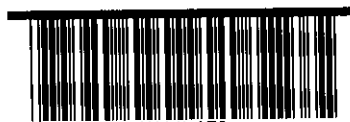


AVALON NURSING HOMES LIMITED
(Registered Number 2653123)

ANNUAL REPORT

YEAR ENDED 31 MARCH 2001

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AVALON NURSING HOMES LIMITED
ANNUAL REPORT
YEAR ENDED 31 MARCH 2001

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AVALON NURSING HOMES LIMITED
DIRECTORS AND ADVISERS

DIRECTORS

M J Newman
S A Newman
C J Atkinson

SECRETARY

K S Lewis

REGISTERED OFFICE

2 Kings Court
Harwood Road
Horsham
West Sussex
RH13 5UR

AUDITORS

PKF
Pannell House
Park Street
Guildford
Surrey GU1 4HN

BANKERS

Bank of Scotland
St James's Gate
14/16 Cockspur Street
London
SW1Y 5BL

SOLICITORS

Downs
156 High Street
Dorking
Surrey RH4 1BQ

AVALON NURSING HOMES LIMITED DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the year ended 31 March 2001 which show the state of affairs of the company.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £392,336. A dividend of £80,550 was paid during the year. The directors recommend that the remaining profit for the year be transferred to reserves.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the company is the operation of nursing homes. The directors believe the results for the year and the year end financial position to be satisfactory.

DIRECTORS

The directors who served in the year and their interests in the shares of the company were as follows:

	Ordinary shares of £1 each		Special deferred share of £1 each	
	At 31 March	At 31 March	At 31 March	At 31 March
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
M J Newman	-	-	-	-
S A Newman	5,275	5,275	-	-
C J Atkinson	-	-	230	230

Mr M J Newman holds, via a beneficial interest in a family trust, 62,615 ordinary £1 shares in the company.

EMPLOYEES

The company continued its policy to give full and just consideration to applications for employment made by disabled persons. During the year the company has maintained its obligations to develop and improve internal communications aimed at involving employees in all of its affairs in so far as they affect employees.

AUDITORS

Pannell Kerr Forster changed their name to PKF on 1 November 2000 and have signed their audit report in their new name. In accordance with Section 384 of the Companies Act 1985 a resolution proposing the reappointment of PKF as auditors to the company will be put to the members at the Annual General Meeting.

BY ORDER ~~OF THE~~ BOARD

C J Atkinson
Director

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AVALON NURSING HOMES LIMITED
STATEMENT OF 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 year. 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.

The directors are responsible for ensuring that the directors' report and other information included on the annual report is prepared in accordance with company law in the United Kingdom.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AVALON NURSING HOMES LIMITED**

We have audited the financial statements of Avalon Nursing Homes Limited for the year ended 31 March 2001 which comprise the Profit and Loss Account, the Balance Sheet, Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom 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 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 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 March 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Guildford, UK

PKF
PKF
Registered Auditors

27 November
..... 2001

AVALON NURSING HOMES LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2001

		<u>2001</u>	<u>Continuing</u>	<u>2000</u>	
	<u>Notes</u>	<u>£</u>	<u>Operations</u>	<u>Discontinued</u>	<u>Total</u>
			<u>£</u>	<u>Operations</u>	<u>£</u>
Turnover	1 & 2	3,937,368	3,510,588	2,635,744	6,146,332
Cost of sales		(2,900,386)	(2,748,193)	(1,853,287)	(4,601,480)
		<hr/>	<hr/>	<hr/>	<hr/>
Gross profit		1,036,982	762,395	782,457	1,544,852
Administrative expenses		(389,154)	(294,889)	(136,000)	(430,889)
		<hr/>	<hr/>	<hr/>	<hr/>
Operating profit		647,828	467,506	646,457	1,113,963
Loss on disposal of fixed assets		(4,963)	-	(346,491)	(346,491)
		<hr/>	<hr/>	<hr/>	<hr/>
Profit on ordinary activities before interest	5	642,865	467,506	299,966	767,472
			<hr/>	<hr/>	
Interest receivable		2,041			7,202
Interest payable and similar charges	4	(344,383)			(869,546)
		<hr/>			<hr/>
Profit/(loss) on ordinary activities before taxation	5	300,523			(94,872)
Tax on profit/(loss) on ordinary activities	9	91,813			4,034
		<hr/>			<hr/>
Profit/(loss) for the financial year		392,336			(90,838)
Dividends		(80,550)			(67,050)
		<hr/>			<hr/>
Profit/(loss) transferred to reserves		311,786			(157,888)
		<hr/>			<hr/>

Movements on reserves are shown in note 16.

