

**PSI GLOBAL LIMITED**

**Report and Financial Statements**

**30 April 2004**

**Deloitte & Touche LLP**  
**Newcastle upon Tyne**



**REPORT AND FINANCIAL STATEMENTS 2004**

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**REPORT AND FINANCIAL STATEMENTS 2004**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

R Theodoulou (Chairman)  
S P Hunter (Managing Director)  
J S Hunter  
D S Hunter  
K Richardson  
H Walzl

**SECRETARY**

D S Hunter

**REGISTERED OFFICE**

Bowburn South Industrial Estate  
Bowburn  
Durham  
DH6 5AD

**BANKERS**

Barclays Bank plc  
PO Box 245  
27-31 High Row  
Darlington  
Co Durham

Dresdener Bank AG  
Postfach 106064  
70/74 Stuttgart  
Germany

**SOLICITORS**

Robert Muckle  
Norham House  
12 New Bridge Street  
Newcastle upon Tyne  
NE1 8AS

Watson Burton  
20 Collingwood Street  
Newcastle upon Tyne  
NE99 1YQ

**AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
Newcastle upon Tyne

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 April 2004.

### ACTIVITIES

The principal activity of the company is the development and manufacture of filters, separators and automatic closure systems.

### REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors consider the results to be a fair reflection of the current trading conditions. The company will continue to pursue its continual improvement programme and intend to reduce product development time to market.

### DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend (2003: £nil).

The profit for the year after taxation and dividends was £22,651 (2003: loss of £91,061) and the directors propose that this be transferred to reserves.

### DIRECTORS AND THEIR INTERESTS

The present membership of the board is set out on page 1.

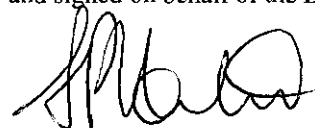
None of the directors had a material interest in any contract of significance to which the company was a party during the financial year. The directors' interests in the ordinary shares of the company at 30 April 2004 and 1 May 2003 were:

	Ordinary shares of £1 each	
	2004 No.	2003 No.
S P Hunter	202,351	202,351
J S Hunter	34,700	34,700
D S Hunter	34,700	34,700
K Richardson	-	-
R Theodoulou	34,700	34,700
H Waltl	34,700	-

### AUDITORS

A resolution to re-appoint Deloitte & Touche LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



Director

18 February 2005.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year and of the profit or loss of the company 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; and
- 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 the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PSI GLOBAL LIMITED**

We have examined the abbreviated accounts which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 26, together with the financial statements of PSI Global Limited prepared under section 226 of the Companies Act 1985 for the year ended 30 April 2004.

This report is made solely to the company in accordance with section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters that we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

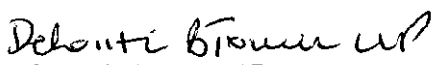
The directors are responsible for preparing the abbreviated accounts in accordance with s246A(3) Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts prepared in accordance with that section and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

### **Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

### **Opinion**

In our opinion, the company is entitled under ss247, 247A and 249 Companies Act 1985 to deliver abbreviated accounts prepared in accordance with s246A(3) Companies Act 1985, in respect of the year ended 30 April 2004 and the abbreviated accounts have been properly prepared in accordance with those provisions.

  
**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors

Newcastle upon Tyne

 21 February 2005

**PROFIT AND LOSS ACCOUNT**  
**Year ended 30 April 2004**

	Note	2004 £	2003 £
<b>GROSS PROFIT</b>		2,948,884	2,058,860
Staff costs	5	(1,325,967)	(1,022,661)
Depreciation and other amounts written off tangible and intangible fixed assets		(250,198)	(261,650)
Other operating charges		(1,100,138)	(662,338)
Exceptional write-off of amounts due from group undertakings		(150,769)	(156,945)
<b>OPERATING PROFIT / (LOSS)</b>		121,812	(44,734)
Interest payable and similar charges	3	(55,821)	(26,313)
<b>PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	65,991	(71,047)
Tax on loss on ordinary activities	6	(43,340)	(20,014)
<b>RETAINED LOSS FOR THE FINANCIAL YEAR WITHDRAWN FROM RESERVES</b>	17	22,651	(91,061)

All activities derive from continuing operations.

