

**Vascroft Contractors Limited**  
Financial statements  
For the year ended 31 August 2003

**Grant Thornton** 



**Company No. 1293674**

## Company information

<b>Company registration number</b>	1293674
<b>Registered office</b>	Vascroft House 7A Coronation Road London NW10 7PQ
<b>Directors</b>	Mr A K Vekaria Mr S K Vekaria
<b>Secretary</b>	Mr A K Vekaria
<b>Bankers</b>	Bank of India 293 Harrow Road Wembley Middlesex HA9 6BD  National Westminster Bank Plc PO Box 315 High Wycombe Bucks HP11 2EU
<b>Solicitors</b>	Clarks Solicitors Great Western House Station Road Reading RG1 1JX
<b>Auditors</b>	Grant Thornton Chartered Accountants Registered Auditors Grant Thornton House Melton Street Euston Square LONDON NW1 2EP

## Index

<b>Report of the directors</b>	3 - 4
<b>Report of the independent auditors</b>	5 - 6
<b>Principal accounting policies</b>	7 - 9
<b>Profit and loss account</b>	10
<b>Balance sheet</b>	11
<b>Cash flow statement</b>	12
<b>Notes to the financial statements</b>	13 - 21

## Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 August 2003.

### Principal activities and business review

The principal activity of the company is that of building contractors.

### Results and dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2003	2002
	£	£
Dividends paid on ordinary shares	<u>150,000</u>	<u>100,000</u>

### 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	At
	31 August 2003	1 September 2002
Mr A K Vekaria	27,550	27,550
Mr S K Vekaria	<u>27,550</u>	<u>27,550</u>

### Fixed assets

All movements are shown in note 10 to the attached financial statements.

### 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 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Donations**

During the year the company made the following contributions:

	2003	2002
	£	£
Charitable	<u>7,827</u>	<u>4,200</u>

**Auditors**

A resolution to re-appoint Grant Thornton as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD



Director

Mr A K Vekaria

Date: 2nd April 2004

## Report of the independent auditors to the members of Vascroft Contractors Limited

We have audited the financial statements of Vascroft Contractors Limited for the year ended 31 August 2003 which comprise the principal accounting policies, profit and loss account, balance sheet, cash flow statement and notes 1 to 25. These financial statements have been prepared under 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 directors and auditors**

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

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 other information contained in the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

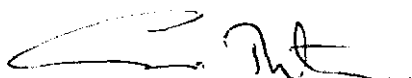
### **Basis of opinion**

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 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 as at 31 August 2003 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
LONDON

2 April 2004  
.....

Date:

## Principal accounting policies

### Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention, modified to include the revaluation of certain fixed assets.

The directors have reviewed the principal accounting policies of the company and consider that they remain the most appropriate for the company. The policies have remained unchanged from the previous year.

### Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts, and has been derived from continuing operations, both this year and last.

### Fixed assets

All fixed assets are initially recorded at cost. Freehold properties are revalued every 5 years with an interim valuation in year 3. Further valuations are undertaken whenever there is indication of a material change in value.

### 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:

Tools and equipment	-	10%
Fixtures & Fittings	-	15%
Motor Vehicles	-	25%

### Stocks

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

### Long-term contracts

The attributable profit on long-term contracts is recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the project.

Costs associated with long-term contracts are included in stock to the extent that they cannot be matched with contract work accounted for as turnover. Long-term contract balances included in stocks are stated at cost, after provision has been made for any foreseeable losses and the deduction of applicable payments on account.

Full provision is made for losses estimated by directors on all contracts in the year in which the loss is first foreseen. Such estimates are based upon the directors' experience and relevant professional advice.



