

1305021

LEEN GATE INDUSTRIES LIMITED & SUBSIDIARIES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2001



Hobsons
Chartered Accountants
Alexandra House
43 Alexandra Street
Nottingham NG5 1AY

LEEN GATE INDUSTRIES LIMITED

Directors

Mr. L. C. Nowicki
Mrs. B. Nowicki
Mr. M. Nowicki
Mr. C. R. Nowicki
Mr. T. R. Nowicki

Secretary

Mrs. B. Nowicki

Registered Office

Redfield Road
Lenton
Nottingham NG7 2UJ

Bankers

National Westminster Bank plc
16 South Parade
Nottingham NG1 2JX

Auditors

Hobsons
Chartered Accountants
Alexandra House
43 Alexandra Street
Nottingham NG5 1AY

Company Number

1305021

LEEN GATE INDUSTRIES LIMITED

DIRECTORS REPORT

The directors submit their report and financial statements for the year ended 30 September 2001.

Principal activities

The holding company's principal activity during the year was the management of its subsidiaries. The subsidiaries principal activities during the year were light precision engineering, stockholding and the processing and distribution of metal.

Results

The group made a profit for the year of £139,429 after taxation and minority interests.

Trading review and future development

The directors are encouraged by the result for the year and are confident that the group will continue to trade profitably in the current period.

Directors

The directors in office during the year and their interests in the share capital of the company at 30 September 2001 and 1 October 2000 were:

	Ordinary Shares	
	2001	2000
Mr. L. C. Nowicki	1	1
Mrs. B. Nowicki	1	1
Mr. A. Nowicki	25,000	25,000
Mr. M. Nowicki	25,000	25,000
Mr. C. R. Nowicki	25,000	25,000
Mr. T. R. Nowicki	25,000	25,000

The directors regret to announce that Mr. A. Nowicki died on 30 November 2000.

In accordance with the Articles of Association Mr. M. Nowicki retires by rotation and being eligible offers himself for re-election.

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 the group and of the profit or loss 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 a 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 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.

LEEN GATE INDUSTRIES LIMITED**DIRECTORS REPORT CONTINUED****Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the re-appointment of Hobsons as auditors to the company will be put to the annual general meeting.

By Order of the Board

A handwritten signature in black ink, appearing to read 'M. Nowicki', with a stylized flourish at the end.

Mr. M. Nowicki
Director

25.4.02

AUDITORS' REPORT TO THE MEMBERS OF LEEN GATE INDUSTRIES LIMITED

We have audited the financial statements on pages 4 to 19 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and on the basis of the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 and group as at 30 September 2001 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Hobsons', with a long, sweeping horizontal stroke underneath.

Hobsons
Chartered Accountants & Registered Auditors
Alexandra House
43 Alexandra Street
Nottingham NG5 1AY

23 May 2002

LEEN GATE INDUSTRIES LIMITED & SUBSIDIARIES
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2001

	Note	2001	2000
Turnover - continuing operations	2	15,538,126	13,729,111
Cost of sales		11,347,143	9,866,682
		<hr/>	<hr/>
Gross Profit		4,190,983	3,862,429
Administrative and selling expenses		4,011,665	3,331,289
		<hr/>	<hr/>
		179,318	531,140
Other operating income		72,315	66,448
		<hr/>	<hr/>
Operating Profit - continuing operations	3	251,633	597,588
Other interest receivable		2,302	3,620
		<hr/>	<hr/>
		253,935	601,208
Interest payable	6	87,140	83,423
		<hr/>	<hr/>
Profit on Ordinary Activities before Taxation		166,795	517,785
Tax on profit on ordinary activities	7	4,962	161,502
		<hr/>	<hr/>
Profit on Ordinary Activities after Taxation		161,833	356,283
Minority interests	22	(22,404)	(9,704)
		<hr/>	<hr/>
Profit for the Financial Year		<u>£139,429</u>	<u>£346,579</u>

Movements in reserves are set out in note 20.

The only recognised gain in the period was the profit for the financial year of £139,429 (2000 - £346,579).

The notes on pages 8 to 19 form part of these financial statements.

