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Company Registration No. 2477631 (England and Wales)

CYNEDVE LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2001
GROUP ACCOUNTS



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CYNEDVE LIMITED

DIRECTORS AND ADVISERS

Directors	E.J. Thomas M.E. Thomas C. Thomas
Secretary	E.J. Thomas
Company number	2477631
Registered office	Sandy Lodge 83 Dyserth Road Rhyl LL18 4DT
Registered auditors	Sage & Company 54 Kinmel Street Rhyl Denbighshire LL18 1AR
Business address	Sandy Lodge 83 Dyserth Road Rhyl LL18 4DT
Bankers	HSBC Plc Market Street Abergele

CYNEDVE LIMITED

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CYNEDVE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2001

The directors present their report and financial statements for the year ended 30 June 2001.

Directors

The following directors have held office since 1 July 2000:

E.J. Thomas
M.E. Thomas
C. Thomas

Principal activities and review of the business

The principal activities of the company continued to be that of the operation of residential and nursing homes.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Results and dividends

The consolidated profit and loss account for the year is set out on page 4.

Directors' interests

The directors' interests in the shares of the company and other group companies were as stated below:

Cynedve Limited

	Ordinary shares of £ 1 each	
	30 June 2001	1 July 2000
E.J. Thomas	34,182	34,182
C. Thomas	33,000	33,000
M.E. Thomas	67,180	67,180

Plas Gwynfa Limited

1,000 Ordinary shares of £1 each of £ 1 each	
30 June 2001	1 July 2000

Charitable contributions

During the year the group made political donations amounting to £- (2000 : £-).

During the year the company made charitable donations of £2,457 (2000 : £1,853).

Employee involvement

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Disabled persons

The group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

CYNEDVE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2001

Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

Creditor payment policy

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

On average, trade creditors at the year end represented 55 (2000 - 47) days' purchases.

Auditors

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

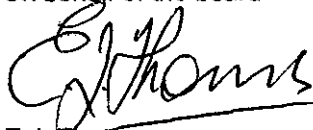
Directors' responsibilities

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 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;
- 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 which disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



E.J. Thomas

Director

28 September 2001

CYNEDVE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CYNEDVE LIMITED

We have audited the financial statements of Cynedve Limited on pages 4 to 18 for the year ended 30 June 2001. These financial statements have been prepared under the historical cost convention and the accounting policies set out herein.

Respective responsibilities of 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 and the group's circumstances, consistently applied and adequately disclosed.

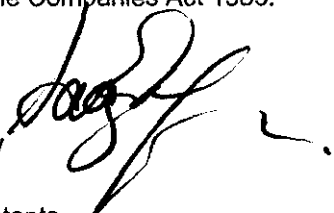
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 the company's and the group's affairs as at 30 June 2001 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Sage & Company

Chartered Accountants
Registered Auditor



28 September 2001

54 Kinmel Street
Rhyl
Denbighshire
LL18 1AR

CYNEDVE LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2001

	Notes	2001 £	2000 £
Turnover	0	3,121,588	3,039,019
Cost of sales		(427,779)	(404,510)
Gross profit		2,693,809	2,634,509
Administrative expenses		(2,205,854)	(2,241,935)
Other operating income		-	2,115
Operating profit	3	487,955	394,689
Other interest receivable and similar income		1,722	1,962
Amounts written off investments	4	-	(144,935)
Interest payable and similar charges	5	(421,064)	(427,864)
Profit/(loss) on ordinary activities before taxation	3	68,613	(176,148)
Tax on profit/(loss) on ordinary activities	6	(33,277)	(6,712)
Profit/(loss) on ordinary activities after taxation		35,336	(182,860)

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

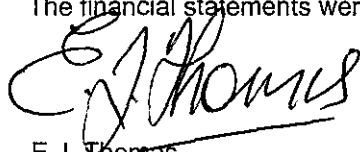
There are no recognised gains and losses other than those passing through the profit and loss account.