### **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

### **Finance lease agreements**

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

### **Pension costs**

#### **Defined Contribution Scheme**

The company operates a defined contribution pension scheme for the benefit of the directors and senior employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

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

### **Deferred taxation**

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

## Profit and loss account

	Note	2003 £	2002 £
Turnover	1	17,139,025	13,357,690
Cost of sales		15,635,129	11,961,330
Gross profit		1,503,896	1,396,360
Other operating charges		1,383,226	1,167,193
Other operating income	2	(43,967)	(55,313)
<b>Operating profit</b>	3	164,637	284,480
Profit on disposal of fixed assets	6	241,024	—
		405,661	284,480
Interest receivable		278	—
Interest payable	7	(70,359)	(62,878)
<b>Profit on ordinary activities before taxation</b>		335,580	221,602
Tax on profit on ordinary activities	8	52,239	51,506
<b>Profit on ordinary activities after taxation</b>		283,341	170,096
Dividends	9	150,000	100,000
<b>Retained profit for the financial year</b>		133,341	70,096
Balance brought forward		487,749	417,653
Balance carried forward		621,090	487,749

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

The company has no recognised gains or losses other than the results for the year as set out above.

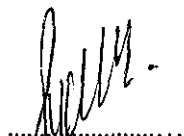
## Balance sheet

	Note	2003 £	2002 £
<b>Fixed assets</b>			
Tangible assets	10	1,847,257	1,981,682
Investments	11	—	5,100
		<u>1,847,257</u>	<u>1,986,782</u>
<b>Current assets</b>			
Stocks	12	1,248,466	1,478,773
Debtors	13	2,064,539	1,779,022
Cash at bank and in hand		73,699	35,321
		<u>3,386,704</u>	<u>3,293,116</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>3,300,399</u>	<u>3,587,208</u>
<b>Net current assets/(liabilities)</b>		<u>86,305</u>	<u>(294,092)</u>
<b>Total assets less current liabilities</b>		<u>1,933,562</u>	<u>1,692,690</u>
<b>Creditors: amounts falling due after more than one year</b>	15	10,416	27,339
		<u>1,923,146</u>	<u>1,665,351</u>
<b>Provisions for liabilities and charges</b>			
Deferred taxation	17	8,024	8,856
Other provisions	18	530,572	405,286
		<u>1,384,550</u>	<u>1,251,209</u>
<b>Capital and reserves</b>			
Called-up equity share capital	21	55,100	55,100
Revaluation reserve	22	700,091	700,091
Other reserves	22	8,269	8,269
Profit and loss account		621,090	487,749
<b>Shareholders' funds</b>	23	<u>1,384,550</u>	<u>1,251,209</u>

These financial statements were approved by the directors on 2 April 2004 and are signed on their behalf by:



Mr A K Vekaria



Mr S K Vekaria

## Cash flow statement

	Note	2003 £	2002 £
Net cash inflow/(outflow) from operating activities	24	577,580	(173,430)
Returns on investments and servicing of finance	24	(70,081)	(62,878)
Taxation	24	(44,938)	(26,183)
Capital expenditure and financial investment	24	354,867	(206,400)
Equity dividends paid		(250,000)	(1,054)
Cash inflow/(outflow) before financing		<u>567,428</u>	<u>(469,945)</u>
Financing	24	(196,433)	(466,556)
Increase/(decrease) in cash	24	<u>370,995</u>	<u>(936,501)</u>

## Notes to the financial statements

### 1 Turnover

The turnover and profit before tax are attributable to the principal activity of the company.  
An analysis of turnover is given below:

	2003	2002
	£	£
United Kingdom	<u>17,139,025</u>	<u>13,357,690</u>

### 2 Other operating income

	2003	2002
	£	£
Rent receivable	<u>43,967</u>	<u>55,313</u>

### 3 Operating profit

Operating profit is stated after charging:

	2003	2002
	£	£
Depreciation of owned fixed assets	16,419	17,745
Depreciation of assets held under finance leases and hire purchase agreements	24,111	22,067
Auditors' remuneration:		
Audit fees	13,850	13,000
Operating lease costs:		
Plant and equipment	<u>12,774</u>	<u>11,722</u>

