

Company Registration No. 486396 (England and Wales)

DONVALE HOLDINGS LIMITED

REPORTS AND FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2003



DONVALE HOLDINGS LIMITED

COMPANY INFORMATION

Directors	W N Edwards J R Edwards P D Edwards D L Fletcher B E Bell
Secretary	W M Towing
Company number	486396
Registered office	Otter Street Sheffield S9 3WL
Auditors	Barber Harrison & Platt 2 Rutland Park SHEFFIELD S10 2PD
Bankers	The Royal Bank of Scotland plc 747 Attercliffe Road Sheffield S9 3RF
Solicitors	Bell & Buxton Telegraph House High Street Sheffield S1 2GA Morton Price Belmayne House Clarkehouse Road Sheffield S10 2LN

DONVALE HOLDINGS LIMITED

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DONVALE HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2003

The directors present their report and financial statements for the year ended 30 September 2003.

Principal activities and review of the business

The principal activity of the company continued to be that of investment and the provision of management services. The company's trading subsidiary is engaged in the manufacture of engineers tools.

The directors regard the development of the business during the year and the year end financial position to be satisfactory.

Results and dividends

The results for the year are set out on page 4.

Interim ordinary dividends were paid amounting to £163,520. The directors recommend payment of a final dividend amounting to £58,240.

Future developments

The directors do not foresee any significant change in the company's position during the coming year.

Directors

The following directors have held office since 1 October 2002:

W N Edwards
J R Edwards
P D Edwards
D L Fletcher
B E Bell

In accordance with the company's Articles of Association, W N Edwards and B E Bell retire by rotation and, being eligible, offer themselves for re-election.

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	30 September 2003	1 October 2002
W N Edwards	-	-
J R Edwards	112,000	112,000
P D Edwards	112,000	112,000
D L Fletcher	-	-
B E Bell	-	-

D L Fletcher and B E Bell have a non beneficial interest in 1,904,000 shares of the company in their capacity as trustees of family settlements.

Charitable contributions

During the year the company and its subsidiaries made charitable donations totalling £1,425 (2002 : £971).

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Barber Harrison & Platt be reappointed as auditors of the company will be put to the Annual General Meeting.

DONVALE HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2003

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 of the profit or loss of the company 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;
- 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. They 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.

By order of the board



W M Towing

Secretary

2 March 2004

DONVALE HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DONVALE HOLDINGS LIMITED

We have audited the financial statements of Donvale Holdings Limited on pages 4 to 18 for the year ended 30 September 2003. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 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 with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit 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 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.

Qualified opinion arising from the omission of information required by Financial Reporting Standard 17.

As explained in note 12, the financial statements do not comply with the transitional arrangements of FRS 17 - 'Retirement Benefits' which require that various disclosures are made this year.

Except for the failure to provide the information required by FRS 17, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 September 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Barber Harrison & Platt
Chartered Accountants
Registered Auditors

2 March 2004
2 Rutland Park
SHEFFIELD
S10 2PD

DONVALE HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2003

	Notes	2003 £	2002 £
Turnover	2	233,000	258,000
Administrative expenses		(426,322)	(408,500)
Operating loss	3	(193,322)	(150,500)
Investment income	4	370,046	584,812
Other interest receivable and similar income		22,392	34,594
Profit on ordinary activities before taxation		199,116	468,906
Tax on profit on ordinary activities	5	-	10,342
Profit on ordinary activities after taxation		199,116	479,248
Dividends	6	(221,760)	(210,560)
Retained (loss)/profit for the year	14	(22,644)	268,688

The profit and loss account has been prepared on the basis that all operations are continuing operations.

DONVALE HOLDINGS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 SEPTEMBER 2003

	2003 £	2002 £
Profit for the financial year	199,116	479,248
Unrealised surplus/(deficit) on investments	1,030,602	(2,661,618)
Total recognised gains and losses relating to the year	1,229,718	(2,182,370)
Prior year adjustment	-	(8,500)
Total gains and losses recognised since last financial statements	1,229,718	(2,190,870)

Note of historical cost profits and losses

	2003 £	2002 £
Reported profit on ordinary activities before taxation	199,116	468,906
Realisation of investments revaluation (losses)/gains of previous years	(1,290,483)	(782,678)
Historical cost loss on ordinary activities before taxation	(1,091,367)	(313,772)
Historical cost loss for the year retained after taxation, extraordinary items and dividends	(1,313,127)	(513,990)

