncertainty:

As noted on page 11, the directors have taken advantage of the arrangements under FRS 15 to retain the carrying value of properties acquired before 31 December 1999 which have been revalued. One of the company's properties that had been revalued in accordance with this accounting treatment has not been occupied for some time. Consequently there had been some uncertainty in the past as to whether its valuation was still appropriate. Previously it had been the directors' opinion that the carrying value of the property was not substantially different from its recoverable amount.

However, subsequent to the year end it has become apparent that the group is unlikely to be able to sell the property for its full carrying value. Therefore, the directors have undertaken an impairment review of the asset. This has resulted in an impairment charge of £644,000 being recognised in the statement of total recognised gains and losses in the current year. Due to the reported uncertainty in previous years concerning the carrying value of this property, there remains some uncertainty as to whether this impairment loss should have been reported in an earlier accounting period.

10 Investments

	2000 £	1999 £
Shares in subsidiary undertakings at cost	**5,600**	5,600

The following were the wholly owned subsidiary undertakings of the company at the end of the year.

Company	Principal activity	Country of registration
Pender Plating Limited	Metal Plating	England
Twickenham Plating and Enamelling Company Limited	Dormant	England

11 Stocks

	2000 Group £	2000 Company £	1999 Group £	1999 Company £
Raw materials and consumables	**796,548**	645,254	678,149	515,510

The directors are of the opinion that the replacement cost of stock is not materially different from its book value.

12 Debtors

	2000 Group £	2000 Company £	1999 Group £	1999 Company £
Trade debtors	**2,390,668**	**2,119,123**	2,058,572	1,635,344
Amounts owed by subsidiary undertakings	**-**	**195,938**	-	917,616
Other debtors	**10,807**	**10,807**	8,896	8,896
Prepayments and accrued income	**95,516**	**72,086**	132,916	105,949
Amounts falling due within one year	**2,496,991**	**2,397,954**	2,200,384	2,667,805
Amounts due from subsidiary undertakings (due in more than one year)	**-**	**250,000**	-	-
	2,496,991	**2,647,954**	2,200,384	2,667,805

13 Investments

	Quoted Securities £
Group and company	
Cost	
At 1 January 2000	6,280
Additions	-
At 31 December 2000	**6,280**

The quoted securities have a market value of £16,022 at 31 December 2000 (1999 - £24,143).

14 Creditors: amounts falling due within one year

	2000 Group £	2000 Company £	1999 Group £	1999 Company £
Bank loans and overdraft (secured - see note 15)	**174,960**	**174,960**	589,314	589,314
Trade creditors	**766,382**	**630,378**	844,344	676,815
Obligations under hire purchase contracts	**65,946**	**59,274**	195,338	134,852
Corporation tax	**447,412**	**447,000**	177,697	177,286
Creditors for taxation and social security	**300,977**	**229,341**	443,419	357,186
Other creditors	**7,315**	**3,476**	84,826	5,759
Accruals and deferred income	**116,263**	**110,283**	124,784	106,904
	1,879,255	**1,654,712**	2,459,722	2,048,116

15 Creditors: amounts falling due after more than one year

	2000 Group £	2000 Company £	1999 Group £	1999 Company £
Bank loans (secured)	**1,749,600**	**1,749,600**	1,924,560	1,924,560
Owed to subsidiary undertakings	**-**	**117,630**	-	117,630
Obligations under hire purchase contracts	**63,794**	**63,794**	106,622	99,950
	1,813,394	**1,931,024**	2,031,182	2,142,140

The bank loan is repayable in monthly instalments until 2012. This loan incurs interest at the rate of 1.5% over HSBC's base rate. Bank loans and overdrafts of the group are secured by a fixed charge over the group's freehold properties, a fixed charge over the group's book debts and a floating charge over all other assets.