**4 Directors and employees**

The average number of staff employed by the company during the financial year amounted to:

	2003	2002
	No	No
Number of production staff	128	117
Number of administrative staff	21	21
Number of management staff	2	2
	<u>151</u>	<u>140</u>

The aggregate payroll costs of the above were:

	2003	2002
	£	£
Wages and salaries	3,522,830	2,887,795
Social security costs	340,577	254,493
Other pension costs	159,158	112,351
	<u>4,022,565</u>	<u>3,254,639</u>

**5 Directors**

Remuneration in respect of directors was as follows:

	2003	2002
	£	£
Emoluments receivable	<u>627,600</u>	<u>350,200</u>

Emoluments of highest paid director:

	2003	2002
	£	£
Total emoluments (excluding pension contributions):	238,800	125,100
Value of company pension contributions to money purchase schemes	75,000	50,000
	<u>313,800</u>	<u>175,100</u>

Two directors qualified for benefits under a defined contribution pension scheme and contributions paid amounted to £150,000 (2002: £100,000).

**6 Profit on disposal of fixed assets**

	2003	2002
	£	£
Profit on disposal of freehold property	<u>241,024</u>	<u>—</u>

**7 Interest payable and similar charges**

	2003	2002
	£	£
Interest payable on bank borrowing	60,112	61,174
Finance charges	3,247	1,704
Other similar charges payable	7,000	—
	<u>70,359</u>	<u>62,878</u>

**8 Taxation on ordinary activities**

(a) Analysis of charge in the year

	2003	2002
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 19% (2002 - 19%)	56,709	42,650
Over/under provision in prior year	(3,638)	—
Total current tax	<u>53,071</u>	<u>42,650</u>
Deferred tax:		
(Decrease)/Increase in deferred tax provision (note 17)		
Capital allowances	(832)	8,856
Tax on profit on ordinary activities	<u>52,239</u>	<u>51,506</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2002 - 19%).

	2003	2002
	£	£
Profit on ordinary activities before taxation	<u>335,580</u>	<u>221,602</u>
Profit/(loss) on ord actvs by rate of tax	63,760	42,104
Expenses not deductible for tax purposes	2,153	72
Capital allowances for period in excess of depreciation	832	(791)
Tax chargeable at lower rates	—	1,265
Adjustments to tax charge in respect of previous periods	(3,638)	—
Other differences - adjustment to profit re property disposal	(10,036)	—
Total current tax (note 8(a))	<u>53,071</u>	<u>42,650</u>

**9 Dividends**

	2003	2002
	£	£
Equity dividends:		
Dividend paid on ordinary shares	<u>150,000</u>	<u>100,000</u>



## 10 Tangible fixed assets

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost or valuation					
At 1 September 2002	1,826,804	100,723	85,888	228,319	2,241,734
Additions	—	—	—	40,081	40,081
Disposals	(133,976)	—	—	—	(133,976)
At 31 August 2003	<u>1,692,828</u>	<u>100,723</u>	<u>85,888</u>	<u>268,400</u>	<u>2,147,839</u>
Depreciation					
At 1 September 2002	—	70,698	52,442	136,912	260,052
Charge for the year	—	3,002	4,657	32,871	40,530
At 31 August 2003	<u>—</u>	<u>73,700</u>	<u>57,099</u>	<u>169,783</u>	<u>300,582</u>
Net book value					
At 31 August 2003	<u>1,692,828</u>	<u>27,023</u>	<u>28,789</u>	<u>98,617</u>	<u>1,847,257</u>
At 31 August 2002	<u>1,826,804</u>	<u>30,025</u>	<u>33,446</u>	<u>91,407</u>	<u>1,981,682</u>

Included within the net book value of £1,847,257 is £72,333 (2002 - £81,596) relating to assets held under finance leases and hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £24,111 (2002 - £22,067).

