

Richard Burbidge Limited

**Directors' report and consolidated
financial statements**

Registered number 2037421

30 September 2000



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Directors' report

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

Principal activities

The principal activity of the group is the supply of quality timber based products to the home improvement and building industries.

Business review

The principal business activities will remain unchanged for the foreseeable future.

The directors are pleased with the financial performance of the group.

Proposed dividend and transfer to reserves

The directors have declared a final ordinary dividend of £10.67 per share making, with the interim dividend of £5.33 per share, a total of £16.00 per share for the year. This equates to a total ordinary dividend of £600,000 for the year.

Mr RH Burbidge has waived the rights to receive dividends totalling £272,640.

The profit for the period retained in the group is £1,744,000.

Directors and directors' interests

The directors who held office during the period were as follows:

Mr RH Burbidge	(Chairman)
Mr DL Burbidge *	
Mr JPD Hancox *	
Mr RD Smith	(Resigned 17 November 2000)
Mr S Underhill	
Mr M Whybrow	
Mr T Wood	

* Non executive director

The directors who held office at the end of the financial period had the following interests in the ordinary shares of the company as recorded in the register of directors' share interests:

	Interest at 30 September 2000	Interest at 3 October 1999
Mr RH Burbidge	18,540	18,540
Mr RH Burbidge and Mr DL Burbidge as trustees	7,820	7,820

According to the register of directors' interests no rights to subscribe for shares in or debentures of group companies were granted to any of the directors or their immediate families, or exercised by them, during the financial period.

Directors' report *(continued)*

Employees

The group supports the employment of disabled people wherever possible through recruitment, by retention of those who become disabled during their employment and generally through training, career development and promotion.

The directors recognise the importance of good communications and relations with employees.

Environmental Policy

The group is committed to reducing the environmental impacts caused by its operations as a manufacturer and supplier of predominantly timber based products for the building and home-improvement sector. A copy of the environmental policy is available on request from the head office address, or can be viewed on the company's web site (richardburbidge.co.uk).

Political and charitable contributions

The group made no political contributions during the period. Donations to UK charities amounted to £3,623.

European Economic and Monetary Union

The company is now trading with a number of suppliers in the Euro currency. There has been no requirement from our customers to issue invoices in the Euro at present but preparations are ongoing to enable the company to do so when necessary.

Auditors

Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG will therefore continue in office.

By order of the board



S Underhill
Secretary

Whittington Road
Oswestry
Shropshire
SY11 1HZ

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and group and of the profit or loss 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, subject to any material departures disclosed and explained in the financial statements;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



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Liverpool
L3 1QH

Report of the auditors to the members of Richard Burbidge Limited

We have audited the financial statements on pages to 5 to 25.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 group is not disclosed.

Basis of audit 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company and the group's affairs as at 30 September 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KP76

*Chartered Accountants
Registered Auditors*

21 December 2000

Consolidated profit and loss account
for the year ended 30 September 2000

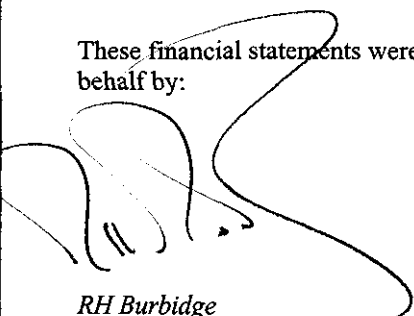
	<i>Note</i>	Year ended 30 September 2000 £000	Year ended 2 October 1999 £000
Turnover	2	43,356	36,037
Cost of sales		(28,529)	(23,026)
Gross profit		14,827	13,011
Distribution costs		(8,909)	(6,769)
Administration expenses		(2,916)	(3,126)
Operating profit		3,002	3,116
Interest receivable and similar income	6	110	180
Interest payable and similar charges	7	(20)	(15)
Profit on ordinary activities before taxation	3-5	3,092	3,281
Tax on profit on ordinary activities	8	(1,021)	(1,023)
Profit for the financial year		2,071	2,258
Dividends paid and proposed	9	(327)	(327)
Retained profit for the financial period	18	1,744	1,931

All of the turnover and operating profit in the period was derived from continuing activities.