LEEN GATE INDUSTRIES LIMITED & SUBSIDIARIES
CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2001

	Note	2001	2000
Fixed Assets			
Tangible assets	9a	3,828,612	3,670,237
Current Assets			
Stocks	11	1,487,143	1,549,483
Debtors	12	4,356,779	3,702,222
Cash at bank and in hand		138,804	33,617
		<u>5,982,726</u>	<u>5,285,322</u>
Creditors			
Amounts falling due within one year	13	<u>5,218,808</u>	<u>4,529,028</u>
Net Current Assets		<u>763,918</u>	<u>756,294</u>
Total Assets less Current Liabilities		<u>4,592,530</u>	<u>4,426,531</u>
Creditors			
Amounts falling due after one year	14	386,897	412,791
Provisions for Liabilities and Charges	17	<u>302,329</u>	<u>272,289</u>
		<u>£3,903,304</u>	<u>£3,741,451</u>
Capital and Reserves			
Called up share capital	19	100,002	100,002
Share premium account	20	100,000	100,000
Revaluation reserve	20	303,094	303,094
Other reserves	20	19,700	19,700
Profit and loss account	20	<u>3,147,525</u>	<u>3,008,096</u>
Shareholders' funds	21	<u>3,670,321</u>	<u>3,530,892</u>
Minority interests	22	<u>232,983</u>	<u>210,559</u>
Total Equity		<u>£3,903,304</u>	<u>£3,741,451</u>

The financial statements were approved by the Board of Directors on 25.4.02 and were signed on its behalf by:

[Signature] Director

The notes on pages 8 to 19 form part of these financial statements.

LEEN GATE INDUSTRIES LIMITED
BALANCE SHEET AS AT 30 SEPTEMBER 2001

	Note	2001	2000
Fixed Assets			
Investments	10	961,856	961,856
Current Assets			
Debtors	12	681,887	347,220
Cash at bank and in hand		5,652	4,022
		<u>687,539</u>	<u>351,242</u>
Creditors			
Amounts falling due within one year	13	759,576	472,408
		<u>(72,037)</u>	<u>(121,166)</u>
Net Current Liabilities			
		<u>£889,819</u>	<u>£840,690</u>
Capital and Reserves			
Called up share capital	19	100,002	100,002
Share premium account	20	100,000	100,000
Other reserves	20	360,000	360,000
		<u>560,002</u>	<u>560,002</u>
Profit and loss account	20	329,817	280,688
Shareholders' Funds			
		<u>£889,819</u>	<u>£840,690</u>

The financial statements were approved by the Board of Directors on 25-4-02 and were signed on behalf by:

[Signature] Director

The notes on pages 8 to 19 form part of these financial statements.

LEEN GATE INDUSTRIES LIMITED & SUBSIDIARIES
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2001

	Note	2001	2000
Net cash flow from operating activities	28	529,136	78,758
Returns on investments and servicing of finance	29	(84,838)	(79,803)
Taxation		(127,085)	(74,118)
Capital expenditure and financial investment	30	(553,287)	(249,642)
		<hr/>	<hr/>
Cash outflow before management of liquid resources and financing		(236,074)	(324,805)
Financing	31	(60,906)	(129,439)
		<hr/>	<hr/>
Decrease in cash		<u>£(296,980)</u>	<u>£(454,244)</u>
 Reconciliation of net cash flow to movement in net debts			
Decrease in cash in the year		(296,980)	(454,244)
Cash outflow from decrease in debt and lease financing		60,906	129,439
		<hr/>	<hr/>
Change in net debt resulting from cash flows		(236,074)	(324,805)
Net debt at 1 October 2000		(2,079,223)	(1,754,418)
		<hr/>	<hr/>
Net debt at 30 September 2001		<u>£(2,315,297)</u>	<u>£(2,079,223)</u>

LEEN GATE INDUSTRIES LIMITED & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Basis of accounting

The financial statements have been prepared under the historical cost convention modified by the valuation of leasehold property and in accordance with applicable accounting standards.

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 30 September 2001 to the extent of the group's interest in those undertakings.

A separate profit and loss account for the parent company has not been presented in accordance with Section 230 of the Companies Act 1985. The profit of the parent company dealt with in these financial statements is disclosed in note 8.