Freehold properties with an historical cost of £424,909 and previously stated at a valuation of £1,004,209 were revalued on 9 July 2001 by Countrywide Commercial, commercial and professional property advisors, to £1,125,000. The basis of the valuation used was open market value which was deemed to equate to existing use value. The surplus has been transferred to the revaluation reserve.

## 11 Investments

### Shares in group undertakings

	£
Cost	
At 1 September 2002	5,100
Disposals	(5,100)
At 31 August 2003	<u>—</u>
Net book value	
At 31 August 2003	<u>—</u>
At 31 August 2002	<u>5,100</u>

The fixed asset investments relate to two dormant companies, Vekaria Enterprises Limited and Vekaria Investments Limited. These companies have been dissolved during the year.

**12 Stocks**

	2003	2002
	£	£
Raw materials	60,681	53,300
Long-term contract balances	1,187,785	1,425,473
	<u>1,248,466</u>	<u>1,478,773</u>

**13 Debtors**

	2003	2002
	£	£
Trade debtors	977,311	888,788
Retention accounts	974,715	773,666
Other debtors	62,027	16,074
Taxation recoverable	3,637	1,349
Prepayments and accrued income	46,849	99,145
	<u>2,064,539</u>	<u>1,779,022</u>

The trade debtors and retention accounts are amounts recoverable on contracts. Included in the above amounts are debtors totalling £511,643 (2002: £339,351) which are due after more than one year.

**14 Creditors: amounts falling due within one year**

	2003	2002
	£	£
Bank loans and overdrafts	1,341,664	1,834,771
Trade creditors	924,984	950,146
Amounts owed to related undertakings	—	5,000
Corporation tax	53,071	42,650
PAYE and social security	192,173	197,976
Amounts due under finance leases and hire purchase agreements	24,598	28,770
Proposed dividends	—	100,000
Other creditors	11,617	19,996
Accruals and deferred income	752,292	407,899
	<u>3,300,399</u>	<u>3,587,208</u>

The bank overdrafts are secured by a charge on the freehold properties.

Included within bank loans is a loan amounting to £50,000 (2002: £100,000) secured by the directors pension funds. The loan carries a 10% per annum (inclusive of a 3% management charge) and has no fixed repayment date. Also included within bank loans is a loan from the directors of £17,198 (2002: £17,198).

**15 Creditors: amounts falling due after more than one year**

	2003	2002
	£	£
Amounts due under finance leases and hire purchase agreements	<u>10,416</u>	<u>27,339</u>

# **16 Commitments under finance leases and hire purchase agreements**

Future commitments under finance leases and hire purchase agreements are as follows:

	2003 £	2002 £
Finance leases and hire purchase agreements are analysed as follows:		
Current obligations	24,598	28,770
Non-current obligations	10,416	27,339
	<u>35,014</u>	<u>56,109</u>

# **17 Deferred taxation**

	2003 £	2002 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	8,856	—
Profit and loss account movement arising during the year	(832)	8,856
Provision carried forward	<u>8,024</u>	<u>8,856</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2003 £	2002 £
Excess of taxation allowances over depreciation on fixed assets	<u>8,024</u>	<u>8,856</u>

# **18 Other provisions**

	2003 £
Other provisions:	
Balance brought forward	405,286
Movement for year	125,286
	<u>530,572</u>

The other provisions relate to the anticipated liquidated damages in respect of contract extensions. These provisions are the directors best estimate of the amount payable. The timing of their resolution is uncertain.

# **19 Contingencies**

The directors have confirmed that there were no contingent liabilities which should be disclosed at 31 August 2003 or 31 August 2002.

## 20 Related party transactions

There was a balance due to Vekaria Investments Limited, a company wholly owned by Mr A K Vekaria and Mr S K Vekaria of £nil (2002: £5,000).

Management fees of £nil (2002: £26,500) were charged to Golden Gulf Contracting Co., a company in which Mr A K Vekaria has a material interest as a director and shareholder. The balance due at the year end was £nil (2002: £nil).

