

Bancon Developments Limited
Directors' report and financial statements
for the year ended 30 November 2002

Registered Number 58713



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Bancon Developments Limited
Directors' report and financial statements
for the year ended 30 November 2002
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Bancon Developments Limited

Directors' report for the year ended 30 November 2002

The directors present their report and the audited financial statements for the year ended 30 November 2002.

Principal activities

The principal activities of the company and its subsidiaries during the year were, building, contracting, dealing, developing and managing of property.

Review of business and future developments

The consolidated profit and loss account for the year is set out on page 4.

The directors are of the opinion that the current level of activity is likely to be sustained for the foreseeable future and expect the group to produce similar results in the coming year.

One of the company's subsidiaries, Brown Brothers (Aberdeen) Limited disposed of some of its assets to a third party during the year. It is the directors' intention to wind this company up once all balances have been settled and any outstanding matters resolved.

During the year, one of the company's subsidiaries, Deeside House and Garden Centre Limited was struck off the register.

Results and dividend

The directors do not recommend the payment of a dividend. The retained profit for the financial year of £319,836 (2001 : £75,751) will be transferred to reserves.

Directors

The directors of the company at 30 November 2002, and at the date of this report are listed below:

J C A Burnett of Leys	(Chairman)
F Garden	(resigned 29 November 2002)
I Sharp	
R A Beattie	
W Beattie	

Directors' interests in shares of the company

The interests of the directors of the company at 30 November 2002 in the shares of the company, according to the register required to be kept by Section 325 of the Companies Act 1985, were as follows:

	Ordinary shares of £1 each			
	2002		2001	
	Number	Amount £	Number	Amount £
J C A Burnett of Leys	260	260	260	260

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the company and the group for that period. The directors are required to 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 confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 30 November 2002 and that applicable accounting standards have been followed.

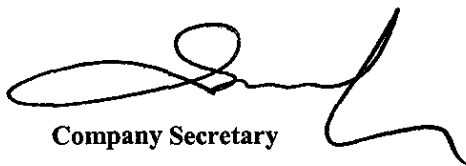
Bancon Developments Limited

The directors are responsible for keeping proper accounting records that 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.

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 28 May 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By order of the Board


Company Secretary

Bancon Developments Limited

Independent auditors' report to the members of Bancon Developments Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the cash flow statement, the note of historical cost profits and losses, the related notes and the accounting policies set out in note 1.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on pages 1 and 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions 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 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 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 company and the group at 30 November 2002 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Aberdeen,

2 July 2003

Bancon Developments Limited

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

	Note	2002 £	2001 £
Turnover	1		
Continuing operations		21,185,567	17,884,193
Discontinued operations		219,978	223,498
Total turnover		21,405,545	18,107,691
Net operating expenses	2	(20,898,690)	(17,957,464)
Operating profit	3	505,683	150,227
- Continuing operations		540,521	165,768
- Discontinued operations		(34,838)	(15,541)
Loss on termination of discontinued operations	24	(3,341)	-
Interest receivable		18,220	19,285
Interest payable	6	(45,107)	(76,957)
Profit on ordinary activities before taxation		475,455	92,555
Tax on profit on ordinary activities	7	(131,350)	(15,363)
Profit on ordinary activities after taxation		344,105	77,192
Equity minority interests	20	(24,269)	(1,441)
Retained profit for the financial year	8,18	319,836	75,751

The group has no recognised gains or losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented.

