

SIMPSON (YORK) LIMITED

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2001

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SIMPSON (YORK) LIMITED

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SIMPSON (YORK) LIMITED

COMPANY INFORMATION

DIRECTORS:	R.C. Gatenby F.C.I.O.B. B. Gatenby R.C. Allerton B.Sc (Hons) H.J. Barrick D.E. Graves I.R. Hildreth J. Pursehouse F.C.A. M.R. Wileman F.R.I.C.S MCIOB	
SECRETARY:	J. Pursehouse F.C.A.	
REGISTERED OFFICE:	P O Box 289 Outgang Lane Osballdwick YORK. YO19 5YL	
COMPANY NUMBER:	847721	
AUDITORS:	Armstrong Watson Chartered Accountants & Registered Auditor Central House St. Paul's Street Leeds LS1 2TE	
BANKERS:	HSBC PLC City Branch P.O. Box 105 33 Park Row LEEDS. LS1 1LD.	Standard Life Bank Caledonian Exchange Canning Street EDINBURGH EH3 8GZ
SOLICITORS:	Denison Till Stamford House Piccadilly YORK YO1 9PP	

SIMPSON (YORK) LIMITED REPORT OF THE DIRECTORS

The Directors present their report with the accounts of the Company for the year ended 31 December 2001.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of Shopfitting, Construction and Development.

REVIEW OF BUSINESS

The results for the year, financial position of the Company, and recommended transfer to reserves are as shown in the annexed accounts and are summarised below:-

	2001	2000
Turnover	24,196,925	25,135,672
Operating Profit	475,329	378,308
Profit before Tax	534,075	485,478

Both the level of business and the year end financial position were satisfactory and the Directors expect that the present level of activity will be sustained for the foreseeable future.

DIVIDENDS

Interim dividends were paid on the 8% Cumulative Redeemable Preference Shares during the year totalling £32,000 (2000:£32,000). A dividend of £907,561 was paid on the Ordinary Shares during the year. (2000: NIL)

DIRECTORS

The Directors in office during the period and their beneficial interests in the issued share capital of the holding company were as follows:-

	Ord.shares of 50p each 2001	Ord.shares of 1p each 2001	Ord.shares of 50p each 2000	Ord.shares of 1p each 2000
R C Gatenby	-	-	-	-
B Gatenby	-	-	-	-
H J Barrick	50,000	-	-	9,800
I R Hildreth	50,000	-	-	9,800
J Pursehouse	-	-	-	-
D E Graves	-	-	-	-
R C Allerton	-	-	-	-
M R Wileman	-	-	-	-

R.C. Gatenby and B. Gatenby are also directors of the holding company and their interest in the shares of that Company are as disclosed in those accounts. R C Gatenby, D E Graves and I R Hildreth retire by rotation and being eligible offer themselves for re-election.

SIMPSON (YORK) LIMITED

REPORT OF THE DIRECTORS

CHARITABLE CONTRIBUTIONS

During the year donations totalling £635 were made to charitable organisations. (2000 - £637).

FIXED ASSETS

Details of movements in Fixed Assets during the year are set out in Note 11 to the Financial Statements.

DIRECTORS RESPONSIBILITY FOR 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 of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- a. select suitable accounting policies and apply them consistently.
- b. make judgements and estimates that are reasonable and prudent.
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue to operate.

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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

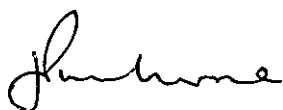
CLOSE COMPANY

In the opinion of the Directors the Company is a Close Company within the provision of the Income and Corporation Taxes Act 1988.

AUDITORS

The Auditors, Armstrong Watson, Chartered Accountants, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

By Order of the Board



J. Pursehouse F.C.A.
Secretary.

Dated: 28 May 2002

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
SIMPSON (YORK) LIMITED**

We have audited the financial statements on Pages 5 and 17 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 and 11.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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. 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 other information contained in the Annual report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

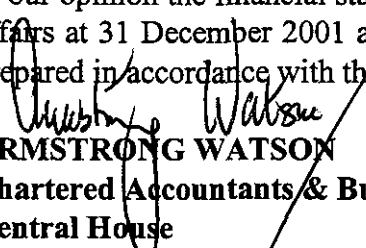
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and 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 mis-statement, 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 the company's affairs at 31 December 2001 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


ARMSTRONG WATSON
Chartered Accountants & Business Advisers
Central House
St Paul's Street
LEEDS
LS1 2TE

