

INDUSMOND (DIAMOND TOOLS) LIMITED
FINANCIAL STATEMENTS
FOR
30 SEPTEMBER 1999

Company Registration Number 0355927



GOODMAN LAWRENCE & CO.
CHARTERED CERTIFIED ACCOUNTANTS
56A, Haverstock Hill
London
NW3 2BH

INDUSMOND (DIAMOND TOOLS) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 1999

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INDUSMOND (DIAMOND TOOLS) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

A.D GREENGROSS
A. FINER

COMPANY SECRETARY

A.D. GREENGROSS

REGISTERED OFFICE

9, DAWSON PLACE
LONDON
W2 4TD

ACCOUNTANTS

GOODMAN LAWRENCE & CO.
CHARTERED CERTIFIED ACCOUNTANTS
56A, HAVERSTOCK HILL
LONDON
NW3 2BH

BANKERS

BANK LEUMI (UK) PLC

INDUSMOND (DIAMOND TOOLS) LIMITED**THE DIRECTORS' REPORT****YEAR ENDED 30 SEPTEMBER 1999**

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 30 September 1999.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was to trade as Diamond Tool Retailers.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 30 September 1999	At 1 October 1998
A.D Greengross	664	664
A. Finer	<u>236</u>	<u>236</u>

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDUSMOND (DIAMOND TOOLS) LIMITED

THE DIRECTORS' REPORT (continued)

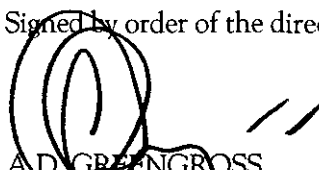
YEAR ENDED 30 SEPTEMBER 1999

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
9, Dawson Place
London
W2 4TD

Signed by order of the directors



A.D. GREENGROSS
Company Secretary

Approved by the directors on 17 January 2000

INDUSMOND (DIAMOND TOOLS) LIMITED

BALANCE SHEET

30 SEPTEMBER 1999

	Note	1999	1998
		£	£
FIXED ASSETS			
Tangible assets	2	13,490	11,734
Investments	3	<u>350,000</u>	<u>350,000</u>
		363,490	361,734
CURRENT ASSETS			
Stocks		53,000	50,000
Debtors	4	94,327	96,371
Cash at bank and in hand		<u>24,184</u>	<u>15,020</u>
		171,511	161,391
CREDITORS: Amounts falling due within one year	5	<u>(144,001)</u>	<u>(134,024)</u>
NET CURRENT ASSETS		27,510	27,367
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>391,000</u>	<u>389,101</u>

The balance sheet continues on the following page.
The notes on pages 8 to 12 form part of these financial statements.

INDUSMOND (DIAMOND TOOLS) LIMITED**BALANCE SHEET** *(continued)***30 SEPTEMBER 1999**

	Note	1999 £	1998 £
CAPITAL AND RESERVES			
Called-up equity share capital	7	900	900
Revaluation reserve		256,943	256,943
Profit and loss account	8	133,157	131,258
SHAREHOLDERS' FUNDS	9	<u>391,000</u>	<u>389,101</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

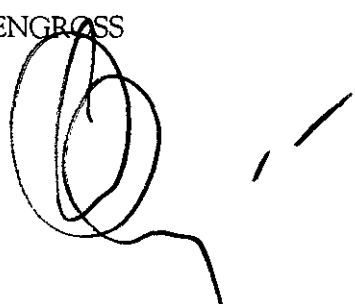
The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 17 January 2000 and are signed on their behalf by:

A.D. GREENGROSS
Director



INDUSMOND (DIAMOND TOOLS) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 SEPTEMBER 1999

	Note	1999 £	1998 £
TURNOVER		308,843	350,713
Cost of sales		(167,941)	(198,446)
GROSS PROFIT		140,902	152,267
Distribution Costs		(21,173)	(25,545)
Administrative expenses		(121,354)	(102,875)
Other operating income	10	35,526	37,587
OPERATING PROFIT	11	33,901	61,434
Loss on disposal of fixed assets	12	(1,079)	-
		32,822	61,434
Interest receivable		865	2,238
Interest payable		-	(10,000)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		33,687	53,672
Tax on profit on ordinary activities	13	(7,788)	(11,546)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		25,899	42,126
Equity dividends paid		(24,000)	(40,700)
RETAINED PROFIT FOR THE FINANCIAL YEAR		1,899	1,426

All of the activities of the company are classed as continuing.

