

"REGISTRAR"

ABRAM PULMAN & SONS LTD

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STATEMENT OF ACCOUNTS

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YEAR ENDED 31ST DECEMBER 2003

Number

56547 Registered in England

Address

WALTON STREET

SOWERBY BRIDGE

WEST YORKSHIRE



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COMPANIES HOUSE

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24/03/04

ABRAM PULMAN & SONS LTD

DIRECTORS' REPORT

for the year ended 31st December 2003

Registered Office

Walton Street, Sowerby Bridge, West Yorkshire

Number

56547 Registered in England

Review and Dividend

The company has continued to trade as steel stockholders. The profit for the year was £34,506. A dividend of 50% is proposed amounting to £3,510 which when deducted from the profit for the year gives an amount of £30,996 to be added to the retained profits brought forward.

The Future

Forecasts for 2004 suggest that trading conditions will continue to be extremely difficult. However with the company now being involved in more diverse range of steel stockholding the directors believe the company is better placed to improve sales and are hopeful that the return to profitability will be maintained.

Directors

The directors who held office during the year are set out below together with their interests in the shares of the company:

| | <u>Shares Held</u> | |
|---------------|-------------------------------|-------------------------------|
| | <u>31st December 2003</u> | <u>31st December 2002</u> |
| D N Shoesmith | 570 | 550 |
| J C Horner | 10 | 10 |

Fixed Assets

The movements in fixed assets during the year are set out in note 1 of the notes to the Balance Sheet.

In the opinion of the directors the market value of the company's Land and Buildings exceeds the book value of £438,250 shown in the financial statements but are unable to quantify the excess since no recent professional valuation has been carried out.

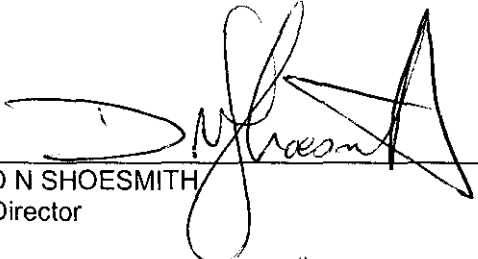
Charitable Donations

Charitable donations during the year amounted to £385 (2002 £385). No political donations were made.

Auditors

A resolution proposing the re-appointment of Sutcliffe & Riley as auditors to the company will be put to the Annual General Meeting.

Signed on behalf of the
Board of Directors


D N SHOESMITH
Director

Approved by the Board: 8th March 2004

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF ABRAM PULMAN & SONS LIMITED

We have audited the financial statements of Abram Pulman & Sons Limited for the year ended 31st December 2003 on pages 4 to 12. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 3.

Respective Responsibilities of Directors and Auditors

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- (a) Select suitable accounting policies and then apply them consistently;
- (b) Make judgements and estimates that are reasonable and prudent;
- (c) State whether applicable accounting standards have been followed, and explain in the financial statements any material departures therefrom;
- (d) 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 also 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.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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

Basis of Audit Opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.


The accounts have been drawn up on a going concern basis the validity of which is dependent of the continued support of the Associated Company.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2003 and of its profit and cash flow for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

3 Central Street
HALIFAX

8th March 2004


SUTCLIFFE & RILEY
Chartered Accountants
Registered Auditors

STATEMENT OF ACCOUNTING POLICIES

31st December 2003

- (1) The accounts are prepared in accordance with the accounting practice principles set out in paragraphs 10 to 14 of Schedule 4 Part II Section A to the Companies Act 1985 and with applicable accounting standards.
- (2) Depreciation on tangible fixed assets is provided at rates calculated to write off the assets over their useful lives taking account of any residual value thereof.

The principal rates used are:

| | |
|--|--|
| Leasehold Land & Buildings | Over the outstanding term of the Lease |
| Freehold Land & Buildings | 5% p.a. reducing balance |
| Plant & Machinery | 10% p.a. reducing balance |
| Cranes | 20% p.a. reducing balance |
| Fixtures & Fittings, Office Furniture & Equipment | 10% p.a. reducing balance |
| Motor Vehicles | 25% p.a. reducing balance |
| Computer Equipment | 25% p.a. reducing balance |

- (3) Stock is valued at the lower of cost or net realisable value. For this purpose cost comprises cost of direct materials and labour.
- (4) Any charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, 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. In accordance with FRS19, deferred tax is not recognised on revaluation gains. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.
- (5) Turnover represents the value of goods sold by the company excluding VAT.
- (6) The company contributes to a defined contribution pension scheme. The assets of the scheme are held in a separately identifiable fund. The charge in the profit and loss account represents payments made to the scheme during the year.
- (7) The rental cost of assets acquired under operating leases is charged directly to the profit and loss account.
- (8) Tangible fixed assets purchased under hire purchase contracts are capitalised at a value equal to the cost of acquiring the asset and depreciated in the same manner as owned assets. The interest charges are charged to the profit and loss account over the period of the agreement.

