

PICCADILLY HIRE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE

YEAR ENDED 30TH JUNE 2003



Cashmore and Company,
Chartered Accountants,
The Robbins Building,
Albert Street,
RUGBY,
Warwickshire.
CV21 2SD

PICCADILLY HIRE LIMITED**COMPANY INFORMATION****DIRECTORS**

M. Newton
J.G. Bradbury

SECRETARY

J. Webb

REGISTERED OFFICE

The Robbins Building,
Albert Street,
RUGBY,
Warwickshire.
CV21 2SD

COMPANY REGISTRATION NUMBER

3924708

BANKERS

Barclays Bank plc,
36, North Street,
RUGBY,
Warwickshire.
CV21 2AN

SOLICITORS

Frederick Fuller & Son.,
24, Albert Street,
RUGBY,
Warwickshire.
CV21 2RT

AUDITORS

Cashmore and Company,
The Robbins Building,
Albert Street,
RUGBY,
Warwickshire.
CV21 2SD

PICCADILLY HIRE LIMITED

DIRECTORS' REPORT

The Directors present their report to the Members together with the financial statements of the Company for the year ended 30th June 2003.

DIRECTORS' RESPONSIBILITIES

Company law requires us 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 profit or loss of the Company for that period. In preparing those financial statements we are required to:

- select suitable accounting policies and 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 to operate.

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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS

The Directors who served during the year are shown below:

M. Newton
J.G. Bradbury

The Directors of the Company at 30th June 2003 had shareholdings, inclusive of family interests, as follows:

Name	Class of Capital	Beneficial Interest	
		2003	2002
M. Newton	£1 Ordinary	60	60
J.G. Bradbury	£1 Ordinary	40	40

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of the Sale and Hire of Professional Video and Audio Visual Equipment.

REVIEW OF BUSINESS

The Directors are of the opinion that the results contained in the Accounts are self-explanatory and that future trading conditions are indeterminable under present economic conditions.

PICCADILLY HIRE LIMITED**DIRECTORS' REPORT****RESULTS AND DIVIDENDS**

The results of the year's trading, the financial position of the Company and the transfer to reserves are shown in the financial statements.

The Profit for the year after taxation amounted to £65,865, (2002, Profit £128,868) and is mainly attributable to the principal activity.

An interim dividend of £52,000 was paid during the year, (2002, £Nil). The Directors recommend that no final dividend be paid for the year, (2002, £30,000).

RESEARCH AND DEVELOPMENT

The Company incurred no expenditure on research and development during the year.

FIXED ASSETS

The changes in fixed assets are shown in note 11.

COMPANY STATUS

The Company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

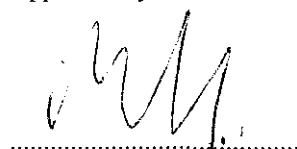
DONATIONS

The Company made no political or charitable donations during the year.

AUDITORS

A resolution will be proposed at the annual general meeting to re-appoint Cashmore and Company, who have signified their willingness to be re-appointed as auditors to the Company.

Approved by the Board of Directors on 28th April 2004 and signed on their behalf by:



M. Newton,
Chairman

INDEPENDENT AUDITOR'S REPORT**TO THE SHAREHOLDERS OF PICCADILLY HIRE LIMITED**

We have audited the financial statements of Piccadilly Hire Limited for the period ended 30th June 2003 which comprise Profit and Loss Account, Balance Sheet, Statement of Recognised Gains and Losses, Cash Flow Statement and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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 Directors and Auditors

As described in the Statement of Directors' Responsibilities, the Company's Directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 Director's Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Company is not disclosed.

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

Basis of Audit Opinion

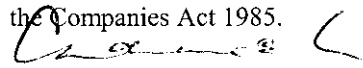
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Audit Practices Board. An audit includes examination on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements and 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 of 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 30th June 2003 and of its Profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Cashmore and Co.,
Chartered Accountants and Registered Auditors,
The Robbins Building,
Albert Street,
RUGBY,
Warwickshire.
CV21 2SD

28th April 2004

PICCADILLY HIRE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2003

		2003	2002
	<u>NOTES</u>	<u>£</u>	<u>£</u>
TURNOVER	(2)		
Continuing operations		2,828,767	3,138,120
 Cost of sales	(3)	(415,723)	(482,920)
GROSS PROFIT		2,413,044	2,655,200
 Net operating expenses	(3)	(2,279,439)	(2,423,302)
OPERATING PROFIT			
Continuing operations		133,605	231,898
 Interest receivable and similar income		1,658	733
Interest payable and similar charges	(7)	(51,963)	(73,741)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(4)	83,300	158,890
 Tax on ordinary activities	(8)	(17,435)	(30,022)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		65,865	128,868
 Dividends	(9)	(52,000)	(30,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR	(20)	13,865	98,868

The notes on pages 9 to 19 form part of these financial statements.

