

REGISTRAR'S COPY

BEVAN FUNNELL LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 OCTOBER 2001



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Company No. 425363

BEVAN FUNNELL LIMITED

FINANCIAL STATEMENTS

For the year ended 31 October 2001

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BEVAN FUNNELL LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 October 2001.

Principal activities

The group is principally engaged in the manufacture and sale of traditional English furniture.

Results and dividends

The group loss for the year after taxation amounted to £914,000. The directors do not recommend the payment of a dividend, and the loss has been transferred to reserves.

Review of the business and future developments

Despite very competitive trading conditions in all of our major markets, we have managed to marginally improve our gross profit to £4,364,000. The small fall in sales being more than offset by the reduction in cost of sales. The cost savings resulting from the closure of a manufacturing unit in the previous year combined with stringent monitoring of overhead expenditure during the year resulted in a reduction in our operating loss by £214,000 as against the previous year.

During the year the directors continued to take measures that would reduce the amount of stock being held, the year's reduction being £822,000 (9%). The directors are committed to further stock reductions and are therefore actively pursuing improvements in production planning and purchasing to ensure that the level of stock continues to fall.

The directors consider that improved productivity and cost reductions made over the last three years leave the company better able to face the challenges of an increasingly competitive world furniture market.

Directors

The directors in office throughout the year are listed below.

B B Funnell
J D Cotton
T G Vermeer
D W Bradfield
P J Braithwaite (resigned 2 November 2001)
E Coles
M J Petry

B B Funnell held 98,000 shares at 1 November 2000. These were all transferred to Heatherside Trust Limited on 29 November 2000.

No other directors in office at the year end had any interests in the shares of the company at 1 November 2000 or 31 October 2001.

At 31 October 2001 468,000 shares in the company were owned by Heatherside Trust Limited, which was wholly owned by B B Funnell (1 November 2000: 370,000 shares).

BEVAN FUNNELL LIMITED

REPORT OF THE DIRECTORS

Property valuation

The directors consider the current value of properties to be in excess of book value, however, they cannot justify the expense of a professional valuation and therefore any difference cannot be quantified.

Statement of directors' responsibilities for the financial statements

Company law in the United Kingdom 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 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; and
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Employee involvement

The group has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the group by regular meetings between Management and Briefing Groups representatives.

Employment of disabled persons

The policy of the group within the United Kingdom is to consider all job applications equally and employ disabled persons where appropriate.

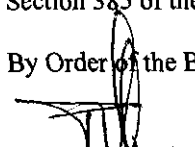
BEVAN FUNNELL LIMITED

REPORT OF THE DIRECTORS

Auditors

Grant Thornton and Norman Ball, Jordan & Co., offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

By Order of the Board



T G VERMEER
Secretary

Registered office:

Reprodux House
Norton Road
NEWHAVEN
East Sussex
BN9 0BZ

5 June 2002

**AUDITORS' REPORT TO THE MEMBERS OF
BEVAN FUNNELL LIMITED**

We have audited the financial statements on pages 5 to 18 which have been prepared under the accounting policies set out on pages 5 and 6.

Respective responsibilities of directors and auditors

As described on page 2 the directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.


Basis of opinion

We conducted our audit in accordance with United Kingdom 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 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.

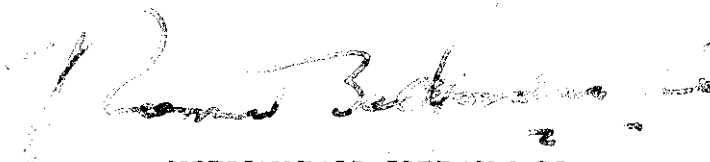
Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 October 2001 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

Brighton

10 June 2002


**NORMAN BALL, JORDAN & CO
REGISTERED AUDITORS
CHARTERED CERTIFIED ACCOUNTANTS**

Hove

13 June 2002

BEVAN FUNNELL LIMITED

ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention, as modified by the revaluation of the investment properties.