There are no recognised gains and losses for the current financial year and the preceding financial year other than as stated in the profit and loss account and accordingly, no Statement of Total Recognised Gains and Losses is presented.

**BALANCE SHEET**  
**30 April 2004**

	Note	£	2004 £	£	2003 £
<b>FIXED ASSETS</b>					
Intangible assets	7		167,699		198,393
Tangible assets	8		500,922		525,524
Investment	9		2		2
			<u>668,623</u>		<u>723,919</u>
<b>CURRENT ASSETS</b>					
Stocks	10	509,897		399,496	
Debtors	11	796,011		706,562	
Cash at bank and in hand		8,945		6,583	
		<u>1,314,853</u>		<u>1,112,641</u>	
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(1,146,118)</u>		<u>(1,018,825)</u>	
<b>NET CURRENT ASSETS</b>			<u>168,735</u>		<u>93,816</u>
			837,358		817,735
<b>CREDITORS: amounts falling due after more than one year</b>	13		(33,162)		(24,869)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	15		<u>(24,371)</u>		<u>(32,222)</u>
			<u>779,825</u>		<u>760,644</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		375,851		375,851
Share premium account	17		160,349		139,529
Capital redemption reserve	17		38,200		3,500
Profit and loss account	17		205,425		241,764
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	18		<u>779,825</u>		<u>760,644</u>

These financial statements have been prepared in accordance with the special provisions relating to medium-sized companies under s246A of the Companies Act 1985 and were approved by the Board of Directors on 18 February 2005.

Signed on behalf of the Board of Directors



Director



**CASH FLOW STATEMENT**  
**Year ended 30 April 2004**

	<b>Note</b>	<b>2004 £</b>	<b>2003 £</b>
<b>Cash inflow from operating activities</b>	22	356,659	402,970
<b>Returns on investments and servicing of finance</b>	23	(55,821)	(26,313)
<b>Taxation</b>		-	(23,153)
<b>Capital expenditure and financial investment</b>	23	(148,354)	(60,327)
<b>Cash inflow before financing</b>		152,484	293,177
<b>Financing</b>	23	(75,683)	(148,011)
<b>Increase in cash in the year</b>	24, 25	76,801	145,166

## NOTES TO THE ACCOUNTS

### Year ended 30 April 2004

#### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently in the current and prior year.

##### Accounting convention

The financial statements are prepared under the historical cost convention.

##### Basis of preparation

The company and its subsidiaries comprise a medium sized group. The company has taken advantage of the exemption granted under Section 248 of the Companies Act 1985 not to prepare consolidated financial statements. Accordingly the financial statements present information about the individual undertaking only.

##### Intangible fixed assets

Patents are amortised on a straight line basis over 10 years. Capitalised purchased goodwill in respect of subsidiaries is included within intangible fixed assets. The purchased goodwill is capitalised in the year in which it arises and amortised over its estimated useful life of 5 years.

##### Tangible fixed assets

Tangible fixed assets are shown at cost less accumulated depreciation.

Depreciation of fixed assets is on a straight line basis calculated at annual rates estimated to write off each asset over the term of its useful life.

The rates generally in use are as follows:

Plant and machinery	10% - 33 1/3%
Fixtures and fittings	10% - 33 1/3%
Motor vehicles	25%

##### Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost, where appropriate, includes materials, direct labour and production overheads appropriate to the relevant stage of production.

##### Grants

Grants of a revenue nature are credited to the profit and loss account in line with the expenditure to which they relate.

##### Turnover

Turnover represents the invoiced value of sales, excluding trade discounts and value added tax.

##### Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

##### Taxation

Current tax, including United Kingdom corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**NOTES TO THE ACCOUNTS****Year ended 30 April 2004****1. ACCOUNTING POLICIES (continued)****Leases**

Assets held under finance leases and related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the leases. The amounts by which the lease payments exceed the recorded lease obligations are treated as finance charges which are amortised over the shorter of the lease term or useful economic life to give a constant rate of charge on the remaining balance of the obligations.

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of the leases.

**Pension costs**

The company operates two internally administered defined contribution schemes for all eligible employees. Pension costs are charged to the profit and loss account as they fall due.