ABRAM PULMAN & SONS LTD

PROFIT & LOSS ACCOUNT

for the year ended 31st December 2003

| | <u>Notes</u> | <u>2003</u> | <u>2002</u> |
|---|----------------|--------------------|--------------------|
| Turnover | (1) | 4,589,103 | 4,089,122 |
| Cost of Sales | | <u>2,939,696</u> | <u>2,630,779</u> |
| <u>GROSS PROFIT ON CONTINUING OPERATIONS</u> | | 1,649,407 | 1,458,343 |
| Distribution Costs | 1,294,400 | | 1,283,532 |
| Administrative Expenses | 322,040 | | 262,620 |
| Other Operating Income – Rent Received | <u>(6,773)</u> | <u>1,609,667</u> | <u>-</u> |
| <u>OPERATING PROFIT/(LOSS) ON CONTINUING OPERATIONS</u> | (2) | 39,740 | (87,809) |
| Interest Payable | (3) | <u>5,234</u> | <u>3,008</u> |
| <u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES</u> | | 34,506 | (90,817) |
| Surplus on Disposal of Tangible Fixed Asset | | - | 144,654 |
| Amount Written Off Investment | (4) | <u>-</u> | <u>(147)</u> |
| <u>PROFIT BEFORE TAXATION</u> | | 34,506 | 53,690 |
| Taxation | (5) | <u>-</u> | <u>-</u> |
| <u>PROFIT FOR THE FINANCIAL YEAR</u> | | 34,506 | 53,690 |
| Ordinary Dividends - Equity Shares | | <u>3,510</u> | <u>3,510</u> |
| <u>SURPLUS</u> | | 30,996 | 50,180 |
| Retained Profits Brought Forward | | <u>1,417,822</u> | <u>1,367,642</u> |
| <u>RETAINED PROFITS CARRIED FORWARD</u> | | £ <u>1,448,818</u> | £ <u>1,417,822</u> |

The notes on page 6 form part of this account

NOTES TO THE PROFIT & LOSS ACCOUNT

31st December 2003

| | <u>2003</u> | <u>2002</u> |
|---|------------------|------------------|
| (1) Turnover: | | |
| The whole of the company's turnover relates to the United Kingdom and is attributable to its principal activity of steel stockholders. | | |
| (2) The Operating Profit/(Loss) is stated after charging/(crediting): | | |
| Wages & Salaries | £ 734,695 | £ 701,272 |
| Social Security Costs | £ 93,722 | £ 84,036 |
| Pension Costs | £ 22,541 | £ 12,258 |
| Auditors' Remuneration | £ 6,000 | £ 5,500 |
| Directors' Emoluments | £ 190,810 | £ 135,819 |
| Directors' Pension Costs | £ 24,000 | £ 30,000 |
| Depreciation on Tangible Fixed Assets: | | |
| Owned by the Company | £ 92,442 | £ 105,238 |
| Held Under Hire Purchase Contracts | £ 9,013 | £ - |
| Operating Lease Rentals - Motor Vehicles, Computer & Office Equipment | £ 27,328 | £ 7,514 |
| Operating Lease Rentals - Land & Buildings | £ 22,000 | £ 22,000 |
| Surplus on Disposal of Motor Vehicles | £ (2,056) | £ - |
| The directors' pension costs relate to contributions to a money purchase pension scheme for two directors. | | |
| (3) Interest (Payable)/Receivable: | | |
| Bank Interest Received | 6,286 | 7,280 |
| Other Interest Received | - | 204 |
| Interest on Bank Overdraft & Bank Loan | (10,925) | (10,492) |
| Interest on Hire Purchase Contracts | <u>(595)</u> | <u>-</u> |
| | £ <u>(5,234)</u> | £ <u>(3,008)</u> |
| (4) Amount Written Off Investment: | | |
| This represents the amount written off the cost of the investment in the shares of the subsidiary. | £ <u>-</u> | £ <u>147</u> |
| (5) Taxation | £ <u>-</u> | £ <u>-</u> |
| No taxation liability arises. | | |
| There are losses for taxation purposes available to carry forward and set off against future profits of £ 345,477 (2002 £406,449). | | |
| (6) The average number of employees was | <u>47</u> | <u>48</u> |
| (7) The company has no recognised gains or losses other than the profit for the year and therefore does not provide a statement of recognised gains and losses. | | |