The principal accounting policies of the group are set out below. They have remained unchanged from the previous year.

BASIS OF CONSOLIDATION

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings. All accounting periods terminate on 31 October apart from the two overseas subsidiary undertakings which, for administrative reasons, end on 31 July, which is the date to which they are consolidated. All intra-group profits are eliminated on consolidation.

Goodwill arising on consolidation, representing the excess of the fair value of the consideration over the fair value of the identifiable net assets acquired, is dealt with as explained in the goodwill policy below.

GOODWILL

As a matter of accounting policy, purchased goodwill first accounted for in accounting periods ending before 23 December 1998, the implementation date of Financial Reporting Standard No 10, was eliminated from the financial statements by immediate write off on acquisition against reserves. Such goodwill will be charged to the profit and loss account on the subsequent disposal of the business to which it relates. Similarly the capital reserve, which arose in an earlier year on acquisition of the minority interests in certain subsidiary undertakings, has been eliminated against reserves.

TURNOVER

Turnover is the total amount receivable by the group in the ordinary course of business with outside customers for goods supplied excluding VAT and trade discounts.

DEPRECIATION

Depreciation is calculated to write down the cost of tangible fixed assets, other than freehold land and the investment properties, to their estimated residual value by equal annual instalments over their expected useful lives.

The periods generally applicable are:

Freeholds - UK properties	50 years
- overseas properties	10 to 20 years
Short leasehold property	Period of lease
Plant, machinery and vehicles	5 to 20 years

INVESTMENT PROPERTIES

In accordance with Statement of Standard Accounting Practice No 19, the group's properties held for long-term investment comprising of one long leasehold and one freehold property are included in the balance sheet at their open market values. The surplus or deficit on revaluation of these properties are transferred to an investment property revaluation reserve. Neither of the investment properties are amortised.

This policy represents a departure from statutory accounting principles. The directors consider that this policy is necessary in order that the financial statements may give a true and fair view, because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation.

BEVAN FUNNELL LIMITED

ACCOUNTING POLICIES

STOCKS

Stocks are stated at the lower of cost and net realisable value.

DEFERRED TAX

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

FOREIGN CURRENCIES

In individual companies, monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date, whereas non monetary assets and liabilities are translated using the rate of exchange ruling at the date of acquisition. Exchange profits or losses arising on trading are accounted for through the profit and loss account.

On consolidation, assets, liabilities and the operating results of overseas subsidiary undertakings are translated into sterling at the rates of exchange ruling at their balance sheet date. Exchange differences arising from the restatement of opening balance sheets of these subsidiary undertakings are dealt with through reserves.

INVESTMENTS

Fixed asset investments are included at cost less amounts written off.

Current asset investments are included at the lower of cost and net realisable value. Market value is shown by way of note.

LEASING

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

PENSION COSTS

The pension costs charged against profits represent the amount of the contributions payable to defined contribution schemes in respect of the accounting period.

BEVAN FUNNELL LIMITED
GROUP PROFIT AND LOSS ACCOUNT

For the year ended 31 October 2001

	Note	£'000	2001 £'000	£'000	2000 £'000
Turnover	1		12,355		12,611
Cost of sales			7,991		8,283
Gross profit			4,364		4,328
Distribution costs		3,055		3,007	
Administrative expenses		1,089		1,069	
Other charges		1,203		1,449	
			5,347		5,525
Operating loss			(983)		(1,197)
Exceptional item:					
Redundancy and factory closure costs			-		(419)
Interest receivable and similar income		249		193	
Interest payable		(71)		(85)	
Loss on exchange		(55)		(135)	
			123		(27)
Loss on ordinary activities before taxation			(860)		(1,643)
Tax on loss on ordinary activities			54		73
Loss sustained on ordinary activities after taxation	5,16 & 17		(914)		(1,716)
Statement of total recognised gains and losses					
Loss sustained for the financial year			(914)		(1,716)
Unrealised surplus on revaluation of freehold investment property			358		-
Differences on foreign currency net investments			(35)		(107)
Total recognised gains and losses for the year			(591)		(1,823)

The accompanying accounting policies and notes form an integral part of these financial statements.