Note of group historical cost profits and losses

	2002 £	2001 £
For the year ended 30 November		
Reported profit on ordinary activities before taxation	475,455	92,555
Realisation of property revaluation gains of previous years	58,806	-
Historical cost profit on ordinary activities before taxation	534,261	92,555
Historical cost profit for the year retained after taxation, minority interests and dividends	378,642	75,751

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Balance sheets as at 30 November 2002

		Group		Company	
	Note	2002	2001	2002	2001
		£	£	£	£
Fixed assets					
Tangible assets	9	891,256	896,501	35,251	86,642
Investments	10	-	-	477	477
		891,256	896,501	35,728	87,119
Current assets					
Stock	11	1,992,818	2,032,718	144,679	219,515
Debtors : due within one year	12	5,318,437	3,926,819	1,979,849	1,017,137
Cash at bank and in hand		656,542	668,782	270,040	555,041
		7,967,797	6,628,319	2,394,568	1,791,693
Creditors: amounts falling due within one year	13	(5,434,713)	(4,491,438)	(617,032)	(304,945)
Net current assets		2,533,084	2,136,881	1,777,536	1,486,748
Total assets less current liabilities		3,424,339	3,033,382	1,813,264	1,573,867
Creditors : amounts falling due after more than one year	14	(84,360)	(35,715)	-	-
Provisions for liabilities and charges	15	(279)	(71)	-	-
Net assets		3,339,701	2,997,596	1,813,264	1,573,867
Capital and reserves					
Called up share capital	17	665	665	665	665
Revaluation reserve	18	-	58,806	-	58,806
Profit and loss account	18	3,090,576	2,713,934	1,812,599	1,514,396
Equity shareholders' funds	19	3,091,241	2,773,405	1,813,264	1,573,867
Equity minority interests	20	248,460	224,191	-	-
		3,339,701	2,997,596	1,813,264	1,573,867

The financial statements on pages 4 to 22 were approved by the board of directors on 30/6/03 and were signed on their behalf by:

Director

Director

Bancon Developments Limited

Consolidated cash flow statement for the year ended 30 November 2002

	Note	2002 £	2001 £
Net cash (outflow)/inflow from operating activities	21	(289,555)	2,107,395
Returns on investment and servicing of finance			
Interest received		18,220	19,285
Interest paid		(40,544)	(73,422)
Interest element of finance lease rental payments		(4,563)	(3,535)
Net cash outflow from returns on investments and servicing of finance		(26,887)	(57,672)
Taxation			
UK corporation tax paid		(18,097)	(18,912)
Capital expenditure and financial investments			
Purchase of tangible fixed assets		(145,003)	(230,931)
Sale of tangible fixed assets		128,678	69,392
Net cash outflow from capital expenditure and financial investments		(16,325)	(161,539)
Acquisitions and disposals			
Purchase of shares in subsidiary from minority interest		(2,000)	-
Net cash outflow before management of liquid resources and financing		(352,864)	1,869,272
Financing			
Repayments of principal under finance leases		(46,072)	(34,870)
Decrease in net cash	22	(398,936)	1,834,402

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

1 Principal accounting policies

The financial statements have been prepared under the historical cost convention, modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards in the United Kingdom. A summary of the principal accounting policies, which have been applied consistently, is set out below.

Basis of consolidation

The group financial statements include the results of the holding company and all of its subsidiary companies. Intra-group sales and profits are eliminated fully on consolidation.

On acquisition of a subsidiary, all of the subsidiary's assets and liabilities that exist at the date of acquisition are recorded at their fair values reflecting their condition at that date. All changes to those assets and liabilities, and the resulting gains and losses, that arise after the group has gained control of the subsidiary are charged to the post acquisition profit and loss account.

Turnover

Turnover represents amounts invoiced for work completed during the year and interim accounts in respect of uncompleted work, exclusive of value added tax.

Goodwill

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Goodwill arising from the prior acquisition of subsidiaries and associates has been written off immediately against reserves.

Goodwill arising on future acquisitions will be capitalised and amortised over its estimated useful economic life in accordance with Financial Reporting Standard 10 "Goodwill and Intangible Assets".

Tangible fixed assets

The directors consider the values of the investment properties annually and the aggregate surplus or deficit is transferred to the revaluation reserve. Depreciation is not provided in respect of freehold investment properties. The directors consider that this accounting policy results in the financial statements giving a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation, and the amount that might otherwise have been shown cannot be separately identified or quantified.

Freehold land is not depreciated.