**2. INTEREST PAYABLE AND SIMILAR CHARGES**

	2004 £	2003 £
Finance lease and similar hire purchase charges	14,048	12,592
Bank overdraft and other borrowings repayable within 5 years	41,773	52,808
Other interest	-	511
	<u>55,821</u>	<u>26,313</u>

## NOTES TO THE ACCOUNTS

Year ended 30 April 2004

## 3. PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

<b>Profit / (Loss) on ordinary activities before taxation is after charging/(crediting):</b>	<b>2004 £</b>	<b>2003 £</b>
Depreciation and other amounts written off tangible and intangible fixed assets:		
Own tangible assets	175,712	175,437
Assets held under finance leases	10,394	20,526
Intangible assets	64,092	65,687
Loss/(profit) on disposal of tangible fixed assets	8,444	445
Rentals under operating leases:		
Hire of plant and machinery	-	-
Other operating lease rentals	19,817	16,596
Auditors' remuneration	7,250	8,500

## 4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors of the Company are employees of other PSI Global Group companies. The allocation of their remuneration in relation to their services as directors of this company was as follows:

	<b>2004 £</b>	<b>2003 £</b>
Directors' emoluments:		
Emoluments	163,260	194,724
Pension contributions	16,450	18,600
	<u>179,710</u>	<u>213,324</u>

The remuneration of the highest paid director in 2004 was £57,500 and the pension contributions paid in 2004 were £5,750.

Six directors are members of the money purchased pension scheme (2003 – seven).

<b>Employee costs (including directors emoluments):</b>	<b>2004 £</b>	<b>2003 £</b>
Wages and salaries	1,177,429	865,255
Social security costs	120,348	121,916
Other pension costs	28,190	35,490
	<u>1,325,967</u>	<u>1,022,661</u>
<b>Average number of persons employed</b>	<b>No.</b>	<b>No.</b>
Production	64	43
Research and development	5	5
Administration	21	18
	<u>90</u>	<u>66</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 30 April 2004**

**5. TAX ON LOSS ON ORDINARY ACTIVITIES**

(a) Analysis of the tax (credit)/charge for the year

	2004 £	2004 £	2003 £	2003 £
Corporation tax:				
Current year credit @ 19% (2003: 19%)	72,205		32,426	
Adjustment in respect of prior periods	(21,014)		(8,001)	
	<u>51,191</u>	51,191	<u>24,425</u>	24,425
Deferred tax:				
Current year credit	(3,772)		(25,617)	
Credit in respect of prior years	(4,079)		21,206	
Total deferred tax	<u>(7,851)</u>	(7,851)	<u>(4,411)</u>	(4,411)
Tax on loss on ordinary activities		<u>43,340</u>		<u>20,014</u>

(b) Factors affecting the tax charge for the year:

	2004 £	2003 £
Profit / (loss) before taxation	<u>65,991</u>	<u>(71,047)</u>
Tax (credit)/charge on loss before taxation at the standard rate of corporation tax in the UK of % (2003:19%)	19,797	(21,314)
Net of non-taxable income and expenses not deductible for tax purposes	55,169	76,562
Deferred tax movement in the year	3,769	14,466
Movement in short term timing differences	3	11,151
Group relief claimed but not paid for	-	(38,566)
Adjustment to tax charge in respect of previous periods	(21,014)	(8,001)
Small companies marginal relief – rate differences	(6,532)	(9,873)
Current tax charge/(credit) for the period (see (a))	<u>51,191</u>	<u>24,425</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 30 April 2004**

**6. INTANGIBLE FIXED ASSETS**

	<b>Patents £</b>	<b>Goodwill £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 May 2003	218,793	209,742	428,535
Additions	33,398	-	33,398
At 30 April 2004	252,191	209,742	461,933
<b>Accumulated depreciation</b>			
At 1 May 2003	142,558	87,584	230,142
Charge for the year	20,304	43,788	64,092
At 30 April 2004	162,862	131,372	294,234
<b>Net book value</b>			
At 30 April 2004	89,329	78,370	167,699
At 30 April 2003	76,235	122,158	198,393