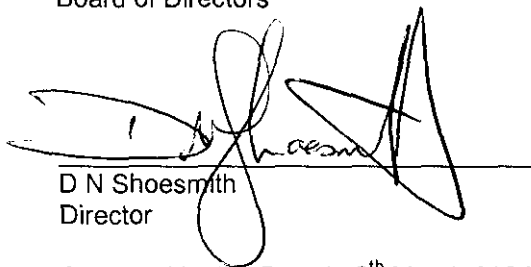
BALANCE SHEET

as at 31st December 2003

| | <u>Notes</u> | <u>2003</u> | <u>2002</u> |
|--|--------------|--------------------|--------------------|
| <u>FIXED ASSETS</u> | | | |
| Tangible Assets | (1) | 789,663 | 848,637 |
| Investments | (2) | 18,000 | 18,000 |
| Investment in Subsidiary | (3) | - | 43,881 |
| | | 807,663 | 910,518 |
| <u>CURRENT ASSETS</u> | | | |
| Stock & Work in Progress | (4) | 482,434 | 467,069 |
| Debtors | (5) | 1,164,676 | 1,195,166 |
| Investment - Short Term Deposit | | 181,167 | 174,925 |
| Cash in Hand & Bank | | 396 | 105 |
| | | 1,828,673 | 1,837,265 |
| <u>CREDITORS PAYABLE WITHIN ONE YEAR</u> | (6) | <u>1,095,315</u> | <u>1,215,751</u> |
| <u>NET CURRENT ASSETS</u> | | <u>733,358</u> | <u>621,514</u> |
| <u>TOTAL ASSETS LESS CURRENT LIABILITIES</u> | | <u>1,541,021</u> | <u>1,532,032</u> |
| <u>CREDITORS PAYABLE IN MORE THAN ONE YEAR</u> | (7) | 67,668 | 89,675 |
| <u>PROVISIONS FOR LIABILITIES AND CHARGES</u> | (8) | - | - |
| | | <u>£ 1,473,353</u> | <u>£ 1,442,357</u> |
| <u>CAPITAL AND RESERVES</u> | | | |
| Called up Share Capital | (9) | 7,020 | 7,020 |
| Reserves | (10) | 17,515 | 17,515 |
| Profit & Loss Account | | 1,448,818 | 1,417,822 |
| <u>EQUITY SHAREHOLDERS' FUNDS</u> | | <u>£ 1,473,353</u> | <u>£ 1,442,357</u> |

The notes on pages 7 to 10 form part of this account

Signed on behalf of the
Board of Directors


D N Shoesmith
Director

Approved by the Board: 8th March 2004

ABRAM PULMAN & SONS LTD

NOTES TO THE BALANCE SHEET

31st December 2003

(1) Tangible Fixed Assets are:

| | <u>Land & Buildings</u> | <u>Plant & Machinery</u> | <u>Fixtures Fittings Office Furniture & Equipment</u> | <u>Motor Vehicles</u> | <u>Total</u> |
|--------------------------|---------------------------------|--------------------------------------|---|---------------------------|--------------------|
| <u>Cost</u> | | | | | |
| 1.1.03 | 825,713 | 650,240 | 325,730 | 287,839 | 2,089,522 |
| Additions | - | - | 12,733 | 36,055 | 48,788 |
| Disposals | - | - | - | (22,718) | (22,718) |
| 31.12.03 | <u>£ 825,713</u> | <u>£ 650,240</u> | <u>£ 338,463</u> | <u>£ 301,176</u> | <u>£ 2,115,592</u> |
| <u>Depreciation</u> | | | | | |
| 1.1.03 | 353,464 | 449,317 | 218,192 | 219,912 | 1,240,885 |
| Years Charge | 33,999 | 21,079 | 21,958 | 24,419 | 101,455 |
| Elimination on Disposals | - | - | - | (16,411) | (16,411) |
| 31.12.03 | <u>£ 387,463</u> | <u>£ 470,396</u> | <u>£ 240,150</u> | <u>£ 227,920</u> | <u>£ 1,325,929</u> |
| <u>Book Value</u> | | | | | |
| 31.12.03 | <u>£ 438,250</u> | <u>£ 179,844</u> | <u>£ 98,313</u> | <u>£ 73,256</u> | <u>£ 789,663</u> |
| 31.12.02 | <u>£ 472,249</u> | <u>£ 200,923</u> | <u>£ 107,538</u> | <u>£ 67,927</u> | <u>£ 848,637</u> |

