

**HYDE SAILS LIMITED**  
**REPORT AND ACCOUNTS**  
**30 SEPTEMBER 1999**  
**REGISTERED NO. 1530833**

**HLB KIDSONS**  
Chartered Accountants  
Chelmsford



# **HYDE SAILS LIMITED**

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**HYDE SAILS LIMITED**  
**COMPANY INFORMATION**

<b>Directors:</b>	A E Hyde (Managing Director) M B Lennon J S McMahon K G Sproul
<b>Secretary:</b>	J S McMahon
<b>Company Number:</b>	1530833
<b>Registered Office:</b>	263 Church Road Benfleet Essex SS7 4QL
<b>Auditors:</b>	HLB Kidsons Chartered Accountants Ocean House Waterloo Lane Chelmsford Essex CM1 1BD
<b>Bankers:</b>	National Westminster Bank plc PO Box 53 269 London Road Hadleigh Essex SS7 2DF
<b>Solicitors:</b>	Wortley Byers Regency House 38 Ingrave Road Brentwood Essex CM15 8AX
<b>Business Address:</b>	263 Church Road Benfleet Essex SS7 4QL

**HYDE SAILS LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1999**

The directors present their report and the accounts for the year ended 30 September 1999.

**Principal activity and review of the business**

The two principal activities of the company during the year were the cutting of airbags and side panels for the automotive industry and the design and manufacture of sails.

**Results and dividends**

The results for the year are set out on page 5.

The directors recommend that no dividend be paid for the year.

**Year 2000 compliance**

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends not only on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own Year 2000 issues.

A company-wide programme, designed to address the impact of the Year 2000 on our business, has been commissioned by the Board and completed. Resources have been allocated and the Board received regular reports on progress.

A significant risk analysis has been performed to determine the impact of the issue on all our activities. From this, prioritised action plans have been developed which are designed to address the key risks in advance of critical dates and without disruption to the underlying business. Priority was given to those systems which could cause a significant financial or legal impact on the company's business if they were to fail. The plan also included a requirement for the testing of systems changes, involving the participation of users.

The risk analysis also considered the impact on our business of Year 2000 related failures by our significant suppliers and customers. In appropriate cases we have initiated formal communication with those other parties.

Given the complexity of the problem, it is not possible for any organisation to guarantee that no Year 2000 problems will remain, because at least some level of failure may still occur. However the Board believes that it has achieved an acceptable state of readiness and has also provided resources to deal promptly with significant subsequent failures or issues that might arise.

**HYDE SAILS LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1999**  
(continued)

**Directors and their shareholdings**

The following served as directors during the year ended 30 September 1999. Their interests in the shares of the company are set out below:

<b>Director</b>	<b>Class of share</b>	<b>1999</b>	<b>1998</b>
A E Hepper (died July 1999)	Ordinary shares of £1 each	13,072	13,072
A E Hyde (Managing Director)	Ordinary shares of £1 each	207,815	207,815
M B Lennon	Ordinary shares of £1 each	5,113	5,113
J S McMahon	Ordinary shares of £1 each	-	-
K G Sproul (appointed 20 May 1999)	Ordinary shares of £1 each	-	-

**Statement of directors' responsibilities**

We are required under company law to prepare accounts 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 these accounts we are required to:

select suitable accounting policies and apply them consistently

make reasonable and prudent judgements and estimates

state whether accounting standards have been followed and give details of any departures

prepare the accounts on a going concern basis unless in our view the company will be unable to continue in business.

We are also responsible for:

keeping proper accounting records

safeguarding the company's assets

taking reasonable steps for the prevention and detection of fraud.

**HYDE SAILS LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1999**  
(continued)

**Auditors**

In accordance with section 385 of the Companies Act 1985 a resolution proposing that HLB Kidsons, formerly Kidsons Impey, be re-appointed as auditors will be put to the Annual General Meeting.

Registered office:

263 Church Road  
Benfleet  
Essex  
SS7 4QL

Date: *14 February 2000*

By order of the Board  
  
J S McMahon  
Company Secretary

# **HYDE SAILS LIMITED**

## **AUDITORS' REPORT**

### **Auditors' report to the shareholders of Hyde Sails Limited**

We have audited the accounts on pages 5 to 19 which have been prepared under the accounting policies set out on pages 8 and 9.