**7. TANGIBLE FIXED ASSETS**

	<b>Motor vehicles £</b>	<b>Plant and machinery £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 May 2003	25,493	2,675,482	94,167	2,795,142
Additions	-	158,130	11,818	169,948
Disposals	-	(45,975)	-	(45,975)
At 30 April 2004	25,493	2,787,637	105,985	2,919,115
<b>Accumulated depreciation</b>				
At 1 May 2003	6,949	2,187,507	75,162	2,269,618
Provision for the year	6,888	169,040	10,178	186,106
Disposals	-	(37,531)	-	(37,531)
At 30 April 2004	13,837	2,319,016	85,340	2,418,193
<b>Net book value</b>				
At 30 April 2004	11,656	468,621	20,645	500,922
At 30 April 2003	18,544	487,975	19,005	525,524

## NOTES TO THE ACCOUNTS

Year ended 30 April 2004

## 7. TANGIBLE FIXED ASSETS (continued)

Assets held under finance leases and similar hire purchase agreements are as follows:

	Motor vehicles		Plant and machinery	
	2004	2003	2004	2003
	£	£	£	£
Cost	25,493	25,493	341,400	286,408
Accumulated depreciation	(13,837)	(6,949)	(80,123)	(76,617)
Net book value	<u>11,656</u>	<u>18,544</u>	<u>261,277</u>	<u>209,791</u>

## 8. INVESTMENTS

	Investments in subsidiaries £
Cost	
At 1 May 2003 and 30 April 2004	<u>2</u>

Subsidiary undertaking	Country of registration	Activity	Portion of ordinary shares held %
Airman Engineering Services Limited	England and Wales	Supply, hire and maintenance of compressors	100
Redhouse Engineering Services Limited	England and Wales	Supply, hire and maintenance of compressors	100

## 9. STOCKS

	2004 £	2003 £
Raw materials	366,970	224,467
Work in progress	10,090	37,747
Finished goods for resale	<u>132,837</u>	<u>137,282</u>
	<u>509,897</u>	<u>399,496</u>

**NOTES TO THE ACCOUNTS****Year ended 30 April 2004****10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2004 £	2003 £
Trade debtors	680,749	600,543
Other debtors	62,718	17,218
Prepayments	52,544	88,801
	<u>796,011</u>	<u>706,562</u>

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2004 £	2003 £
Bank loan and overdraft	235,812	317,052
Obligations under finance leases and hire purchase contracts	30,883	49,596
Trade creditors	586,233	366,202
Other creditors	27,877	43,181
Taxation and social security	22,674	32,808
Corporation tax	83,617	32,426
Accruals and deferred income	159,022	177,560
	<u>1,146,118</u>	<u>1,018,825</u>

The bank loan and overdraft are secured by a debenture/mortgage agreement including a fixed and floating charge over the assets of the business.

**12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2004 £	2003 £
Obligations under finance leases and hire purchase contracts	33,162	24,869
	<u>33,162</u>	<u>24,869</u>



**NOTES TO THE ACCOUNTS**  
**Year ended 30 April 2004**

**13. OBLIGATIONS UNDER FINANCE LEASE AND HIRE PURCHASE CONTRACTS**

	2004 £	2003 £
Obligations under finance leases and hire purchase contracts	64,045	74,465

The future minimum lease and hire purchase payments to which the company is committed as at 30 April under finance leases and hire purchase contracts are as follows:

	2004 £	2003 £
Amounts due within 5 years	68,596	82,617
Less: Finance charges allocated to future periods	(4,551)	(7,819)
	64,045	74,465
Less: Amounts repayable within one year	(30,883)	(49,596)
Amounts repayable after more than one year	33,162	24,869

Obligations under finance leases are secured by the related leased assets.

**14. PROVISIONS FOR LIABILITIES AND CHARGES**

	£
Deferred taxation movement in the year:	
Balance at 1 May 2003	32,222
Current year credit	(3,772)
Prior year charge	(4,079)
Balance at 30 April 2004	24,371

The actual and full potential liability for deferred tax in the accounts is as follows:

	2004 £	2003 £
Capital allowances in excess of depreciation	35,171	39,259
Short term timing differences	(10,800)	(6,853)
	24,371	32,222

**15. CALLED UP SHARE CAPITAL**

	2004 £	No.	2003 £	No.
<b>Authorised</b>				
500,000 ordinary shares of £1 each	500,000	500,000	500,000	500,000
<b>Called up, allotted and fully paid</b>				
375,851 ordinary shares of £1 each	375,851	375,851	375,851	375,851