PICCADILLY HIRE LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****FOR THE YEAR ENDED 30TH JUNE 2003**

	2003	2002
	£	£
Profit for the financial year	65,865	128,868
Prior year adjustment	(10) -	(45,541)
TOTAL GAINS AND LOSSES RECOGNISED FOR THE YEAR	65,865	83,327

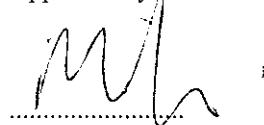
NOTE OF HISTORICAL COST PROFITS AND LOSSES**FOR THE YEAR ENDED 30TH JUNE 2003**

	2003	2002
	£	£
Reported profit on ordinary activities before taxation	83,300	158,890
Realisation of property revaluation gains and losses	-	-
Historical cost profit on ordinary activities before taxation	83,300	158,890
Restated historical cost profit for the year retained after taxation and dividends	13,865	141,821

PICCADILLY HIRE LIMITED**BALANCE SHEET****30TH JUNE 2003**

		2003	2002
	<u>NOTES</u>	<u>£</u>	<u>£</u>
FIXED ASSETS			
Tangible Assets	(11)	886,586	861,572
Investments	(12)	4	4
		<u>886,590</u>	<u>861,576</u>
CURRENT ASSETS:			
Debtors	(13)	615,088	628,354
Cash Resources		93,552	41,126
		<u>708,640</u>	<u>669,480</u>
CREDITORS: Amounts falling due within one year			
Bank Overdraft	(14)	81,520	128,110
Creditors	(15)	1,082,737	1,065,215
		<u>1,164,257</u>	<u>1,193,325</u>
NET CURRENT LIABILITIES		(455,617)	(523,845)
TOTAL ASSETS LESS CURRENT LIABILITIES		430,973	337,731
CREDITORS: Amounts falling due after more than one year			
	(16)	144,855	58,409
PROVISIONS FOR LIABILITIES AND CHARGES	(18)	31,464	38,533
NET ASSETS		<u>254,654</u>	<u>240,789</u>
CAPITAL AND RESERVES:			
Called Up Share Capital	(19)	100	100
Profit and Loss Account	(20)	254,554	240,689
SHAREHOLDERS FUNDS	(21)	<u>254,654</u>	<u>240,789</u>

Approved by the Board of Directors on 28th April 2004 and signed on their behalf by :



M. Newton, Director

PICCADILLY HIRE LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2003

	Note	2003 £	2002 £
Net cash inflow from operating activities	(26)	473,713	374,667
Returns on investments and servicing of finance	(27)	(50,305)	(73,008)
Taxation		(1,038)	-
Capital expenditure	(27)	(99,364)	(77,697)
		323,006	223,962
Dividends paid		(80,000)	(6,000)
		243,006	217,962
Financing	(27)	(143,990)	(231,976)
Decrease in cash in the year		99,016	(14,014)
Reconciliation of net cash flow to movement in net debt	(28)		
Decrease in cash in the year		99,016	(14,014)
Cash (out)/inflow from increased lease financing		(117,729)	91,456
Net debt at 1st July 2002		(289,785)	(367,227)
Net debt at 30th June 2003		(308,498)	(289,785)

The notes on pages 9 to 19 form part of these financial statements.

PICCADILLY HIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2003

COMPLIANCE WITH ACCOUNTING STANDARDS

The accounts have been prepared in accordance with applicable accounting standards. There were no material departures from these standards.

1. ACCOUNTING POLICIES

The principal accounting policies adopted by the Company are consistent with those applied in previous years and are as follows:-

Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain Fixed Assets.

The effect of events relating to the year ended 30th June 2003 before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and view of the state of affairs at 30th June 2003 and of the results for the year ended on that date.

Fixed Assets

Depreciation has been provided for on all assets at rates calculated to write off the cost over the expected useful life of such assets.

The principal rates are:-

Asset Classification	Basis	Rate %
Hire Equipment	Straight Line	20
Fixtures and Fittings	Straight Line	20
Motor Vehicles	Straight Line	25

Deferred Taxation

The Company has changed its policy with regard to the provision of Deferred Taxation in accordance with FRS 19. Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

Finance Leases and Hire Purchase Agreements

Assets acquired under these forms of agreement are capitalised as tangible fixed assets and depreciation is provided accordingly. The present value of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account over the period of the lease, in proportion to the capital balance outstanding.

Details of these assets are given in note 11.

Operating Leases

Payments relating to financial agreements for the hire or lease of fixed assets are charged to the profit and loss account on an accruals basis.

