

Hyde Sails Limited
FINANCIAL STATEMENTS
for the year ended
30 September 2002



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COMPANIES HOUSE 01/05/03
Company Registration Number 1530833

Hyde Sails Limited

THE DIRECTORS' REPORT

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 September 2002.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the company during the year was the design and manufacture of sails.

FUTURE DEVELOPMENTS

The Company is planning to open an operation in Vietnam. As a consequence of this the directors hope to see cost reductions and a return to profitability in the next year.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At	At
	30 September 2002	1 October 2001
A E Hyde	220,887	220,887
M B Lennon	<u>5,113</u>	<u>5,113</u>

J S McMahon retired as a director on 15 February 2002.

K G Sproul retired as a director on 30 August 2002.

M Rushall retired as a director on 29 March 2002.

AUDITORS

A resolution to re-appoint Baker Tilly (formerly known as HLB Kidsons) as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
263 Church Road
Benfleet
Essex
SS7 4QL

Signed by order of the directors


J Demain
Company Secretary

Approved by the directors on 8th April 2003

Hyde Sails Limited

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies, as described on pages 8 to 9, and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent; and
- c. 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. The directors 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

OF HYDE SAILS LIMITED

We have audited the financial statements on pages 4 to 17 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 8 to 9.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 2.

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. Our responsibilities do not extend to any other information.

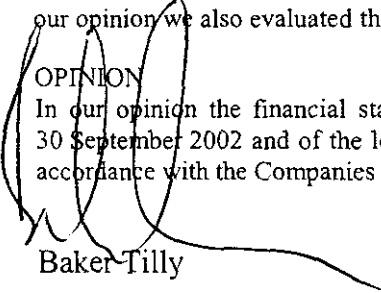
BASIS OF AUDIT OPINION

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.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2002 and of the loss of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.


Baker Tilly

Chartered Accountants
Marlborough House
Victoria Road South
Chelmsford
Essex
CM1 1LN

8.4.03

Hyde Sails Limited
PROFIT AND LOSS ACCOUNT
year ended 30 September 2002

	<i>Notes</i>	2002 £	2001 £
TURNOVER	2	3,140,398	3,086,929
Cost of sales		<u>1,940,607</u>	<u>1,953,720</u>
GROSS PROFIT		1,199,791	1,133,209
Administrative expenses		1,132,112	1,140,306
Other operating income	3	<u>(671)</u>	<u>(654)</u>
OPERATING PROFIT/(LOSS)	4	68,350	(6,443)
Cost of reorganisation or restructuring	7	<u>(66,216)</u>	<u>—</u>
		2,134	(6,443)
Interest receivable		33	3
Interest payable	8	<u>(31,206)</u>	<u>(36,714)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(29,039)	(43,154)
Tax on loss on ordinary activities	9	24,438	143
LOSS FOR THE FINANCIAL YEAR		<u>(53,477)</u>	<u>(43,297)</u>

All of the activities of the company are classed as continuing.

Hyde Sails Limited

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

year ended 30 September 2002

	2002 £	2001 £
Loss for the financial year attributable to the shareholders	(53,477)	(43,297)
Unrealised profit on revaluation of certain fixed assets	—	130,000
Total gains and losses recognised since the last annual report	<u>(53,477)</u>	<u>86,703</u>

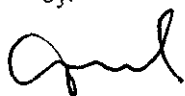
Hyde Sails Limited

BALANCE SHEET

30 September 2002

	Notes	£	2002 £	2001 £
FIXED ASSETS				
Tangible assets	10		865,361	867,407
CURRENT ASSETS				
Stocks	11	327,163		261,559
Debtors	12	369,063		323,764
Cash at bank and in hand		84,287		3,228
		<u>780,513</u>		<u>588,551</u>
CREDITORS: amounts falling due within one year	13	<u>769,116</u>		<u>535,787</u>
NET CURRENT ASSETS			11,397	52,764
TOTAL ASSETS LESS CURRENT LIABILITIES			876,758	920,171
CREDITORS: amounts falling due after more than one year				
	14		19,286	34,501
			<u>857,472</u>	<u>885,670</u>
PROVISIONS FOR LIABILITIES AND CHARGES				
Deferred taxation	16		25,279	—
			<u>832,193</u>	<u>885,670</u>
CAPITAL AND RESERVES				
Called-up equity share capital	19		226,000	226,000
Share premium account			27,000	27,000
Revaluation reserve			370,170	370,170
Other reserves	20		40,000	40,000
Profit and loss account			169,023	222,500
SHAREHOLDERS' FUNDS	22		<u>832,193</u>	<u>885,670</u>

These financial statements were approved by the directors on the 8 April 2003 and are signed on their behalf by:



A E Hyde



M B Lennon

Hyde Sails Limited
CASH FLOW STATEMENT
year ended 30 September 2002

	Notes	£	2002 £	2001 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	23		(37,464)	195,432
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received		33		3
Interest paid		(24,537)		(29,714)
Interest element of hire purchase		(6,669)		(7,000)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			(31,173)	(36,711)
TAXATION			1,138	(7,943)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT				
Payments to acquire tangible fixed assets		(66,970)		(54,112)
Receipts from sale of fixed assets		4,925		22,958
NET CASH OUTFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			(62,045)	(31,154)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING			(129,544)	119,624
FINANCING				
Repayment of bank loans		—		(2,691)
Capital element of hire purchase		(36,946)		(30,595)
NET CASH OUTFLOW FROM FINANCING			(36,946)	(33,286)
(DECREASE)/INCREASE IN CASH	23		(166,490)	86,338

Hyde Sails Limited

NOTES TO THE FINANCIAL STATEMENTS

year ended 30 September 2002

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

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.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	- 10% straight line
Plant & Machinery	- 12.5%-25% straight line
Fixtures & 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. Therefore the property is subject to an annual impairment review under FRS 11.

STOCKS

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

WORK IN PROGRESS

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

HIRE PURCHASE AGREEMENTS

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 interest charge allocated to future periods. The interest element of the rental payment is charged to profit and loss account.

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

PENSION COSTS

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.

Hyde Sails Limited

NOTES TO THE FINANCIAL STATEMENTS

year ended 30 September 2002

1. ACCOUNTING POLICIES *(continued)*

DEFERRED TAXATION

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted. No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets. The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future. The adoption of the standard has not required a prior period adjustment.

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.

2. TURNOVER

During the year the company operated in one principal activity, the design and manufacture of sails. The cutting of airbags ceased in November 2000.

Turnover is analysed as follows:

	2002	2001
	£	£
Area of activity		
Airbags	Nil	114,909
Sails	3,140,398	2,972,020
Geographical area		
UK	2,805,260	2,761,360
Europe	218,522	243,658
Rest of the world	116,616	81,911

3. OTHER OPERATING INCOME

	2002	2001
	£	£
Royalties	<u>671</u>	<u>654</u>

4. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting):

	2002	2001
	£	£
Depreciation	85,057	82,216
Loss/(profit) on disposal of fixed assets	759	(4,466)
Auditors' remuneration		
- as auditors	5,000	5,000
Net profit on foreign currency translation	<u>(254)</u>	<u>(26)</u>

Hyde Sails Limited

NOTES TO THE FINANCIAL STATEMENTS

year ended 30 September 2002

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2002	2001
	No.	No.
Number of production staff	42	45
Number of administrative staff	32	25
	<u>74</u>	<u>70</u>

The aggregate payroll costs of the above were:

	2002	2001
	£	£
Wages and salaries	1,168,303	1,107,803
Social security costs	89,846	96,702
Other pension costs	22,893	21,890
	<u>1,281,042</u>	<u>1,226,395</u>

6. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2002	2001
	£	£
Emoluments receivable	188,933	212,430
Value of company pension contributions to money purchase schemes	22,893	21,890
Compensation for loss of directorship	59,720	-
	<u>271,546</u>	<u>234,320</u>

Emoluments of highest paid director:

	2002	2001
	£	£
Total emoluments (excluding pension contributions):	59,767	75,072
Value of company pension contributions to money purchase schemes	12,150	12,150
	<u>71,917</u>	<u>87,222</u>

The number of directors who are accruing benefits under company pension schemes were as follows:

	2002	2001
	No.	No.
Money purchase schemes	<u>2</u>	<u>3</u>

7. COST OF REORGANISATION OR RESTRUCTURING

	2002	2001
	£	£
Exceptional item	<u>66,216</u>	<u>-</u>

The exceptional cost is in respect of compensation for loss of directors office and the corresponding legal costs.

Hyde Sails Limited
NOTES TO THE FINANCIAL STATEMENTS
year ended 30 September 2002

8. INTEREST PAYABLE

	2002	2001
	£	£
Interest payable on bank borrowing	24,537	317
Finance charges	6,669	7,000
Other similar charges payable	–	29,397
	<u>31,206</u>	<u>36,714</u>

9. TAX ON LOSS ON ORDINARY ACTIVITIES

(a) Taxation

	2002	2001
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 20% (2001 - 20%)	297	–
Over/under provision in prior year	(1,138)	143
Total current tax	<u>(841)</u>	<u>143</u>
Deferred tax:		
Increase in deferred tax provision (note 16)		
Capital allowances	25,279	–
Tax on loss on ordinary activities	<u>24,438</u>	<u>143</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2001 - 20%).

