

Company Registration No. 2567644 (England and Wales)

KAIN KNIGHT GROUP PLC
ANNUAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2001



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KAIN KNIGHT GROUP PLC

DIRECTORS AND ADVISERS

Directors

M.B Kain
P.C Kain
G.J Knight
J.W Knight
K.B Thurley
N.J Ventre

Secretary

N.J Ventre

Company number

2567644

Registered office

55 Gower Street
London
WC1E 6HQ

Registered auditors

Michael Evans & Company
Highstone House
165 High Street
Barnet
Hertfordshire
EN5 5SU

KAIN KNIGHT GROUP PLC

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KAIN KNIGHT GROUP PLC

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2001

The directors present their report and financial statements for the period ended 31 March 2001.

Directors

The following directors have held office since 1 January 2000:

M.B Kain
P.C Kain
G.J Knight
J.W Knight
K.B Thurley
N.J Ventre

Principal activities and review of the business

The principal activity of the company continued to be that of Law Costs Draftsman and Consultants.

Results and dividends

The consolidated profit and loss account for the period is set out on page 5.

It is proposed that the retained profit of £97,926 is transferred to the group's reserves.

Directors' interests

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

Kain Knight Group Plc

	Ordinary shares of £1 each	
	31 March 2001	1 January 2000
M.B Kain	25,500	25,500
P.C Kain	4,000	4,000
G.J Knight	4,000	4,000
J.W Knight	8,500	8,500
K.B Thurley	4,000	4,000
N.J Ventre	4,000	4,000

Kain Knight Limited

	Ordinary shares of £1 each	
	31 March 2001	1 January 2000
R.L Banks	-	-
R.P Hunt	-	-
M.B Kain	-	-
P.C Kain	-	-
G.J Knight	-	-
J.W Knight	-	-
B Lovell	-	-
N Portch	-	-
J Staab	-	-
N.J Ventre	-	-

KAIN KNIGHT GROUP PLC

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2001

C.O.S.T. Limited

	Ordinary shares of £1 each	
	31 March 2001	1 January 2000
R.P Hunt	-	-
M.B Kain	-	-
G.J Knight	-	-
J.W Knight	-	-
S Noakes	-	-
K.B Thurley	-	-
N.J Ventre	-	-

Kain Knight (Midlands) Limited

	Ordinary shares of £1 each	
	31 March 2001	1 January 2000
R.L Banks	-	-
M.B Kain	-	-
J.W Knight	-	-
K.B Thurley	-	-
N.J Ventre	-	-

Kain Knight (North-Eastern) Limited

	Ordinary shares of £1 each	
	31 March 2001	1 January 2000
M.B Kain	-	-
J.W Knight	-	-
N.J Ventre	-	-

Creditor payment policy

Auditors

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors, Michael Evans & Company, will be deemed to be reappointed for each succeeding financial year.

KAIN KNIGHT GROUP PLC

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2001

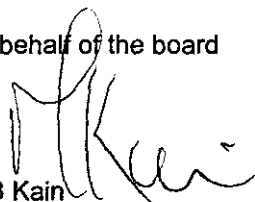
Directors' responsibilities

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



M.B Kain

Director

28 January 2002

KAIN KNIGHT GROUP PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KAIN KNIGHT GROUP PLC

We have audited the financial statements of Kain Knight Group Plc on pages 5 to 18 for the period ended 31 March 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 3 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 31 March 2001 and of the group's profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Michael Evans & Company

Michael Evans & Company

Chartered Accountants
Registered Auditor

28 January 2002

Highstone House
165 High Street
Barnet
Hertfordshire
EN5 5SU

KAIN KNIGHT GROUP PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2001

		Period ended 31 March 2001 £	31 December 1999 £
	Notes		
Turnover	0	4,136,892	3,068,056
Cost of sales		(3,065,025)	(2,353,715)
Gross profit		1,071,867	714,341
Administrative expenses		(783,283)	(569,047)
Operating profit	3	288,584	145,294
Other interest receivable and similar income		433	532
Interest payable and similar charges	4	(35,993)	(25,383)
Profit on ordinary activities before taxation	3	253,024	120,443
Tax on profit on ordinary activities	5	(65,098)	(33,793)
Profit on ordinary activities after taxation		187,926	86,650
Dividends	7	(90,000)	(36,000)
Retained profit for the period	17	97,926	50,650

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.