Dated: 28 May 2002

SIMPSON (YORK) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001

	Notes	2001 £	2000 £
TURNOVER	2.	24,196,925	25,135,672
Cost of Sales		<u>(21,989,963)</u>	<u>(23,242,971)</u>
GROSS PROFIT		2,206,962	1,892,701
Administrative Expenses		<u>(1,731,633)</u>	<u>(1,514,393)</u>
OPERATING PROFIT		475,329	378,308
Interest Receivable	7.	68,447	117,605
Interest Payable	8.	<u>(9,701)</u>	<u>(10,435)</u>
PROFIT on Ordinary Activities before Taxation		534,075	485,478
Tax on Ordinary Activities	9.	<u>(102,932)</u>	<u>(136,240)</u>
PROFIT on Ordinary Activities after Taxation		431,143	349,238
Equity Dividends		(907,561)	-
Non-Equity Dividends	10.	<u>(32,000)</u>	<u>(32,000)</u>
RETAINED (LOSS)/PROFIT for the Financial Year	19.	<u>(508,418)</u>	<u>317,238</u>

There were no recognised gains or losses other than those included in the Profit and Loss Account for the current and previous year.

None of the Company's activities were acquired or discontinued during the current and previous year.

The notes on pages 10 to 17 form part of these Financial Statements.

SIMPSON (YORK) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2001

	Notes	£	2001 £	£	2000 £
FIXED ASSETS					
Tangible Assets	11.		672,046		676,635
CURRENT ASSETS					
Stock		41,410		41,410	
Debtors	12.	5,355,526		2,850,288	
Cash at Bank and in Hand		<u>1,096,367</u>		<u>4,101,578</u>	
		6,493,303		6,993,276	
CREDITORS: Amounts falling due within one year	13.	(6,142,470)		(6,163,934)	
			<u>350,833</u>		<u>829,342</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,022,879		1,505,977
CREDITORS: Amounts falling due after more than one year	14.		(51,725)		(25,060)
PROVISION FOR LIABILITIES AND CHARGES	15.		(<u>10,155</u>)		(<u>11,500</u>)
			960,999		1,469,417
CAPITAL AND RESERVES					
Called Up Share Capital	16.		500,000		500,000
Profit and Loss Account	18.		<u>460,999</u>		<u>969,417</u>
			960,999		1,469,417
ANALYSIS OF SHAREHOLDERS' FUNDS					
Equity Interests			560,999		1,069,417
Non-Equity Interests			<u>400,000</u>		<u>400,000</u>
			960,999		1,469,417

The financial statements were approved by the Board on 28 May 2002 and signed on its behalf by:


..... R.C. Gatenby


..... H.J. Barrick

The notes on pages 10 to 17 form part of these Financial Statements.

SIMPSON (YORK) LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2001**

	Notes	2001 £	2000 £
Net Cash Outflow/Inflow from Operating Activities	1.	(1,803,193)	2,407,516
Returns on Investments and Servicing of Finance	2.	58,746	107,170
Taxation		(144,952)	(103,753)
Capital Expenditure	2.	(69,309)	(293,590)
Equity Dividends paid		<u>(939,561)</u>	<u>(32,000)</u>
		(2,898,269)	2,085,343
Financing	2.	(106,942)	(107,342)
(Decrease)/Increase in cash in the period		<u><u>(3,005,211)</u></u>	<u><u>1,978,001</u></u>
Reconciliation of net cash flow to movement in net debt	3.		
(Decrease)/Increase in cash in the period		(3,005,211)	1,978,001
Cash Outflow from decrease in debt and lease financing		<u>106,942</u>	<u>107,342</u>
Change in net debt resulting from cash flows		(2,898,269)	2,085,343
New finance leases		(189,827)	(62,161)
Movement in net debt in the period		(3,088,096)	2,023,182
Net funds at 1 January 2001		<u>4,008,914</u>	<u>1,985,732</u>
Net funds at 31 December 2001		<u><u>920,818</u></u>	<u><u>4,008,914</u></u>

SIMPSON (YORK) LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2001**

**1. RECONCILIATION OF OPERATING PROFIT
TO NET CASH INFLOW FROM OPERATING
ACTIVITIES**

	2001	2000
Operating Profit	475,329	378,307
Depreciation charges	282,740	257,896
Profit on sale of fixed assets	(19,015)	(15,844)
(Increase)/Decrease in Debtors	(2,505,238)	316,020
 (Decrease)/Increase in creditors	 (37,009)	 1,471,137
 Net cash (outflow)/inflow from operating activities	 <u>(1,803,193)</u>	 <u>2,407,516</u>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS
INCLUDED IN THE CASH FLOW STATEMENT**