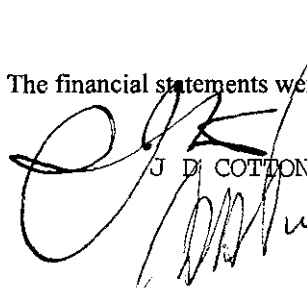
BEVAN FUNNELL LIMITED

BALANCE SHEETS AT 31 OCTOBER 2001

	Note	Group 2001 £'000	Group 2000 £'000	Company 2001 £'000	Company 2000 £'000
Fixed assets					
Tangible assets	6	3,536	3,346	3,089	3,225
Investments	7	-	-	167	167
		<u>3,536</u>	<u>3,346</u>	<u>3,256</u>	<u>3,392</u>
Current assets					
Stocks	8	8,700	9,522	6,334	7,039
Debtors	9	1,997	2,294	2,409	2,681
Investments	10	1,290	1,471	-	-
Bank balance and cash		1,381	1,653	100	93
		<u>13,368</u>	<u>14,940</u>	<u>8,843</u>	<u>9,813</u>
Creditors: amounts falling due within one year					
Bank overdrafts	11	895	1,361	868	232
Other creditors	12	1,248	1,573	3,168	4,362
		<u>2,143</u>	<u>2,934</u>	<u>4,036</u>	<u>4,594</u>
Net current assets		<u>11,225</u>	<u>12,006</u>	<u>4,807</u>	<u>5,219</u>
Total assets less current liabilities		<u>14,761</u>	<u>15,352</u>	<u>8,063</u>	<u>8,611</u>
Capital and reserves					
Called up share capital	14	468	468	468	468
Investment property revaluation reserve	15	561	203	203	203
Profit and loss account	16	13,732	14,681	7,392	7,940
Shareholders' funds	17	<u>14,761</u>	<u>15,352</u>	<u>8,063</u>	<u>8,611</u>

The financial statements were approved by the board of directors on

5th June 2002


J D COTTON

) DIRECTORS
)
)

B B FUNNELL

The accompanying accounting policies and notes form an integral part of these financial statements.

BEVAN FUNNELL LIMITED**GROUP CASH FLOW STATEMENT**

For the year ended 31 October 2001

	Note	£'000	2001 £'000	£'000	2000 £'000
Net cash outflow from operating activities	18		(12)		(860)
Returns on investments and servicing of finance					
Interest received		249		193	
Interest paid		(71)		(85)	
			178		108
Taxation					
Corporation and overseas tax paid			(130)		(48)
Capital expenditure and financial investment					
Payments to acquire current asset investments		-		(28)	
Receipts on disposal of current asset investments		181		-	
Payments to acquire tangible fixed assets		(66)		(114)	
Receipts from sale of tangible fixed assets		15		198	
			130		56
Net cash inflow/(outflow) before adjustments for the effect of the foreign exchange rate changes			166		(744)
Effect of foreign exchange rate changes			28		(72)
Increase/(decrease) in cash			194		(816)
Reconciliation of net cash flow to movement in net funds					
Increase/(decrease) in cash in year			194		(816)
Net funds at 1 November			292		1,108
Net funds at 31 October	19		486		292

BEVAN FUNNELL LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 October 2001

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and loss on ordinary activities are attributable to the principal activity, the manufacture and sale of traditional English furniture.