## NOTES TO THE ACCOUNTS

Year ended 30 April 2004

## 16. MOVEMENT ON RESERVES

	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total £
Balance at 1 May 2003	139,529	3,500	241,764	384,793
Profit for the year	-	-	22,651	22,651
Purchase of own shares	-	34,700	(58,990)	(24,290)
Issue of shares	20,820	-	-	20,820
Balance at 30 April 2004	160,349	38,200	205,425	403,974

## 17. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2004 £	2003 £
Profit / (Loss) for the year	22,651	(91,061)
Purchase of own shares	(58,990)	-
Issue of shares	55,520	-
Net reduction shareholders' funds	19,181	(91,061)
Opening shareholders' funds	760,644	851,705
Closing shareholders' funds	779,825	760,644

## 18. CAPITAL COMMITMENTS

As at 30 April the company did not have any expenditure contracted for but not provided for in these financial statements (2003: £nil).

## 19. OPERATING LEASE COMMITMENTS

As at 30 April the company was committed to making the following payments during the next year in respect of operating leases:

	2004		2003	
	Land and buildings £	Other £	Land and buildings £	Other £
<b>Leases which expire:</b>				
Within one year	-	21,830	16,207	-
Within two to five years	-	374	33,689	29,385

The company has also guaranteed the operating leases of its subsidiary companies, Airman Engineering Services Limited and Redhouse Engineering Services Limited.

**NOTES TO THE ACCOUNTS**  
**Year ended 30 April 2004**

**20. PENSION COSTS**

The company operated two defined contribution schemes for all eligible employees. Pension costs for the year were £28,190 (2003: £35,490).

**21. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH INFLOWS**

	2004 £	2003 £
Operating profit / (loss)	121,812	(44,374)
Amortisation of patents	64,092	65,687
Depreciation	186,106	195,963
Loss on disposal of tangible fixed assets	8,444	445
(Increase)/decrease in stocks	(110,401)	41,724
(Increase)/decrease in debtors	(89,449)	(11,431)
Increase/(decrease) in creditors	176,055	155,316
<b>Net cash inflow from operating activities</b>	<u>356,659</u>	<u>402,970</u>

**22. GROSS CASH FLOWS**

	2004 £	2003 £
<b>Returns on investments and servicing of finance</b>		
Interest paid	(55,821)	(26,313)
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(114,956)	(60,932)
Purchase of intangible fixed assets	(33,398)	(9,895)
Sale of tangible fixed assets	-	10,500
	<u>(148,354)</u>	<u>(60,327)</u>
<b>Financing</b>		
Repayment of bank loan	(6,801)	(77,497)
Repurchase of shares	(58,990)	-
Issue of shares	55,520	-
Capital repayment of finance leases and hire purchase agreements	(65,412)	(70,514)
	<u>(75,683)</u>	<u>(148,011)</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 30 April 2004**

**23. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	£	2004 £	£	2003 £
Increase/(decrease) in cash	76,801		145,166	
Cash (inflow)/outflow from (increase)/decrease in debt	6,801		77,497	
Cash outflow from reduction in lease financing	65,412		70,514	
Change in net debt resulting from cash flows		149,014		293,177
New finance leases		(54,992)		(48,151)
Movement in net debt in the year		94,022		245,026
Net debt at 1 May		(384,934)		(629,960)
Net debt at 30 April		(290,912)		(384,934)

**24. ANALYSIS OF NET DEBT**

	At 1 May 2003 £	Cash flow £	Other non-cash changes £	At 30 April 2004 £
Cash at bank and in hand	6,583	2,362	-	8,945
Bank overdraft	(310,251)	74,439	-	(235,812)
		76,801		
Debt due after 1 year	-	-	-	-
Debt due within 1 year	(6,801)	6,801	-	-
Finance leases	(74,465)	65,412	(54,992)	(64,045)
	(384,934)	83,602	(54,992)	(290,912)

**NOTES TO THE ACCOUNTS**

**Year ended 30 April 2004**

**25. MAJOR NON-CASH TRANSACTIONS**

During the year the company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £54,992 (2003: £48,151).

**26. RELATED PARTY TRANSACTIONS**

All related party transactions represent advances of working capital made to the company's subsidiaries. During the year the company made total advances of £150,769 (2003: £27,950) and the total net amount owed from group undertakings at 30 April 2004 of £150,769 was written-off.