Consolidated balance sheet
at 30 September 2000

	<i>Note</i>	2000	1999
		£000	£000
Fixed assets			
Tangible assets	10	9,022	8,859
Investments	11	6	11
		9,028	8,870
Current assets			
Stocks	12	5,586	4,505
Debtors	13	8,915	7,398
Cash at bank and in hand		1,359	1,970
Creditors: amounts falling due within one year	14	15,860 (6,289)	13,873 (5,843)
Net current assets		9,571	8,030
Total assets less current liabilities		18,599	16,900
Creditors: amounts falling due after more than one year	15	(81)	(96)
Provisions for liabilities and charges	16	(148)	(173)
Net assets		18,370	16,631
Capital and reserves			
Called up share capital	17	38	38
Share premium account	18	2,329	2,329
Profit and loss account	18	16,003	14,264
Shareholders' funds	19	18,370	16,631

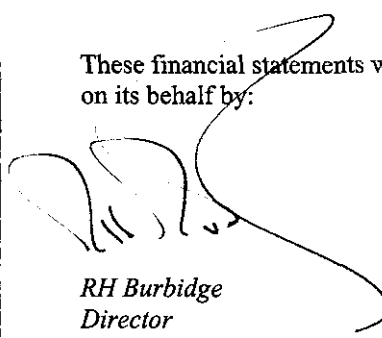
These financial statements were approved by the board of directors on 12/12/2000 and were signed on its behalf by:


RH Burbidge
Director

Balance sheet
at 30 September 2000

	<i>Note</i>	2000	1999
		£000	£000
Fixed assets			
Tangible assets	<i>10</i>	9,020	8,856
Investments	<i>11</i>	36	41
		9,056	8,897
Current assets			
Stocks	<i>12</i>	5,586	4,505
Debtors	<i>13</i>	8,620	7,137
Cash at bank and in hand		1,318	1,892
		15,524	13,534
Creditors: amounts falling due within one year	<i>14</i>	(6,197)	(5,743)
Net current assets		9,327	7,791
Total assets less current liabilities		18,383	16,688
Creditors: amounts falling due after more than one year	<i>15</i>	(81)	(96)
Provisions for liabilities and charges	<i>16</i>	(148)	(173)
Net assets		18,154	16,419
Capital and reserves			
Called up share capital	<i>17</i>	38	38
Share premium account	<i>18</i>	2,329	2,329
Profit and loss account	<i>18</i>	15,787	14,052
Shareholders' funds	<i>19</i>	18,154	16,419

These financial statements were approved by the board of directors on 12/12/2000 and were signed on its behalf by:


RH Burbidge
Director

Consolidated cash flow statement
for the year ended 30 September 2000

	<i>Note</i>	Year ended 30 September 2000 £000	Year ended 2 October 1999 £000
Cash inflow from operating activities	22	2,301	2,554
Returns on investment and servicing of finance	23	90	165
Taxation		(1,081)	(1,202)
Capital expenditure and financial investment	23	(1,496)	(2,322)
Equity dividends paid		(327)	(327)
Cash outflow before financing		(513)	(1,132)
Financing	23	(93)	(89)
Decrease in cash in the period		(606)	(1,221)

Reconciliation of net cash flow to movement in net funds

Decrease in cash in the period		(606)	(1,221)
Cash outflow from decrease in debt and lease financing		93	89
Change in net debt resulting from cash flows		(513)	(1,132)
Translation differences		(5)	20
Movement in net funds in the period		(518)	(1,112)
Net funds at the start of the period	24	1,869	2,981
Net funds at the end of the period	24	1,351	1,869

Consolidated statement of total recognised gains and losses
for the year ended 30 September 2000

	Year ended 30 September 2000 £000	Year ended 2 October 1999 £000
Profit for the financial year	1,744	1,931
Exchange (loss)/gain on consolidation	(5)	20
Total gains and losses recognised since last annual report	1,739	1,951

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost accounting rules.