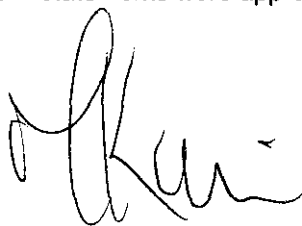
KAIN KNIGHT GROUP PLC

BALANCE SHEETS AS AT 31 MARCH 2001

	Notes	Group 2001 £	1999 £	Company 2001 £	1999 £
Fixed assets					
Intangible assets	8	40,355	71,729	-	-
Tangible assets	9	393,269	153,926	310,260	59,962
Investments	10	-	-	64,206	64,206
		<u>433,624</u>	<u>225,655</u>	<u>374,466</u>	<u>124,168</u>
Current assets					
Stocks	11	112,621	104,224	5,854	4,500
Debtors	12	940,682	814,114	351,638	343,377
Cash at bank and in hand		162,701	16,476	5,676	1,414
		<u>1,216,004</u>	<u>934,814</u>	<u>363,168</u>	<u>349,291</u>
Creditors: amounts falling due within one year	13	<u>(893,254)</u>	<u>(524,587)</u>	<u>(684,480)</u>	<u>(374,198)</u>
Net current assets		<u>322,750</u>	<u>410,227</u>	<u>(321,312)</u>	<u>(24,907)</u>
Total assets less current liabilities		<u>756,374</u>	<u>635,882</u>	<u>53,154</u>	<u>99,261</u>
Creditors: amounts falling due after more than one year	14	<u>(60,053)</u>	<u>(37,487)</u>	<u>(24,300)</u>	<u>(6,173)</u>
		<u>696,321</u>	<u>598,395</u>	<u>28,854</u>	<u>93,088</u>
Capital and reserves					
Called up share capital	16	50,000	50,000	50,000	50,000
Profit and loss account	17	646,321	548,395	(21,146)	43,088
Shareholders' funds - equity interests	18	<u>696,321</u>	<u>598,395</u>	<u>28,854</u>	<u>93,088</u>

The financial statements were approved by the board on 28 January 2002

M.B Kain
Director



N.J Ventre
Director



KAIN KNIGHT GROUP PLC

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2001

	Period ended 31 March 2001 £	31 December 1999 £
Net cash inflow from operating activities	393,523	12,110
Returns on investments and servicing of finance		
Interest received	433	532
Interest paid	(22,073)	(11,240)
Bank loan interest element	-	(3,256)
Finance lease interest element	<u>(13,920)</u>	<u>(10,887)</u>
Net cash outflow for returns on investments and servicing of finance	(35,560)	(24,851)
Taxation	(33,793)	(102,607)
Capital expenditure		
Tangible assets	(327,247)	(72,567)
Receipts from sale of tangible assets	<u>19,600</u>	<u>41,426</u>
Net cash inflow/(outflow) before management of liquid resources and financing	(307,647)	(31,141)
Equity dividends paid	<u>(90,000)</u> <u>(73,477)</u>	<u>(36,000)</u> <u>(182,489)</u>
Financing		
Inception of bank loan	160,000	-
Inception of finance leases	92,608	33,870
Capital element of bank loan repayments	(6,694)	(8,324)
Capital element of finance lease repayments	(56,565)	(34,503)
Loan notes repaid	<u>189,349</u>	<u>(8,957)</u>
Increase/(decrease) in cash in the period	<u>115,872</u>	<u>(191,446)</u>

KAIN KNIGHT GROUP PLC

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2001

1	Reconciliation of operating profit to net cash inflow from operating activities	2001	1999
		£	£
	Operating profit	288,584	145,294
	Depreciation of tangible assets	71,782	51,899
	Amortisation of intangible assets	10,575	11,927
	Profit/(loss) on disposal of tangible assets	(3,477)	2,649
	(Increase)/decrease in stocks	(8,397)	22,002
	(Increase)/decrease in debtors	(126,414)	(222,222)
	Increase/(decrease) in creditors within one year	160,870	561
	Net cash inflow from operating activities	<u>393,523</u>	<u>12,110</u>

2	Analysis of net debt	1 January 2000	Cash flow	Other non- cash changes	31 March 2001
	Net cash:				
	Cash at bank and in hand	16,476	146,225	-	162,701
	Bank overdrafts	(50,126)	(30,353)	-	(80,479)
		<u>(33,650)</u>	<u>115,872</u>	<u>-</u>	<u>82,222</u>
	Debt:				
	Finance leases	(68,836)	(35,749)	-	(104,585)
	Debts falling due within one year	(34,056)	(144,482)	-	(178,538)
		<u>(102,892)</u>	<u>(180,231)</u>	<u>-</u>	<u>(283,123)</u>
	Net debt	<u>(136,542)</u>	<u>(64,359)</u>	<u>-</u>	<u>(200,901)</u>

3	Reconciliation of net cash flow to movement in net debt	2001	1999
		£	£
	Increase/(decrease) in cash in the period	115,872	(191,446)
	Cash (inflow)/outflow from (increase)/decrease in debt	(180,231)	8,957
	Movement in net debt in the period	<u>(64,359)</u>	<u>(182,489)</u>
	Opening net (debt)/funds	(136,542)	45,947
	Closing net debt	<u>(200,901)</u>	<u>(136,542)</u>

KAIN KNIGHT GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 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 31 March 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.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract.