| | <u>2003</u> | <u>2002</u> |
|---|----------------|----------------|
| The book value of Land and Buildings comprises: | | |
| Freehold | 318,275 | 335,026 |
| Short Leasehold | <u>119,975</u> | <u>137,223</u> |

£ 438,250 £ 472,249

The net book value of tangible fixed assets includes £27,042 (2002 £Nil) in respect of assets held under hire purchase contracts.

(2) Investments are:

| | | |
|--|-----------------|-----------------|
| Listed Investment at Cost (Market Value 31/12/03 £264) | - | - |
| Holiday Property Bonds at Cost | <u>18,000</u> | <u>18,000</u> |
| | <u>£ 18,000</u> | <u>£ 18,000</u> |

The Holiday Property Bonds, which are in the form of two life assurance policies effected on the lives of the directors give the life assured entitlement to holidays in a personal capacity. The bonds have a surrender value at the year end date. However the Company expects to hold the bonds for at least two years and therefore the bonds are shown at cost since there is considered to be no permanent diminution in value.

(3) Investment in Subsidiary:

The Company holds the whole of the ordinary share capital of David Costello Materials Limited a company registered in England. The subsidiary was acquired on 31st August 2001 and has not traded since that date.

| | | |
|----------------------------------|-----------------|-----------------|
| Cost of Shares Acquired | 219,356 | 219,356 |
| Less Amounts Written Off to date | (175,475) | (175,475) |
| Less Amount Due to Subsidiary | <u>(43,881)</u> | <u>-</u> |
| | <u>£ -</u> | <u>£ 43,881</u> |

NOTES TO THE BALANCE SHEET CONTINUED

31st December 2003

2003

2002

(4) Stock & Work in Progress comprise:

| | | |
|------------------|------------------|------------------|
| Raw Materials | 482,095 | 465,335 |
| Work in Progress | <u>339</u> | <u>1,734</u> |
| | £ <u>482,434</u> | £ <u>467,069</u> |

(5) Debtors Comprise:

| | | |
|-------------------------------|--------------------|--------------------|
| Due after more than one year: | | |
| Other Debtors | 17,546 | 21,646 |
| Due within one year: | | |
| Trade Debtors | 1,147,130 | 1,168,495 |
| Other Debtors | <u>-</u> | <u>5,025</u> |
| | £ <u>1,164,676</u> | £ <u>1,195,166</u> |

Included within other debtors are interest free unsecured loans to the directors totalling £17,546 being loans to D N Shoesmith £10,000 and J C Horner £7,546.
The maximum amount outstanding during the year was from D N Shoesmith £10,000 and J C Horner £7,546.

(6) Creditors falling due within one year are:

| | | |
|------------------------------------|--------------------|--------------------|
| Bank Overdraft | 439,148 | 346,798 |
| Bank Loan Instalments (note 7) | 38,386 | 37,107 |
| Hire Purchase Instalments (note 7) | 13,060 | - |
| Trade Creditors | 457,821 | 606,210 |
| Amounts due to Subsidiary | - | 43,881 |
| Taxation & Social Security | 70,317 | 66,977 |
| Accruals | 73,045 | 53,045 |
| Proposed Dividend | 3,510 | 3,510 |
| Other Creditors | <u>28</u> | <u>58,223</u> |
| | £ <u>1,095,315</u> | £ <u>1,215,751</u> |

(7) Creditors payable in more than one year are:

| | | |
|-------------------------|-----------------|-----------------|
| Bank Loan | 54,381 | 89,675 |
| Hire Purchase Contracts | <u>13,287</u> | <u>-</u> |
| | £ <u>67,668</u> | £ <u>89,675</u> |

The bank loan and overdraft (note 6) are secured by a legal charge over a part of the company's freehold land and buildings