Basis of consolidation

The group accounts consolidate the accounts of Richard Burbidge Limited and all its subsidiary undertakings. These accounts are made up to 30 September 2000.

The consolidated accounts are based on accounts of subsidiary undertakings which are coterminous with those of the parent company.

Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the period are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

In the company's accounts, investments in subsidiary undertakings are stated at cost less provision for permanent diminution in value. Dividends received and receivable are credited to the company's profit and loss account to the extent that they represent a realised profit for the company.

In accordance with Section 230(4) of the Companies Act 1985 Richard Burbidge Limited is exempt from the requirement to present its own profit and loss account.

The amount of the profit for the financial period dealt with in the financial statements of Richard Burbidge Limited is disclosed in note 18 to these accounts.

Notes (continued)

1 Accounting policies (continued)

Fixed assets and depreciation

Depreciation is provided by the group to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	25 years
Leasehold land and buildings	-	Life of lease
Plant and machinery	-	3 to 10 years

No depreciation is provided on freehold land or assets in the course of construction.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

For consolidation purposes, the assets and liabilities of the overseas subsidiary undertaking are translated at the closing exchange rate and the profit and loss account at the average rate prevailing during the year. Exchange differences arising on consolidation are taken to reserves, net of exchange differences arising on related foreign currency borrowings.

Government grants

Capital based government grants are included within creditors in the balance sheet and credited to trading profit over the estimated useful economic lives of the assets to which they relate. Revenue based grants are credited to the profit and loss account.

Leases

Where the group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful economic life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Notes (continued)

1 Accounting policies (continued)

Pensions and other post retirement benefits

The group operates a defined benefit staff pension scheme, a director's money purchase scheme and an overseas money purchase scheme. The assets of the schemes are held in separate trustee administered funds. The amount charged against profit represents the contributions payable to the money purchase schemes in respect of the accounting period and a charge for the staff pension scheme assessed in accordance with the advice of an independent qualified actuary.

Research and development expenditure

Expenditure on research and development is written off against profit in the period in which it is incurred.

Stocks

Stocks are stated at the lower of cost and net realisable value. For work in progress and finished goods manufactured by the group, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Turnover

Turnover represents the amounts excluding value added tax derived from the provision of goods and services to third party customers during the period.

2 Segmental analysis

The analysis by geographic area of the group's turnover is:

	Year ended 30 September 2000 £000	Year ended 2 October 1999 £000
United Kingdom	40,787	33,783
Europe	2,463	2,160
Rest of World	106	94
	43,356	36,037

Notes (continued)

3 Profit on ordinary activities before taxation

	Year ended 30 September 2000 £000	Year ended 2 October 1999 £000
<i>Profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
Auditors' remuneration:		
Audit	21	23
Other services	11	20
Depreciation and other amounts written off tangible fixed assets:		
Owned	1,195	1,091
Leased	84	85
Loss/(profit) on sale of fixed assets	101	(6)
Hire of plant and machinery - rentals payable under operating leases	544	397
Amortisation of grants	(7)	(13)

4 Remuneration of directors

	Year ended 30 September 2000 £000	Year ended 2 October 1999 £000
<i>Directors' emoluments:</i>		
As directors	6	5
Remuneration as executives	926	974
Pension costs	47	64
	979	1,043

The emoluments of the highest paid director were £504,000 (1999: £486,000). No pension contributions were made on his behalf by the company in either year.

