

VAN ELLE (HOLDINGS) LIMITED
(Registered Number 2590521)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2000



VAN ELLE (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2000

The directors present their report and the audited financial statements of the Group for the year ended 30 April 2000.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activities of the Group during the year were that of underpinning, drilling and grouting, site investigation and superstructure repairs within the construction/civil engineering industry. During the year the Group acquired the whole of the share capital of Prestwick Properties, an investment property holding company based in the Isle of Man, and the business and assets of C.H. Steavenson Limited, a drilling and grouting company based in the Newcastle Upon Tyne area. This has been merged with the group's existing drilling and grouting business in Sheffield.

RESULTS AND DIVIDENDS

The consolidated loss for the year after taxation and minority interests amounted to £51,000 (1999 Profit: £248,000).

REVIEW AND FUTURE DEVELOPMENTS

The directors report a retained loss for the Group for the year but expect the Group to trade satisfactorily during the current year.

SUBSEQUENT EVENTS

With effect from 31 October 2000 a divisionalisation of a subsidiary undertaking took place, with the trade and net assets of A&G (Steavenson) Limited transferred at book values into Van Elle (Holdings) Limited.

EMPLOYEES

Regular consultative meetings are held with managers and employees on matters affecting the Group's progress and the future development of the Group's activities and areas of operation; such consultations promote a bilateral channel of communication, which encourages the involvement of all employees.

The Group gives full and fair consideration to applications for employment from disabled persons and to the training, career development and promotion of disabled persons who are currently employed by the Group.

DIRECTORS AND THEIR INTERESTS

The directors who held office during the year, together with their interest in the shares of the Company at the beginning and end of the financial year (or date of appointment) are as follows:

	<u>2000</u>	<u>1999</u>
M F Ellis	2,194	2,194
Mrs J E Ellis	62	62
M Edwards - resigned 31 December 1999	-	-

VAN ELLE (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2000 (CONTINUED)

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

AUDITORS

A resolution to re-appoint PricewaterhouseCoopers as auditors to the Company will be proposed at the Annual General Meeting.

By order of the Board

Mrs J E Ellis
Company Secretary
15 January 2001



AUDITORS' REPORT TO THE SHAREHOLDERS OF VAN ELLE (HOLDINGS) LIMITED

We have audited the financial statements on pages 4 to 20.

Respective responsibilities of directors and auditors

The Company's Directors are responsible for the preparation of the Annual Report. As described on page 2, this includes the responsibility for preparation of financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guide.

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 United Kingdom 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 reviewed all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the financial statements and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 accounts, and of whether the accounting policies are appropriate to the circumstances of the Group and Company, 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 accounts 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 Group and the Company as at 30 April 2000 and of the loss and cash flows of the Group for the year then ended and have been properly prepared in accordance with the United Kingdom Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors
Leicester

15 January 2001

VAN ELLE (HOLDINGS) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2000

	<u>Note</u>	<u>2000</u> £'000	<u>1999</u> £'000
TURNOVER	1	14,654	15,871
Cost of sales		<u>(11,567)</u>	<u>(12,264)</u>
GROSS PROFIT		3,087	3,607
Administrative expenses		<u>(3,073)</u>	<u>(3,148)</u>
OPERATING PROFIT	2	14	459
Interest receivable and similar income	3	1	2
Interest payable and similar charges	4	<u>(147)</u>	<u>(169)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(132)	292
Tax on (loss)/profit on ordinary activities	5	<u>1</u>	<u>(57)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(131)	235
Minority interests (all equity)		<u>80</u>	<u>13</u>
RETAINED (LOSS)/PROFIT FOR THE YEAR TRANSFERRED TO RESERVES	16	<u>(51)</u>	<u>248</u>

All results relate to continuing operations.

There is no material difference between the reported losses for the year as stated above and those that would be reported under an unmodified historical cost basis.

The notes on pages 9 to 20 form part of these financial statements.