Land and buildings are stated at cost or at their revalued amounts, less depreciation on buildings. The group has adopted Financial Reporting Standard 15 "Tangible Fixed Assets". It is taking advantage of the transitional provisions of the Standard and has not updated the valuations previously carried out.

Other tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation

Depreciation is charged annually on a straight line basis over the following periods:-

Plant, machinery, fixtures and fittings	7 years
Motor vehicles	4 years
Buildings	20 years

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Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer to the company substantially all the benefits and risks of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit 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.

Income from investment property

Rental income from the investment property is included in the consolidated profit and loss account on an accruals basis.

Stocks and work in progress

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

Long-term contracts

Turnover on long-term contracts is recognised according to the stage reached in the contract by reference to the value of work done. A prudent estimate of the profit attributable to work completed is recognised once the outcome of the contract can be assessed with reasonable certainty. The costs on long-term contracts not yet taken to the profit and loss account less related foreseeable losses and payments on account are shown in stocks as long-term contract balances.

Government grants

Grants which relate to specific capital expenditure are treated as deferred income which is then credited to the profit and loss account over the related assets useful life. Other grants are credited to the profit and loss account when received.

Investments

Investments in subsidiary undertakings are included in the balance sheet of the company at cost. Provisions are made where necessary to reflect any permanent diminution in value.

Taxation

Corporation tax payable is provided on taxable profits at current rates in the respective taxation jurisdictions.

During the year, the company adopted FRS 19 Deferred Tax. The adoption of this accounting standard has not resulted in a change to previously reported results.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted. Deferred tax is measured on a non-discounted basis.

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Pension costs

The group contributes to a defined contribution money purchase pension scheme on behalf of its employees. Pension costs in respect of this scheme are accounted for on the basis of charging the expected cost of providing pensions over the period during which the company benefits from the employees' services.

The group also contributes to various money purchase schemes on behalf of the directors. Pension costs in respect of these schemes are accounted for when payable.

2 Net operating expenses

Net operating expenses are comprised as follows:

	2002			2001		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
Decrease in stocks and work in progress	35,899	4,000	39,899	1,558,080	125,858	1,683,938
Raw materials and consumables	15,517,942	154,470	15,672,412	11,085,743	96,331	11,182,074
Staff costs	3,740,265	75,167	3,815,432	3,451,067	47,779	3,498,846
Other operating charges	1,376,975	10,511	1,387,486	1,562,342	42,071	1,604,413
	20,671,081	244,148	20,915,229	17,657,232	312,039	17,969,271
Less:						
Other operating income	(16,539)	-	(16,539)	(11,807)	-	(11,807)
Cash advances waived	-	-	-	73,000	(73,000)	-
Net operating expenses	20,654,542	244,148	20,898,690	17,718,425	239,039	17,957,464

3 Operating profit

Operating profit is stated after charging/(crediting):

	2002 £	2001 £
Depreciation of:		
Owned tangible fixed assets	149,739	174,130
Tangible fixed assets held under finance leases	31,183	25,786
Auditors' remuneration (company : 2002 : £8,900, 2001 : £7,500)	20,000	19,500
Hire of plant and machinery	558,924	330,935
Other operating lease payments	10,708	10,000
Gain on disposal of tangible fixed assets		
- continuing operations	(34,818)	(21,940)
- discontinued operations	(8,839)	-

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4 Directors' emoluments

	2002	2001
	£	£
Aggregate emoluments	303,269	280,809
Company pension contributions to money purchase schemes	58,718	40,450
	361,987	321,259

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

Highest paid director	2002	2001
	£	£
Aggregate emoluments and benefits	78,296	74,307
Company pension contributions to money purchase schemes	25,000	2,937
	103,296	77,244

5 Employee information

The average weekly number of persons employed by the group including executive directors during the year was:

	2002	2001
	Number	Number
Total	181	157

Employment costs – all employees including executive directors:

	2002	2001
	£	£
Wages and salaries	3,218,509	2,984,631
Social security costs	351,232	286,155
Other pension costs	245,691	228,060
	3,815,432	3,498,846