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:

Fixtures, fittings & equipment	20% On a reducing balance method and 33 1/3% straight line method
Motor vehicles	25% On a reducing balance method

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

Work in progress is valued at the lower of cost and net realisable value.

1.9 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

1.10 Pensions

The Pension costs charged in the financial statements represents the contributions payable by the company during the year.

KAIN KNIGHT GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2001

1 Accounting policies

(continued)

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

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

3 Operating profit	2001 £	1999 £
Operating profit is stated after charging:		
Depreciation of intangible assets	10,575	11,927
Depreciation of tangible assets	71,782	51,899
Remuneration of auditors for non-audit work	8,500	8,500

4 Interest payable	2001 £	1999 £
On bank loans and overdrafts	-	28
On other loans wholly repayable within 5 years	8,336	3,256
Lease finance charges	13,920	10,887
On amounts payable to factors	13,737	11,212
	<u>35,993</u>	<u>25,383</u>

5 Taxation	£	£
Domestic current year taxation		
U.K. corporation tax	65,098	33,798
Adjustment for prior years	-	(5)
	<u>65,098</u>	<u>33,793</u>

6 Profit for the financial period

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 for the financial period is made up as follows:

	2001 £	1999 £
Holding company's profit for the financial period	<u>25,766</u>	<u>26,915</u>

KAIN KNIGHT GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2001

7	Dividends	2001	1999
		£	£
	Ordinary interim paid	<u>90,000</u>	<u>36,000</u>
8	Intangible fixed assets Group	Goodwill	
		£	
	Cost		
	At 1 January 2000 & at 31 March 2001	<u>127,139</u>	
	Amortisation		
	At 1 January 2000	76,209	
	Charge for period	<u>10,575</u>	
	At 31 March 2001	<u>86,784</u>	
	Net book value		
	At 31 March 2001	<u>40,355</u>	
	At 31 December 1999	<u>71,729</u>	

KAIN KNIGHT GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2001

9 Tangible fixed assets Group

	Land and buildings Freehold	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2000	43,000	237,238	70,370	350,608
Additions	209,846	42,455	74,946	327,247
Disposals	-	(4,500)	(36,814)	(41,314)
At 31 March 2001	252,846	275,193	108,502	636,541
Depreciation				
At 1 January 2000	-	163,499	33,182	196,681
On disposals	-	(3,613)	(21,578)	(25,191)
Charge for the period	-	52,686	19,096	71,782
At 31 March 2001	-	212,572	30,700	243,272
Net book value				
At 31 March 2001	252,846	62,621	77,802	393,269
At 31 December 1999	43,000	73,739	37,187	153,926

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

	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£
Net book values			
At 31 March 2001	37,201	71,144	108,345
At 31 December 1999	45,172	32,081	77,253
Depreciation charge for the period			
31 March 2001	27,435	15,813	43,248
31 December 1999	20,349	7,949	28,298

KAIN KNIGHT GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2001

9 Tangible fixed assets (continued)

9 Tangible fixed assets (continued) Company

	Land and buildings Freehold	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2000	43,000	22,554	12,850	78,404
Additions	209,846	11,601	53,201	274,648
Disposals	-	(2,850)	(3,899)	(6,749)
At 31 March 2001	252,846	31,305	62,152	346,303
Depreciation				
At 1 January 2000	-	9,951	8,491	18,442
On disposals	-	(2,297)	(243)	(2,540)
Charge for the period	-	11,423	8,718	20,141
At 31 March 2001	-	19,077	16,966	36,043
Net book value				
At 31 March 2001	252,846	12,228	45,186	310,260
At 31 December 1999	43,000	12,603	4,359	59,962

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

	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£
Net book values			
At 31 March 2001	2,536	38,528	41,064
At 31 December 1999	10,731	4,359	15,090
Depreciation charge for the period			
31 March 2001	7,642	5,667	13,309
31 December 1999	6,082	1,448	7,530

KAIN KNIGHT GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2001

10 Fixed asset investments Company

	Listed investments £
Cost	
At 1 January 2000 & at 31 March 2001	64,206
At 31 December 1999	<u>64,206</u>