Turnover

Turnover represents the total amount receivable for goods supplied and services provided during the year excluding value added tax.

Depreciation

Depreciation is provided at rates calculated to write down the cost or valuation of each asset to its estimated residual value over its expected useful life. The following rates are used, calculated on the following bases:

Long leasehold land and buildings	2% straight line
Plant and equipment	15-20% reducing balance/5-20% straight line
Fixtures and fittings	15-20% reducing balance
Motor vehicles	25% reducing balance
Computer	25% straight line
Tenant improvements	10% straight line
Freehold land and buildings	2% reducing balance

Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value.

Cost comprises purchase price or direct production cost together with attributable production and other overheads.

Net realisable value means estimated selling price less all further costs to completion and all costs to be incurred in marketing, selling and distribution.

LEEN GATE INDUSTRIES LIMITED & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies continued

Deferred tax

Provision is made for deferred tax at the current rate of corporation tax in respect of accelerated taxation allowances on capital expenditure and other timing differences to the extent that a liability is anticipated in the foreseeable future.

Foreign currencies

Assets and liabilities expressed in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date.

Leasing and hire purchase commitments

Assets acquired under finance leases and hire purchase contracts which substantially transfer the risks and rewards of ownership to the company are capitalised as tangible fixed assets at their fair values and depreciated over their useful economic lives, or the terms of the lease (whichever is the shorter). Outstanding obligations, net of finance charges, are shown as a liability. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease.

All other leases are operating leases and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

Pensions

The company and several of its subsidiaries operate a money purchase pension scheme for the benefit of certain directors. The group also operates a money purchase pension scheme for the benefit of its employees. Contributions payable for the year are charged in the profit and loss account.

The funds of both schemes are administered by Trustees and are separate from the company.

2. Turnover

The turnover and profit before taxation is attributable to the various activities described below:

	Turnover		Profit before taxation	
	2001	2000	2001	2000
Management of subsidiaries	-	-	(6,639)	401,433
Light precision engineering	6,074,203	5,954,750	90,492	(57,046)
Stockholding, distribution and processing of metal	9,463,923	7,774,361	82,942	173,398
	<hr/>	<hr/>	<hr/>	<hr/>
	£15,538,126	£13,729,111	£166,795	£517,785
	<hr/>	<hr/>	<hr/>	<hr/>

The turnover of the holding company is derived solely from the management of its subsidiaries.

LEEN GATE INDUSTRIES LIMITED & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

3.	Operating profit	2001	2000
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This is stated after charging:

Directors remuneration	547,024	267,024
Auditors remuneration and expenses - audit	18,085	15,360
Depreciation on owned assets	314,807	286,086
Depreciation on assets held under finance leases	61,766	51,107
Equipment hire	22,975	19,161
Operating leases - Plant and machinery	93	3,161
- Land and buildings	171,660	155,694
Loss on disposal of fixed assets	18,359	6,980

4.	Employees
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Staff costs including directors remuneration were:

Wages and salaries	3,074,681	2,823,266
Social security costs	286,981	261,788
Other pension costs	40,892	38,889

<u>£3,402,554</u>	<u>£3,123,943</u>
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The average number of persons employed including directors was as follows:

	Number	Number
Management, production and sales	194	193

5.	Directors emoluments
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Aggregate emoluments including benefits in kind	579,378	297,359
Company contributions to money purchase pension schemes	5,050	7,550

<u>£584,428</u>	<u>£304,909</u>
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The remuneration of the highest paid director included above was:	130,000	60,000
Company contributions to money purchase schemes	2,050	2,500

<u>£132,050</u>	<u>£62,500</u>
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During the year 4 directors (2000 - 4) were accruing benefits under money purchase schemes.