INDUSMOND (DIAMOND TOOLS) LIMITED

YEAR ENDED 30 SEPTEMBER 1999

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1999 £	1998 £
Profit for the financial year attributable to the directors	25,899	42,126
Total gains and losses recognised since the last annual report	<u>25,899</u>	<u>42,126</u>

INDUSMOND (DIAMOND TOOLS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 SEPTEMBER 1999****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures, Fittings & Equipment - 15% Reducing Balance

Stocks

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

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

INDUSMOND (DIAMOND TOOLS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 1999

2. TANGIBLE FIXED ASSETS

	Improve- ments £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Total £
COST OR VALUATION				
At 1 October 1998	-	19,782	8,140	27,922
Additions	4,000	4,010	-	8,010
Disposals	-	-	(8,140)	(8,140)
At 30 September 1999	<u>4,000</u>	<u>23,792</u>	<u>-</u>	<u>27,792</u>
DEPRECIATION				
At 1 October 1998	-	12,627	3,561	16,188
Charge for the year	-	1,675	-	1,675
On disposals	-	-	(3,561)	(3,561)
At 30 September 1999	<u>-</u>	<u>14,302</u>	<u>-</u>	<u>14,302</u>
NET BOOK VALUE				
At 30 September 1999	<u>4,000</u>	<u>9,490</u>	<u>-</u>	<u>13,490</u>
At 30 September 1998	<u>-</u>	<u>7,155</u>	<u>4,579</u>	<u>11,734</u>

3. INVESTMENTS

INVESTMENT PROPERTY	Total £
COST	
At 1 October 1998 and 30 September 1999	<u>350,000</u>
NET BOOK VALUE	
At 30 September 1999	<u>350,000</u>
At 30 September 1998	<u>350,000</u>

The Investment property has been valued by the directors of the company at the Balance Sheet date having regard to the prevalent market conditions.

INDUSMOND (DIAMOND TOOLS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 1999

4. DEBTORS

	1999	1998
	£	£
Trade debtors	76,123	64,932
ACT recoverable against future taxation	2,318	13,319
Other debtors	15,886	18,120
	<u>94,327</u>	<u>96,371</u>

5. CREDITORS: Amounts falling due within one year

	1999	1998
	£	£
Trade creditors	41,899	30,341
Advance Corporation Tax	-	10,175
Corporation tax	7,630	11,550
Other taxation and social security	13,333	4,504
Other creditors	81,139	77,454
	<u>144,001</u>	<u>134,024</u>

6. RELATED PARTY TRANSACTIONS

The company's related parties (RP) as defined by reporting standard 8, the nature of the relationship and the extent of transactions with them are summarised

RP Relationship	Name of RP
Connected Company	B.C.Blazy & Clement Limited
Connected Company	Blazy and Clement Limited
Amount owed to RP's	£29,536

The company sold goods to the value of £68,096 to B.C.Blazy & Clement Limited during the year.

7. SHARE CAPITAL

Authorised share capital:

	1999	1998
	£	£
900 Ordinary shares of £1 each	<u>900</u>	<u>900</u>

INDUSMOND (DIAMOND TOOLS) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED 30 SEPTEMBER 1999

7. SHARE CAPITAL *(continued)*

Allotted, called up and fully paid:

	1999	1998
	£	£
Ordinary share capital	<u>900</u>	<u>900</u>

8. PROFIT AND LOSS ACCOUNT

	1999	1998
	£	£
Balance brought forward	131,258	129,832
Retained profit for the financial year	<u>1,899</u>	<u>1,426</u>
Balance carried forward	<u>133,157</u>	<u>131,258</u>

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999	1998
	£	£
Profit for the financial year	25,899	42,126
Dividends	<u>(24,000)</u>	<u>(40,700)</u>
	1,899	1,426
Opening shareholders' equity funds	<u>389,101</u>	<u>387,675</u>
Closing shareholders' equity funds	<u>391,000</u>	<u>389,101</u>

10. OTHER OPERATING INCOME

	1999	1998
	£	£
Rent receivable	<u>35,526</u>	<u>37,587</u>

11. OPERATING PROFIT

Operating profit is stated after charging:

	1999	1998
	£	£
Directors' Emoluments	51,667	32,000
Depreciation	<u>1,675</u>	<u>2,788</u>

12. LOSS ON DISPOSAL OF FIXED ASSETS

	1999	1998
	£	£
Loss on disposal of fixed assets	<u>(1,079)</u>	<u>-</u>

INDUSMOND (DIAMOND TOOLS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 1999

13. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1999 £	1998 £
In respect of the year:		
Corporation tax based on the results for the year at 21/20% (1998 - 21%)	7,630	11,550
Adjustment in respect of previous years:		
Corporation tax	158	(4)
	<u>7,788</u>	<u>11,546</u>

14. CONNECTED COMPANIES

A company having the same or predominantly the same Shareholders and/or Board of Directors but which is neither a parent, subsidiary, fellow subsidiary or associate company. Any trading activities between such companies has been at arms length.

15. COMPARATIVES

Where changes in presentation have been made, comparative figures have been adjusted accordingly.