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6 Interest payable

	2002	2001
	£	£
Interest payable on:		
Bank overdrafts	40,544	73,422
Finance leases	4,563	3,535
	45,107	76,957

7 Taxation on profit for the year

	2002	2001
	£	£
United Kingdom corporation tax at 20% (2001 : 20%)		
Current	130,638	19,283
Deferred	208	(790)
Over provision in respect of prior year		
Current	504	(3,130)
	131,530	15,363

The tax assessed for the period is lower than the companies rate of corporation tax in the UK (30%). The differences are explained below:

	2002	2001
	£	£
Profit on ordinary activities before tax	475,455	92,555
Profit on ordinary activities multiplied by the standard rate in UK 30% (2001 : 30%)	142,637	27,767
Effects of:		
Deferred tax asset not recognised	(10,829)	454
Expenses not deductible for tax purposes	8,573	(17,807)
Adjustments to tax charge in respect of previous period	504	1,310
Small company and marginal rate adjustments	(9,355)	-
Accelerated capital allowances	-	3,473
Other	-	166
Current tax charge for the year	131,530	15,363

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8 Profit for the financial year

The directors have taken advantage of the exemption available under section 230 of the Companies Act 1985, and not presented a profit and loss account for the company alone.

Of the profit for the financial year, a profit of £239,397 (2001 : £50,436) is dealt with in the accounts of Bancon Developments Limited.

9 Tangible fixed assets

Group

	Tenants improve- ments	Land and buildings	Investment property	Plant and machinery	Motor vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 December 2001	106,600	485,181	113,120	968,745	619,293	2,292,939
Additions	-	-	-	213,208	47,490	260,698
Disposals	-	(122,531)	-	(73,591)	(222,059)	(418,181)
At 30 November 2002	106,600	362,650	113,120	1,108,362	444,724	2,135,456
Depreciation						
At 1 December 2001	10,600	150,760	-	654,015	581,063	1,396,438
Charge for the year	10,700	16,810	-	119,906	33,506	180,922
Disposals	-	(57,575)	-	(67,943)	(207,642)	(333,160)
At 30 November 2002	21,300	109,995	-	705,978	406,927	1,244,200
Net book amount						
At 30 November 2002	85,300	252,655	113,120	402,384	37,797	891,256
At 30 November 2001	96,000	334,421	113,120	314,730	38,230	896,501

The net book value of tangible fixed assets includes an amount of £176,702 (2001 : £86,092) in respect of assets held under finance leases.

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9 Tangible fixed assets (continued)

Company

	Land and buildings	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 December 2001	122,531	35,112	107,335	264,978
Additions	-	29,307	-	29,307
Disposals	(122,531)	-	(55,645)	(178,176)
At 30 November 2002	-	64,419	51,690	116,109
Depreciation				
At 1 December 2001	57,575	21,804	98,957	178,336
Charge for the year	-	7,364	1,699	9,063
Disposals	(57,575)	-	(48,966)	(106,541)
At 30 November 2002	-	29,168	51,690	80,858
Net book amount				
At 30 November 2002	-	35,251	-	35,251
At 30 November 2001	64,956	13,308	8,378	86,642

Land and buildings and investment properties are included at a valuation in the company and group as follows:

	Group Land and buildings	Investment properties	Company Land and buildings
	£	£	£
Cost	469,250	113,120	-
Valuation in 1998	-	-	-
	469,250	113,120	-

The valuation in 1998 was carried out by FG Burnett, an independent external chartered surveyor, on the open market value basis.

Investment properties have not been revalued during the year as the directors believe that the valuations in the balance sheet at 30 November 2002 are not materially different from the current market value of the properties.