AVALON NURSING HOMES LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 MARCH 2001

	<u>2001</u> £	<u>2000</u> £
Profit/(loss) for the financial year	392,336	(90,838)
Unrealised surplus on revaluation of properties	-	558,351
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	<u>392,336</u>	<u>467,513</u>

STATEMENT OF HISTORICAL COST PROFITS AND LOSSES

	<u>2001</u> £	<u>2000</u> £
Reported profit/(loss) on ordinary activities before taxation.	300,523	(94,872)
Difference between historical cost profit on disposal of fixed assets and that calculated on the carrying value of the fixed assets.	-	347,968
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amounts.	7,200	7,200
	<hr/>	<hr/>
Historical cost profit on ordinary activities before taxation.	307,723	260,296
	<hr/>	<hr/>
Historical cost profit for the year retained after taxation.	<u>399,536</u>	<u>264,330</u>

AVALON NURSING HOMES LIMITED
BALANCE SHEET
31 MARCH 2001

	<u>Notes</u>	<u>£</u>	<u>2001</u> <u>£</u>	<u>£</u>	<u>2000</u> <u>£</u>
FIXED ASSETS					
Tangible assets	10		7,932,824		7,834,446
CURRENT ASSETS					
Stocks	11	4,418		5,235	
Debtors	12	48,595		164,076	
Cash at bank and in hand		1,361		1,423	
		<u>54,374</u>		<u>170,734</u>	
Amounts falling due within one year	13	(1,324,012)		(1,533,275)	
NET CURRENT LIABILITIES			(1,269,638)		(1,362,541)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,663,186</u>		<u>6,471,905</u>
CREDITORS					
Amounts falling due after more than one year	13		(3,033,587)		(3,045,766)
PROVISION FOR LIABILITIES AND CHARGES					
Deferred taxation	14		(194,815)		(303,141)
			<u>3,434,784</u>		<u>3,122,998</u>
CAPITAL AND RESERVES					
Called up share capital	15		100,230		100,230
Share capital premium account	16		19,800		19,800
Revaluation reserve	16		1,702,866		1,796,366
Profit and loss account	16		1,611,888		1,206,602
EQUITY SHAREHOLDERS' FUNDS			<u>3,434,784</u>		<u>3,122,998</u>

Approved by the board on ~~11.03.2001~~ 2001


C J ATKINSON
 Director

AVALON NURSING HOMES LIMITED
CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2001

	<u>Notes</u>	<u>2001</u>	<u>2000</u>
		£	£
Net cash inflow from operating activities	18	996,292	1,305,964
Returns on investments and servicing of finance			
Interest received		2,041	7,202
Interest paid		(392,633)	(788,753)
Interest element of finance		(7,390)	(7,636)
Dividends paid		(102,900)	(59,600)
Net cash outflow from returns on investment and servicing of finance		(500,882)	(848,787)
Taxation			
UK Corporation tax received		11,665	49,892
Capital expenditure			
Purchase of tangible fixed assets		(237,295)	(911,199)
Sale of tangible fixed assets		7,000	1,802
Net cash outflow from investing activities		(230,295)	(909,397)
Net cash outflow before financing		276,780	(402,328)
Financing	19		
New loans		-	-
Principal payment under capital leases		(37,121)	(37,386)
Repayment of loan		(74,306)	(147,879)
Loan repayments		100,000	-
Share capital issued		-	30
Net cash outflow from financing		(11,429)	(185,235)
Increase/(decrease) in cash	19	265,351	(587,563)