LEEN GATE INDUSTRIES LIMITED & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

6. Interest payable	2001	2000
On bank loans and overdrafts	69,099	63,009
Other loans	216	19
On hire purchase and finance leases	17,825	20,395
	<u> </u>	<u> </u>
	£87,140	£83,423
	<u> </u>	<u> </u>
7. Tax on profit on ordinary activities		
Corporation tax	20,983	173,055
Deferred taxation	30,040	18,753
	<u> </u>	<u> </u>
	51,023	191,808
Corporation tax over provided in prior years	(46,061)	(30,306)
	<u> </u>	<u> </u>
	£4,962	£161,502
	<u> </u>	<u> </u>

8. Profit of parent company

As permitted by Section 230 of the Companies Act 1985 no profit and loss account is presented for Leen Gate Industries Limited. The amount of consolidated profit after taxation dealt with in the financial statements of the parent company is £49,129 (2000 £317,927).

LEEN GATE INDUSTRIES LIMITED & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

9a. Tangible fixed assets - Group

<u>Cost or valuation</u>	Long leasehold land & buildings	Freehold land & property	Tenants improvements	Plant & machinery	Fixtures & office equipment	Motor vehicles	Total
As at 1 October 2000	1,650,000	16,238	174,887	3,453,512	559,842	514,375	6,368,854
Additions	-	-	46,079	245,297	68,557	259,373	619,306
Disposals	-	-	-	(157,419)	(89,491)	(61,402)	(308,312)
As at 30 September	£1,650,000	£16,238	£220,966	£3,541,390	£538,908	£712,346	£6,679,848
<u>Depreciation</u>							
As at 1 October 2000	264,000	3,980	62,780	1,735,838	316,301	315,716	2,698,615
Depreciation charge	33,000	-	22,337	161,312	58,218	101,708	376,575
Depreciation on disposal	-	-	-	(94,008)	(80,178)	(49,768)	(223,954)
As at 30 September 2001	£297,000	£3,980	£85,117	£1,803,142	£294,341	£367,656	£2,851,236
Net book value as at 30 September 2001	£1,353,000	£12,258	£135,849	£1,738,248	£244,567	£344,690	£3,828,612
Net book value as at 30 September 2000	£1,386,000	£12,258	£112,107	£1,717,674	£243,541	£198,659	£3,670,239

The net book value of tangible fixed assets includes an amount of £244,523 (2000 £350,265) in respect of assets held under finance leases and hire purchase contracts.

LEEN GATE INDUSTRIES LIMITED & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

9a. Tangible fixed assets - Group (continued)

Included in fixed assets are the following amounts at valuation:

Year of valuation	Long leasehold Land and buildings	
	2001	2000
1992	£1,650,000	£1,650,000

No provision has been made in the deferred taxation account for the estimated corporation tax which would be payable on disposal at this valuation because, in the opinion of the directors, the assets are unlikely to be disposed of in the foreseeable future.

Under the historical cost convention the net book value of the leasehold land and buildings included at valuation would be as follows:

	2001	2000
Cost	1,431,825	1,431,825
Depreciation	373,946	345,310
	<hr/>	<hr/>
	£1,057,879	£1,086,515
	<hr/>	<hr/>

9b. Tangible fixed assets - Company

Leen Gate Industries Limited does not own any fixed assets.

10. Fixed asset investments - Company

	Shares in Subsidiary Undertakings
<u>Cost</u>	
As at 1 October 2000	961,856
Additions	-
	<hr/>
As at 30 September 2001	£961,856
	<hr/>

LEEN GATE INDUSTRIES LIMITED & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

11. Stocks	Group		Company	
	2001	2000	2001	2000
Raw materials and consumables	238,144	231,593	-	-
Work in progress	246,108	263,120	-	-
Finished goods and goods for resale	1,002,891	1,054,770	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£1,487,143	£1,549,483	£Nil	£Nil
	<hr/>	<hr/>	<hr/>	<hr/>
12. Debtors - receivable within one year				
Trade debtors	4,059,311	3,569,515	-	-
Amounts due from group undertakings	-	-	678,641	347,220
Other debtors	297,468	132,707	3,246	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£4,356,779	£3,702,222	£681,887	£347,220
	<hr/>	<hr/>	<hr/>	<hr/>
13. Creditors				
<u>Amounts falling due within one year:</u>				
Bank loans and overdrafts	1,971,239	1,569,072	22,673	-
Obligations under finance leases and hire purchase	95,965	130,977	-	-
Trade creditors	2,314,289	2,092,249	-	-
Directors current accounts	3,363	2,526	3,363	2,526
Amounts owed to group undertakings	-	-	497,005	276,018
Other creditors	408,230	293,859	187,648	55,205
Corporation tax	17,190	165,698	-	120,000
Other taxes and Social Security costs	408,532	274,647	48,887	18,659
	<hr/>	<hr/>	<hr/>	<hr/>
	£5,218,808	£4,529,028	£759,576	£472,408
	<hr/>	<hr/>	<hr/>	<hr/>
14. Creditors - Group			2001	2000
<u>Amounts falling due after one year:</u>				
Bank loans			302,000	374,000
Obligations under finance leases and hire purchase			84,897	38,791
			<hr/>	<hr/>
			£386,897	£412,791
			<hr/>	<hr/>