DONVALE HOLDINGS LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	7	52,866		79,891	
Investments	8	12,402,461		11,427,321	
		<u>12,455,327</u>		<u>11,507,212</u>	
Current assets					
Debtors	9	98,517		116,396	
Cash at bank and in hand		657,771		501,850	
		<u>756,288</u>		<u>618,246</u>	
Creditors: amounts falling due within one year	10	(143,135)		(64,936)	
Net current assets		<u>613,153</u>		<u>553,310</u>	
Total assets less current liabilities		<u>13,068,480</u>		<u>12,060,522</u>	
Provisions for liabilities and charges	11	(75,000)		(75,000)	
		<u>12,993,480</u>		<u>11,985,522</u>	
Capital and reserves					
Called up share capital	13	2,240,000		2,240,000	
Revaluation reserve	14	(1,015,779)		(3,336,864)	
Profit and loss account	14	11,769,259		13,082,386	
Shareholders' funds - equity interests	15	<u>12,993,480</u>		<u>11,985,522</u>	

The financial statements were approved by the Board on 2 March 2004



W N Edwards

Director

DONVALE HOLDINGS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2003

	2003	2002
	£	£
Net cash outflow from operating activities	(124,275)	(84,378)
Returns on investments and servicing of finance		
Interest received	29,126	43,282
Dividends received	236,959	195,960
Net cash inflow for returns on investments and servicing of finance	266,085	239,242
Taxation	12,499	(12,906)
Capital expenditure and financial investment		
Repayment of subsidiary undertaking loan	-	7,045
Payments to acquire tangible assets	(16,683)	(38,840)
Payments to acquire investments	(2,624,551)	(3,345,661)
Receipts from sales of tangible assets	-	41,100
Receipts from sales of investments	2,806,366	2,900,608
Net cash inflow/(outflow) for capital expenditure	165,132	(435,748)
Equity dividends paid	(163,520)	(210,560)
Net cash inflow/(outflow) before management of liquid resources and financing	155,921	(504,350)
Increase/(decrease) in cash in the year	155,921	(504,350)

DONVALE HOLDINGS LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2003

1	Reconciliation of operating loss to net cash outflow from operating activities		2003	2002
			£	£
	Operating loss		(193,322)	(150,500)
	Depreciation of tangible assets		43,708	22,821
	Decrease in debtors		5,380	42,353
	Increase in creditors within one year		19,959	948
	Net cash outflow from operating activities		(124,275)	(84,378)

2	Analysis of net funds	1 October 2002	Cash flow	Other non-cash changes	30 September 2003
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	501,850	155,921	-	657,771
	Net funds	501,850	155,921	-	657,771

3	Reconciliation of net cash flow to movement in net funds	2003	2002
		£	£
	Increase/(decrease) in cash in the year	155,921	(504,350)
	Movement in net funds in the year	155,921	(504,350)
	Opening net funds	501,850	1,006,200
	Closing net funds	657,771	501,850

DONVALE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of investments.

1.2 Turnover

Turnover represents amounts receivable for services net of VAT.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & office equipment	10% - 33% straight line
Motor vehicles	20% straight line

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Investments

Listed investments are valued at middle market prices.

Shares in subsidiary companies are revalued to take account of the net asset values attributable to the shareholdings at the balance sheet date.

1.6 Pensions

Defined Benefit Scheme

Contributions are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives with the company. Variations from regular cost which are identified as a result of actuarial valuations, are amortised over the average remaining working lives of employees. Differences between the amounts funded and the amounts charged to the profit and loss account are treated as either provisions or prepayments in the balance sheet.

1.7 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

1.8 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

DONVALE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2003

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating loss

	2003 £	2002 £
Operating loss is stated after charging:		
Depreciation of tangible assets	43,708	22,821
Operating lease rentals	17,794	9,985
Auditors' remuneration	9,000	9,000

4 Investment income

	2003 £	2002 £
Income from listed investments	286,009	255,782
Profit on disposal of listed investments	126,353	336,164
Fund managers charges	(42,316)	(51,134)
Income from loans to and shares in group undertakings	-	44,000

DONVALE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2003

5	Taxation	2003 £	2002 £
	Domestic current year tax		
	U.K. corporation tax	-	(12,499)
	Adjustment for prior years	-	2,157
		<hr/>	<hr/>
	Current tax credit	-	(10,342)
		<hr/>	<hr/>
	Factors affecting the tax credit for the year		
	Profit on ordinary activities before taxation	199,116	468,906
		<hr/>	<hr/>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2002 : 30.00%)	59,735	140,672
		<hr/>	<hr/>
	Effects of:		
	Non deductible expenses	6,174	2,481
	Depreciation add back	13,112	6,846
	Capital allowances	(12,791)	(7,109)
	Unrelieved losses	41,227	-
	Adjustments to previous periods	-	2,157
	Profits/losses on disposals of investments not chargeable	(25,211)	(85,509)
	Dividends and distributions received	(82,246)	(71,878)
	Other tax adjustments	-	1,998
		<hr/>	<hr/>
		(59,735)	(151,014)
		<hr/>	<hr/>
	Current tax credit	-	(10,342)
		<hr/>	<hr/>
6	Dividends	2003 £	2002 £
	Ordinary interim paid 20 December 2002	49,280	56,000
	Ordinary interim paid 7 April 2003	38,080	56,000
	Ordinary interim paid 30 June 2003	38,080	49,280
	Ordinary interim paid 30 September 2003	38,080	49,280
	Ordinary final proposed	58,240	-
		<hr/>	<hr/>
		221,760	210,560
		<hr/>	<hr/>