AVALON NURSING HOMES LIMITED
RECONCILIATION OF NET CASHFLOW
TO MOVEMENT IN NET DEBT
YEAR ENDED 31 MARCH 2001

	<u>Notes</u>	<u>2001</u> £	<u>2000</u> £
Increase/(decrease) in cash in the period		265,351	(587,563)
Cash outflow from decrease in debt		74,308	147,879
New capital leases		(40,542)	-
Cash outflow from decrease in finance leases		37,121	37,386
		<hr/> 336,238	<hr/> (402,298)
Loans repaid		(100,000)	-
		<hr/> 236,238	<hr/> (402,298)
Material non-cash movements		-	5,914,972
Net debt at 1 April 2000		(3,930,719)	(9,443,393)
		<hr/>	<hr/>
Net debt at 31 March 2001	19	<u>(3,694,481)</u>	<u>(3,930,719)</u>

AVALON NURSING HOMES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2001

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets, and in accordance with applicable accounting standards.

The principal accounting policies consistently applied in the preparation of the financial statements are as follows:

(a) Turnover

Turnover comprises fees receivable from the company's principal activity of operating nursing homes.

(b) Tangible fixed assets and depreciation

Tangible fixed assets are depreciated over their estimated useful lives at the following annual rates:

Freehold buildings	2% Straight line method
Motor vehicles	20% Reducing balance method
Furniture, fixtures and fittings	10% Reducing balance method

(c) Stocks

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

(d) Deferred taxation

Provision is made for deferred taxation using the liability method for all timing differences.

(e) Leased assets

Assets obtained under finance leases have been included in the balance sheet at cost and are being depreciated over their estimated useful lives. The obligations relating to finance leases (net of finance charges allocated to future years) are included under creditors due within one year or after one year as appropriate.

The rentals payable under operating leases are charged to the profit and loss account as incurred.

(f) Pension costs

Contributions to personal pension policies on behalf of certain employees are charged to the profit and loss account in the year in which they are paid.

AVALON NURSING HOMES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2001

2 TURNOVER

Turnover is attributable to the company's principal activity and arises entirely within the United Kingdom.

3 INTEREST RECEIVABLE

	<u>2001</u> £	<u>2000</u> £
Loan interest receivable from related party	2,041	7,202

4 INTEREST PAYABLE

On bank overdraft and loans	336,993	675,760
Finance charges	7,390	7,636
Other interest payable	-	186,150
	<u>344,383</u>	<u>869,546</u>

5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is after charging:

Auditors' remuneration	9,688	8,500
Depreciation:		
owned assets	151,690	226,501
leased assets	15,806	18,507
Operating lease rentals:		
Hire of plant and machinery	13,495	15,409
Other	10,050	10,000

6 STAFF COSTS

	<u>Number</u>	<u>Number</u>
Average number employed in the year:		
Administration	4	9
Nursing staff	179	303
	<u>183</u>	<u>312</u>

AVALON NURSING HOMES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2001

6	STAFF COSTS (continued)	<u>2001</u> £	<u>2000</u> £
	The aggregate staff costs were as follows:		
	Wages and salaries	1,876,874	3,132,445
	Social security costs	133,542	198,624
	Pension contributions	21,010	21,108
		<hr/> 2,031,426 <hr/>	<hr/> 3,352,177 <hr/>
7	PENSION COSTS		
	The pension cost charge for the year, amounting to £21,010 (2000: £21,108), represents contributions payable by the company to personal pension policies of certain employees.		
8	DIRECTORS' EMOLUMENTS	<u>2001</u> £	<u>2000</u> £
	Aggregate emoluments	<hr/> - <hr/>	<hr/> 152,815 <hr/>
	The company contributes to personal pension policies of two directors.		
9	TAX ON PROFIT ON ORDINARY ACTIVITIES	<u>2001</u> £	<u>2000</u> £
	United Kingdom corporation tax on the result for the year at 20% (2000: 21%)	26,500	3,845
	Transfer from deferred taxation	(108,326)	(16,118)
	(Over)/under provisions in respect of prior years	(17,890)	-
	ACT irrecoverable	7,903	8,239
		<hr/> (91,813) <hr/>	<hr/> (4,034) <hr/>