VAN ELLE (HOLDINGS) LIMITED

CONSOLIDATED BALANCE SHEET - 30 APRIL 2000

		2000		1999	
	Note	£'000	£'000	£'000	£'000
FIXED ASSETS					
Intangible assets	7		-		-
Tangible assets	8		3,180		3,147
Investments	9		-		-
			3,180		3,147
CURRENT ASSETS					
Stocks	10	228		217	
Debtors	11	3,396		3,113	
Cash at bank and in hand		-		7	
		3,624		3,337	
CREDITORS - Amounts falling due within one year	12	(4,202)		(3,678)	
NET CURRENT (LIABILITIES)			(578)		(341)
TOTAL ASSETS LESS CURRENT LIABILITIES			2,602		2,806
CREDITORS - Amounts falling due after more than one year	13		(1,074)		(1,076)
PROVISIONS FOR LIABILITIES AND CHARGES	14		(96)		(133)
Minority interests (all equity)			(67)		(199)
			1,365		1,398
CAPITAL AND RESERVES					
Called up share capital	15		2		2
Capital reserve	16		11		11
Revaluation reserve	16		52		36
Profit and loss account	16		1,300		1,349
TOTAL SHAREHOLDERS' FUNDS (all equity)			1,365		1,398

Approved by the Board on 15 January 2001

Mr M F Ellis
Chairman & Managing Director

The notes on pages 9 to 20 form part of these financial statements.

VAN ELLE (HOLDINGS) LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2000

	<u>Note</u>	<u>2000</u>	<u>1999</u>
		£'000	£'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	19	733	1,587
SERVICING OF FINANCE			
Interest received		1	2
Interest paid		<u>(147)</u>	<u>(169)</u>
NET CASH (OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(146)	(167)
TAXATION			
Corporation tax paid		(10)	(7)
INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets		(520)	(610)
Receipts from sales of tangible fixed assets		79	74
Payments to acquire subsidiaries		<u>(27)</u>	<u>-</u>
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES		<u>(468)</u>	<u>(536)</u>
NET CASH INFLOW BEFORE FINANCING		109	877
FINANCING			
Loan from related entity	19	(49)	(51)
Finance lease and hire purchase	19	(460)	(400)
Bank loan	19	192	(81)
Other loans	19	<u>1</u>	<u>-</u>
NET CASH (OUTFLOW) FROM FINANCING		<u>(316)</u>	<u>(532)</u>
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	19	(207)	345

The notes on pages 9 to 20 form part of these financial statements.

VAN ELLE (HOLDINGS) LIMITED

COMPANY BALANCE SHEET - 30 APRIL 2000

	Note	2000 £'000	1999 £'000
FIXED ASSETS			
Tangible assets	8	2,362	2,575
Investments	9	<u>349</u>	<u>29</u>
		2,711	2,604
CURRENT ASSETS			
Stock	10	165	207
Debtors	11	<u>2,850</u>	<u>2,793</u>
		3,015	3,000
CREDITORS – Amounts falling due within one year	12	<u>(3,396)</u>	<u>(3,284)</u>
NET CURRENT (LIABILITIES)		<u>(381)</u>	<u>(284)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,330	2,320
CREDITORS – Amounts falling due after more than one year	13	(883)	(931)
PROVISIONS FOR LIABILITIES AND CHARGES	14	<u>(96)</u>	<u>(131)</u>
		1,351	1,258
CAPITAL AND RESERVES			
Called up share capital	15	2	2
Profit and loss account	16	<u>1,349</u>	<u>1,256</u>
TOTAL SHAREHOLDERS' FUNDS (all equity)		<u>1,351</u>	<u>1,258</u>

Approved by the Board on 15 January 2001


Mr M F Ellis
Chairman & Managing Director

The notes on pages 9 to 20 form part of these financial statements.

VAN ELLE (HOLDINGS) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 APRIL 2000

	Group	
	2000	1999
	£'000	£'000
(Loss)/profit for the financial year	(51)	248
	<u>-</u>	<u>-</u>
Total recognised (losses)/gains for the financial year and since the last financial statements	(51)	248
	<u><u>-</u></u>	<u><u>248</u></u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group	
	2000	1999
	£'000	£'000
(Loss)/profit for the financial year	(51)	248
Acquisition of minority interest	<u>18</u>	<u>-</u>
Net (decrease)/addition to shareholders' funds	(33)	248
Opening shareholders' funds	<u>1,398</u>	<u>1,150</u>
Closing shareholders' funds	<u><u>1,365</u></u>	<u><u>1,398</u></u>

The notes on pages 9 to 20 form part of these financial statements.