DONVALE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2003

7 Tangible fixed assets

	Fixtures, fittings & office equipment	Motor vehicles	Total
	£	£	£
Cost or valuation			
At 1 October 2002	390,202	66,464	456,666
Additions	16,683	-	16,683
Disposals	(1,819)	-	(1,819)
	<hr/>	<hr/>	<hr/>
At 30 September 2003	405,066	66,464	471,530
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 October 2002	352,084	24,691	376,775
On disposals	(1,819)	-	(1,819)
Charge for the year	30,428	13,280	43,708
	<hr/>	<hr/>	<hr/>
At 30 September 2003	380,693	37,971	418,664
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 September 2003	24,373	28,493	52,866
	<hr/>	<hr/>	<hr/>
At 30 September 2002	38,118	41,773	79,891
	<hr/>	<hr/>	<hr/>

DONVALE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2003

8 Fixed asset investments

	Listed investments	Shares in group undertakings	Loans to group undertaking	Total
	£	£	£	£
Cost or valuation				
At 1 October 2002	8,260,260	2,067,061	1,100,000	11,427,321
Additions	2,624,551	-	-	2,624,551
Revaluation	996,606	33,996	-	1,030,602
Disposals	(2,680,013)	-	-	(2,680,013)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 September 2003	9,201,404	2,101,057	1,100,000	12,402,461
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Historical cost	10,877,610	854,411	1,100,000	12,832,021
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
G & J Hall Limited	England	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2003 £	Profit for the year 2003 £
G & J Hall Limited	2,070,034	(8,004)
	<u> </u>	<u> </u>

The following subsidiaries have not traded during the year and remain dormant:-

Henry Eadon & Sons Limited
Kenyon Brothers & Co Limited
Mifas Knife and Tool Co. Limited
Donvale Steels Limited

Shares in these subsidiaries are valued at £578,000 (historical cost £104,000) and this amount is balanced by an equal sum due to the subsidiaries.

All companies are registered in England and are wholly owned.

DONVALE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2003

9 Debtors	2003 £	2002 £
Amounts owed by subsidiary undertakings	44,000	44,000
Corporation tax	-	12,499
Prepayments and accrued income	27,517	32,897
Deferred tax asset	27,000	27,000
	<u>98,517</u>	<u>116,396</u>

Deferred tax

	2003 £	
Balance at 1 October 2002 and at 30 September 2003	<u>27,000</u>	
	2003 £	2002 £
Other timing differences	<u>27,000</u>	<u>27,000</u>

The potential liability to deferred taxation arising on the revaluation of listed investments is estimated at nil (2002 - nil).

10 Creditors: amounts falling due within one year	2003 £	2002 £
Trade creditors	17,204	12,148
Taxes and social security costs	13,360	8,923
Accruals and deferred income	54,331	43,865
Proposed dividend	58,240	-
	<u>143,135</u>	<u>64,936</u>

11 Provisions for liabilities and charges

	Pension obligations £
Balance at 1 October 2002 & at 30 September 2003	<u>75,000</u>

DONVALE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2003

12 Pension costs

The company operates a pension scheme providing benefits based on final pensionable pay for two of its directors. The group also operated a similar scheme for staff employees up to 31 July 1999 but this is now a closed fund. The assets of the two schemes, which consist of With Profit Deferred Annuities payable from the scheme's normal retirement date, are held separately from those of the company, being invested with an insurance company. Regular funding reviews are carried out by a qualified actuary employed by the insurance company and contribution rates are adjusted accordingly.

The employer's contribution rate for the directors' scheme is calculated using the method known as the "Projected Unit Method" modified by the use of a control period. This is a standard method of funding which is described in the actuarial guidance note "GN26 : Pension Fund Terminology" published jointly by the Faculty and Institute of Actuaries. Under this method the value of the scheme's assets are compared with the cost of providing members' retirement benefits building up over a fixed period of years (the control period). The balance of cost is met by the employer and expressed as an annual percentage of pensionable salaries.