LEEN GATE INDUSTRIES LIMITED & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

15. Borrowings - Group

Repayments fall due	Under one year	1-2 years	2-5 years	Total
Bank loans and overdrafts	1,971,239	72,000	230,000	2,273,239
Obligations under finance leases and hire purchase	95,965	60,039	24,858	180,862
	<u>£2,067,204</u>	<u>£132,039</u>	<u>£254,858</u>	<u>£2,454,101</u>

16. Details of security

The group's bankers hold a legal mortgage over the leasehold property of Leen Gate Engineering Co. Limited on Redfield Road, Lenton and charges over the book debts of some subsidiaries to secure overdraft and borrowing facilities which may be granted from time to time.

The amounts due under hire purchase arrangements are secured on the assets to which they relate.

At 30 September 2001 the amount of the group's secured borrowing amounted to £2,454,101 (2000 £2,112,839).

17. Provisions for liabilities and charges - Group

	Deferred taxation
As at 1 October 2000	272,289
Charged to profit and loss in year	30,040
	<u>302,329</u>
As at 30 September 2001	<u>302,329</u>

18. Deferred taxation

The amount provided and the potential liability for deferred taxation is as follows:

	Provision		Potential Liability	
	2001	2000	2001	2000
The accumulated excess of capital allowances over corresponding depreciation	302,329	272,289	443,117	424,504
Unrealised capital gain on revaluation surplus	-	-	4,617	12,890
	<u>£302,329</u>	<u>£272,289</u>	<u>£447,734</u>	<u>£437,394</u>

The difference between the amounts provided and the potential liability represents a contingent liability at the balance sheet date (Note 25).

Provision is made for deferred tax on accelerated capital allowances on capital expenditure at the current rate of corporation tax in accordance with FRS19. A prior year adjustment has been in respect of previously unprovided deferred tax.

LEEN GATE INDUSTRIES LIMITED & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

19. Share capital

	2001	Authorised 2000	2001	Allotted & fully paid 2000
Ordinary shares of £1 each	101,000	101,000	100,002	100,002

20. Reserves - Group

	Share Premium Account	Revaluation Reserve	Other Reserves	Profit & Loss Account
As at 1 October 2000 as previously stated	100,000	303,094	19,700	3,264,878
Prior year adjustment	-	-	-	(256,782)
	<u>100,000</u>	<u>303,094</u>	<u>19,700</u>	<u>3,008,096</u>
As at 1 October 2000 as restated	-	-	-	139,429
As at 30 September 2001	<u>£100,000</u>	<u>£303,094</u>	<u>£19,700</u>	<u>£3,147,525</u>

Reserves - Company

	Share Premium Account	Other Reserves	Profit & Loss Account
As at 1 October 2000	100,000	360,000	280,688
Profit for the year	-	-	49,129
As at 30 September 2001	<u>£100,000</u>	<u>£360,000</u>	<u>£329,817</u>

21. Reconciliation of movements in shareholders' funds

	2001	2000
Profit for the financial year	139,429	346,579
Opening shareholders' funds as previously stated	3,787,674	3,428,048
Prior year adjustment	(256,782)	(243,735)
Closing shareholders' funds	<u>£3,670,321</u>	<u>£3,530,892</u>

22. Minority interests

As at 1 October 2000	210,559
Share of profit for the year	22,404
Share capital issued	20
As at 30 September 2001	<u>£232,983</u>