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The historical cost and related depreciation of land and buildings included at valuation for both group and company are set out below:

	Land and buildings	
	2002	2001
	£	£
Historical cost	2,700	2,700
Depreciation based on cost	(2,700)	(2,700)
Historical cost net book value	-	-

10 Fixed asset investments

Company

	Interests in subsidiary undertakings
	£
Cost and net book value	
At 1 December 2001 and 30 November 2002	477

Interests in subsidiary undertakings

Shares in subsidiary undertakings comprise the cost of investments in subsidiary undertakings. Details of subsidiary undertakings are as follows:

Name of company and country of registration and operation	Description of shares held	Proportion of nominal value of issued shares held by:		Principal activity
		Group	Company	
Inchmarlo Land Company Ltd Scotland	102 Ord "A" £1 shares	51%	51%	Property developers
Brown Brothers (Aberdeen) Ltd Scotland	85 Ord £1 shares	81%	-	Plumbing contractors
Banchory Contractors Ltd Scotland	150 Ord 50p shares	81%	81%	Building and contracting
Bancon Homes Ltd Scotland	100 Ord £1 shares	100%	100%	House builders
Bancon Homes (Deeside) Ltd Scotland	100 Ord £1 shares	100%	100%	House builders
Bancon Homes (Donside) Ltd Scotland	100 Ord £1 shares	100%	100%	House builders

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11 Stock

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Raw materials and consumables	129,121	106,676	-	-
Work in progress	1,788,696	1,851,041	79,679	154,515
Land and property	75,001	75,001	65,000	65,000
	1,992,818	2,032,718	144,679	219,515

12 Debtors

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	4,347,335	3,237,880	399,769	-
Amounts recoverable on contracts	405,586	367,208	-	-
Amounts owed by group undertaking	-	-	1,554,000	901,000
Other debtors	510,644	298,604	5,569	108,510
Prepayments and accrued income	54,872	23,127	20,511	7,627
	5,318,437	3,926,819	1,979,849	1,017,137

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13 Creditors – amounts falling due within one year

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank overdrafts	1,284,524	897,828	-	-
Trade creditors	3,280,691	2,735,880	11,578	6,273
Amounts owed to group undertakings	-	-	344,677	52,890
Corporation tax	132,328	19,283	95,491	6,000
Group relief	-	-	-	8,125
Other taxation and social security	115,564	166,644	-	73,922
Obligations under finance leases	35,975	14,997	-	-
Accruals and deferred income	585,631	656,806	165,286	157,735
	5,434,713	4,491,438	617,032	304,945

The bank overdrafts of the group are secured by a floating charge in favour of Clydesdale Bank plc.

14 Creditors – amounts falling due after more than one year

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Finance leases:				
Repayable between one and two years	35,975	14,997	-	-
Repayable between two and five years	48,385	20,718	-	-
	84,360	35,715	-	-

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15 Provisions for liabilities and charges

Group

	Deferred tax £
At 1 December 2001	71
Profit and loss account	208
At 30 November 2002	279

Deferred taxation provided in these financial statements at a rate of 20% (2001 : 20%), comprises:-

	Group		Company	
	2002 £	2001 £	2002 £	2001 £
Accelerated capital allowances	279	71	-	-

The unprovided deferred assets are as follows:-

	Group		Company	
	2002 £	2001 £	2002 £	2001 £
Excess of tax allowances over depreciation	(31,660)	(33,993)	(4,883)	(12,650)
Short term timing differences	-	(1,124)	-	-
Other	-	(39,032)	-	-
	(31,660)	(74,149)	(4,883)	(12,650)

16 Pension and similar obligations

The group operates a defined contribution money purchase pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The charge against profits is the amount of contributions payable to the scheme and amounted to £245,691 (2001 : £165,330).

The group also contributes to various money pension schemes on behalf of the directors of the various group companies. The assets of these schemes are held separately from those of the group in independently administered funds.

Contributions amounting to £2,671 (2001 : £2,200) were payable at the year end.