AVALON NURSING HOMES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2001

10 TANGIBLE FIXED ASSETS	Freehold land and buildings £	Furniture fixtures & fittings £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2000	7,264,403	853,218	129,735	8,247,356
Additions at cost	147,222	90,073	40,542	277,837
Disposals	-	-	(39,730)	(39,730)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2001	7,411,625	943,291	130,547	8,485,463
	<hr/>	<hr/>	<hr/>	<hr/>
At cost	147,222	96,299	130,547	374,068
At valuation	7,264,403	846,992	-	8,111,395
	<hr/>	<hr/>	<hr/>	<hr/>
	7,411,625	943,291	130,547	8,485,463
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 April 2000	-	361,395	51,515	412,910
Charge for year	93,500	58,190	15,806	167,496
Eliminated on disposals	-	-	(27,767)	(27,767)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2001	93,500	419,585	39,554	552,639
	<hr/>	<hr/>	<hr/>	<hr/>
Net book amount				
At 31 March 2001	7,318,125	523,706	90,993	7,932,824
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2000	7,264,403	491,823	78,220	7,834,446
	<hr/>	<hr/>	<hr/>	<hr/>

- (i) Freehold land and buildings are carried at a directors' valuation based on a professional valuation carried out in October 1997. All valuations are on an operational existing use basis. On a historical cost basis freehold land and buildings would be stated at £5,409,527
- (ii) Included in motor vehicles are assets held under finance leases with a net book value at the year end of £50,627 (2000: £47,735).

AVALON NURSING HOMES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2001

11	STOCKS	<u>2001</u> £	<u>2000</u> £
	Catering stock	4,418	5,235
		<hr/>	<hr/>
12	DEBTORS		
	Amounts due within one year:		
	Trade debtors	31,952	22,162
	Other debtors	12,918	30,287
	ACT recoverable	3,725	11,627
		<hr/>	<hr/>
		48,595	64,076
	Amounts due after more than one year:		
	Loan to related party	-	100,000
		<hr/>	<hr/>
		48,595	164,076
		<hr/>	<hr/>

The related party loan included above, which amounts to £100,000, represents a loan to Bramble Care Homes Limited, a company owned by two directors S A Newman and M J Newman. The loan carries interest at the rate paid by the company on its own overdraft facilities and was repaid during the year.

13	CREDITORS	<u>2001</u> £	<u>2000</u> £
	Amounts falling due within one year:		
	Bank loans and overdrafts	708,572	966,867
	Trade creditors	142,933	92,406
	Other creditors	389,786	378,582
	Corporation tax	26,727	6,451
	Other taxes and social security	27,839	47,110
	Obligations under finance leases	28,155	19,509
	Proposed dividends	-	22,350
		<hr/>	<hr/>
		1,324,012	1,533,275
		<hr/>	<hr/>
	Amounts falling due after more than one year:		
	Bank loans	2,944,196	3,025,622
	Other creditors	74,472	-
	Obligations under finance leases	14,919	20,144
		<hr/>	<hr/>
		3,033,587	3,045,766
		<hr/>	<hr/>

The company is party to an overdraft facility of £1,250,000 jointly with Avalon Care Homes Limited.

The company is also party to a cross guarantee in respect of the bank borrowings of Avalon Care Homes Limited.

Other creditors due in less than one year include an amount of £25,000 (2000: £25,000) due to C J Atkinson, a director.

Other creditors due in more than one year represents a balance with Avalon Care Homes Limited a company under common control. The balance arises from finance and administration costs being due to that company.

AVALON NURSING HOMES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2001

13 CREDITORS (continued)

The obligations under finance leases due after more than one year are all payable within five years and are net of finance charges.

The bank loan and overdraft are secured by a fixed and floating charge over the company's undertaking, properties and assets and is repayable as follows:

	<u>2001</u> £	<u>2000</u> £
Within one year	81,428	74,307
Between one and two years	88,636	81,428
Between two and five years	315,828	290,142
After five years	2,539,732	2,654,052
	<hr/>	<hr/>
	3,025,624	3,099,929
	<hr/>	<hr/>

The above loans are repayable in full by 12 January 2018. Interest is being charged at fixed rates of between 8.185% and 8.375% until 5 August 2003 and thereafter at 1.25% over base rate.