CYNEDVE LIMITED

BALANCE SHEETS AS AT 30 JUNE 2001

	Notes	Group 2001 £	2000 £	Company 2001 £	2000 £
Fixed assets					
Intangible assets	8	1,478,183	1,478,183	1,478,183	1,478,183
Tangible assets	9	4,146,787	4,236,580	4,146,787	4,236,580
Investments	10	-	-	64,814	64,814
		<u>5,624,970</u>	<u>5,714,763</u>	<u>5,689,784</u>	<u>5,779,577</u>
Current assets					
Stocks	11	4,800	4,000	4,800	4,000
Debtors	12	157,991	167,443	157,991	167,443
Cash at bank and in hand		62,807	77,138	62,807	77,138
		<u>225,598</u>	<u>248,581</u>	<u>225,598</u>	<u>248,581</u>
Creditors: amounts falling due within one year	13	(370,770)	(343,211)	(435,584)	(408,025)
Net current liabilities		<u>(145,172)</u>	<u>(94,630)</u>	<u>(209,986)</u>	<u>(159,444)</u>
Total assets less current liabilities		<u>5,479,798</u>	<u>5,620,133</u>	<u>5,479,798</u>	<u>5,620,133</u>
Creditors: amounts falling due after more than one year	14	(4,522,701)	(4,703,352)	(4,522,701)	(4,703,352)
Provisions for liabilities and charges	15	(20,223)	(15,244)	(20,223)	(15,244)
		<u>936,874</u>	<u>901,537</u>	<u>936,874</u>	<u>901,537</u>
Capital and reserves					
Called up share capital	17	134,362	134,362	134,362	134,362
Share premium account	18	1,127,330	1,127,330	1,127,330	1,127,330
Profit and loss account	18	(324,818)	(360,155)	(324,818)	(360,155)
Shareholders' funds - equity interests	19	<u>936,874</u>	<u>901,537</u>	<u>936,874</u>	<u>901,537</u>

The financial statements were approved by the board on 28 September 2001



E.J. Thomas
Director

CYNEDVE LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2001

	2001 £	2000 £
Net cash inflow from operating activities	640,638	524,162
Returns on investments and servicing of finance		
Interest received	1,722	1,962
Interest paid	(421,064)	(427,864)
Net cash outflow for returns on investments and servicing of finance	(419,342)	(425,902)
Taxation	4,244	(410)
Capital expenditure		
Payments to acquire tangible assets	(21,750)	(871,687)
Receipts from sales of tangible assets	12,000	824,379
Net cash outflow for capital expenditure	(9,750)	(47,308)
Net cash inflow/(outflow) before management of liquid resources and financing	215,790	50,542
Financing		
Other new long term loans	-	774,795
Repayment of other long term loans	(182,827)	(905,797)
Capital element of hire purchase contracts	(18,843)	(10,796)
Net cash (outflow)/inflow from financing	(201,670)	(141,798)
Decrease in cash in the year	14,120	(91,256)

CYNEDVE LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2001

1	Reconciliation of operating profit to net cash inflow from operating activities		2001	2000
			£	£
	Operating profit		487,955	394,689
	Depreciation of tangible assets		103,316	118,261
	Loss on disposal of tangible assets		3,773	-
	(Increase)/decrease in stocks		(800)	-
	Decrease in debtors		9,452	13,519
	Increase/(decrease) in creditors within one year		36,942	(56,786)
	Net cash inflow from operating activities		<u>640,638</u>	<u>469,683</u>

2	Analysis of net debt	1 July 2000	Cash flow	Other non-cash changes	30 June 2001
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	77,138	(14,331)	-	62,807
	Bank overdrafts	(131,618)	28,451	-	(103,167)
		<u>(54,480)</u>	<u>14,120</u>	<u>-</u>	<u>(40,360)</u>
	Debt:				
	Finance leases	(33,028)	(157)	-	(33,185)
	Debts falling due within one year	(118,633)	5,110	-	(113,523)
	Debts falling due after one year	(4,674,927)	177,718	-	(4,497,209)
		<u>(4,826,588)</u>	<u>182,671</u>	<u>-</u>	<u>(4,643,917)</u>
	Net debt	<u>(4,881,068)</u>	<u>196,791</u>	<u>-</u>	<u>(4,684,277)</u>

3	Reconciliation of net cash flow to movement in net debt	2001	2000
		£	£
	Increase/(decrease) in cash in the year	14,120	(102,895)
	Cash outflow from decrease in debt	182,671	152,150
	Movement in net debt in the year	<u>196,791</u>	<u>49,255</u>
	Opening net debt	(4,881,068)	(4,930,323)
	Closing net debt	<u>(4,684,277)</u>	<u>(4,881,068)</u>

CYNEDVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 30 June 2001. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.5 Tangible fixed assets and depreciation

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

Land and buildings Freehold	2% on cost of building
Plant and machinery	
Office furniture and fittings	10% reducing balance
Motor vehicles	25% reducing balance

No depreciation is provided in respect of freehold land.

1.6 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.8 Stock

Stock is valued at the lower of cost and net realisable value.