Commitments in respect of unexpired agreements not provided for in these financial statements are shown in note 23.

PICCADILLY HIRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2003****COMPLIANCE WITH ACCOUNTING STANDARDS****Pension costs**

The Company operates a contributory pension scheme. It is a defined contribution scheme and contributions are charged to the profit and loss account on an accruals basis.

2. TURNOVER

The Company's turnover represents the value, excluding value added tax of goods and services supplied to customers during the year.

The turnover and Profit on ordinary activities is attributable to one activity, the Sale and Hire of Professional Video and Audio Visual Equipment.

The UK was the only geographical market supplied, hence no further disclosure is required.

3. COST OF SALES AND NET OPERATING EXPENSES

	2003	2002
	£	£
Cost of sales	415,723	482,920
Net operating expenses:		
Distribution costs	318,444	364,472
Administrative expenses	1,624,926	1,793,899
Depreciation	325,776	274,642
Loss on Sale of Assets	10,293	2,797
Other operating income	-	(12,508)
	<u>2,279,439</u>	<u>2,423,302</u>

PICCADILLY HIRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2003****4. RESULT OF ORDINARY ACTIVITIES BEFORE TAXATION**

	2003	2002
	£	£
The profit is stated after charging:		
Directors' Salaries	11,892	73,767
Directors' National Insurance	1,034	8,220
Directors' Pension Contributions	11,848	11,848
Auditor's Remuneration	13,645	10,880
Formation Expenses	-	1,040
Interest Payable - Short Term	41,533	59,168
Interest Payable on Finance Leases and Hire Purchase	10,430	14,573
Operating Leases	25,911	46,319
Loss on sale of Tangible Fixed Assets	10,293	2,797
Depreciation	325,776	274,642
and after crediting:-		
Interest Receivable	1,658	733

During the year, 2 Directors, (2002, 2), were accruing benefits under money purchase Pension Schemes.

5. STAFF COSTS (including Directors)

	2003	2002
	£	£
Wages and Salaries	919,337	1,072,015
Social Security Costs	89,680	110,087
Other Pension Costs	26,835	5,321
	1,035,852	1,187,423

The average number of persons employed by the Company during the year was:

Management and Administration	13	13
Production and Sales	29	35
	42	48

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2003	2002
	£	£
Bank Deposit Interest	1,658	733

PICCADILLY HIRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2003****7. INTEREST PAYABLE AND SIMILAR CHARGES**

	2003	2002
	£	£
Interest on bank loans and overdrafts	5,757	7,312
Finance Charges on finance leases and hire purchase contracts	10,430	14,573
Other Interest	35,776	51,856
	<u>51,963</u>	<u>73,741</u>

8. TAX ON ORDINARY ACTIVITIES

The charge in the profit and loss account is made up as follows:

	2003	2002
	£	£
Corporation Tax based upon the results for the year.	24,504	37,030
Deferred Taxation	(7,069)	(7,008)
	<u>17,435</u>	<u>30,022</u>

Factors affecting tax charge for year.

The tax assessed for the year is lower than the standard rate of Corporation Tax in the U.K. of 2003, 19%, (2002, 19.75%). The differences are explained below:-

	2003	2002
	£	£
Profits on ordinary activities before tax	<u>83,300</u>	<u>158,890</u>
Profits on ordinary activities at standard rate of U.K. Corporation Tax	15,827	31,381
Effects of:		
Expenses not deductible for tax purposes	1,608	730
Capital Allowances for period in (surplus) deficit to depreciation	7,069	4,919
Marginal Relief	<u>-</u>	<u>-</u>
Current tax charge for period	<u>24,504</u>	<u>37,030</u>

PICCADILLY HIRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2003****9. DIVIDENDS**

	2003 £	2002 £
Dividends Paid	52,000	-
Dividends Proposed	-	30,000
	<u>£ 52,000</u>	<u>£ 30,000</u>

10. PRIOR YEAR ADJUSTMENTS

	2003 £	2002 £
2001 Deferred Taxation	-	45,541

The prior year adjustment relates to unprovided deferred taxation at 30th June 2001.

