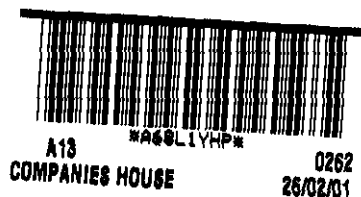


INDUSMOND (DIAMOND TOOLS) LIMITED
FINANCIAL STATEMENTS
FOR
30 SEPTEMBER 2000

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 2000

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INDUSMOND (DIAMOND TOOLS) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

A.D GREENGROSS
A. FINER

COMPANY SECRETARY

A. FINER

REGISTERED OFFICE

9, DAWSON PLACE
LONDON
W2 4TD

ACCOUNTANTS

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

BANKERS

GIRO BANK PLC
BANK LEUMI (UK) PLC

INDUSMOND (DIAMOND TOOLS) LIMITED**THE DIRECTORS' REPORT****YEAR ENDED 30 SEPTEMBER 2000**

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 30 September 2000.

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 2000	At 1 October 1999
A.D Greengross	664	664
A. Finer	<u>236</u>	<u>236</u>

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. FINER
Company Secretary

Approved by the directors on 27 November 2000

INDUSMOND (DIAMOND TOOLS) LIMITED**BALANCE SHEET****30 SEPTEMBER 2000**

	Note	2000	1999
		£	£
FIXED ASSETS			
Tangible assets	2	10,587	13,490
Investments	3	350,000	350,000
		<u>360,587</u>	<u>363,490</u>
CURRENT ASSETS			
Stocks	4	50,000	53,000
Debtors	5	84,125	94,327
Cash at bank and in hand		50,931	24,184
		<u>185,056</u>	<u>171,511</u>
CREDITORS: Amounts falling due within one year	6	<u>(157,130)</u>	<u>(144,001)</u>
NET CURRENT ASSETS		<u>27,926</u>	<u>27,510</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>388,513</u>	<u>391,000</u>

The balance sheet continues on the following page.
The notes on pages 6 to 9 form part of these financial statements.

INDUSMOND (DIAMOND TOOLS) LIMITED**BALANCE SHEET** *(continued)***30 SEPTEMBER 2000**

	Note	2000 £	1999 £
CAPITAL AND RESERVES			
Called-up equity share capital	8	900	900
Revaluation reserve		256,943	256,943
Profit and loss account	9	130,670	133,157
SHAREHOLDERS' FUNDS		<u>388,513</u>	<u>391,000</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 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the directors on the 27 November 2000 and are signed on their behalf by:


A.D. GREENGROSS
Director

INDUSMOND (DIAMOND TOOLS) LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 30 SEPTEMBER 2000**

	Note	2000 £	1999 £
TURNOVER		286,748	308,843
Cost of sales		(142,800)	(167,941)
GROSS PROFIT		143,948	140,902
Distribution Costs		(18,064)	(21,173)
Administrative expenses		(96,635)	(121,354)
Other operating income	10	36,701	35,526
OPERATING PROFIT	11	65,950	33,901
Loss on disposal of fixed assets		-	(1,079)
		65,950	32,822
Interest receivable		1,436	865
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		67,386	33,687
Tax on profit on ordinary activities	12	(13,873)	(7,788)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		53,513	25,899
Equity dividends paid		(56,000)	(24,000)
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>(2,487)</u>	<u>1,899</u>

INDUSMOND (DIAMOND TOOLS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 SEPTEMBER 2000****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, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

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.

2. TANGIBLE FIXED ASSETS

	Fixtures, Fittings & Equipment £
COST OR VALUATION	
At 1 October 1999	23,792
Additions	2,965
At 30 September 2000	<u>26,757</u>
DEPRECIATION	
At 1 October 1999	14,302
Charge for the year	1,868
At 30 September 2000	<u>16,170</u>
NET BOOK VALUE	
At 30 September 2000	<u>10,587</u>
At 30 September 1999	<u>9,490</u>

INDUSMOND (DIAMOND TOOLS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2000

2. TANGIBLE FIXED ASSETS *(continued)*

3. INVESTMENTS

INVESTMENT PROPERTY

Total
£

COST

At 1 October 1999 and 30 September 2000

350,000

NET BOOK VALUE

At 30 September 2000

350,000

At 30 September 1999

350,000

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

4. STOCKS

	2000 £	1999 £
Goods for resale	<u>50,000</u>	<u>53,000</u>

5. DEBTORS

	2000 £	1999 £
Trade debtors	66,762	76,123
ACT recoverable against future taxation	754	2,318
Other debtors	16,609	15,886
	<u>84,125</u>	<u>94,327</u>

6. CREDITORS: Amounts falling due within one year

	2000 £	1999 £
Trade creditors	51,645	41,899
Corporation tax	19,939	7,630
Other taxation and social security	288	13,333
Other creditors	85,258	81,139
	<u>157,130</u>	<u>144,001</u>

INDUSMOND (DIAMOND TOOLS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 SEPTEMBER 2000****7. 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
Amount owed to RP's	£8,650

The company sold goods to the value of £46,135 to B.C.Blazy & Clement Limited during the year.

8. SHARE CAPITAL**Authorised share capital:**

	2000	1999
	£	£
900 Ordinary shares of £1 each	<u>900</u>	<u>900</u>

Allotted, called up and fully paid:

	2000	1999
	£	£
Ordinary share capital	<u>900</u>	<u>900</u>

9. PROFIT AND LOSS ACCOUNT

	2000	1999
	£	£
Balance brought forward	133,157	131,258
Retained (loss)/profit for the financial year	(2,487)	1,899
Balance carried forward	<u>130,670</u>	<u>133,157</u>

10. OTHER OPERATING INCOME

	2000	1999
	£	£
Rent receivable	<u>36,701</u>	<u>35,526</u>

11. OPERATING PROFIT

Operating profit is stated after charging:

	2000	1999
	£	£
Directors' emoluments	29,500	51,667
Depreciation	<u>1,868</u>	<u>1,675</u>

INDUSMOND (DIAMOND TOOLS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 SEPTEMBER 2000****12. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2000	1999
	£	£
In respect of the year:		
Corporation tax based on the results for the year at 20% (1999 - 21/20%)	13,750	7,630
Adjustment in respect of previous years:		
Corporation tax	123	158
	<u>13,873</u>	<u>7,788</u>

13. 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.

14. COMPARATIVES

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