Retirement benefits are accruing to the following number of directors under:

	Number of directors 2000	1999
Money purchase schemes	1	1
Defined benefit schemes	4	4

Notes (continued)

5 Staff numbers and costs

The average number of people employed by the group (including directors) during the period, analysed by category, was as follows:

	Number of employees	
	2000	1999
Distribution and sales	115	103
Production	372	335
Administration	41	38
	528	476

The aggregate payroll costs of these persons were as follows:

	Year ended 30 September 2000 £000	Year ended 2 October 1999 £000
Wages and salaries	8,723	7,628
Social security costs	671	594
Other pension costs (see note 21)	446	390
	9,840	8,612

6 Interest receivable and similar income

	Year ended 30 September 2000 £000	Year ended 2 October 1999 £000
Bank interest receivable	110	180

Notes (continued)

7 Interest payable and similar charges

	Year ended 30 September 2000 £000	Year ended 2 October 1999 £000
On bank loans and overdrafts	7	2
Finance charges payable in respect of finance leases	13	13
	<u>20</u>	<u>15</u>

8 Taxation

	Year ended 30 September 2000 £000	Year ended 2 October 1999 £000
UK corporation tax at 30% (1999: 30.5%) on the profit for the year on ordinary activities	1,051	1,019
Deferred taxation	(25)	18
Prior period adjustments	(5)	(14)
	<u>1,021</u>	<u>1,023</u>

9 Dividends

	Year ended 30 September 2000 £000	Year ended 2 October 1999 £000
Ordinary shares:		
Interim	109	109
Final proposed	218	218
	<u>327</u>	<u>327</u>

Notes (continued)

10 Tangible fixed assets

Group	Freehold land and buildings £000	Long leasehold land and buildings £000	Plant and machinery £000	Assets in course of construction £000	Total £000
Cost					
At beginning of year	6,161	136	9,840	1,185	17,322
Additions	390	-	1,053	117	1,560
Disposals	-	-	(763)	-	(763)
Transfers	633	-	552	(1,185)	-
At end of year	7,184	136	10,682	117	18,119
Depreciation					
At beginning of year	2,321	27	6,115	-	8,463
Charge for the year	262	3	1,014	-	1,279
Disposals	-	-	(645)	-	(645)
At end of year	2,583	30	6,484	-	9,097
Net book value					
At 30 September 2000	4,601	106	4,198	117	9,022
At 2 October 1999	3,840	109	3,725	1,185	8,859

The cost and net book value of freehold and land and buildings includes land of £245,000 (1999: £95,000) which is not depreciated.

Included in the net book value of plant and machinery is £12,000 (1999: £96,000) in respect of assets held under finance leases. Depreciation for the year on these assets was £84,000 (1999: £85,000).

Notes (continued)

10 Tangible fixed assets (continued)

Company	Freehold land and buildings £000	Long leasehold land and buildings £000	Plant and machinery £000	Assets in course of construction £000	Total £000
Cost					
At beginning of year	6,161	136	9,830	1,185	17,312
Additions	390	-	1,053	117	1,560
Disposals	-	-	(763)	-	(763)
Transfers	633	-	552	(1,185)	-
At end of year	7,184	136	10,672	117	18,109
Depreciation					
At beginning of year	2,321	28	6,107	-	8,456
Charge for the year	262	2	1,014	-	1,278
Disposals	-	-	(645)	-	(645)
At end of year	2,583	30	6,476	-	9,089
Net book value					
At 30 September 2000	4,601	106	4,196	117	9,020
At 2 October 1999	3,840	108	3,723	1,185	8,856

The cost and net book value of freehold land and buildings includes land of £245,000 (1999: £95,000) which is not depreciated.

Included in the net book value of plant and machinery is £12,000 (1999: £96,000) in respect of assets held under finance leases. Depreciation for the year on these assets was £84,000 (1999: £85,000).