An analysis of turnover by geographical market is given below:

	2001 £'000	2000 £'000
United Kingdom	5,028	4,812
Europe	3,328	3,459
North America	3,179	3,186
Other	820	1,154
	<u>12,355</u>	<u>12,611</u>

Loss on ordinary activities is stated after:-

	2001 £'000	2000 £'000
Operating lease payments - land and buildings	106	102
- plant and machinery	-	27
Auditors' remuneration - audit services - current year	53	48
- prior year	-	4
- non audit services	6	14
Depreciation	237	283
Profit on disposal of fixed assets	<u>(7)</u>	<u>(144)</u>

2 INTEREST PAYABLE

	2001 £'000	2000 £'000
On bank loans and overdrafts	<u>71</u>	<u>85</u>

3 DIRECTORS AND EMPLOYEES

Staff costs during the year were:

	2001 £'000	2000 £'000
Wages and salaries	5,495	6,381
Social security	510	577
Other pension costs	16	14
	<u>6,021</u>	<u>6,972</u>

The average number of employees of the group during the year was:

	Number	Number
Production	281	366
Others	57	67
	<u>338</u>	<u>433</u>

BEVAN FUNNELL LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 October 2001

3 DIRECTORS AND EMPLOYEES (CONTINUED)

Remuneration in respect of directors was as follows:

	2001 £'000	2000 £'000
Management remuneration	<u>303</u>	<u>311</u>
	2001 £'000	2000 £'000
Highest paid director	<u>60</u>	<u>76</u>

In addition to the above, a consultancy fee of **£22,000** (2000: £24,000) in respect of services rendered outside the United Kingdom was paid to an off shore company controlled by Mr B B Funnell.

4 TAX ON LOSS ON ORDINARY ACTIVITIES

Based on the result for the year as follows:

	2001 £'000	2000 £'000
Overseas tax	67	96
Adjustments in respect of prior years		
Corporation tax	1	(33)
Overseas tax	<u>(14)</u>	<u>10</u>
	<u>54</u>	<u>73</u>

5 LOSS SUSTAINED ON ORDINARY ACTIVITIES AFTER TAXATION

The company has taken advantage of section 230(2) of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The group loss for the year includes a loss of **£548,000** (2000: £694,000 loss) which is dealt with in the financial statements of the parent undertaking.

BEVAN FUNNELL LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2001

6 TANGIBLE FIXED ASSETS

Group	Total £'000	Freehold £'000	Freehold investment property £'000	Long leasehold investment property £'000	Plant, machinery and vehicles £'000
Cost or valuation					
At 1 November 2000	7,996	2,661	-	475	4,860
Reclassification	-	(238)	238	-	-
Additions	66	-	4	-	62
Revaluation	358	-	358	-	-
Disposals	(51)	-	-	-	(51)
Exchange differences	47	29	-	-	18
At 31 October 2001	8,416	2,452	600	475	4,889
Depreciation					
At 1 November 2000	4,650	645	-	-	4,005
Provided in the year	237	39	-	-	198
Disposals	(43)	-	-	-	(43)
Exchange differences	36	21	-	-	15
At 31 October 2001	4,880	705	-	-	4,175
Net book amounts					
At 31 October 2001	3,536	1,747	600	475	714
At 31 October 2000	3,346	2,016	-	475	855

The freehold investment property and long leasehold investment property are held at open market valuation. The historical cost amounts of these assets are £242,000 and £272,000 respectively. Having taken professional advice the directors are satisfied that the carrying values of the investment properties reflect their open market value.

Company	Total £'000	Freehold £'000	Freehold investment property £'000	Long leasehold investment property £'000	Plant, machinery and vehicles £'000
Cost or valuation					
At 1 November 2000	5,733	2,085	-	475	3,173
Transfer	-	(596)	596	-	-
Additions	37	-	4	-	33
Disposals	(51)	-	-	-	(51)
At 31 October 2001	5,719	1,489	600	475	3,155
Depreciation					
At 1 November 2000	2,508	26	-	-	2,482
Provided in the year	166	26	-	-	140
Disposals	(44)	-	-	-	(44)
At 31 October 2001	2,630	52	-	-	2,578
Net book amounts					
At 31 October 2001	3,089	1,437	600	475	577
At 31 October 2000	3,225	2,059	-	475	691

BEVAN FUNNELL LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 October 2001