VAN ELLE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2000

1 ACCOUNTING POLICIES

a Accounting convention

The financial statements are prepared under the historical cost convention, modified to include the revaluation of certain tangible fixed assets, and in accordance with applicable accounting standards.

b Basis of consolidation

The group accounts consolidate the accounts of Van Elle (Holdings) Limited and all its subsidiary undertakings made up to 30 April 2000.

No profit and loss account for Van Elle (Holdings) Limited has been presented as permitted by Section 230 of the Companies Act 1985.

c Acquisitions and disposals

Results

The results of companies or businesses acquired or sold during the year are dealt with from the date of acquisition or to the date of sale using the principles of acquisition accounting.

Fair value adjustments and acquisition provisions

Where a company or business has been accounted for using the principles of acquisition accounting, fair values are attributed to the group's share of the separable net assets acquired. Where the cost of acquisition exceeds the values attributable to such net assets, the difference is recognised as goodwill. Goodwill is written off in the year of acquisition.

d Turnover

Turnover represents invoiced amounts and applications for work done on completed contracts exclusive of value added tax and arose in the UK.

e Finance lease and hire purchase contracts

Assets obtained under finance leases or hire purchase contracts are capitalised in the balance sheet and are depreciated in accordance with the Group's depreciation policy. Rentals payable are apportioned between the finance charge and a reduction of the obligation for future accounts payable such that the interest element represents a constant proportion of the amount capitalised.

Rentals paid under operating leases are charged against income on a straight-line basis over the lease term.

f Stocks and work in progress

Stocks and work in progress are valued at the lower at cost and net realisable value. Costs of work done against which turnover has not been recognised are included in work in progress net of applications made. Applications made in excess of costs incurred are included in creditors.

Investments

g Fixed asset investments are stated at cost less provision for permanent diminution in value.

VAN ELLE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2000 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

h Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or revalued amount, less depreciation, except for investment properties which are stated at valuation. Prior to the adoption of FRS 15 in the 1999/2000 financial year, group properties were revalued on a regular basis. Since the adoption of FRS 15, the group policy has been not to revalue its properties. Consequently, the transitional provisions of FRS 15 have been applied and, while previous revaluations have been retained, they have not been updated. Land and buildings, held pre February 1998 were revalued by a firm of valuers and chartered surveyors at that date, with all subsequent additions included at cost.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or revalued amount, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Freehold buildings	- 2% per annum
Office equipment	- 10-25% per annum
Motor vehicles	- 25% per annum
Plant and machinery	- 10-20% per annum

In accordance with Statement of Standard Accounting Practice No 19 ("Accounting for Investment Properties") investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve, and no depreciation is provided. Where in the opinion of the directors there has been a permanent diminution in value, the shortfall against original cost is provided for in the profit and loss account. 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 financial statements to give a true and fair view in accordance with applicable accounting standards, as properties are included in the financial statements at their open market value.

The effect of depreciation and amortisation on value is already reflected annually in the valuation of properties, and the amount attributed to this factor by the valuers cannot reasonably be separately identified or quantified.

i Pension costs

Payments made to the pension scheme and charged in the financial statements relate to money purchase schemes for employees and directors. In addition, individual executive pension plans have been set up for senior executives of the Group.

j Deferred taxation

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future. Deferred taxation assets are not recognised in the financial statements.

k Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the asset. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

VAN ELLE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2000 (CONTINUED)

2 OPERATING PROFIT

	2000 £'000	1999 £'000
Operating profit is stated after charging/(crediting):		
Plant and equipment hire	969	1,130
Depreciation-owned assets	379	310
Depreciation-leased assets	372	328
Auditors' remuneration - audit fees	22	25
- Company	26	31
- Group	13	5
- non-audit fees	40	66
Operating lease rentals	(12)	(8)
(Profit) on disposal of fixed assets	(12)	(18)
Government grant income		

3 INTEREST RECEIVABLE AND SIMILAR INCOME

	2000 £'000	1999 £'000
Bank interest receivable	1	2

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £'000	1999 £'000
Interest payable on overdrafts and bank loans	60	95
Finance leases and hire purchase contracts	77	68
Other interest	10	6
	147	169