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17 Called up share capital

Group and company

	2002	2001
	£	£
Authorised		
1,000 "A" ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
665 "A" ordinary shares of £1 each	665	665

18 Reserves

	Revaluation reserve	Profit and loss account
	£	£
Group		
At 1 December 2001	58,806	2,713,934
Release of revaluation reserve	(58,806)	58,806
Purchase of share in subsidiary from minority interest	-	(2,000)
Retained profit for the financial year	-	319,836
At 30 November 2002	-	3,090,576

	Revaluation reserve	Profit and loss account
	£	£
Company		
At 1 December 2001	58,806	1,514,396
Release of revaluation reserve	(58,806)	58,806
Retained profit for the financial year	-	239,397
At 30 November 2002	-	1,812,599

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19 Reconciliation of movements in shareholders' funds

	2002	2001
	£	£
Group		
Opening shareholders' funds	2,773,405	2,697,654
Profit for the financial year	319,836	75,751
Purchase of shares in subsidiary from minority interest	(2,000)	-
Closing shareholders' funds	3,091,241	2,773,405

	2002	2001
	£	£
Company		
Opening shareholders' funds	1,573,867	1,523,431
Profit for the financial year	239,397	50,436
Closing shareholders' funds	1,813,264	1,573,867

20 Equity minority interest

	2002	2001
	£	£
Group		
At 1 December	224,191	222,750
Profit and loss account	25,441	1,441
Group buyback of minority shareholding in Brown Brothers (Aberdeen) Ltd	(1,172)	-
Equity minority interests at 30 November	248,460	224,191

Bancon Developments Limited

21 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	2002 £	2001 £
Operating profit	505,683	150,227
Depreciation on tangible fixed assets	180,922	199,916
(Gain)/loss on sale of tangible fixed assets	(43,657)	(21,940)
Decrease in stocks	39,900	1,570,873
Increase in debtors	(1,546,594)	(977,159)
Increase in creditors	574,191	1,185,478
Net cash (outflow)/inflow from continuing operating activities	(289,555)	2,107,395

22 Analysis of changes in net debt

	At 1 December 2001 £	Cash flow £	Other £	At 30 November 2002 £
Cash at bank and in hand	668,782	(12,240)		656,542
Overdrafts	(897,828)	(386,696)		(1,284,524)
	(229,046)	(398,936)	-	(627,982)
Finance leases	(50,712)	46,072	(115,695)	(120,335)
Total	(279,758)	(352,864)	(115,695)	(748,317)

Bancon Developments Limited

23 Reconciliation of net cash flow to movement in net debt

	2002 £	2001 £
(Decrease)/increase in cash in the period	(398,936)	1,834,402
Cash used to repay principal under finance leases	46,072	34,870
New finance leases	(115,695)	(39,500)
Movement in net debt in the period	(468,559)	1,829,772
Net debt at start of year	(279,758)	(2,109,530)
Net debt at end of year	(748,317)	(279,758)

24 Acquisitions and disposals

Brown Brothers Limited

On 28 February 2002, Brown Brothers Limited purchased 5 ordinary shares of £1 each from the minority shareholder for £2,000. This represents 5% of the share capital of the company.

Deeside House and Gardens Limited

During the year Deeside House and Gardens Limited was struck off the register. Details of the assets and liabilities disposed of are as follows:

	£
Debtors	154,976
Creditors	(151,635)
	3,341
Loss on termination of discontinued business	(3,341)
Cash consideration	-

Bancon Developments Limited

25 Commitments

	2002	2001
	£	£
Plant and equipment		
In under one year	176,578	96,071
Within two and five years inclusive	292,741	168,794
Total	469,319	264,865

	2002	2001
	£	£
Land and building		
In under one year	67,750	67,750
Within two and five years inclusive	8,469	76,219
Total	76,219	143,969

The company has minimum annual commitments under non-cancellable operating leases which expire as follows:

	2002	2001
	£	£
Plant and company equipment		
In under one year	16,159	4,971
Within two and five years inclusive	25,578	5,145
Total	41,737	10,116

26 Related party transactions

During the year the Group made sales of £72,080 (2001 : £1,503,264) and purchases of £51,897 (2001: £17,926) to and from related parties. These parties are JCA Burnett of Leys, a director, and his family and entities under their control.

The directors consider these transactions to have been on an arm's length basis.

At the year end £57,419 (2001: £261,684) was owed to the group by related parties and £251 (2000 : £nil) owed to related parties.