7 FIXED ASSET INVESTMENTS**Company**

	Shares in subsidiary undertakings £'000
Cost	
At 1 November 2000 and at 31 October 2001	<u>183</u>
Amounts written off	
At 1 November 2000 and At 31 October 2001	<u>16</u>
Net book amounts	
At 31 October 2001 and at 31 October 2000	<u><u>167</u></u>

The subsidiary undertakings, which are all wholly owned, are shown below:

	Country of incorporation	Class	Share capital issued
A K Verity Limited	England and Wales	Ordinary	£4,000
H & A G Alexander & Company Limited	Scotland	Ordinary	£36,000
Shard Stebbing Limited	England and Wales	Ordinary	£25,600
John Lawrence & Co. (Dover) Limited	England and Wales	Ordinary Preference	£100 £1,200
D & S Partners Limited	England and Wales	Ordinary Preference	£290 £290
Bevan Funnell Limited (Reprodux) Inc	USA	Ordinary	* \$25,000
Bevan S A	Switzerland	Ordinary	SF 50,000

* Bevan S A holds 50% of the ordinary share capital of Bevan Funnell Limited (Reprodux) Inc.

The principal activity of the subsidiary undertakings is the manufacture and/or sale of reproduction furniture, except for John Lawrence & Co. (Dover) Limited, which manufactures brass handles and fittings, and A K Verity Limited, Shard Stebbing Limited and D & S Partners Limited, which are dormant.

BEVAN FUNNELL LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 October 2001

8 STOCKS

	Group 2001 £'000	Group 2000 £'000	Company 2001 £'000	Company 2000 £'000
Raw materials	627	679	452	480
Work in progress	4,581	5,524	4,379	5,013
Finished goods	3,492	3,319	1,503	1,546
	<u>8,700</u>	<u>9,522</u>	<u>6,334</u>	<u>7,039</u>

9 DEBTORS

	Group 2001 £'000	Group 2000 £'000	Company 2001 £'000	Company 2000 £'000
Amounts falling due within one year:				
Trade debtors	1,625	1,821	999	1,188
Amounts owed by group undertakings	-	-	1,186	1,219
Corporation and overseas tax recoverable	131	37	-	-
Prepayments and accrued income	241	436	224	274
	<u>1,997</u>	<u>2,294</u>	<u>2,409</u>	<u>2,681</u>

10 CURRENT ASSET INVESTMENTS

These are listed on a foreign investment exchange. At the year end the market value was £1,397,000 (2000: £1,516,000).

11 BANK OVERDRAFTS

The overdrafts are secured by a fixed charge over UK freehold property.

BEVAN FUNNELL LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 October 2001

12 OTHER CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2001 £'000	Group 2000 £'000	Company 2001 £'000	Company 2000 £'000
Trade creditors	490	551	430	499
Amounts owed to group undertakings	-	-	2,132	3,055
Corporation tax and overseas tax	43	25	-	-
Social security and other taxes	178	209	173	144
Accruals	537	672	433	549
Directors' current accounts	-	116	-	115
	<u>1,248</u>	<u>1,573</u>	<u>3,168</u>	<u>4,362</u>

13 DEFERRED TAX

	Group 2001 £'000	Group 2000 £'000	Company 2001 £'000	Company 2000 £'000
Not provided				
Accelerated capital allowances	220	262	226	262
Trading losses	(555)	(107)	(502)	(107)
Other timing differences	(66)	(58)	-	-
	<u>(401)</u>	<u>97</u>	<u>(276)</u>	<u>155</u>

A deferred tax asset on the excess of unutilised trading losses and other timing differences over accelerated capital allowances has not been recognised as it is unlikely suitable taxable profits will be available in the future to offset against these amounts.

No capital tax charge is expected to arise on the sale of any of the revalued assets.

Deferred tax has not been provided on earnings retained overseas as no binding agreement to transfer funds from overseas subsidiaries to the parent company exists.