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

As described on page 2, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

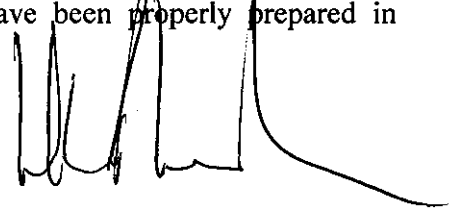
#### **Basis of opinion**

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

#### **Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 September 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chelmsford, Essex.

Date: 14 February 2000

**HLB KIDSONS**  
Registered Auditors  
Chartered Accountants

**HYDE SAILS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1999**

	Note	1999 £	1998 £
<b>Turnover</b>	2		
Continuing operations		3,184,798	2,806,627
Discontinued operations		-	3,846,492
		<u>3,184,798</u>	<u>6,653,119</u>
Royalties received		3,880	-
		<u>3,188,678</u>	<u>6,653,119</u>
Cost of sales		<u>(2,168,715)</u>	<u>(5,350,660)</u>
<b>Gross profit</b>		1,019,963	1,302,459
<b>Net operating expenses</b>	3		
Distribution and administration expenses		<u>1,032,954</u>	<u>1,207,998</u>
<b>Operating (loss)/profit</b>	3		
Continuing operations		(12,991)	(58,159)
Discontinued operations		-	152,620
		<u>(12,991)</u>	<u>94,461</u>
Profit on sale of discontinued activities		-	117,683
Interest receivable		606	100
Interest payable and similar charges	4	<u>(33,064)</u>	<u>(39,628)</u>
<b>(Loss)/profit on ordinary activities before taxation</b>		(45,449)	172,616
Taxation	6	<u>16,481</u>	<u>(39,920)</u>
<b>(Loss)/profit on ordinary activities after taxation</b>		(28,968)	132,696
Dividends	7	-	(80,000)
<b>(Loss)/profit for the year</b>	15	<u>(28,968)</u>	<u>52,696</u>

The company has no recognised gains or losses other than those reported in this profit and loss account.

Movements in reserves are set out in note 15.




# HYDE SAILS LIMITED


## BALANCE SHEET

30 SEPTEMBER 1999

	Note	1999 £	1998 £
<b>Fixed assets</b>			
Tangible assets	8	744,470	797,579
Investments	9	<u>2,045</u>	<u>2,045</u>
		746,515	799,624
<b>Current assets</b>			
Stocks	10	354,580	321,515
Debtors	11	282,179	617,427
Cash at bank and in hand		<u>194,659</u>	<u>117,916</u>
		831,418	1,056,858
<b>Creditors:</b> amounts falling due within one year	12	<u>(618,919)</u>	<u>(768,549)</u>
Net current assets		<u>212,499</u>	<u>288,309</u>
Total assets less current liabilities		959,014	1,087,933
<b>Creditors:</b> amounts falling due after more than one year	13	<u>(5,320)</u>	<u>(135,271)</u>
		<u>953,694</u>	<u>952,662</u>
<b>Capital and reserves</b>			
Called up share capital	14	226,000	226,000
Share premium account	15	27,000	27,000
Revaluation reserve	15	240,170	210,170
Other reserves	15	40,000	40,000
Profit and loss account	15	<u>420,524</u>	<u>449,492</u>
<b>Equity shareholders' funds</b>	16	<u>953,694</u>	<u>952,662</u>

The accounts were approved by the board on: *14 February 2000* and signed on its behalf by

  
 .....  
 A E Hyde (Managing Director)  
 Director

  
 .....  
 M B Lennon  
 Director

The notes on pages 8 to 19 form an integral part of these accounts.

**HYDE SAILS LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1999**

	Notes	1999 £	1998 £
Net cash inflow from operating activities	17	1,878	473,295
Returns on investments and servicing of finance	18	(32,458)	(39,528)
Taxation	18	(1,776)	(64,061)
Capital expenditure and financial investment	18	(17,467)	(65,618)
Acquisitions and disposals	18	<u>-</u>	<u>320,000</u>
		(49,823)	624,088
Equity dividends paid		<u>-</u>	<u>(80,000)</u>
		(49,823)	544,088
Financing	18	<u>(90,571)</u>	<u>(309,531)</u>
(Decrease)/increase in cash in the year		<u>(140,394)</u>	<u>234,557</u>

