Registered Number 2590521

Van Elle Limited

Annual report and financial statements for the year ended 30 April 2002



Van Elle Limited

Annual report and financial statements for the year ended 30 April 2002

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Van Elle Limited

Directors' report
for the year ended 30 April 2002

The directors present their report and the audited financial statements of the Company and the Group for the year ended 30 April 2002.

Principal activities
The Group's principal activities during the year was that of underpinning, piling, drilling and grouting, site investigation and superstructure repairs within the construction/civil engineering industry.

Review of business and future developments
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.

Results and dividends
The Group's consolidated profit for the year after taxation amounted to £430,000 (2001: £204,000). Dividends totalling £685,000 (2001: £nil) have been declared (see note 6).

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.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

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

	2002	2001
M F Ellis	**2,194**	2,194
Mrs J E Ellis	**62**	62

Van Elle Limited

Directors' report
for the year ended 30 April 2002(continued)

Statement of directors' responsibilities
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss for that year. 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

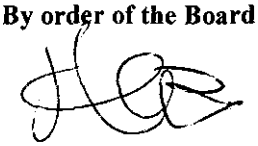
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that these financial statements comply with the foregoing requirements.

Auditors
Pricewaterhouse Coopers resigned as auditors on 15 March 2002 and Grant Thornton were appointed to replace them.

Grant Thornton, having offered themselves for reappointment as auditors, shall be deemed to be reappointed for the next financial year in accordance with Section 386 of the Companies Act 1985.

By order of the Board



Mrs J E Ellis
Secretary
30 October 2002

Report of the Independent Auditors to the members of Van Elle Limited

We have audited the financial statements of Van Elle Limited for the year ended 30 April 2002 which comprise the principal accounting policies, the consolidated profit and loss account, the balance sheets, the consolidated cash flow statement and notes 1 to 21. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors
The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and 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 United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Group 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 is not disclosed.

We read other information contained in the directors' 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 audit opinion
We conducted our audit in accordance with the 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's and the Group's affairs at 30 April 2002 and of the result of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton
Chartered Accountants and Registered Auditors
Milton Keynes
30 October 2002

Van Elle Limited

Consolidated profit and loss account for the year ended 30 April 2002

	Note	2002 £'000	2001 £'000
Turnover – continuing operations	1	**18,258**	16,622
Cost of sales		**(13,578)**	(12,906)
Gross profit		**4,680**	3,716
Administrative expenses			
Before exceptional items		**(3,890)**	(3,121)
Exceptional items	2	**(80)**	(250)
		(3,970)	(3,371)
Operating profit – continuing operations	2	**710**	345
Interest receivable and similar income	3	**1**	2
Interest payable and similar charges	4	**(168)**	(154)
Profit on ordinary activities before taxation		**543**	193
Tax on profit on ordinary activities	5	**(113)**	(25)
Profit on ordinary activities after taxation		**430**	168
Minority interest (all equity)		**-**	36
Profit for the financial year		**430**	204
Dividends	6	**(685)**	-
Retained (loss)/profit for the year transferred to reserves	17	**(255)**	204

All items dealt with in arriving at the loss above relate to continuing operations. There are no recognised gains and losses in the year other than those disclosed in the profit and loss account.

There is no difference between the profit on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents.

The notes 1 – 21 form part of these financial statements.

Van Elle Limited

Consolidated balance sheet as at 30 April 2002

	Note	2002 £'000	2002 £'000	2001 £'000	2001 £'000
Fixed assets					
Tangible assets	9		**3,779**		3,597
Current assets					
Stocks	11	**328**		446	
Debtors	12	**3,457**		3,119	
		3,785		3,565	
Creditors - amounts falling due within one year	13	**(4,470)**		(4,415)	
Net current (liabilities)			**(685)**		(850)
Total assets less current liabilities			**3,094**		2,747
Creditors - amounts falling due after more than one year	14		**(1,321)**		(842)
Provisions for liabilities and charges	15		**(428)**		(305)
Minority interest (all equity)			**(31)**		(31)
Net assets			**1,314**		1,569
Capital and reserves					
Called up share capital	16		**2**		2
Capital reserve	17		**11**		11
Revaluation reserve	17		**49**		50
Profit and loss account	17		**1,252**		1,506
Total equity shareholders' funds			**1,314**		1,569

The notes 1 – 21 form part of these financial statements.