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £'000	1999 £'000
UK Corporation tax at 20% (1999: 27%) – current year	(29)	(36)
Under provision in previous year	(7)	-
Deferred tax – current year	19	(42)
Over provision in previous year	18	21
	1	(57)

VAN ELLE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2000 (CONTINUED)

6 STAFF COSTS

	2000 £'000	1999 £'000
Wages and salaries	4,340	4,562
Social security costs	436	508
Other pension costs	<u>88</u>	<u>130</u>
	<u>4,864</u>	<u>5,200</u>
The average number of employees in the period was:	<u>222</u>	<u>241</u>

7 INTANGIBLE FIXED ASSETS

GROUP	£'000
At 1 May 1999	-
Goodwill on purchase of shares in A&G (Steavenson) Limited	5
Goodwill on purchase of new issue of shares in A&G (Steavenson) Limited	2
Write off during the year	<u>(7)</u>
At 30 April 2000	<u>-</u>

8 TANGIBLE FIXED ASSETS

GROUP	Investment Property £'000	Land & Buildings £'000	Plant & Machinery £'000	Motor Vehicles £'000	Office Equipment £'000	Total £'000
COST OR VALUATION						
At 1 May 1999	49	752	3,871	1,271	391	6,334
Additions	220	33	354	211	33	851
Disposals	<u>(49)</u>	<u>-</u>	<u>(2)</u>	<u>(164)</u>	<u>-</u>	<u>(215)</u>
At 30 April 2000	<u>220</u>	<u>785</u>	<u>4,223</u>	<u>1,318</u>	<u>424</u>	<u>6,970</u>
ACCUMULATED DEPRECIATION						
At 1 May 1999	-	22	2,412	608	145	3,187
Charge for the year	-	17	410	286	38	751
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(148)</u>	<u>-</u>	<u>(148)</u>
At 30 April 2000	<u>-</u>	<u>39</u>	<u>2,822</u>	<u>746</u>	<u>183</u>	<u>3,790</u>
NET BOOK AMOUNT						
At 30 April 2000	<u>220</u>	<u>746</u>	<u>1,401</u>	<u>572</u>	<u>241</u>	<u>3,180</u>
At 30 April 1999	<u>49</u>	<u>730</u>	<u>1,459</u>	<u>663</u>	<u>246</u>	<u>3,147</u>

VAN ELLE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2000 (CONTINUED)

8 TANGIBLE FIXED ASSETS (CONTINUED)

Land and buildings includes a net book value of £12,000 (1999: £15,000) in respect of leasehold property and £734,000 (1999: £716,000) in respect of freehold property.

Included in tangible assets is an amount of £464,000 (1999: £514,000) in respect of motor vehicles and an amount of £751,000 (1999: £739,000) in respect of plant and equipment held under finance leases and hire purchase contracts. The depreciation charged in the year on these assets amounted to £193,000 and £179,000 respectively.

The investment property is stated at cost and the directors consider that this is a fair value for this investment.

COMPANY

	Investment Property £'000	Land & Buildings £'000	Plant & Machinery £'000	Motor Vehicles £'000	Office Equipment £'000	Total £'000
COST OR VALUATION						
At 1 May 1999	49	483	3,079	1,127	358	5,096
Additions	-	33	263	154	33	483
Transfers	-	-	-	(16)	-	(16)
Disposals	(49)	-	(2)	(106)	-	(157)
At 30 April 2000	-	516	3,340	1,159	391	5,406
ACCUMULATED DEPRECIATION						
At 1 May 1999	-	16	1,834	536	135	2,521
Charge for the year	-	12	334	250	37	633
Transfers	-	-	-	(12)	-	(12)
Disposals	-	-	-	(98)	-	(98)
At 30 April 2000	-	28	2,168	676	172	3,044
NET BOOK AMOUNT						
At 30 April 2000	-	488	1,172	483	219	2,362
At 30 April 1999	49	467	1,245	591	223	2,575

VAN ELLE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2000 (CONTINUED)

9 FIXED ASSET INVESTMENT

COMPANY	Shares in subsidiary undertakings £'000
Cost	
At 1 May 1999	29
Additions	320
Disposals	-
At 30 April 2000	349

The principal subsidiaries of the group are as follows:

	Group interest in ordinary shares	Issued ordinary share capital	Country of Incorporation
Van Elle Limited	100%	5,200	GB
Van Elle Eastern Limited	100%	1,000	GB
Van Elle Southern Limited	100%	1,000	GB
Van Elle Piling Limited	100%	1,200	GB
A&G (Steavenson) Limited	75%	66,333	GB
Dram Investments Limited	100%	400	GB
Van Elle Hoopsafe Limited	95%	1,000	GB
Prestwick Properties Limited	100%	2	Isle of Man

The company acquired 100% of the issued share capital of Prestwick Properties Ltd on 4th June 1999 at a cost of £220,000. The company increased its shareholding in A&G (Steavenson) Ltd to 67% on 30th September 1999 when it acquired 8,167 shares from a retiring director at a cost of £40,000. The company further increased its shareholding in A&G (Steavenson) Ltd to 75% when it acquired 16,333 new shares issued on 24th March 2000 at a cost of £60,269.

The principal activities of A&G (Steavenson) Ltd is that of drilling and grouting, site investigation and superstructure repairs. The principal activity of Prestwick Properties Ltd is that of acquiring and holding investment properties. All the other subsidiaries ceased to trade following the transfer of their assets to Van Elle (Holdings) Ltd on 1st May 1998.

10 STOCKS

	Group		Company	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Raw materials	115	120	107	110
Work in progress	113	97	58	97
	228	217	165	207

VAN ELLE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2000 (CONTINUED)

11 DEBTORS

	Group		Company	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Trade debtors	3,219	2,888	2,615	2,546
Amounts owed by related companies	30	12	30	12
Amounts owed by group companies	-	-	83	77
Corporation tax recoverable	3	34	-	34
Other debtors	144	129	122	74
	3,396	3,113	2,850	2,793

12 CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Bank overdraft and loans (Note 17)	451	220	309	202
Finance leases and hire purchase contracts (Note 17)	408	401	342	342
Trade creditors	2,749	2,246	2,243	2,063
Amounts owed to related companies	49	80	49	80
Amounts owed to Group companies	-	-	32	-
Corporation tax	32	37	32	35
Other creditors & accruals	330	524	251	416
Taxation and social security	183	170	138	146
	4,202	3,678	3,396	3,284

The bank overdraft and loans are secured by a cross guarantee given by all the group undertakings.

13 CREDITORS – AMOUNTS FALLING DUE AFTER ONE YEAR

	Group		Company	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Bank loans (Note 17)	515	347	381	254
Finance leases and hire purchase contracts (Note 17)	372	508	327	467
Amounts owed to related companies	72	120	72	120
Other loans	12	11	-	-
RSA Grant	103	90	103	90
	1,074	1,076	883	931

VAN ELLE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2000 (CONTINUED)

14 PROVISIONS FOR LIABILITIES AND CHARGES

	Group		Company	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Deferred tax – potential and provided	96	133	96	131

The balance represents accelerated capital allowances.

15 SHARE CAPITAL

Group and Company

	2000	1999
	£'000	£'000
Authorised – 100,000 ordinary shares of £1 each	100	100
Allotted and fully paid up - 2,400 ordinary shares of £1 each	2	2

16 RESERVES

Group

	Revaluation reserve £'000	Capital reserve £'000	Profit and loss account £'000	Total £'000
At 1 May 1999	36	11	1,349	1,396
Retained loss for the year	-	-	(51)	(51)
Transfer to profit and loss account	(2)	-	2	-
Acquisition of minority interest	18	-	-	18
At 30 April 2000	52	11	1,300	1,363

Company

	Profit and loss account £'000
At 1 May 1999	1,256
Profit for the year after taxation	93
At 30 April 2000	1,349

VAN ELLE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2000 (CONTINUED)

17 FINANCIAL COMMITMENTS

Finance leases

Future minimum payments under finance leases and hire purchase contracts are as follows:

	2000 £'000	1999 £'000
Within one year	408	401
Between one and five years	<u>372</u>	<u>508</u>
	780	909
	<u><u> </u></u>	<u><u> </u></u>

Loans and other borrowings

Bank loans and overdrafts are repayable as follows:

Within one year or on demand	451	220
Between one and two years	104	72
Between two and five years	286	196
After more than five years	<u>125</u>	<u>80</u>
	966	568
	<u><u> </u></u>	<u><u> </u></u>