The bank loan outstanding at the year end amounted to £92,767 (2002 £126,782) which bears interest at 1.25% above the bank base rate and is repayable by monthly instalments over 5 years commencing July 2001 as follows:

| | | |
|----------------------------|-----------------|------------------|
| Within one year | 38,386 | 37,107 |
| Between one and two years | 38,386 | 37,107 |
| Between two and five years | <u>15,995</u> | <u>52,568</u> |
| | £ <u>92,767</u> | £ <u>126,782</u> |

NOTES TO THE BALANCE SHEET CONTINUED

31st December 2003

| | <u>2003</u> | <u>2002</u> |
|--|-----------------|-----------------|
| (7) Creditors payable in more than one year continued: | | |
| Obligations under hire purchase contracts mature as follows: | | |
| Within one year | 14,096 | - |
| Between one and five years | <u>14,687</u> | <u>-</u> |
| | 28,783 | - |
| Less interest and charges allocated to future periods | <u>2,436</u> | <u>-</u> |
| | £ <u>26,347</u> | £ <u>-</u> |
| Hire purchase contracts are analysed as follows: | | |
| Current obligations | 13,060 | - |
| Non current obligations | <u>13,287</u> | <u>-</u> |
| | £ <u>26,347</u> | £ <u>-</u> |
| The hire purchase contracts are secured on the assets concerned. | | |
| (8) Provision for liabilities and charges are: | | |
| The Company has no provision for deferred taxation. | | |
| The Company has a deferred taxation asset, not recognised, which comprises: | | |
| Timing Differences Unrelieved Tax Losses | 103,643 | 121,935 |
| Capital Allowances | <u>(58,903)</u> | <u>(60,059)</u> |
| | £ <u>44,740</u> | £ <u>61,876</u> |
| The deferred taxation asset has not been recognised because the unrelieved losses for taxation purposes are expected to exceed any taxable profits of the company for the foreseeable future. | | |
| (9) The called up share capital is: | | |
| Authorised: £5 Ordinary Shares - Equity | £ <u>25,000</u> | £ <u>25,000</u> |
| Allotted & Fully Paid: £5 Ordinary Shares - Equity | £ <u>7,020</u> | £ <u>7,020</u> |
| (10) Reserves are: | | |
| Capital Reserve | 312 | 312 |
| Share Premium Account | 188 | 188 |
| Capital Redemption Reserve | <u>17,015</u> | <u>17,015</u> |
| | £ <u>17,515</u> | £ <u>17,515</u> |
| The Capital Redemption Reserve represents the nominal value of 3,403 ordinary £5 shares purchased by the company from its shareholders under a written resolution dated 20 th September 2000. | | |
| (11) Capital Commitments: | | |
| Capital expenditure authorised by the directors: | | |
| a) For which contracts had been placed | £ - | £ 17,000 |
| b) Not yet subject to contract | £ - | £ - |

NOTES TO THE BALANCE SHEET CONTINUED

31st December 2003

2003

2002

- (12) There is a contingent liability in respect of corporation tax on the capital gain arising on the sale of Freehold Property, which has been rolled over against the cost of new buildings acquired. Additional Capital Gains Tax likely to arise on future sale of the Freehold Property is estimated to be

£ 41,000

£ 41,000

- (13) Operating Lease Commitments:

The company had the following annual commitments under non cancellable operating leases:

- a) Computer & Office Equipment:

Expiring within one year

£ -

£ -

Expiring within two and five years

£ 53,049

£ 2,184

- b) Land and Buildings:

Expiring within one year

£ -

£ -

Expiring within two and five years

£ -

£ -

Expiring after five years

£ 22,000

£ 22,000

- (14) Reconciliation of movements in Shareholders' Funds:

Profit for the Financial Year

34,506

53,690

Dividends

(3,510)

(3,510)

Net Addition to Shareholders' Funds

30,996

50,180

Opening Shareholders' Funds

1,442,357

1,392,177

Closing Shareholders' Funds

£ 1,473,353

£ 1,442,357

- (15) Related Parties:

- a) The company leases land and buildings owned by the directors' pension scheme under a ten year lease dated 1st December 2000. A normal commercial rent of £22,000 was payable during the year and at the year end date no amount was outstanding.

- b) Additional related party information relative to directors' loan is given in note 5.