LEEN GATE INDUSTRIES LIMITED & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

23. Capital commitments

The amount of capital expenditure authorised and contracted for by the directors is:

Group		Company	
2001	2000	2001	2000
£248,955	£97,983	£Nil	£Nil

24. Commitments under operating leases

The group is committed to make the following payments in the next year in respect of operating leases:

	Land & Buildings		Other	
	2001	2000	2001	2000
Operating leases which expire:				
Within one year	-	-	-	-
Within two to five years	308,000	257,219	-	-
	<u>£308,000</u>	<u>£257,219</u>	<u>£Nil</u>	<u>£Nil</u>

25. Contingent liabilities

At 30 September 2001 there was a contingent liability in respect of deferred taxation (Note 18).

26. Pension contributions

Contributions are made for certain directors and employees of the group to externally managed defined contribution schemes and to a money purchase scheme for certain directors of the holding company. Contributions due and charged in the profit and loss account during the year were as follows:

Group		Company	
2001	2000	2001	2000
£40,892	£33,989	£5,050	£7,550

27. Subsidiary undertakings

The following are subsidiaries of Leen Gate Industries Limited:

Company	Class	Holding	Principal activity
Leen Gate Engineering Co. Ltd	Ordinary £0.05 Preference £1	100% 100%	Light precision engineering
Leen Gate Metal Supplies Ltd	Ordinary £1	71.5%	Stockholding, distribution and processing of metal
Gemflex Engineering Ltd	Ordinary £1	75%	Light precision engineering
The following are subsidiaries of Leen Gate Metal Supplies Ltd:			
Leen Gate Metals Ltd	Ordinary £1	90%	Stockholding etc
Leen Gate Metal Centres Ltd	Ordinary £1	90%	Stockholding, distribution and processing of metal

All subsidiary undertakings are registered in England and Wales.

LEEN GATE INDUSTRIES LIMITED & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

28. Net cash inflow operating activities	2001	2000
Operating profit	251,633	597,588
Depreciation charges	376,573	337,192
Loss on sale of tangible fixed assets	18,359	6,980
Decrease/(increase) in stocks	62,340	(272,334)
(Increase) in debtors	(649,557)	(732,590)
Increase in creditors	469,788	141,922
	<hr/>	<hr/>
Net cash inflow from operating activities	£529,136	£78,758
	<hr/>	<hr/>
29. Returns on investments and servicing of finance		
Interest received	2,302	3,620
Interest paid	(69,315)	(63,028)
Interest element of finance lease rentals	(17,825)	(20,395)
	<hr/>	<hr/>
Net returns from investments and servicing of finance	£(84,838)	£(79,803)
	<hr/>	<hr/>
30. Capital expenditure		
Purchase of tangible fixed assets	(619,306)	(343,075)
Sale of tangible fixed assets	65,999	93,433
Issue of share capital	20	-
	<hr/>	<hr/>
Capital expenditure and financial investment	£(553,287)	£(249,642)
	<hr/>	<hr/>
31. Financing		
Net increase/(decrease) in hire purchase	11,094	(75,439)
Net decrease in bank loans	(72,000)	(54,000)
	<hr/>	<hr/>
Financing	£(60,906)	£(129,439)
	<hr/>	<hr/>

LEEN GATE INDUSTRIES LIMITED & SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

32. Analysis of net debt	At 1.10.2000	Cash flow	At 30.9.2001
<u>Net cash</u>			
Cash at bank and in hand	33,617	105,187	138,804
Bank overdraft	(1,569,072)	(402,167)	(1,971,239)
	<u>£(1,535,455)</u>	<u>£(296,980)</u>	<u>£(1,832,435)</u>
Debt:			
Due within one year:			
Hire purchase	(130,977)	35,012	(95,965)
Due after one year:			
Hire purchase	(38,791)	(46,106)	(84,897)
Bank loans	(374,000)	72,000	(302,000)
	<u>£(543,768)</u>	<u>£60,906</u>	<u>£(482,862)</u>
Net debt	<u>£(2,079,223)</u>	<u>£(236,074)</u>	<u>£(2,315,297)</u>