1.9 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.10 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

CYNEDVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2001

2 Turnover

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

3 Operating profit	2001 £	2000 £
Operating profit is stated after charging:		
Depreciation of tangible assets	103,316	118,261
Operating lease rentals		
- Plant and machinery	26,460	51,304
Auditors' remuneration (company £13,700; 2000 : £4,289)	13,700	4,289
and after crediting:		
Rents receivable	-	1,275

4 Amounts written off investments	2001 £	2000 £
Amounts written off fixed asset investments:		
- permanent diminution in value	-	144,935

5 Interest payable	2001 £	2000 £
On bank loans and overdrafts	421,064	427,864

6 Taxation	£	£
Domestic current year taxation		
U.K. corporation tax	27,954	7,225
Adjustment for prior years	344	-
Deferred taxation	4,979	(513)
	33,277	6,712

7 Profit/(loss) for the financial year

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The profit/(loss) for the financial year is made up as follows:

	2001 £	2000 £
Holding company's profit/(loss) for the financial year	35,336	(207,040)

CYNEDVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2001

8 Intangible fixed assets

Group

Goodwill
£

Cost

At 1 July 2000 & at 30 June 2001

1,478,183

Intangible fixed assets (continued)

Company

Goodwill
£

Cost

At 1 July 2000 & at 30 June 2001

1,478,183

At 30 June 2000

1,478,183

CYNEDVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2001

9 Tangible fixed assets Group

	Land and buildings Freehold	Office furniture and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 July 2000	3,992,484	420,672	62,228	4,475,384
Additions	-	-	21,750	21,750
Disposals	-	-	(21,100)	(21,100)
	<u>3,992,484</u>	<u>420,672</u>	<u>62,878</u>	<u>4,476,034</u>
At 30 June 2001	3,992,484	420,672	62,878	4,476,034
Depreciation				
At 1 July 2000	73,011	132,522	33,271	238,804
On disposals	-	-	(12,873)	(12,873)
Charge for the year	63,880	28,816	10,620	103,316
	<u>136,891</u>	<u>161,338</u>	<u>31,018</u>	<u>329,247</u>
At 30 June 2001	136,891	161,338	31,018	329,247
Net book value				
At 30 June 2001	3,855,593	259,334	31,860	4,146,787
	<u>3,855,593</u>	<u>259,334</u>	<u>31,860</u>	<u>4,146,787</u>
At 30 June 2000	3,919,473	288,150	28,957	4,236,580
	<u>3,919,473</u>	<u>288,150</u>	<u>28,957</u>	<u>4,236,580</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

	Office furniture and fittings	Motor vehicles	Total
	£	£	£
Net book values			
At 30 June 2001	-	31,409	31,409
At 30 June 2000	-	28,956	28,956
	<u>-</u>	<u>28,956</u>	<u>28,956</u>
Depreciation charge for the year			
30 June 2001	-	10,470	10,470
30 June 2000	-	9,653	9,653
	<u>-</u>	<u>9,653</u>	<u>9,653</u>

CYNEDVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2001

9 Tangible fixed assets (continued) Company

	Land and buildings Freehold	Office furniture and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 July 2000	3,992,484	420,672	62,228	4,475,384
Additions	-	-	21,750	21,750
Disposals	-	-	(21,100)	(21,100)
At 30 June 2001	3,992,484	420,672	62,878	4,476,034
Depreciation				
At 1 July 2000	73,011	132,522	33,271	238,804
On disposals	-	-	(12,873)	(12,873)
Charge for the year	63,880	28,816	10,620	103,316
At 30 June 2001	136,891	161,338	31,018	329,247
Net book value				
At 30 June 2001	3,855,593	259,334	31,860	4,146,787
At 30 June 2000	3,919,473	288,150	28,957	4,236,580

Included above are assets held under finance leases or hire purchase contracts as follows:

	Office furniture and fittings	Motor vehicles	Total
	£	£	£
Net book values			
At 30 June 2001	-	31,409	31,409
At 30 June 2000	-	28,956	28,956
Depreciation charge for the year			
30 June 2001	-	10,470	10,470
30 June 2000	-	9,653	9,653

CYNEDVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2001

10 Fixed asset investments Company

	Shares in subsidiary undertakings £
Cost	
At 1 July 2000 & at 30 June 2001	209,749
Provisions for diminution in value	
At 1 July 2000 & at 30 June 2001	144,935
Net book value	
At 30 June 2001	64,814
At 30 June 2000	64,814

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

11 Stocks

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Finished goods and goods for resale	4,800	4,000	4,800	4,000

12 Debtors

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Trade debtors	151,556	146,500	151,556	146,500
Other debtors	6,120	20,044	6,120	20,044
Prepayments and accrued income	315	899	315	899
	157,991	167,443	157,991	167,443

CYNEDVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2001

13 Creditors : amounts falling due within one year

	Group 2001 £	2000 £	Company 2001 £	2000 £
Bank loans and overdrafts	216,690	250,251	216,690	250,251
Net obligations under finance lease and hire purchase contracts	7,693	4,603	7,693	4,603
Trade creditors	66,000	50,865	66,000	50,865
Amounts owed to group undertakings	-	-	64,814	64,814
Corporation tax	27,897	6,809	27,897	6,809
Taxes and social security costs	22,960	26,796	22,960	26,796
Directors current accounts	25,639	-	25,639	-
Other creditors	3,891	3,887	3,891	3,887
	<u>370,770</u>	<u>343,211</u>	<u>435,584</u>	<u>408,025</u>

CYNEDVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2001

14 Creditors : amounts falling due after more than one year

	Group 2001 £	2000 £	Company 2001 £	2000 £
Bank loans	(113,523)	(118,633)	(113,523)	(118,633)
Other loans	4,610,732	4,793,560	4,610,732	4,793,560
Net obligations under finance leases and hire purchase agreements	25,492	28,425	25,492	28,425
	<u>4,522,701</u>	<u>4,703,352</u>	<u>4,522,701</u>	<u>4,703,352</u>
Analysis of loans				
Wholly repayable within five years	4,610,732	4,793,560	4,610,732	4,793,560
Included in current liabilities	(113,523)	(118,633)	(113,523)	(118,633)
	<u>4,497,209</u>	<u>4,674,927</u>	<u>4,497,209</u>	<u>4,674,927</u>
In more than one year but not more than two years	227,045	237,266	227,045	213,434
In more than two years but not more than five years	578,135	772,722	578,135	653,562
In more than five years	<u>3,692,029</u>	<u>4,454,879</u>	<u>3,692,029</u>	<u>3,831,761</u>
Net obligations under finance leases and hire purchase contracts				
Repayable within one year	7,693	4,603	7,693	4,603
Repayable between one and five years	25,492	28,426	25,492	28,426
	<u>33,185</u>	<u>33,029</u>	<u>33,185</u>	<u>33,029</u>
Included in liabilities falling due within one year	(7,693)	(4,603)	(7,693)	(4,603)
	<u>25,492</u>	<u>28,426</u>	<u>25,492</u>	<u>28,426</u>

CYNEDVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2001

15 Provisions for liabilities and charges

Group

	Deferred taxation £
Balance at 1 July 2000	15,244
Profit and loss account	4,979
	<hr/>
Balance at 30 June 2001	20,223
	<hr/>

Company

Balance at 1 July 2000	15,244
Profit and loss account	4,979
	<hr/>
Balance at 30 June 2001	20,223
	<hr/>

Deferred taxation provided in the financial statements is as follows:

Group

	Fully provided 2001 £	2000 £
Accelerated capital allowances	20,223	15,244
	<hr/>	<hr/>

Company

	Fully provided 2001 £	2000 £
Accelerated capital allowances	20,223	15,244
	<hr/>	<hr/>

16 Pension costs

The company operates 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 £** (2000 - £**).

CYNEDVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2001

17 Share capital	2001	2000
	£	£
Authorised		
144,362 Ordinary shares of £ 1 each	144,362	144,362
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
	<u> </u>	<u> </u>
18 Statement of movements on reserves		
Group	Share premium account	Profit and loss account
	£	£
Balance at 1 July 2000	1,127,330	(360,154)
Retained profit for the year	-	35,336
	<u> </u>	<u> </u>
Balance at 30 June 2001	1,127,330	(324,818)
	<u> </u>	<u> </u>
Company	Share premium account	Profit and loss account
	£	£
Balance at 1 July 2000	1,127,330	(360,154)
Retained profit for the year	-	35,336
	<u> </u>	<u> </u>
Balance at 30 June 2001	1,127,330	(324,818)
	<u> </u>	<u> </u>
19 Reconciliation of movements in shareholders' funds	2001	2000
Group	£	£
Profit/(Loss) for the financial year	35,336	(182,860)
Opening shareholders' funds	901,537	1,084,397
	<u> </u>	<u> </u>
Closing shareholders' funds	936,874	901,537
	<u> </u>	<u> </u>
Company	2001	2000
	£	£
Profit/(Loss) for the financial year	35,336	(207,040)
Opening shareholders' funds	901,537	1,108,577
	<u> </u>	<u> </u>
Closing shareholders' funds	936,874	901,537
	<u> </u>	<u> </u>

CYNEDVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2001

20 Financial commitments

Within one year	26,460	40,317
Between two and five years	105,840	161,268
	<u>132,300</u>	<u>201,585</u>
Within one year	26,460	40,317
Between two and five years	105,840	161,268
	<u>132,300</u>	<u>201,585</u>

Annual commitments of £26,460 all of which expire within five years.

21 Directors' emoluments

	2001 £	2000 £
Emoluments for qualifying services	76,960	59,651
Company pension contributions to money purchase schemes	14,637	7,687
	<u>91,597</u>	<u>67,338</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2000 - 1).

22 Employees

Number of employees

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

2001 Number	2000 Number
<u>381</u>	<u>250</u>

Employment costs

	£	£
Wages and salaries	1,711,777	1,640,365
Social security costs	6,429	4,863
Other pension costs	14,637	7,687
	<u>1,732,843</u>	<u>1,652,915</u>

23 Control

The company is controlled by the directors who, between them, own 100% of the share capital.