**Reconciliation of net cash flow to movement in net debt (note 19).**

(Decrease)/increase in cash in the year	(140,394)	234,557
Cash outflow from decrease in debts and lease financing	<u>90,571</u>	<u>309,531</u>
Change in net debt resulting from cashflows	(49,823)	544,088
New finance leases and hire purchase contracts	<u>-</u>	<u>(172,115)</u>
Movement in net debt in the year	(49,823)	371,973
Net debt at 1 October 1998	<u>(50,684)</u>	<u>(422,657)</u>
Net debt at 30 September 1999	<u>(100,507)</u>	<u>(50,684)</u>

The notes on pages 8 to 19 form an integral part of these accounts.

# **HYDE SAILS LIMITED**

## **NOTES TO THE ACCOUNTS**

**30 SEPTEMBER 1999**

### **1 Accounting policies**

#### **Accounting convention**

The accounts are prepared under the historical cost convention modified to include the revaluation of certain fixed assets.

The company has consistently applied all relevant accounting standards.

#### **Turnover**

Turnover represents the amount derived from the provision of goods and services during the year, after the deduction of trade discounts and value added tax.

#### **Goodwill**

Goodwill, representing the excess of the purchase consideration over the fair value of the net assets acquired, is written off to reserves in the year of acquisition.

#### **Research and development**

Research expenditure is charged to the profit and loss account in the year in which it is incurred.

#### **Depreciation**

Fixed assets, with the exception of freehold land and buildings, are depreciated at varying rates calculated to write them off over their estimated useful lives as follows:-

Plant and machinery	20% - 25% straight line
Fixtures and fittings	20% straight line
Motor vehicles	30% reducing balance
Yachts	20% straight line

No depreciation is provided on the freehold property. It is the company's policy to maintain its property in a sound state of repair and, accordingly, the directors consider that the life of the property is so long and residual value such that depreciation is immaterial.

#### **Leasing and hire purchase**

Assets which have been funded through hire purchase contracts and finance leases are capitalised and depreciated in the same manner as other tangible fixed assets. Resulting obligations under such agreements are included in creditors net of the interest charge allocated to future periods. The interest element of the rental payment is charged to profit and loss account.

Rentals payable under operating leases are charged against income as incurred over the lease term.

**HYDE SAILS LIMITED**  
**NOTES TO THE ACCOUNTS**

**30 SEPTEMBER 1999**  
(continued)

**1 Accounting policies (continued)**

**Investments**

Fixed asset investments are stated at the lower of cost and net realisable value.

**Stocks**

Stocks and work in progress are valued by the directors at the lower of cost and net realisable value. Cost comprises direct expenditure and attributable overheads.

**Pensions**

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they are payable to the scheme.

**Deferred taxation**

Deferred taxation is provided in respect of liabilities relating to timing differences between profits as computed for taxation purposes and profits as stated in the accounts, except to the extent that the liability is not expected to crystallise in the foreseeable future.

**Foreign currencies**

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

**Research and development**

Expenditure on research and development incurred in the year other than on fixed assets is charged against profit.

# HYDE SAILS LIMITED

## NOTES TO THE ACCOUNTS

30 SEPTEMBER 1999

(continued)

### 2 Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities, stated net of value added tax.

The company operates in two principal activities, that of the cutting of airbags and side panels for the automotive industry and the design and manufacture of sails.

Turnover is analysed as follows:

	1999 £	1998 £
<b>Area of activity</b>		
Airbags and side panels	793,536	4,170,294
Sails	<u>2,391,262</u>	<u>2,482,825</u>
<b>Total</b>	<u>3,184,798</u>	<u>6,653,119</u>
<b>Geographical area</b>		
UK	2,846,798	6,353,119
Europe	209,000	150,000
Rest of the world	<u>129,000</u>	<u>150,000</u>
	<u>3,184,798</u>	<u>6,653,119</u>

### 3 Operating profit/(loss)

Operating profit/(loss) is stated after charging:

Depreciation of tangible fixed assets		
- Owned assets	51,783	112,498
- Assets held under finance leases and hire purchase contracts	50,192	23,848
Operating lease rentals - equipment	41,658	25,624
- land and buildings	16,500	11,000
Auditors' remuneration	5,000	4,750
(Profit)/loss on disposal of tangible fixed assets	<u>(1,399)</u>	<u>10,894</u>