	2002	2001
	£	£
Loss on ordinary activities before taxation	<u>(29,039)</u>	<u>(43,154)</u>
Profit/(loss) on ord actvs by rate of tax	(5,808)	(8,631)
Expenses not deductible for tax purposes	1,990	1,772
Depreciation in excess of capital allowances	5,004	2,503
Utilisation of tax losses	–	4,356
Marginal relief	(889)	–
Adjustments to tax charge in respect of previous periods	<u>(1,138)</u>	<u>143</u>
Total current tax (note 9(a))	<u>(841)</u>	<u>143</u>

Hyde Sails Limited

NOTES TO THE FINANCIAL STATEMENTS

year ended 30 September 2002

10. TANGIBLE FIXED ASSETS

	Freehold Property £	Short Leasehold Property £	Yachts £	Plant & Machinery £	Other Assets £	Total £
Cost or valuation						
At 1 Oct 2001	620,000	38,156	28,107	675,519	94,344	1,456,126
Additions	—	10,374	—	55,713	22,608	88,695
Disposals	—	—	—	—	(16,050)	(16,050)
At 30 Sep 2002	<u>620,000</u>	<u>48,530</u>	<u>28,107</u>	<u>731,232</u>	<u>100,902</u>	<u>1,528,771</u>
Depreciation						
At 1 Oct 2001	—	3,816	19,870	517,737	47,296	588,719
Charge for the year	—	3,902	3,282	61,095	16,778	85,057
On disposals	—	—	—	—	(10,366)	(10,366)
At 30 Sep 2002	<u>—</u>	<u>7,718</u>	<u>23,152</u>	<u>578,832</u>	<u>53,708</u>	<u>663,410</u>
Net book value						
At 30 Sep 2002	<u>620,000</u>	<u>40,812</u>	<u>4,955</u>	<u>152,400</u>	<u>47,194</u>	<u>865,361</u>
At 30 Sep 2001	<u>620,000</u>	<u>34,340</u>	<u>8,237</u>	<u>157,782</u>	<u>47,048</u>	<u>867,407</u>

Revaluation of fixed assets

During the year there has been no revaluation. The freehold land and buildings at 263 Church Road, Benfleet, Essex were revalued on an open market, existing use basis in January 2002 by Messrs Taylor and Company, Chartered Surveyors. The excess of £130,000 over the former valuation had been taken to the revaluation reserve in the 30 September 2001 accounts. This figure is considered comparable to the market value at 30 September 2002.

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 £48,000 (2001: £48,000).

The property was previously revalued on an open market, existing use basis in May 1999 by Messrs Taylor and Company at £490,000.

In respect of assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2002 £	2001 £
Nbv of revalued tangible fixed assets (first group):		
Net book value at end of year	<u>620,000</u>	<u>620,000</u>
Historical cost	<u>460,000</u>	<u>460,000</u>

Capital commitments

Capital commitments authorised but not contracted at 30 September 2002 amounted to £Nil (2001: £15,607).

Hyde Sails Limited

NOTES TO THE FINANCIAL STATEMENTS

year ended 30 September 2002

10. TANGIBLE FIXED ASSETS *(continued)*

Hire purchase agreements

Included within the net book value of £865,361 is £77,990 (2001 - £145,002) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £23,328 (2001 - £35,484).

11. STOCKS

	2002	2001
	£	£
Raw materials	188,650	147,841
Work in progress	24,309	29,495
Finished goods	114,204	84,223
	<u>327,163</u>	<u>261,559</u>

12. DEBTORS

	2002	2001
	£	£
Trade debtors	333,001	278,104
Other debtors	5,314	15,300
Prepayments and accrued income	30,748	30,360
	<u>369,063</u>	<u>323,764</u>

13. CREDITORS: amounts falling due within one year

	2002	2001
	£	£
Bank loans and overdrafts	354,747	107,198
Trade creditors	272,525	273,555
Other creditors including taxation and social security:		
Corporation tax	297	-
PAYE and social security	23,825	26,683
VAT	60,461	69,414
Hire purchase agreements	31,413	31,419
Other creditors	<u>1,651</u>	<u>13,095</u>
	117,647	140,611
Accruals and deferred income	24,197	14,423
	<u>769,116</u>	<u>535,787</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2002	2001
	£	£
Bank loans and overdrafts	354,747	107,198
Other creditors including taxation and social security	31,413	31,419
	<u>386,160</u>	<u>138,617</u>

The bank overdraft facility is secured by fixed and floating charges over the assets of the company.