An analysis of the maturity of this loan is shown below:

	2000 Group £	2000 Company £	1999 Group £	1999 Company £
In one year or less	**174,960**	**174,960**	174,960	174,960
In more than one year but not more than two years	**174,960**	**174,960**	174,960	174,960
In more than two years but not more than five years	**524,880**	**524,880**	524,880	524,880
In more than five years	**1,049,760**	**1,049,760**	1,224,720	1,224,720
	1,924,560	**1,924,560**	2,099,520	2,099,520

An analysis of the maturity of obligations under hire purchase agreements is as follows:

	2000 Group £	2000 Company £	1999 Group £	1999 Company £
In one year or less	**65,946**	**59,274**	195,338	134,852
In more than one year but not more than two years	**50,244**	**50,244**	53,232	86,400
In more than two years but not more than five years	**13,550**	**13,550**	53,390	13,550
	129,740	**123,068**	301,960	234,802

16 Provisions for liabilities and charges

Deferred taxation provided and unprovided in the financial statements is as follows:

Group	Unprovided 2000 £	Provided 2000 £	Unprovided 1999 £	Provided 1999 £
Due to accelerated capital allowances	-	**185,609**	-	187,891
Company				
Due to accelerated capital allowances	-	**97,109**	-	78,061

Movement on deferred taxation	Group £	Company £
Balance at 1 January 2000	187,891	78,061
Transfer (to)/from profit and loss account	(2,282)	19,048
Balance at 31 December 2000	**185,609**	**97,109**

17 Share capital

	Authorised		Allotted, called up and fully paid	
	2000 £	1999 £	2000 £	1999 £
Ordinary shares of £1 each	**500,000**	500,000	**132,400**	132,400

18 Reserves

Group	Share premium £	Capital redemption reserve £	Revaluation reserve £	Capital reserve on consolidation £	Profit and loss account £
At 1 January 2000	9,600	99,600	1,833,190	20,033	1,441,057
Impairment during year	-	-	(644,000)	-	-
Profit for the year	-	-	-	-	867,504
At 31 December 2000	**9,600**	**99,600**	**1,189,190**	**20,033**	**2,308,561**
Company					
At 1 January 2000 as previously stated	9,600	99,600	1,833,190	-	926,611
Impairment during year	-	-	(644,000)	-	-
Profit for the year	-	-	-	-	1,065,890
At 31 December 2000	**9,600**	**99,600**	**1,189,190**	**-**	**1,992,501**

19 Reconciliation of movements in shareholders' funds

	2000 Group £	2000 Company £	1999 Group £	1999 Company £
Profit in the financial year	**867,504**	**1,065,890**	65,559	468,046
Other recognised gains and losses relating to the year	**(644,000)**	**(644,000)**	-	-
Opening shareholders' funds	**3,535,880**	**3,001,401**	3,470,321	2,533,355
Closing shareholders' funds	**3,759,384**	**3,423,291**	3,535,880	3,001,401

20 Contingent liabilities

At 31 December 2000 cross guarantees existed between all group undertakings. The directors are of the opinion that no significant liabilities will arise in respect of these guarantees.

21 Related party transactions

The company has taken advantage of the exemption under FRS 8 "Related Party Transactions" not to disclose any transactions with group companies as consolidated financial statements are prepared.

22 Reconciliation of operating profit to net cash inflow from operating activities

	2000 £	1999 £
Operating profit	**1,459,364**	796,056
Depreciation	**347,757**	338,550
Profit on sale of fixed assets	**(2,680)**	(31,976)
(Increase)/decrease in stock	**(118,399)**	52,232
Increase in debtors	**(296,607)**	(273,383)
(Decrease)/increase in creditors	**(306,436)**	224,304
Net cash inflow from operating activities	**1,082,999**	1,105,783

23 Reconciliation of net cash flow to movement in net debt (note 24)

	2000 £	2000 £	1999 £	1999 £
Increase/(decrease) in cash in the year	**119,963**		(11,362)	
Repayment of bank loans	**174,960**		940,968	
Capital element of hire purchase payments	**204,064**		251,117	
New hire purchase contracts	**(31,844)**		(189,807)	
Movement in net debt in the year		**467,143**		990,916
Net debt at start of year		**(2,179,033)**		(3,169,949)
Net debt at end of year		**(1,711,890)**		(2,179,033)

24 Analysis of changes in net debt

	At 1 January 2000 £	Cash flows £	Non cash movements £	At 31 December 2000 £
Cash in hand, at bank	636,801	(294,391)	-	**342,410**
Overdraft	(414,354)	414,354	-	**-**
	222,447	119,963	-	**342,410**
Debt due within 1 year	(174,960)	174,960	(174,960)	**(174,960)**
Debt due after 1 year	(1,924,560)	-	174,960	**(1,749,600)**
Hire purchase creditor due within 1 year	(195,338)	204,064	(74,672)	**(65,946)**
Hire purchase creditor due after 1 year	(106,622)	-	42,828	**(63,794)**
Total	(2,179,033)	498,987	(31,844)	**(1,711,890)**