Returns on investments and servicing of finance

Interest received	68,447	117,605
Interest paid	(9,701)	(10,435)

**Net cash inflow from returns on investments and
Servicing of finance**

58,746	107,170
<u> </u>	<u> </u>

Capital Expenditure

Purchase of tangible fixed assets	(93,009)	(348,653)
Sale of tangible fixed assets	<u>23,700</u>	<u>55,063</u>

Net cash outflow for capital expenditure

(69,309)	(293,590)
<u> </u>	<u> </u>

Financing

Loan repayments in year	(106,942)	(107,342)
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Net cash outflow from financing

(106,942)	(107,342)
<u> </u>	<u> </u>

SIMPSON (YORK) LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 20013. ANALYSIS OF CHANGES IN
NET DEBT

	At 1.1.01 £	Cash Flow £	Other non-cash changes £	At 31.12.01 £
Net cash:				
Cash at bank and in hand	4,101,578	(3,005,211)		1,096,367
Debt:				
Hire purchase or finance leases	(92,664)	106,942	(189,827)	(175,549)
Total	4,008,914	(2,898,269)	(189,827)	920,818
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Analysed in Balance Sheet

Cash at bank and in hand	4,101,578	1,096,367
Hire purchase or finance leases		
within one year	(67,604)	(123,824)
after one year	(25,060)	(51,725)
	4,008,914	920,818
	<u> </u>	<u> </u>

SIMPSON (YORK) LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001**

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

(a) Accounting Convention

The financial statements have been prepared under the historical cost convention.

(b) Turnover

Turnover is the amount derived from the provision of goods and services falling within the Company's ordinary activities after deduction of value added tax.

(c) Tangible Fixed Assets and Depreciation

Depreciation is provided in equal annual instalments over the estimated lives of the assets. The rates of depreciation are as follows:

Plant and Machinery	10% - 50% per annum
Fixtures and Fittings	15% - 35% per annum
Motor Vehicles	20% - 40% per annum

(d) Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items.

(e) Leases

Leased assets and assets acquired under finance leases are included in the Balance Sheet at cost less depreciation. Future rentals net of finance charges are shown as a liability. The finance charge element of finance lease rentals is charged to the profit and loss account over the period of the lease.

Rentals payable under operating leases are charged to the profit and loss account as incurred.

(f) Deferred Taxation

Deferred Taxation is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

(g) Developments

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

SIMPSON (YORK) LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001**

1. ACCOUNTING POLICIES (continued)**(g) Long Term Contracts**

Profit on contracts is calculated on a prudent basis to reflect the proportion of the work carried out at the year end. No account is taken of unagreed claims. Full provision is made for losses on contracts in the year the loss is first foreseeable.

(h) Pensions

The Company contributes a defined sum to a private pension scheme for each applicable employee.

Contributions payable are charged to the profit and loss account so as to spread the cost of the pension over the employees working life with the Company.

2. TURNOVER

The total turnover of the Company for the year has been derived from its principal activities wholly undertaken in the U.K.

	2001 £	2000 £
Shopfitting	14,521,064	16,072,720
Construction	<u>9,675,861</u>	<u>9,062,952</u>
	24,196,925	25,135,672

3. DIRECTORS INFORMATION

The total emoluments of the Directors, including pension contributions were as follows:

As executives	<u>677,066</u>	<u>561,884</u>
Chairman's emoluments (excluding pension contributions)	<u>-</u>	<u>-</u>

The remaining directors' emoluments, excluding pension contributions, were within the ranges:

	Number	Number
0 - 5,000	1	1
40,000 - 45,000	-	2
60,000 - 65,000	1	-
70,000 - 75,000	1	1
75,000 - 80,000	1	-
105,000 - 110,000	-	1
110,000 - 115,000	-	1
120,000 - 125,000	1	-
140,000 - 145,000	-	1
145,000 - 150,000	1	-
170,000 - 175,000	1	-
Total pension contributions	<u>19,932</u>	<u>36,777</u>