Amounts owed to related companies are repayable as follows:

Within one year or on demand	47	48
Between one and two years	47	48
Between two and five years	<u>25</u>	<u>72</u>
	119	168
	<u><u> </u></u>	<u><u> </u></u>

All other loans are repayable as follows:

After more than five years	12	11
	<u><u> </u></u>	<u><u> </u></u>

Operating leases

At 30 April 2000 the Group had annual commitments under non-cancellable operating leases as follows:

	<u>Land and buildings</u>		<u>Other assets</u>	
	2000 £'000	1999 £'000	2000 £'000	1999 £'000
Expiry date:				
Within one year	13	3	2	6
Between two and five years	-	13	4	-
Over five years	<u>14</u>	<u>13</u>	<u>-</u>	<u>-</u>
	27	29	6	6
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

VAN ELLE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2000 (CONTINUED)

18 DIRECTORS

Emoluments

The emoluments of directors of the Company were:

	2000 £'000	1999 £'000
Aggregate emoluments	244	276

Retirement benefits are accruing to 2 (1999: 3) directors under money purchase schemes.

	2000 £'000	1999 £'000
Highest paid director:		
Total amount of emoluments	152	125

Two of the directors are members of a self administered pension scheme, established under a Trust Deed, which provides benefits on a money purchase basis.

For the purpose of continuing approval of the scheme, actuarial valuations are required at intervals of not more than three years. The last actuarial valuation received was dated 28 April 1998.

19 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2000 £'000	1999 £'000
Operating profit	14	459
Depreciation charges	751	638
Profit on disposal of tangible assets	(12)	(8)
(Increase) in stock	(11)	(20)
Decrease/(increase) in debtors	(314)	747
Increase/(decrease) in creditors	305	(229)
Net cash inflow from operating activities	733	1,587
Analysis of change in cash and cash equivalents during the year		
Balance at 1 May 1999	(140)	(485)
Net cash (outflow)/inflow	(207)	345
Balance at 30 April 2000	(347)	(140)

VAN ELLE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2000 (CONTINUED)

19 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES (CONTINUED)

Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	<u>2000</u> £'000	<u>1999</u> £'000	Change in year £'000
Cash at bank and in hand	-	7	(7)
Bank overdraft	<u>(347)</u>	<u>(147)</u>	<u>(200)</u>
	<u>(347)</u>	<u>(140)</u>	<u>(207)</u>

Analysis of changes in financing

	At 1 May <u>1999</u> £'000	<u>Cashflow</u> £'000	Other non-cash <u>changes</u> £'000	At 30 April <u>2000</u> £'000
Cash at bank and in hand	7	(7)	-	-
Overdrafts	(147)	(200)	-	(347)
Finance leases	(909)	460	(331)	(780)
Debt due within one year	(128)	(23)	-	(151)
Debt due after one year	<u>(478)</u>	<u>(121)</u>	<u>-</u>	<u>(599)</u>
	<u>(1,655)</u>	<u>109</u>	<u>(331)</u>	<u>(1,877)</u>

20 RELATED PARTY TRANSACTIONS

Various group companies rented properties owned by the Van Elle Ltd Retirement and Death Benefit Scheme, a scheme in which Mr M.F. Ellis and Mrs J.E. Ellis have interests, during the year. The total rental charge for the year was £23,000. The total balance outstanding to the Scheme in respect of rental payments at 30 April 2000 was £1,958. The Company has a loan of £45,010 at 30th April 2000 from the Scheme, repayable over 3 years and a loan from the scheme of £74,782 repayable over 2.5 years.

There was a debt outstanding during the year from Mr M.F. Ellis. This debt was not interest bearing and was nil at the beginning and end of the year. The maximum balance at any time during the year was £23,718.

21 CAPITAL COMMITMENTS

	<u>2000</u> £'000	<u>1999</u> £'000
Contracted for but not shown in the financial statements	-	-

VAN ELLE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2000 (CONTINUED)

22 SUBSEQUENT EVENTS

With effect from 31 October 2000 a divisionalisation of a subsidiary undertaking took place, with the trade and net assets of A&G (Steavenson) Limited transferred at book values into Van Elle (Holdings) Limited.