Hyde Sails Limited
NOTES TO THE FINANCIAL STATEMENTS
year ended 30 September 2002

14. CREDITORS: amounts falling due after more than one year

	2002	2001
	£	£
Other creditors:		
Hire purchase agreements	<u>19,286</u>	<u>34,501</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2002	2001
	£	£
Other creditors	<u>19,286</u>	<u>34,501</u>

15. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2002	2001
	£	£
Amounts payable within 1 year	31,413	31,420
Amounts payable between 1 and 2 years	13,980	24,279
Amounts payable between 3 and 5 years	5,306	10,221
	<u>50,699</u>	<u>65,920</u>

Hire purchase agreements are analysed as follows:

Current obligations	31,413	31,420
Non-current obligations	19,286	34,500
	<u>50,699</u>	<u>65,920</u>

16. DEFERRED TAXATION

	2002	2001
	£	£
The movement in the deferred taxation provision during the year was:		
Profit and Loss Account movement arising during the year	<u>25,279</u>	—
Provision carried forward	<u>25,279</u>	—

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2002		2001	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	25,279	—	—	26,112
Other timing differences	—	—	—	3,458
	<u>25,279</u>	<u>—</u>	<u>—</u>	<u>29,570</u>

Hyde Sails Limited

NOTES TO THE FINANCIAL STATEMENTS

year ended 30 September 2002

17. COMMITMENTS UNDER OPERATING LEASES

At 30 September 2002 the company had annual commitments under non-cancellable operating leases as set out below.

	2002		2001	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within 1 year	–	4,312	–	676
Within 2 to 5 years	37,500	37,734	37,500	48,339
	<u>37,500</u>	<u>42,046</u>	<u>37,500</u>	<u>49,015</u>

18. RELATED PARTY TRANSACTIONS

At 30 September 2002 the amount owed to Mr A E Hyde, a director, was £1,651 (2001: £13,095). No other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

19. SHARE CAPITAL

Authorised share capital:

	2002 £	2001 £
239,000 Ordinary shares of £1 each	<u>239,000</u>	<u>239,000</u>

Allotted, called up and fully paid:

	2002 £	2001 £
Ordinary share capital	<u>226,000</u>	<u>226,000</u>

20. OTHER RESERVES

	2002 £	2001 £
Capital redemption reserve	<u>40,000</u>	<u>40,000</u>

21. PROFIT AND LOSS ACCOUNT

	2002 £	2001 £
Balance brought forward	222,500	265,797
Accumulated loss for the financial year	(53,477)	(43,297)
Balance carried forward	<u>169,023</u>	<u>222,500</u>

Hyde Sails Limited
NOTES TO THE FINANCIAL STATEMENTS
year ended 30 September 2002

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Loss for the financial year	(53,477)	(43,297)
Other net recognised gains and losses	–	130,000
Net (reduction)/addition to funds	<u>(53,477)</u>	<u>86,703</u>
Opening shareholders' equity funds	885,670	798,967
Closing shareholders' equity funds	<u>832,193</u>	<u>885,670</u>

23. NOTES TO THE STATEMENT OF CASH FLOWS

RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating profit/(loss)	68,350	(6,443)
Depreciation	85,057	82,216
Loss/(profit) on disposal of fixed assets	759	(4,466)
(Increase)/decrease in stocks	(65,604)	59,303
(Increase)/decrease in debtors	(45,299)	89,655
Decrease in creditors	(14,511)	(24,833)
Re-organisation costs	(66,216)	–
Net cash (outflow)/inflow from operating activities	<u>(37,464)</u>	<u>195,432</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	£	2002 £	2001 £
(Decrease)/increase in cash in the period	(166,490)		86,338
Net cash outflow from bank loans	–		2,691
Cash outflow in respect of hire purchase	<u>36,946</u>		<u>30,595</u>
Change in net debt resulting from cash flows		(129,544)	119,624
New finance leases		(21,725)	(39,219)
Movement in net debt in the period		<u>(151,269)</u>	<u>80,405</u>
Net debt at 1 October 2001		(169,890)	(250,295)
Net debt at 30 September 2002		<u>(321,159)</u>	<u>(169,890)</u>

Hyde Sails Limited
NOTES TO THE FINANCIAL STATEMENTS
year ended 30 September 2002

23. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Oct 2001 £	Cash flows £	Other changes £	At 30 Sep 2002 £
Net cash:				
Cash in hand and at bank	3,228	81,059	–	84,287
Overdrafts	(107,198)	(247,549)	–	(354,747)
	<u>(103,970)</u>	<u>(166,490)</u>	<u>–</u>	<u>(270,460)</u>
Debt:				
Hire purchase agreements	(65,920)	36,946	(21,725)	(50,699)
	<u>(65,920)</u>	<u>36,946</u>	<u>(21,725)</u>	<u>(50,699)</u>
Net debt	<u>(169,890)</u>	<u>(129,544)</u>	<u>(21,725)</u>	<u>(321,159)</u>