The financial statements were approved by the board of directors on 30 October 2002 and were signed on its behalf by:

Mr M F Ellis
Chairman & Managing Director

Van Elle Limited

Company balance sheet as at 30 April 2002

	Note	2002 £'000	2002 £'000	2001 £'000	2001 £'000
Fixed assets					
Tangible assets	9		**3,779**		3,377
Investments	10		**73**		293
			3,852		3,670
Current assets					
Stocks	11	**328**		446	
Debtors	12	**3,467**		3,128	
		3,795		3,574	
Creditors - amounts falling due within one year	13	**(4,543)**		(4,488)	
Net current (liabilities)			**(748)**		(914)
Total assets less current liabilities			**3,104**		2,756
Creditors - amounts falling due after more than one year	14		**(1,321)**		(842)
Provisions for liabilities and charges	15		**(428)**		(305)
Net assets			**1,355**		1,609
Capital and reserves					
Called up share capital	16		**2**		2
Profit and loss account	17		**1,353**		1,607
Total equity shareholders' funds			**1,355**		1,609

The notes 1 – 21 form part of these financial statements.

The financial statements were approved by the board of directors on 30 October 2002 and were signed on its behalf by:

Mr M F Ellis
Chairman & Managing Director

Van Elle Limited

Consolidated cash flow statement for the year ended 30 April 2002

	Note	2002 £'000	2002 £'000	2001 £'000	2001 £'000
Net cash inflow from operating activities	20		**1,253**		1,100
Returns on investment and servicing of finance					
Interest received		**1**		2	
Interest paid		**(168)**		(154)	
Net cash (outflow) from returns on investments and servicing of finance			**(167)**		(152)
Taxation					
Corporation tax paid			**(18)**		(28)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		**(393)**		(745)	
Sale of tangible fixed assets		**17**		47	
Net cash inflow/(outflow) from investing activities			**(394)**		(698)
Net cash inflow before use of liquid resources and financing			**692**		222
Financing					
Loan from related entity	19	**125**		6	
Capital element of finance lease payments and hire purchase	20	**(496)**		(488)	
Bank loan	19	**(76)**		(103)	
Net cash outflow from financing			**(447)**		(585)
Increase/(decrease) in net cash	20		**245**		(363)

The notes 1 – 21 form part of these financial statements.

Van Elle Limited

Notes to the financial statements for the year ended 30 April 2002

1 Principal accounting policies

Principle of accounting policies
The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom up to and including Financial Reporting Standard 19. A summary of the more important accounting policies, which have been applied consistently other than the implementation of Financial Reporting Standard 19, is set out below.

Basis of accounting
The financial statements are prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets.

Basis of preparation
The Group accounts consolidate the accounts of Van Elle Limited and all its subsidiary undertakings up to 30 April 2002.

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

Acquisitions and disposals
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. 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.

Fixed assets
The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition. Land and buildings, held pre-February 1998 were revalued by a firm of valuers and chartered surveyors, with all subsequent additions included at cost. Following the implementation of FRS15, the transitional provisions of the FRS are being followed and therefore the valuations will not be updated.

Depreciation is calculated so as to write off the cost or revalued amount of tangible fixed assets, less their estimated residual value, on a straight line basis over their estimated economic lives. The estimated economic lives used for this purpose are:

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

Depreciation is not provided on investment properties.

Notes to the financial statements for the year ended 30 April 2002 (continued)

1 Principal accounting policies (continued)

Investments in subsidiary undertakings
The cost of investments in subsidiary undertakings is recorded at the aggregate of the market value of shares issued in connection with the acquisition, cash paid and any further costs connected with the acquisition, less amounts written off.