#### Analysis of results

	Continuing £	1999 Discontinued	Total £
Turnover	3,184,798	-	3,184,798
Royalties receivable	3,880	-	3,880
Cost of sales	<u>(2,168,715)</u>	<u>-</u>	<u>(2,168,715)</u>
Gross profit	<u>1,019,963</u>	<u>-</u>	<u>1,019,963</u>

**HYDE SAILS LIMITED**  
**NOTES TO THE ACCOUNTS**

**30 SEPTEMBER 1999**  
(continued)

3	Operating profit/(loss) (continued)	1998		Total £
		Continuing £	Discontinued £	
	Analysis of results (continued)			
	Turnover	2,806,627	3,846,492	6,653,119
	Cost of sales	<u>(2,036,042)</u>	<u>(3,314,618)</u>	<u>(5,350,660)</u>
	Gross profit	<u>770,585</u>	<u>531,874</u>	<u>1,302,459</u>
	Net operating expenses		1999	
	Distribution and administrative expenses	<u>(1,032,954)</u>	<u>-</u>	<u>(1,032,954)</u>
	Operating loss	<u>(12,991)</u>	<u>-</u>	<u>(12,991)</u>
	Net operating expenses		1998	
	Distribution costs	(140,980)	(80,270)	(221,250)
	Administration costs	<u>(687,764)</u>	<u>(298,984)</u>	<u>(986,748)</u>
		<u>(828,744)</u>	<u>(379,254)</u>	<u>(1,207,998)</u>
	Operating (loss)/profit	<u>(58,159)</u>	<u>152,620</u>	<u>94,461</u>

The discontinued activities were in the airbag cutting sector.

4	Interest payable and similar charges	1999	1998
		£	£
	On bank loans and overdraft	23,433	25,572
	Hire purchase interest	<u>9,631</u>	<u>14,056</u>
		<u>33,064</u>	<u>39,628</u>

**HYDE SAILS LIMITED**  
**NOTES TO THE ACCOUNTS**

**30 SEPTEMBER 1999**  
(continued)

**5 Employees**

**Number of employees**

The average monthly number of employees  
(including directors) during the year were:

	1999 Number	1998 Number
Administration and sales	25	21
Production	48	56
	<u>73</u>	<u>77</u>

**Employment costs**

	£	£
Wages and salaries	980,827	1,132,650
Social security costs	83,024	93,194
Other pension costs – defined contribution scheme	16,776	11,138
	<u>1,080,627</u>	<u>1,236,982</u>

**Directors' emoluments**

The aggregate emoluments all for services as a  
director were as follows:

Directors' emoluments	<u>175,747</u>	<u>124,144</u>
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Directors' emoluments disclosed above (excluding pension  
contributions) include amounts paid to:

The highest paid director	<u>64,699</u>	<u>67,771</u>
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Directors' pension contributions to defined contribution  
pension schemes were as follows:

3 Directors (1998: 3 directors)	<u>16,776</u>	<u>11,198</u>
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Directors' pension contributions disclosed above include  
amounts paid to:

The highest paid director	<u>12,150</u>	<u>11,138</u>
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# HYDE SAILS LIMITED

## NOTES TO THE ACCOUNTS

30 SEPTEMBER 1999

(continued)

6	Taxation	1999 £	1998 £
	<b>UK current year taxation</b>		
	UK corporation tax at 21% (1998: 21%)	(3,000)	(39,920)
	Overprovision in previous years	<u>19,481</u>	<u>-</u>
	Tax credit/(charge)	<u>16,481</u>	<u>(39,920)</u>

The potential corporation tax at 21% deferred due to the availability of accelerated capital allowances amounted to £38,516 (1998: 21% £35,914).