CASH FLOW STATEMENT

for the year ended 31st December 2003

| | <u>Notes</u> | <u>2003</u> | <u>2002</u> |
|---|--------------|-------------|-------------|
| <u>Reconciliation of Operating Profit/(Loss)</u> <u>with net Cash Flow from Operating</u> <u>Activities</u> | | | |
| Operating profit/(loss) on continuing activities | | 39,740 | (87,809) |
| Depreciation charges and adjustments on sale of fixed assets | | 99,399 | 105,238 |
| Decrease (Increase) in Stocks | | (15,365) | (58,031) |
| Decrease (Increase) in Debtors | | 30,490 | (142,092) |
| Increase (Decrease) in Creditors | | (183,244) | 29,714 |
| Net cash flow from operating activities | | £ (28,980) | £ (152,980) |
| <u>Cash Flow Statement</u> | | | |
| Net cash flow from operating activities above | | (28,980) | (152,980) |
| Returns on investments less servicing of finance | 1(a) | (5,234) | (3,008) |
| Taxation (Paid) Repaid | | - | (1,886) |
| Capital Expenditure | 1(b) | (48,788) | (80,104) |
| Proceeds on Disposals of Tangible Fixed Assets | | 8,363 | 175,273 |
| | | (74,639) | (62,705) |
| Equity Dividends Paid | | (3,510) | (3,510) |
| | | (78,149) | (66,215) |
| Management of Liquid Resources | 1(c) | (6,242) | (6,664) |
| Financing | 1(d) | (7,668) | (32,168) |
| (Reduction) Increase in cash in period | | £ (92,059) | £ (105,047) |
| <u>Reconciliation of Cash Flow with</u> <u>Movement in Net Funds (Debt)</u> | | | |
| Increase (Reduction) in cash in period as above | | (92,059) | (105,047) |
| Hire Purchase Contracts taken out in Year | | (32,450) | - |
| Bank Loan Repayments | | 34,015 | 32,168 |
| Capital Element of Hire Purchase Contracts Repayment | | 6,103 | - |
| Cash used to Increase (Reduce) Liquid Reserves | 1(c) | 6,242 | 6,664 |
| Change in Net Funds (Debt) | | (78,149) | (66,215) |
| Net Funds (Debt) on 1/1/03 | 2 | (298,550) | (232,335) |
| Net Funds (Debt) on 31/12/03 | 2 | £ (376,699) | £ (298,550) |

The notes on page 12 form part of this statement

NOTES TO THE CASH FLOW STATEMENT

for the year ended 31st December 2002

| | <u>2003</u> | <u>2002</u> |
|---|-------------|-------------|
| (1) <u>Gross Cash Flows</u> | | |
| (a) <u>Returns on investment and servicing of finance</u> | | |
| Interest Received | 6,286 | 7,484 |
| Interest Paid | (11,520) | (10,492) |
| | £ (5,234) | £ (3,008) |
| (b) <u>Capital Expenditure</u> | | |
| Tangible fixed assets | (48,788) | (77,104) |
| Investments | - | (3,000) |
| | £ (48,788) | £ (80,104) |
| (c) <u>Management of Liquid Resources</u> | | |
| Placed on deposits at notice | (181,167) | (174,925) |
| Withdrawn from deposits at notice | 174,925 | 168,261 |
| | £ (6,242) | £ (6,664) |
| (d) <u>Financing</u> | | |
| Hire Purchase Contracts | 32,450 | - |
| Bank Loan Repayments | (34,015) | (32,168) |
| Capital Element of Repayments under Hire Purchase Contracts | (6,103) | - |
| | £ (7,668) | £ (32,168) |

(2) Analysis of Changes in Net Funds (Debt)

| | <u>1/1/03</u> | <u>31/12/03</u> | <u>Cash Flows</u> <u>2003</u> | <u>2002</u> |
|---------------------------|---------------|-----------------|----------------------------------|-------------|
| Cash in hand & at bank | - | - | - | - |
| Overdrafts | (346,693) | (438,752) | (92,059) | (105,047) |
| | | | (92,059) | (105,047) |
| Debt due within 1 Year | (37,107) | (38,386) | (1,279) | (1,117) |
| Debt due after 1 Year | (89,675) | (54,381) | 35,294 | 33,285 |
| Hire Purchase Contracts | - | (26,347) | (26,347) | - |
| Current Asset Investments | 174,925 | 181,167 | 6,242 | 6,664 |
| Net Funds (Debt) | £ (298,550) | £ (376,699) | £ (78,149) | £ (66,215) |