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

Government grants
Capital grants received are reported as deferred income and credited to the profit and loss account over the expected useful economic life of the assets for which they are received.

Revenue grants received in respect of non-financial objectives are matched against the identifiable costs of achieving and maintaining these non-financial objectives.

Leases
Leasing agreements and hire purchase contracts which transfer to the Group substantially all the benefits and risks of ownership of an asset ("finance leases") are treated as if the asset had been purchased outright. Assets held under such agreements are included in fixed assets and the capital element of commitments is shown as obligations under finance leases. Payments under such agreements are treated as consisting of capital and interest elements. The interest element is charged to the profit and loss account over the primary lease period in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

All other leases are treated as operating leases, the costs of which are charged on a straight line basis over the lease term.

Stocks and work in progress
Stocks and work in progress are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. In the case of manufactured products, cost includes all direct expenditure and an appropriate proportion of production overheads based on the normal level of activity. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

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.

Pensions
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. The pension costs charged against operating profits are the contributions payable to the schemes in respect of the accounting period.

Notes to the financial statements for the year ended 30 April 2002 (continued)

1 Principal accounting policies (continued)

Turnover
Turnover represents the invoiced value of goods and services supplied, excluding value added tax and trade discounts.

Deferred taxation
Provision is made for deferred taxation, using the liability method, on all material timing differences, to the extent that it is probable that a liability or asset will crystallise. Deferred taxation assets are recognised in the financial statements when it is more likely than not that they will be recovered.

2 Operating profit

	2002 £'000	2001 £'000
Operating profit is stated after charging/(crediting):		
Plant and equipment hire	**1,118**	1,089
Depreciation of tangible fixed assets		
- owned assets	**310**	345
- under finance leases	**317**	264
Operating lease charges	**41**	51
Profit on disposal of fixed assets	**(13)**	(35)
Government grant income	**(13)**	(13)
Auditors remuneration		
- audit services – Company	**27**	25
- audit services – Group	**-**	2
- non-audit services	**42**	19
Exceptional item (see below)	**80**	250

The group have established a provision of £300,000 (2001: £250,000) in respect of a claim that was insured with Independent Insurance who have ceased to trade. The group disputes the amount and intends to defend it vigorously but in the interests of prudence has provided for their worst case estimate. In addition, £30,000 of legal costs have been incurred to date and have been included within the exceptional item along with the increase of provision (note 15).

3 Interest receivable and similar income

	2002 £'000	2001 £'000
Bank interest receivable	**1**	2

4 Interest payable and similar charges

	2002	2001
	£'000	£'000
Interest payable on overdrafts and bank loans	**86**	71
Finance leases and hire purchase contracts	**68**	69
Other interest	**14**	14
	168	154

5 Tax on profit on ordinary activities

	2002	2001
	£'000	£'000
The tax charge represents		
UK corporation tax at 20% (2001: 20%):	**44**	54
Adjustments in respect of prior years corporation tax	**(4)**	13
Total current tax	**40**	67
Origination and reversal of timing differences	**57**	1
Deferred tax adjustment in respect of prior years	**16**	(43)
Total deferred tax	**73**	(42)
Tax on profit on ordinary activities	**113**	25

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 30% (2001:30%)		
Profit on ordinary activities before tax	**543**	341
Profit on ordinary activities multiplied by the standard rate of corporation tax	**163**	102
Effects of:		
Expenses not deductible for tax	**8**	12
Capital allowances in excess of depreciation	**(49)**	(15)
Short term timing differences	**(4)**	(4)
Utilisation of tax losses	**(52)**	(41)
Adjustment for small companies rate of CT	**(22)**	-
Adjustments in respect of prior periods	**(4)**	13
Current tax charge for the year	**40**	67

Notes to the financial statements for the year ended 30 April 2002 (continued)

6 Dividends

	2002	2001
	£'000	£'000
Dividends paid and payable	**685**	-

A dividend in specie of £598,000 was made with the balance to be paid in cash. The dividend in specie was represented by the transfer of the shares in Prestwick Properties Limited, the transfer of a freehold property and the transfer of sundry fixtures and fittings.