The employer's contribution rate for the staff scheme is calculated using the method known as the "Projected Accrued Benefit Method". This is a standard method of funding which is described in the actuarial guidance note "GN26 : Pension Fund Terminology" published jointly by the Faculty and Institute of Actuaries. Under this method, the value of the scheme's assets are compared with the cost of providing members' retirement benefits. The balance of cost is met by the employer and expressed as an annual payment.

The pension scheme charge for the year in respect of these schemes was £39,521 (2002 : £40,614). A provision of £75,000 (2002 : £75,000) is included in provisions for liabilities and charges.

The latest valuation of the directors scheme was carried out as at 1 August 2001. In preparing this valuation it was assumed that the real rate of return on investments over salary growth is 1.5% per annum compound. The value of the scheme assets at the valuation date was £456,806 representing 119% of the members accrued benefits after allowing for expected future increases in earnings.

The latest actuarial valuation of the group staff scheme was carried out as at 1 August 2001. In preparing this valuation it was assumed that the real rate of return on investments over the rate of revaluation on the accrued benefits is 3.5% per annum compound. The value of the schemes assets at the valuation date was £2,046,000 representing 114% of the members preserved benefits.

The directors have carefully considered the provisions of Financial Reporting Standard 17 and the transitional arrangements which require that various disclosures are made for both this year and last year. As described above, the company is the sponsoring employer of two defined benefit schemes, one for staff and one for directors. The former is a closed scheme and its members are entitled to deferred benefits. The latter scheme has two active members, both of whom are directors of the company. The company takes regular actuarial advice concerning the financial status of the schemes and required contribution levels. The most recent actuarial advice received is that both schemes are adequately funded and have sufficient assets to meet liabilities on a MFR basis. The company's policy is to act on actuarial advice received and to meet funding deficits if and when these arise. In view of this and the status of the schemes, the directors consider that there would be no material benefit in complying with FRS 17 for this and future accounting periods.

The company also participates in a group personal pension plan which is in the nature of a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £5,996 (2002 - £5,721).

DONVALE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2003

13 Share capital	2003	2002
	£	£
Authorised		
2,240,000 Ordinary shares of £ 1 each	2,240,000	2,240,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
2,240,000 Ordinary shares of £ 1 each	2,240,000	2,240,000
	<u> </u>	<u> </u>
14 Statement of movements on reserves		
	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 October 2002	(3,336,864)	13,082,386
Retained loss for the year	-	(22,644)
Transfer from revaluation reserve to profit and loss account	1,290,483	(1,290,483)
Revaluation during the year	1,030,602	-
	<u> </u>	<u> </u>
Balance at 30 September 2003	(1,015,779)	11,769,259
	<u> </u>	<u> </u>
15 Reconciliation of movements in shareholders' funds	2003	2002
	£	£
Profit for the financial year	199,116	479,248
Dividends	(221,760)	(210,560)
	<u> </u>	<u> </u>
	(22,644)	268,688
Other recognised gains and losses	1,030,602	(2,661,618)
	<u> </u>	<u> </u>
Net addition to/(depletion in) shareholders' funds	1,007,958	(2,392,930)
Opening shareholders' funds	11,985,522	14,378,452
	<u> </u>	<u> </u>
Closing shareholders' funds	12,993,480	11,985,522
	<u> </u>	<u> </u>

DONVALE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2003

16 Financial commitments

At 30 September 2003 the company had annual commitments under non-cancellable operating leases as follows:

	2003 £	2002 £
Expiry date:		
Within one year	1,102	-
Between two and five years	13,387	17,794
	<u>14,489</u>	<u>17,794</u>

17 Directors' emoluments

	2003 £	2002 £
Emoluments for qualifying services	<u>202,142</u>	<u>210,622</u>

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 2 (2002 - 2).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	62,686	61,306
Accrued pension at the end of the year	<u>10,901</u>	<u>9,240</u>

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

2003 Number	2002 Number
<u>4</u>	<u>4</u>

Employment costs

	£	£
Wages and salaries	184,822	192,031
Social security costs	27,117	26,895
Other pension costs	45,517	46,335
	<u>257,456</u>	<u>265,261</u>

DONVALE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2003

19 Control

The company is controlled by D L Fletcher, B E Bell and J E Moore in their capacity as trustees of family settlements.

20 Related party transactions

During the year the company provided management services to its trading subsidiary G & J Hall Limited. The charge made for these services totalled £233,000.

No interest has been charged on the loan to G & J Hall Limited (note 8 to the financial statements) - 2002 £44,000 charged.

Details of other amounts due from related parties is given in note 9 to the financial statements.