14 CALLED UP SHARE CAPITAL

	2001 £'000	2000 £'000
Authorised		
500,000 ordinary shares of £1 each	<u>500</u>	<u>500</u>
Allotted, called up and fully paid		
468,000 ordinary shares of £1 each	<u>468</u>	<u>468</u>

BEVAN FUNNELL LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 October 2001

15 INVESTMENT PROPERTY REVALUATION RESERVE

	Group £'000	Company £'000
At 1 November 2000	203	203
Revaluation of freehold investment property in the year	358	-
At 31 October 2001	<u>561</u>	<u>203</u>

The freehold property at Ipswich was reclassified during the year as an investment property. The revaluation to open market value from cost has been recognised through the investment property revaluation reserve in the group. No transfer has been made in the company as the property was acquired from its subsidiary undertaking last year at its market value.

16 PROFIT AND LOSS ACCOUNT

	Group £'000	Company £'000
At 1 November 2000	14,681	7,940
Loss sustained for the year	(914)	(548)
Exchange differences	(35)	-
At 31 October 2001	<u>13,732</u>	<u>7,392</u>

The group reserves in both years include non-distributable reserves in an overseas subsidiary undertaking of £17,000.

Positive goodwill of £168,000 and negative goodwill of £44,000 arising on consolidation has been written off in prior years.

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £'000	2000 £'000
Loss sustained for the financial year	(914)	(1,716)
Exchange differences	(35)	(107)
Unrealised revaluation surplus	358	-
Decrease in shareholders' funds in the year	<u>(591)</u>	<u>(1,823)</u>
Shareholders' funds at 1 November	15,352	17,175
At 31 October	<u>14,761</u>	<u>15,352</u>

BEVAN FUNNELL LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 October 2001

18 NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2001 £'000	2000 £'000
Operating loss	(983)	(1,197)
Exceptional item: Redundancy and factory closure costs	-	(419)
Depreciation	237	283
Profit on sale of tangible fixed assets	(7)	(144)
Exchange rate movements	(129)	(169)
Decrease in stocks	822	816
Decrease in debtors	391	91
Decrease in creditors	(343)	(121)
	<u>(12)</u>	<u>(860)</u>

19 ANALYSIS OF NET FUNDS

	At 1 November 2000 £'000	Cashflow £'000	At 31 October 2001 £'000
Cash at bank and in hand	1,653	(272)	1,381
Overdraft	(1,361)	466	(895)
	<u>292</u>	<u>194</u>	<u>486</u>

20 CAPITAL COMMITMENTS

The group and the company had no capital commitments at 31 October 2001 or at 31 October 2000.

21 CONTINGENT LIABILITIES

- a The company has guaranteed all advances made by National Westminster Bank plc in favour of A K Verity Limited, Shard Stebbing Limited, D & S Partners Limited and John Lawrence & Co. (Dover) Limited. The overdrafts of these subsidiary undertakings at 31 October 2001 totalled **£28,000** (2000: £1,129,000).
- b At 31 October 2000 there were contingent liabilities for deferred tax not provided as set out in note 13.

BEVAN FUNNELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2001

22 OPERATING LEASES

The group and the company are committed to leasing payments of **£151,000** (2000: £163,000) and **£81,000** (2000: £78,000) respectively on annual commitments under operating leases within the next year. The commitments to make these payments expire during the following years:-

	Group Land and buildings		Company Land and buildings	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
In 1 year or less	80	91	35	31
In 2 to 5 years	6	7	6	7
In 5 years or more	65	65	40	40
	<u>151</u>	<u>163</u>	<u>81</u>	<u>78</u>

23 ULTIMATE HOLDING UNDERTAKING

The ultimate holding undertaking is Heatherside Trust Limited, a company incorporated in Guernsey, Channel Islands. Group accounts have only been prepared by Bevan Funnell Limited.

24 RELATED PARTY TRANSACTIONS

A leasehold property from which the company trades is owned by one of the directors, Mr B B Funnell. The company pays him an annual rent of £40,000. Further related party transactions are shown in note 3.