7 Directors emoluments

The emoluments of the directors of the Company were:

	2002	2001
	£'000	£'000
Aggregate emoluments	**241**	187

Retirement benefits are accruing to 2 (2001: 2) directors under money purchase schemes.

	2002	2001
Highest paid director:	£'000	£'000
Total amount of emoluments	**156**	125

Both 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 2001.

8 Employee costs

	2002	2001
	£'000	£'000
Wages and salaries	**5,257**	4,514
Social security costs	**552**	485
Other pensions costs	**135**	51
Staff costs	**5,944**	5,050
Average number of employees in the period	**233**	228

Notes to the financial statements for the year ended 30 April 2002 (continued)

9 Tangible assets

Group	Investment property £'000	Land and buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Office equipment £'000	Total £'000
Cost or valuation						
At 1 May 2001	220	1,235	4,421	1,542	444	7,862
Additions	-	89	871	443	8	1,411
Disposals	(220)	(363)	(95)	(114)	(30)	(822)
At 30 April 2002	**-**	**961**	**5,197**	**1,871**	**422**	**8,451**
Accumulated depreciation						
At 1 May 2001	-	57	3,091	891	226	4,265
Charge for the year	-	29	293	262	43	627
Disposals	-	(7)	(97)	(98)	(18)	(220)
At 30 April 2002	**-**	**79**	**3,287**	**1,055**	**251**	**4,672**
Net book amount						
At 30 April 2002	**-**	**882**	**1,910**	**816**	**171**	**3,779**
At 30 April 2001	220	1,178	1,330	651	218	3,597

Land and buildings includes a net book value of £24,000 (2001: £25,000) in respect of leasehold property and £858,000 (2001: £1,153,000) in respect of freehold property.

Included in tangible assets is an amount of £640,000 (2001: £386,000) in respect of motor vehicles and an amount of £1,044,000 (2001: £658,000) 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 £188,000 and £129,000 respectively.

Included in freehold properties are assets whose historical cost values are as follows:

	£'000
Cost	166
Accumulated depreciation	(27)
At 30 April 2002	**139**

Notes to the financial statements for the year ended 30 April 2002 (continued)

9 Tangible assets (continued)

Company	Land and buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Office equipment £'000	Total £'000
Cost or valuation					
At 1 May 2001	1,235	4,421	1,542	444	7,642
Additions	89	871	443	8	1,411
Disposals	(363)	(95)	(114)	(30)	(602)
At 30 April 2002	**961**	**5,197**	**1,871**	**422**	**8,451**
Accumulated depreciation					
At 1 May 2001	57	3,091	891	226	4,265
Charge for the year	29	293	262	43	627
Disposals	(7)	(97)	(98)	(18)	(220)
At 30 April 2002	**79**	**3,287**	**1,055**	**251**	**4,672**
Net book amount					
At 30 April 2002	**882**	**1,910**	**816**	**171**	**3,779**
At 30 April 2001	1,178	1,330	651	218	3,377

Notes to the financial statements for the year ended 30 April 2002 (continued)

10 Fixed asset investment

Company	Shares in subsidiary undertakings
Cost	**£'000**
At 1 May 2001	293
Disposals	(220)
At 30 April 2002	**73**

The principal subsidiaries of the Group are as follows:

	Group interest in ordinary shares	Issued ordinary share capital	Country of incorporation
Van Elle Eastern Limited	100%	1,000	Great Britain
Van Elle Southern Limited	100%	1,000	Great Britain
Van Elle Underpinning Limited	100%	1,000	Great Britain
Van Elle Piling Limited	100%	1,200	Great Britain
A&G (Steavenson) Limited	75%	66,333	Great Britain
Dram Investments Limited	100%	400	Great Britain
Van Elle Hoopsafe Limited	95%	1,000	Great Britain

All subsidiaries are now dormant. Prestwick Properties, a property investment company in the Isle of Man, was disposed of in the year via a dividend in specie to Mr M F Ellis.