During the year the company provided services to Mr A K Vekaria totalling £20,474 (2002: £nil). No balance was owed at the year end (2002: £nil).

There were no other transactions with directors during the year.

## 21 Share capital

Authorised share capital:

	2003	2002
	£	£
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	<u>55,100</u>	<u>55,100</u>	<u>55,100</u>	<u>55,100</u>

## 22 Reserves

	Revaluation reserve	Other reserves
	£	£
At 1 September 2002 & 31 August 2003	<u>700,091</u>	<u>8,269</u>

## 23 Reconciliation of movements in shareholders' funds

	2003	2002
	£	£
Profit for the financial year	283,341	170,096
Dividends	<u>(150,000)</u>	<u>(100,000)</u>
Net increase in shareholders' funds	133,341	70,096
Opening shareholders' equity funds	<u>1,251,209</u>	<u>1,181,113</u>
Closing shareholders' equity funds	<u>1,384,550</u>	<u>1,251,209</u>

24 Notes to the statement of cash flows

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

	2003	2002
	£	£
Operating profit	164,637	284,480
Depreciation	40,530	37,163
Decrease/(increase) in stocks	230,307	(822,353)
(Increase)/decrease in debtors	(283,229)	616,625
Increase/(decrease) in creditors	305,149	(407,345)
Increase in provisions	125,286	118,000
Net cash inflow/(outflow) from operating activities	<u>582,680</u>	<u>(173,430)</u>

**Returns on investments and servicing of finance**

	2003	2002
	£	£
Interest received	278	-
Interest paid	(67,112)	(61,174)
Interest element of finance leases and hire purchase	(3,247)	(1,704)
Net cash outflow from returns on investments and servicing of finance	<u>(70,081)</u>	<u>(62,878)</u>

**Taxation**

	2003	2002
	£	£
Taxation	<u>(44,938)</u>	<u>(26,183)</u>

**Capital expenditure and financial investment**

	2003	2002
	£	£
Payments to acquire tangible fixed assets	(25,233)	(236,999)
Receipts from sale of fixed assets	375,000	30,599
Net cash inflow/(outflow) for capital expenditure and financial investment	<u>349,767</u>	<u>(206,400)</u>

**Financing**

	2003	2002
	£	£
Repayment of bank loans	(160,490)	(421,612)
Capital element of finance leases and hire purchase	(35,943)	(44,944)
Net cash outflow from financing	<u>(196,433)</u>	<u>(466,556)</u>

**24 Notes to the statement of cash flows (continued)**

**Reconciliation of net cash flow to movement in net debt**

	2003	2002
	£	£
Increase/(decrease) in cash in the period	370,995	(936,501)
Net cash outflow from bank loans	160,490	421,612
Cash outflow in respect of finance leases and hire purchase	35,943	44,944
Change in net debt resulting from cash flows	567,428	(469,945)
New finance leases	(14,848)	(57,150)
Movement in net debt in the period	552,580	(527,095)
Net debt at 1 September 2002	(1,855,559)	(1,328,464)
Net debt at 31 August 2003	(1,302,979)	(1,855,559)

**Analysis of changes in net debt**

	At 1 Sep 2002	Cash flows	Other changes	At 31 Aug 2003
	£	£	£	£
Net cash:				
Cash in hand and at bank	35,321	38,378	—	73,699
Overdrafts	(1,607,083)	332,617	—	(1,274,466)
	(1,571,762)	370,995	—	(1,200,767)
Debt:				
Debt due within 1 year	(227,688)	160,490	—	(67,198)
Finance leases and hire purchase agreements	(56,109)	35,943	(14,848)	(35,014)
	(283,797)	196,433	(14,848)	(102,212)
Net debt	(1,855,559)	567,428	(14,848)	(1,302,979)

**25 Capital commitments**

The directors have confirmed that there were no capital commitments at 31 August 2003 or 31 August 2002.