## 7 Dividends

Dividends on equity shares:

Ordinary shares – paid	<u>-</u>	<u>80,000</u>
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# HYDE SAILS LIMITED

## NOTES TO THE ACCOUNTS

30 SEPTEMBER 1999

(continued)

### 8 Tangible assets

Cost	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Yachts £	Total £
At 1 October 1998	460,000	556,387	27,871	53,603	54,855	1,152,716
Additions	-	13,975	5,621	-	-	19,596
Revaluation	30,000	-	-	-	-	30,000
Disposals	-	(2,472)	-	(4,571)	(3,362)	(10,405)
At 30 September 1999	<u>490,000</u>	<u>567,890</u>	<u>33,492</u>	<u>49,032</u>	<u>51,493</u>	<u>1,191,907</u>

### Depreciation

At 1 October 1998	-	301,894	18,955	12,074	22,214	355,137
Disposals	-	(2,472)	-	(4,571)	(2,632)	(9,675)
Charge for the year	-	78,603	2,500	12,389	8,483	101,975
At 30 September 1999	<u>-</u>	<u>378,025</u>	<u>21,455</u>	<u>19,892</u>	<u>28,065</u>	<u>447,437</u>

### Net book values

At 30 September 1999	<u>490,000</u>	<u>189,865</u>	<u>12,037</u>	<u>29,140</u>	<u>23,428</u>	<u>744,470</u>
At 1 October 1998	<u>460,000</u>	<u>254,493</u>	<u>8,916</u>	<u>41,529</u>	<u>32,641</u>	<u>797,579</u>

The net book value of plant and machinery and motor vehicles includes £119,729 (1998: £192,200) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 3.

The freehold land and buildings at 263 Church Road, Benfleet, Essex were revalued on an open market, existing use basis in May 1999 by Messrs Taylor and Company, Chartered Surveyors. The excess of £30,000 over previous valuations, has been transferred to the revaluation reserve.

**HYDE SAILS LIMITED**  
**NOTES TO THE ACCOUNTS**

**30 SEPTEMBER 1999**  
(continued)

<b>9 Investments</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Unlisted investment		
At cost	<u>2,045</u>	<u>2,045</u>
 <b>10 Stocks</b>		
Raw materials and consumables	209,448	155,604
Work in progress	<u>22,003</u>	<u>37,184</u>
	231,451	192,788
Finished goods and goods for resale	<u>123,129</u>	<u>128,727</u>
	<u>354,580</u>	<u>321,515</u>
 <b>11 Debtors</b>		
Trade debtors	259,942	573,044
Other debtors	496	20,496
Prepayments	<u>21,741</u>	<u>23,887</u>
	<u>282,179</u>	<u>617,427</u>
 <b>12 Creditors: amounts falling due within one year</b>		
Bank overdraft (secured)	217,137	-
Bank loan (secured)	25,383	24,694
Net obligations under finance leases and hire purchase contracts (secured)	47,326	8,635
Trade creditors	239,811	498,863
Corporation tax	1,743	40,000
Other taxes and social security costs	41,213	68,827
Accruals and deferred income	45,687	68,913
Other creditors	<u>619</u>	<u>58,617</u>
	<u>618,919</u>	<u>768,549</u>

**HYDE SAILS LIMITED**  
**NOTES TO THE ACCOUNTS**

**30 SEPTEMBER 1999**  
(continued)

<b>13 Creditors: amounts falling due after more than one year</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Bank loan (secured)	2,250	30,922
Net obligations under finance leases and hire purchase contracts (secured)	<u>3,070</u>	<u>104,349</u>
	<u>5,320</u>	<u>135,271</u>
<b>Loans</b>		
Repayable within one year	25,383	24,694
Repayable between two and five years	<u>2,250</u>	<u>30,922</u>
	<u>27,633</u>	<u>55,616</u>
<b>Net obligations under finance leases and hire purchase contracts</b>		
Repayable within one year (Note 12)	47,326	8,635
Repayable within two to five years	<u>3,070</u>	<u>104,349</u>
	<u>50,396</u>	<u>112,984</u>

The bank loan and overdraft facility are secured by fixed and floating charges over the assets of the company. The bank loans are due for review June 2000. Interest is fixed at 9% on the Commercial Fixed Rate loan and 2¼% above base rate on the remaining loan.

The total secured creditors amounted to £295,166 (1998: £159,965).