14 PROVISION FOR LIABILITIES AND CHARGES

The movements on the deferred tax account are as follows:-

	£
At 1 April 2000	303,141
Transfer to profit and loss account	108,326
	<hr/>
At 31 March 2001	194,815
	<hr/>

The amount provided in the balance sheet and the full potential liability to deferred tax are as follows:-

	2001		2000	
	<u>Potential liability</u> £	<u>Provided</u> £	<u>Potential liability</u> £	<u>Provided</u> £
Accelerated capital allowances	198,815	198,815	309,141	309,141
Property revaluation gains	444,925	-	676,434	-
Other timing differences	(4,000)	(4,000)	(6,000)	(6,000)
	<hr/>	<hr/>	<hr/>	<hr/>
	639,740	194,815	979,575	303,141
	<hr/>	<hr/>	<hr/>	<hr/>

No provision has been made for any deferred tax that may arise in respect of property revaluation gains as it is the directors' intention to reinvest any disposal proceeds and claim rollover relief.

AVALON NURSING HOMES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2001

15	SHARE CAPITAL	<u>2001</u> £	<u>2000</u> £	
	Authorised:			
	100,000 ordinary shares of £1 each	100,000	100,000	
	200 special deferred shares of £1 each	230	230	
		<hr/>	<hr/>	
	Allotted, called up and fully paid:			
	100,000 ordinary shares of £1 each	100,000	100,000	
	200 special deferred shares of £1 each	230	230	
		<hr/>	<hr/>	
		100,230	100,230	
		<hr/>	<hr/>	
16	MOVEMENTS ON RESERVES	<u>Profit and loss account</u> £	<u>Share premium account</u> £	<u>Revaluation reserve</u> £
	Balance at 1 April 2000	1,206,602	19,800	1,796,366
	Profit for the financial year	311,786	-	
	Depreciation of revalued assets in the year	93,500	-	(93,500)
		<hr/>	<hr/>	<hr/>
	Balance at 31 March 2001	1,611,888	19,800	1,702,866
		<hr/>	<hr/>	<hr/>
17	RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS	<u>2001</u> £	<u>2000</u> £	
	Profit/(loss) for the financial year	392,336	(90,838)	
	Movement on revaluation reserve in the year	-	210,384	
	Realisation of revaluations on disposal of properties	-	347,967	
	Dividends	(80,550)	(67,050)	
		<hr/>	<hr/>	
		311,786	400,463	
	Share capital issued in year	-	30	
	Equity shareholders' funds at 1 April 2000	3,122,998	2,722,505	
		<hr/>	<hr/>	
	Equity shareholders' funds at 31 March 2001	3,434,784	3,122,998	

AVALON NURSING HOMES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2001

18 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>2001</u> £	<u>2000</u> £
Operating profit	647,828	1,113,963
Depreciation	167,496	245,008
(Profit)/loss on disposal of fixed assets	-	(328)
(Increase)/decrease in stocks	817	(1,147)
Decrease/(increase) in debtors	7,579	50,688
Increase/(decrease) in creditors	172,572	(102,220)
	<hr/> 996,292	<hr/> 1,305,964

19 ANALYSIS OF NET DEBT

	<u>At 1 April</u> <u>2000</u> £	<u>Cashflow</u> £	<u>Other</u> <u>non-cash</u> <u>changes</u> £	<u>At 31 March</u> <u>2001</u> £
Cash in hand	1,423	(62)	-	1,361
Overdrafts	(892,560)	265,413	-	(627,147)
	<hr/> (891,137)	<hr/> 265,351		<hr/> (625,786)
Debt after one year	(3,025,622)		81,426	(2,944,196)
Debt due within one year	(74,307)	74,308	(81,426)	(81,425)
Finance leases	(39,653)	37,121	(40,542)	(43,074)
Current assets				
- loan to related party	100,000	(100,000)	-	-
	<hr/> (3,930,719)	<hr/> 276,780	<hr/> (40,542)	<hr/> (3,694,481)

20 RELATED PARTY TRANSACTIONS

Related party transactions and balances are disclosed in notes 3, 12 and 13.

21 PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

The company's parent company is Avalon (Guernsey) Limited and the ultimate controlling party is considered to be Mr M J Newman.