11 Stocks

	Group		Company	
	2002	2001	**2002**	2001
	£'000	£'000	**£'000**	£'000
Raw materials and consumables	**226**	144	**226**	144
Work in progress	**102**	302	**102**	302
	328	446	**328**	446

Notes to the financial statements for the year ended 30 April 2002 (continued)

12 Debtors

	Group		Company	
	2002	2001	**2002**	2001
	£'000	£'000	**£'000**	£'000
Trade debtors	**3,252**	2,846	**3,252**	2,836
Amounts owed by related companies	**-**	1	**-**	1
Amounts owed by group companies	**-**	-	**10**	15
Corporation tax recoverable	**-**	-	**-**	-
Other debtors	**205**	272	**205**	276
	3,457	3,119	**3,467**	3,128

13 Creditors – Amounts falling due within one year

	Group		Company	
	2002	2001	**2002**	2001
	£'000	£'000	**£'000**	£'000
Bank loans and overdrafts (note 19)	**543**	814	**543**	814
Finance leases and hire purchase contracts (note 19)	**393**	332	**393**	332
Trade creditors	**2,537**	2,408	**2,537**	2,408
Amounts owed to related entities (note 19)	**94**	50	**94**	50
Amounts owed by Group companies	**-**	-	**73**	73
Corporation tax	**91**	71	**91**	71
Other creditors and accruals	**431**	424	**431**	424
Taxation and social security	**294**	316	**294**	316
Dividend payable	**87**	-	**87**	-
	4,470	4,415	**4,543**	4,488

Notes to the financial statements for the year ended 30 April 2002 (continued)

14 Creditors – Amounts falling due after more than one year

	Group		Company	
	2002	2001	**2002**	2001
	£'000	£'000	**£'000**	£'000
Bank loans (note 19)	**362**	412	**362**	412
Finance leases and hire purchase contracts (note 19)	**713**	252	**713**	252
Amounts owed to related entities (note 19)	**156**	75	**156**	75
Other loans	**12**	12	**12**	12
RSA Grant	**78**	91	**78**	91
	1,321	842	**1,321**	842

15 Provisions for liabilities and charges

	Group		Company	
	2002	2001	**2002**	2001
	£'000	£'000	**£'000**	£'000
Deferred tax – potential and provided	**128**	55	**128**	55
Insurance claim (note 2)	**300**	250	**300**	250
	428	305	**428**	305

The deferred tax provision represents accelerated capital allowances and short term timing differences.

16 Called up share capital

	2002	2001
Group and Company	**£'000**	£'000
Authorised		
100,000 ordinary shares of £1 each	**100**	100
Allotted and fully paid		
2,400 ordinary shares of £1 each	**2**	2

Notes to the financial statements for the year ended 30 April 2002 (continued)

17 Reserves

Group	Revaluation reserve £'000	Capital reserve £'000	Profit and loss account £'000	Total £'000
At 1 May 2001	50	11	1,506	**1,567**
Retained loss for the year	-	-	(255)	**(255)**
Transfer to profit and loss account	(1)	-	1	-
At 30 April 2002	**49**	**11**	**1,252**	**1,312**

Company	Profit and loss account £'000
At 1 May 2001	1,607
Retained loss for the year after taxation	(254)
At 30 April 2002	**1,353**

18 Reconciliation of movements in shareholders' funds

Group	2002 £'000	2001 £'000
Profit for the financial year	**430**	204
Dividends paid	**(685)**	-
Net change in shareholders' funds	**(255)**	204
Shareholders' funds as at 1 May 2001	**1,569**	1,365
Shareholders' funds as at 30 April 2002	**1,314**	1,569

Notes to the financial statements for the year ended 30 April 2002 (continued)

19 Financial commitments

Finance leases

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

	2002	2001
	£'000	£'000
Within one year	**393**	332
Between one and five years	**713**	252
	1,106	584

Loans and other borrowings

Bank loans and overdrafts are repayable as follows:

	2002	2001
	£'000	£'000
Within one year or on demand	**543**	814
Between one and two years	**76**	93
Between two and five years	**248**	255
After more than five years	**38**	64
	905	1,226

Analysed as follows:

Overdraft	**465**	710
Bank loans	**440**	516
	905	1,226

Notes to the financial statements for the year ended 30 April 2002 (continued)

19 Financial commitments (continued)

Loans and other borrowings (continued)

Amounts owed to related entities are repayable as follows:

	2002	2001
	£'000	£'000
Within one year or on demand	**94**	50
Between one and two years	**116**	25
Between two and five years	**40**	50
	250	125
All other loans are repayable as follows:		
After more than five years	**12**	12

Operating leases

At 30 April 2002 the Group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		**Other assets**	
	2002	2001	**2002**	2001
	£'000	£'000	**£'000**	£'000
Expiry date:				
Within one year	**21**	10	**6**	2
Between two and five years	**-**	10	**-**	4
Over five years	**14**	14	**-**	-
	35	34	**6**	6

Notes to the financial statements for the year ended 30 April 2002 (continued)

19 Financial commitments (continued)

Loans and other borrowings (continued)

Amounts owed to related entities are repayable as follows:

	2002 £'000	2001 £'000
Within one year or on demand	**94**	50
Between one and two years	**116**	25
Between two and five years	**40**	50
	250	125
All other loans are repayable as follows:		
After more than five years	**12**	12

Operating leases

At 30 April 2002 the Group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other assets	
	2002 £'000	2001 £'000	**2002 £'000**	2001 £'000
Expiry date:				
Within one year	**21**	10	**6**	2
Between two and five years	**-**	10	**-**	4
Over five years	**14**	14	**-**	-
	35	34	**6**	6

Notes to the financial statements for the year ended 30 April 2002 (continued)

20 Reconciliation of operating profit to net cash flow from operating activities

	2002 £'000	2001 £'000
Operating profit	**710**	345
Depreciation	**627**	609
Profit on sale of tangible fixed assets	**(13)**	(35)
Decrease/(increase) in stocks	**118**	(218)
(Increase)/decrease in debtors	**(341)**	277
Increase in creditors and provisions	**152**	122
Net cash inflow from continuing operations	**1,253**	1,100

Analysis of changes in cash and cash equivalents

	2002 £'000	2001 £'000
Balance at 1 May 2001	**(710)**	(347)
Net cash inflow/(outflow)	**245**	(363)
Balance at 30 April 2002	**(465)**	**(710)**

Reconciliation of net cash inflow to movement in net debt

	2002 £'000
Increase in cash in the period	**245**
Cash outflow from increase in debt and leasing financing	**447**
Change in net debt resulting from cash flows	**692**
New finance leases	**(1,018)**
Movement in net debt	**(326)**
Net debt at 1 May 2001	**(1,947)**
Net debt at 30 April 2002	**(2,273)**

Notes to the financial statements for the year ended 30 April 2002 (continued)

20 Reconciliation of operating profit to net cash flow from operating activities (continued)

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

	2002 £'000	2001 £'000	Change in year £'000
Cash at bank and in hand	-	-	-
Bank overdraft	**(465)**	(710)	245
	(465)	(710)	245

Analysis of changes in net debt

	At 1 May 2001 £'000	Cashflow £'000	Other non-cash changes £'000	At 30 April 2002 £'000
Cash at bank and in hand	-	-	-	-
Overdrafts	(710)	245	-	**(465)**
Finance leases	(584)	496	(1,018)	**(1,106)**
Debt due within one year	(154)	(18)	-	**(172)**
Debt due after one year	(499)	(31)	-	**(530)**
	(1,947)	692	(1,018)	**(2,273)**

21 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 2002 was £1,958. The Company has a loan of £173,044 at 30 April 2002 from the Scheme, repayable over 3 years, a loan from the scheme of £12,692 repayable over 1 year, a loan from the scheme of £12,235 repayable within 1 year and a loan from the scheme of £50,000 repayable in May 2003.