Notes (continued)

11 Fixed asset investments

Group	Other investments £000		
Cost			
At beginning and end of year			25
Provisions			
At beginning of year			14
Amortisation			5
At end of year			19
Net book value			
At 30 September 2000			6
At 2 October 1999			11
Company	Shares in group undertakings £000	Other investments £000	Total £000
Cost			
At beginning and end of year	38	25	63
Provisions			
At beginning of year	8	14	22
Provided in year	-	5	5
At end of year	8	19	27
Net book value			
At 30 September 2000	30	6	36
At 2 October 1999	30	11	41

Notes (continued)

11 Fixed asset investments (continued)

Subsidiary undertakings	Country of registration and incorporation	Description of class of shares held	Percentage of nominal value of issued share capital	Principal activity
Richard Burbidge (Ireland) Limited	Eire	Ordinary IR £1	100%	Distributor of home improvement timber products
Burbidge Windermere Limited	England and Wales	Ordinary £1	100%	Dormant
Brankbrook Limited	England and Wales	Ordinary £1	100%	Dormant

On 2 October 1999, Brankbrook Limited ceased trading and transferred its business and certain assets to Richard Burbidge Limited.

12 Stocks

	Group		Company	
	2000 £000	1999 £000	2000 £000	1999 £000
Raw materials and consumables	2,745	2,321	2,745	2,321
Work in progress	508	372	508	372
Finished goods and goods for resale	2,333	1,812	2,333	1,812
	<u>5,586</u>	<u>4,505</u>	<u>5,586</u>	<u>4,505</u>

There is no material difference between the carrying value of stocks and their estimated replacement cost.

13 Debtors

	Group		Company	
	2000 £000	1999 £000	2000 £000	1999 £000
<i>Amounts falling due within one year</i>				
Trade debtors	8,571	7,004	7,917	6,526
Amounts owed by subsidiary undertakings	-	-	367	225
Other debtors	19	50	11	42
Prepayments and accrued income	325	289	325	289
Advance Corporation Tax recoverable	-	55	-	55
	<u>8,915</u>	<u>7,398</u>	<u>8,620</u>	<u>7,137</u>

Notes (continued)

14 Creditors: amounts falling due within one year

	Group		Company	
	2000	1999	2000	1999
	£000	£000	£000	£000
Obligations under finance leases	8	93	8	93
Trade creditors	2,367	2,347	2,319	2,310
Amounts owed to subsidiary undertaking	-	-	33	33
Corporation tax	616	706	611	676
Other taxes and social security	1,068	755	1,021	720
Other creditors	117	84	117	84
Accruals and deferred income	1,895	1,640	1,870	1,609
Dividend proposed	218	218	218	218
	<u>6,289</u>	<u>5,843</u>	<u>6,197</u>	<u>5,743</u>

15 Creditors: amounts falling due after more than one year

	Group		Company	
	2000	1999	2000	1999
	£000	£000	£000	£000
Obligations under finance leases	-	8	-	8
Deferred regional development grants	81	88	81	88
	<u>81</u>	<u>96</u>	<u>81</u>	<u>96</u>

Notes (continued)

16 Provisions for liabilities and charges

	Deferred taxation £000
Group and Company	
At beginning of year	173
Credit for the year in the profit and loss account	(25)
At end of year	148

The amounts provided for deferred taxation and the amounts not provided are set out below:

	2000		1999	
	Provided £000	Unprovided £000	Provided £000	Unprovided £000
Difference between accumulated depreciation and amortisation and capital allowances	185	311	214	333
On capital losses	-	(17)	-	(17)
Other timing differences	(37)	-	(41)	-
	148	294	173	316

Notes (continued)

17 Share capital

	2000 £000	1999 £000
<i>Authorised</i>		
37,500 Ordinary shares of £1 each	38	38
<i>Allotted, called up and fully paid</i>		
37,500 Ordinary shares of £1 each	38	38

18 Share premium and reserves

	Group		Company	
	Share premium account £000	Profit and loss account £000	Share premium account £000	Profit and loss account £000
At beginning of year	2,329	14,264	2,329	14,052
Retained profit for year	-	1,744	-	1,735
Exchange adjustments	-	(5)	-	-
At end of year	2,329	16,003	2,329	15,787