The number of directors to whom retirement benefits accrued: 6 6

SIMPSON (YORK) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001

4. EMPLOYEE INFORMATION	2001 Number	2000 Number
The average monthly number of employees (including Directors) during the year was:		
Administration	37	33
Production	105	95
	142	128
Employment Costs:		
Wages and Salaries	3,613,835	3,148,256
Social Security Costs	344,149	303,134
Pension Costs	<u>57,523</u>	<u>65,855</u>
	4,015,507	3,517,245
5. OPERATING PROFIT		
The Operating Profit is stated after charging:-		
Depreciation of Tangible Assets	282,740	257,896
Hire of Plant and Machinery	324,327	313,223
Operating Lease Rentals - Land and Buildings	73,500	67,482
Auditors' Remuneration	<u>5,000</u>	<u>4,900</u>
6. OTHER SERVICES		
The auditors charged a fee of £2,000 for taxation services (2000 - £2,000)		
7. INTEREST RECEIVABLE		
Bank Interest	<u>68,447</u>	<u>117,605</u>
8. INTEREST PAYABLE		
On Bank Loans and Overdrafts	510	244
Hire Purchase Loans	9,191	8,258
Other Interest	-	1,933
	9,701	10,435

SIMPSON (YORK) LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001

9.

TAXATION

2001

2000

£

£

U.K. Corporation Tax at 29.1%

104,277

144,952

Transfer to Deferred Taxation

(1,345)

(8,494)

Previous year adjustment

-

(218)

102,932

136,240

10.

DIVIDEND

8% Cumulative Redeemable Preference Shares

Paid 31 December 2001

Ordinary Shares Paid

32,000

32,000

907,561

-

939,561

32,000

11.

TANGIBLE ASSETS

Plant & Machinery

Fixtures and Fittings

Motor Vehicles

Total

£

£

£

£

Cost at 1 January 2001

186,483

210,074

874,540

1,271,097

Additions

5,300

34,361

243,175

282,836

Disposals

(3,400)

(4,750)

(121,141)

(129,291)

Cost at 31 December 2001

188,383

239,685

996,574

1,424,642

Depreciation at 1 January 2001

53,500

103,948

437,014

594,462

Charge for the year

20,442

36,661

225,637

282,740

On Disposals

(2,351)

(4,746)

(117,509)

(124,606)

Depreciation at 31 December 2001

71,591

135,863

545,142

752,596

Net Book Values

At 31 December 2001

116,792

103,822

451,432

672,046

At 31 December 2000

132,983

106,126

437,526

676,635

SIMPSON (YORK) LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001**

11. TANGIBLE ASSETS (continued)

Fixed Assets included in the above which are held under hire purchase contract, or finance leases, are as follows:-

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost				
At 1 January 2001	116,140	-	208,697	324,837
Additions	-	-	194,301	194,301
Transferred to ownership	-	-	(95,966)	(95,966)
At 31 December 2001	116,140	-	307,032	423,172
Depreciation				
At 1 January 2001	18,386	-	27,562	45,948
Charge for year	11,614	-	85,370	96,984
Transferred to ownership	-	-	(54,846)	(54,846)
At 31 December 2000	30,000	-	58,086	88,086
Net Book Value				
At 31 December 2001	<u>86,140</u>	<u>-</u>	<u>248,946</u>	<u>335,086</u>
At 31 December 2000	<u>97,755</u>	<u>-</u>	<u>103,341</u>	<u>201,096</u>

12. DEBTORS

	2001	2000
Amounts recoverable on Long Term Contracts	2,258,335	1,221,884
Trade Debtors	1,999,769	1,575,768
Other Debtors	3,746	2,793
Prepayments and Accrued Income	38,375	49,843
Amounts due from Group Companies	<u>1,055,301</u>	<u>-</u>
	<u>5,355,526</u>	<u>2,850,288</u>

13. CREDITORS: Amounts falling due within one year

Net obligations under Hire Purchase Contracts	123,824	67,604
Amounts owed on Contracts	3,785,228	2,835,319
Trade Creditors	1,042,783	1,726,506
Amounts owed to Group Undertakings	-	412,799
Corporation Tax	104,277	144,952
Other Taxes and Social Security Costs	736,753	689,774
Other Creditors	58,563	54,470
Accruals and Deferred Income	<u>291,042</u>	<u>232,510</u>
	<u>6,142,470</u>	<u>6,163,934</u>