11 Stocks

	Group 2001 £	1999 £	Company 2001 £	1999 £
Long term contract balances:				
- Net cost less foreseeable losses	<u>112,621</u>	<u>104,224</u>	<u>5,854</u>	<u>4,500</u>

12 Debtors

	Group 2001 £	1999 £	Company 2001 £	1999 £
Trade debtors	839,687	782,059	61,111	-
Amounts owed by group undertakings	-	-	213,889	338,613
Other debtors	48,340	9,033	48,186	359
Prepayments and accrued income	<u>52,655</u>	<u>23,022</u>	<u>28,452</u>	<u>4,405</u>
	<u>940,682</u>	<u>814,114</u>	<u>351,638</u>	<u>343,377</u>

KAIN KNIGHT GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2001

13 Creditors : amounts falling due within one year

	Group 2001 £	1999 £	Company 2001 £	1999 £
Bank loans and overdrafts	259,017	84,182	219,895	50,445
Net obligations under finance lease and hire purchase contracts	44,532	31,349	14,115	8,797
Trade creditors	99,939	107,456	57,601	18,964
Amounts owed to group undertakings	-	-	268,743	234,872
Corporation tax	73,543	42,189	13,712	11,554
Taxes and social security costs	183,250	189,341	17,349	22,004
Directors current accounts	45,520	14,562	45,520	14,562
Other creditors	65,306	34,349	-	-
Accruals and deferred income	122,147	21,159	47,545	13,000
	<u>893,254</u>	<u>524,587</u>	<u>684,480</u>	<u>374,198</u>

The bank overdraft and bank loans are secured by an unsheduled mortgage debenture. An unlimited cross composite guarantee given by the parent undertaking and all subsidiary undertakings in the group. A second legal mortgage over feehold owend by Mr M.B Kain and J.W Knight limited to £160,000. Afirst legal mortgage given by the parent undertaking over the life policy on Mr M.B Kain. The Loan notes are unsecured and interest on the loan notes has been waived indefinitely by the loan note holders.

KAIN KNIGHT GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2001

14 Creditors : amounts falling due after more than one year

	Group 2001 £	1999 £	Company 2001 £	1999 £
Net obligations under finance leases and hire purchase agreements	<u>60,053</u>	<u>37,487</u>	<u>24,300</u>	<u>6,173</u>
Net obligations under finance leases and hire purchase contracts				
Repayable within one year	44,663	62,698	14,115	8,797
Repayable between one and five years	<u>59,921</u>	<u>74,974</u>	<u>24,300</u>	<u>6,173</u>
	104,584	137,672	38,415	14,970
Included in liabilities falling due within one year	<u>(44,532)</u>	<u>(31,349)</u>	<u>(14,115)</u>	<u>(8,797)</u>
	<u>60,052</u>	<u>106,323</u>	<u>24,300</u>	<u>6,173</u>

15 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 fund and amounted to £125,296 (1999 £108,068).

16 Share capital

	2001 £	1999 £
Authorised		
50,000 Ordinary Share of £ 1 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid		
50,000 Ordinary Share of £ 1 each	<u>50,000</u>	<u>50,000</u>

KAIN KNIGHT GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2001

17 Statement of movements on profit and loss account Group

	Profit and loss account £
Balance at 1 January 2000	548,395
Retained profit for the period	97,926
Balance at 31 March 2001	<u>646,321</u>

Company

	Profit and loss account £
Balance at 1 January 2000	43,088
Retained loss for the period	(64,234)
Balance at 31 March 2001	<u>(21,146)</u>

18 Reconciliation of movements in shareholders' funds Group

	2001 £	1999 £
Profit for the financial period	187,926	86,650
Dividends	(90,000)	(36,000)
Net addition to shareholders' funds	<u>97,926</u>	<u>50,650</u>
Opening shareholders' funds	598,395	547,745
Closing shareholders' funds	<u>696,321</u>	<u>598,395</u>

	2001 £	1999 £
Profit for the financial period	25,766	26,915
Dividends	(90,000)	(36,000)
Net depletion in shareholders' funds	<u>(64,234)</u>	<u>(9,085)</u>
Opening shareholders' funds	93,088	102,173
Closing shareholders' funds	<u>28,854</u>	<u>93,088</u>

KAIN KNIGHT GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2001

Employees

Number of employees

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

	2001 Number	1999 Number
Administration	29	27
Draftsman	37	34
Directors	28	6
	<u>94</u>	<u>67</u>

Employment costs

	£	£
Wages and salaries	2,633,728	2,052,637
Social security costs	265,337	73,513
Other pension costs	125,296	108,068
	<u>3,024,361</u>	<u>2,234,218</u>