19 Reconciliation of movements in shareholders' funds

	Group		Company	
	2000 £000	1999 £000	2000 £000	1999 £000
Profit for the financial year	2,071	2,258	2,062	2,130
Dividends	(327)	(327)	(327)	(327)
Other recognised gains and losses relating to the year	1,744 (5)	1,931 20	1,735 -	1,803 -
Net addition to shareholders' funds	1,739	1,951	1,735	1,803
Opening shareholders' funds	16,631	14,680	16,419	14,616
Closing shareholders' funds	18,370	16,631	18,154	16,419

Notes (continued)

20 Commitments

- (i) Capital commitments at the end of the financial year for which no provision has been made:

Group and Company

	2000 £000	1999 £000
Contracted	797	505

- (ii) Annual commitments under non-cancellable operating leases are as follows:

Group	2000 £000	1999 £000
Operating leases which expire:		
Within one year	48	62
In the second to fifth years inclusive	462	360
	<u>510</u>	<u>422</u>

Company	2000 £000	1999 £000
Operating leases which expire:		
Within one year	48	60
In the second to fifth years inclusive	446	353
	<u>494</u>	<u>413</u>

None of the above commitments relate to land and buildings.

Notes (continued)

1 Pension schemes

The group operates a defined benefit staff pension scheme, a director's money purchase scheme and an overseas money purchase scheme. The assets of the schemes are held in separate trustee administered funds.

The total pension costs for the group were £446,000 (1999: £390,000) of which £440,000 (1999: £385,000) relates to the staff pension scheme and the balance to the overseas money purchase scheme.

The contributions in respect of the money purchase schemes are charged against profit in the period they are paid. The pension cost relating to the staff pension scheme is assessed in accordance with the advice of an independent qualified actuary using the projected unit method. The latest actuarial valuation of this scheme was at 5 April 1999. The assumptions that have the most significant effect on the valuation are: the rate of return on investments will be 5.99% pensionable salary increases will be 4.18% and pension increase will be 2.68%

The market value of the assets of the staff pension scheme was £9.2 million at the date of the latest actuarial valuation and the actuarial value of the assets was sufficient to cover 97% of the benefits which had accrued to members, after allowing for expected future increases in earnings.

There were no outstanding or prepaid contributions at either the beginning or end of the financial period.

22 Reconciliation of operating profit to operating cash flows

	Year ended 30 September 2000 £000	Year ended 2 October 1999 £000
Operating profit	3,002	3,116
Depreciation charge	1,279	1,176
Loss/(profit) on sale of fixed assets	54	(6)
Amortisation of grants	(7)	(13)
(Increase)/decrease in stocks	(1,081)	89
Increase in debtors	(1,572)	(1,924)
Increase in creditors	621	112
Amounts written off investments	5	4
Net cash inflow from operating activities	2,301	2,554

Notes (continued)

23 Analysis of cash flows

	Year ended 30 September 2000		Year ended 2 October 1999	
	£000	£000	£000	£000
Returns on investment and servicing of finance				
Interest received	110		180	
Interest paid	(7)		(2)	
Interest element of finance lease rental payments	(13)		(13)	
		90		165
Capital expenditure and financial investment				
Purchase of tangible fixed assets	(1,560)		(2,349)	
Sale of tangible fixed assets	64		33	
Purchase of investments	-		(6)	
		(1,496)		(2,322)
Financing				
Decrease in long term borrowings	-		-	
Capital element of finance lease rental payments	(93)		(89)	
		(93)		(89)

24 Analysis of net funds

	At beginning of year	Cash flow	Exchange movement	At end of year
	£000	£000	£000	£000
Cash at bank and in hand	1,970	(606)	(5)	1,359
Debt due within one year				
Finance leases	(101)	(93)	-	(8)
Total	1,869	(699)	(5)	1,351