<b>14 Share capital</b>		
<b>Equity</b>		
<b>Authorised</b>		
239,000 Ordinary shares of £1 each	<u>239,000</u>	<u>239,000</u>
<b>Allotted, called up and fully paid</b>		
226,000 Ordinary shares of £1 each	<u>226,000</u>	<u>226,000</u>

# HYDE SAILS LIMITED

## NOTES TO THE ACCOUNTS

30 SEPTEMBER 1999

(continued)

15	Reserves	Share premium account £	Revaluation reserve £	Profit and loss account £	Capital redemption reserve £	Total £
	At 1 October 1998	27,000	210,170	449,492	40,000	726,662
	Retained profit for the year	-	30,000	(28,968)	-	1,032
	At 30 September 1999	<u>27,000</u>	<u>240,170</u>	<u>420,524</u>	<u>40,000</u>	<u>727,694</u>

The company's freehold land and buildings were valued at £490,000 by Taylor and Company, Chartered Surveyors, on 5 May 1999. The surplus of £30,000 over the 1997 valuation is incorporated in the accounts and added to revaluation reserve at 30 September 1999. No provision has been made for corporation tax on the capital gain were the property to be sold at its revalued amount. The estimated potential liability is £17,046.

16	Reconciliation of movements in shareholders' funds	1999 £	1998 £
	(Loss)/profit for the year after taxation	(28,968)	132,696
	Dividends	-	(80,000)
	Revaluation of freehold property	<u>30,000</u>	<u>-</u>
	Net addition to shareholders' funds	1,032	52,696
	Opening shareholders' funds at 1 October 1998	<u>952,662</u>	<u>899,966</u>
	Closing shareholders' funds at 30 September 1999	<u>953,694</u>	<u>952,662</u>

17	Reconciliation of operating (loss)/profit to net cash inflow from operating activities		
	Operating (loss)/profit	(12,991)	94,461
	Depreciation	101,975	136,346
	(Profit)/loss on sale of fixed assets	(1,399)	10,894
	(Increase)/decrease in stocks	(33,065)	101,601
	Decrease in debtors	315,248	403,615
	Decrease in creditors	<u>(367,890)</u>	<u>(273,622)</u>
	Net cash inflow from operating activities	<u>1,878</u>	<u>473,295</u>

**HYDE SAILS LIMITED**  
**NOTES TO THE ACCOUNTS**

**30 SEPTEMBER 1999**  
(continued)

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Gross cash flows	1999 £	1998 £
<b>Returns on investments and servicing of finance</b>		
Interest paid	(23,433)	(25,572)
Interest element of finance lease rental payments	(9,631)	(14,056)
Interest received	606	100
	<u>(32,458)</u>	<u>(39,528)</u>
<b>Taxation</b>		
Corporation tax paid	<u>(1,776)</u>	<u>(64,061)</u>
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(19,596)	(93,940)
Receipts from sales of tangible assets	2,129	28,322
	<u>(17,467)</u>	<u>(65,618)</u>
<b>Acquisitions and disposals</b>		
Sale of business	<u>-</u>	<u>320,000</u>
<b>Financing</b>		
Repayment of long term bank loans	(27,983)	(51,957)
Capital element of hire purchase and finance lease contracts	<u>(62,588)</u>	<u>(257,574)</u>
	<u>(90,571)</u>	<u>(309,531)</u>

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Analysis of changes in net debt	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	117,916	76,743	-	194,659
Overdrafts	-	(217,137)	-	(217,137)
Debt due within one year	(24,694)	(689)	-	(25,383)
Debt due after one year	(30,922)	28,672	-	(2,250)
Finance lease and hire purchase contracts	<u>(112,984)</u>	<u>62,588</u>	<u>-</u>	<u>(50,396)</u>
<b>Net debt</b>	<u>(50,684)</u>	<u>(49,823)</u>	<u>-</u>	<u>(100,507)</u>

**HYDE SAILS LIMITED**  
**NOTES TO THE ACCOUNTS**

**30 SEPTEMBER 1999**  
(continued)

**20 Financial commitments**

At 30 September 1999 the company had annual commitments under non-cancellable operating leases as follows:

Expiry date:	Land and buildings		Equipment	
	1999	1998	1999	1998
	£	£	£	£
Within one year	-	-	6,020	8,596
Between two and five years	<u>16,500</u>	<u>16,500</u>	<u>23,214</u>	<u>27,209</u>
	<u>16,500</u>	<u>16,500</u>	<u>29,234</u>	<u>35,805</u>

**21 Capital commitments**

**1999**  
£                      **1998**  
£

Details of capital commitments at the accounting date are as follows:

Authorised but not contracted for and not provided in the accounts	<u>16,000</u>	<u>-</u>
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