SIMPSON (YORK) LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001

14. CREDITORS: Amounts falling due after more than one year	2001	2000
Net Obligations under Hire Purchase Contracts	<u>51,725</u>	<u>25,060</u>
Net obligations under Hire Purchase Contracts:		
Repayable within one year	130,117	71,159
Repayable between one and two years	52,800	25,949
Repayable between two and five years	-	-
	<u>182,917</u>	<u>97,108</u>
Interest allocated to future accounting periods	<u>(7,368)</u>	<u>(4,444)</u>
	175,549	92,664
Included in Current Liabilities	<u>(123,824)</u>	<u>(67,604)</u>
	<u>51,725</u>	<u>25,060</u>
	<u>=====</u>	<u>=====</u>
Repayable between one and two years	51,725	25,060
Repayable between two and five years	-	-
	<u>51,725</u>	<u>25,060</u>
15. PROVISIONS FOR LIABILITIES AND CHARGES		
Deferred Taxation:		
Movement in year		
At 1 January 2001	11,500	19,994
Charge to Profit and Loss Account	<u>(1,345)</u>	<u>(8,494)</u>
At 31st December 2001	10,155	11,500
	<u>=====</u>	<u>=====</u>
The amount of deferred tax provided represents accelerated capital allowances.		
16. SHARE CAPITAL		
<u>Authorised</u>		
500,000 'A' Ordinary Shares of £1 each	500,000	500,000
500,000 'B' Ordinary Shares of £1 each	500,000	500,000
1,000,000 Cumulative Redeemable Preference Shares 1993/1999 of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
	<u>2,000,000</u>	<u>2,000,000</u>
	<u>=====</u>	<u>=====</u>
<u>Issued</u>		
50,000 'A' Ordinary Shares of £1 each	50,000	50,000
50,000 'B' Ordinary Shares of £1 each	50,000	50,000
400,000 Cumulative Redeemable Preference Shares 1993/1999 of £1 each	<u>400,000</u>	<u>400,000</u>
	<u>500,000</u>	<u>500,000</u>

The preference shares are redeemable at the Company's option. No premium is payable on redemption.

SIMPSON (YORK) LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001**

17. DIRECTORS' INTERESTS IN TRANSACTIONS

Management charges of £336,000 (2000:£336,000) were paid in the year to Simpson (York) Holdings Limited in which company R.C. Gatenby and B. Gatenby are Directors. The amount due to Simpson (York) Holdings Limited at the balance sheet date was £1,055,301 (2000 owed by £412,799).

18. PROFIT AND LOSS ACCOUNT

	2001 £	2000 £
Retained Profits at 1st January 2001	969,417	652,179
Retained Profits for the financial year	(508,418)	317,238
Retained Profits at 31 December 2001	460,999	969,417
	<u> </u>	<u> </u>

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Profit for the financial year	431,143	349,238
Dividends	(939,561)	(32,000)
Net addition to shareholders' funds	(508,418)	317,238
Opening shareholders' funds	1,469,417	1,152,179
Closing Shareholders' Funds	960,999	1,469,417
	<u> </u>	<u> </u>

20. CAPITAL COMMITMENTS

At the year end the Company had capital commitments not provided for in these accounts, as follows:-

	2001 £	2000 £
Contracted for	<u>-</u>	<u>-</u>
Authorised but not contracted	<u>-</u>	<u>-</u>

SIMPSON (YORK) LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001**

21. CONTINGENT LIABILITIES

- (a) Unlimited cross guarantees between Simpson (York) Limited and Simpson (York) Holdings Limited in favour of HSBC plc.
- (b) Indemnities in support of performance bonds arranged through the bank and insurance companies.

2001	2000
£	£
<u>1,242,772</u>	<u>666,790</u>

- (c) Full provision has been made for potential losses on contracts, and such provisions are included in cost of sales.
- (d) HSBC plc hold a fixed and floating charge over the capital and assets of the Company.

22. PENSION FUND

Defined contributions have been made to individual private pensions for each applicable employee. These pensions are held by an independent organisation. The contributions paid by the Company amounted to £57,523 (2000:£65,855).

23. ULTIMATE HOLDING COMPANY

The Ultimate Holding Company is Simpson (York) Holdings Limited, a Company incorporated in England.

24. OTHER COMMITMENTS

At 31 December 2000 the Company had the following annual commitments under non-cancellable operating leases as follows:-

	Land and Buildings	
	2001	2000
Expiry Date:		
Within one year	73,500	73,500
Between two and five years	294,000	294,000
After more than five years	<u>791,185</u>	<u>864,684</u>
	<u>1,158,685</u>	<u>1,232,184</u>