11. TANGIBLE FIXED ASSETS

	Hire Equipment £	Fixtures and Fittings £	Motor Vehicles £	Total £
COST				
As at 1st July 2002	1,067,158	36,669	304,958	1,408,785
Additions	265,964	13,478	96,481	375,923
Disposals	(9,220)	-	(36,550)	(45,770)
As at 30th June 2003	<u>1,323,902</u>	<u>50,147</u>	<u>364,889</u>	<u>1,738,938</u>
DEPRECIATION				
As at 1st July 2002	402,038	13,191	131,984	547,213
Charge for the year	241,130	8,450	76,196	325,776
Eliminated on Disposals	(77)	-	(20,560)	(20,637)
As at 30th June 2003	<u>643,091</u>	<u>21,641</u>	<u>187,620</u>	<u>852,352</u>
NET BOOK VALUES				
As at 30th June 2003	<u>680,811</u>	<u>28,506</u>	<u>177,269</u>	<u>886,586</u>
As at 30th June 2002	<u>665,120</u>	<u>23,478</u>	<u>172,974</u>	<u>861,572</u>

Assets held under Finance Leases or Hire Purchase Agreements

The net book value of assets held under these forms of agreement amounted to £323,391, (2002, £214,486).
Depreciation charged in the year on those assets amounted to £67,407, (2002, £52,210).

The notes on pages 9 to 19 form part of these financial statements.

PICCADILLY HIRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2003****12. FIXED ASSET INVESTMENTS**

	Other Investments
	£
COST	
As at 1st July 2002	4
As at 30th June 2003	4
As at 30th June 2002	4

The above represents investments in subsidiary undertakings.

13. DEBTORS

	2003	2002
	£	£
Items receivable within one year:		
Trade Debtors	560,367	531,720
Other Debtors	100	100
Prepayments and Accrued Income	54,621	96,534
	<u>615,088</u>	<u>628,354</u>

14. BANK LOANS AND OVERDRAFT

	2003	2002
	£	£
Falling due within one year:		
Bank Overdraft	81,520	128,110
Bank Loans	11,333	-
Falling due after more than one year:		
Bank Loans (due within 2 - 5 Years)	<u>16,157</u>	<u>-</u>

The bank loan is supported by a Guarantee given by the Directors. The overdraft is technically repayable on demand and is secured by a Mortgage Debenture over the Company's assets and a cross guarantee from C.F.Cases Limited.

PICCADILLY HIRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2003****15. CREDITORS**

	2003	2002
	£	£
Items payable within one year:		
Corporation Tax	61,534	38,068
Trade Creditors	272,893	243,448
Accrued Expenses	33,761	57,346
Hire Purchase Creditors	95,842	75,892
Value Added Tax	65,998	83,997
Other Creditors	338,451	340,229
Social Security and PAYE	33,663	27,771
Bank Loans (Note 14)	11,333	-
Pension Fund Loan	68,500	68,500
Dividends	20,000	48,000
Piccadilly Leasing Limited	56,750	-
C F Cases Ltd	24,012	74,426
Directors' Loans (Note 17)	-	7,538
	<u>1,082,737</u>	<u>1,065,215</u>

16. CREDITORS

	2003	2002
	£	£
Items payable after more than one year:		
Hire Purchase Creditors (due within 2 to 5 years)	128,698	58,409
Bank Loans (Note 14)	16,157	-
	<u>144,855</u>	<u>58,409</u>

17. DIRECTORS' LOANS

	2003	2002
	£	£
M. Newton	-	7,538

The Directors' loans are unsecured, interest free and repayable on demand.

PICCADILLY HIRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2003****18. PROVISIONS FOR LIABILITIES AND CHARGES**

	2003 £	2002 £
Deferred Taxation	31,464	38,533
	31,464	38,533

DEFERRED TAXATION

As at 1st July 2002	38,533	-
Charged (Utilised) during the year	(7,069)	38,533
As at 30th June 2003	31,464	38,533

The amount provided for deferred taxation is as follows:

Excess of Capital Allowances over Depreciation	31,464	38,533

19. SHARE CAPITAL

	2003 £	2002 £
Authorised: 1,000 Ordinary shares of £1 each	1,000	1,000
Issued and Fully Paid: 100 Ordinary shares of £1 each	100	100

20. PROFIT AND LOSS ACCOUNT

	2003 £	2002 £
As at 1st July 2002	240,689	187,362
As at 1st July 2002 as restated	240,689	187,362
Retained Profit for the year	13,865	98,868
As at 30th June 2003	254,554	286,230

PICCADILLY HIRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2003****21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2003 £	2002 £
Profit for the financial year	65,865	128,868
Dividends	(52,000)	(30,000)
Prior Year Adjustment	-	(45,541)
	13,865	53,327
Net addition to shareholders' funds	13,865	53,327
Opening shareholders' funds	240,789	187,462
Closing shareholders' funds	254,654	240,789

22. RELATED PARTIES

The Company is controlled by the Directors, whose Shareholdings are fully disclosed in the Directors Report.

The Company recharged amounts of £39,128, during the year, (2002:£44,326), to C.F. Cases Limited, a company under Common control.

During the year, the Company received goods and services amounting to £22,380, (2002:£14,601) from C.F. Cases Limited, a Company under common control.

During the year, the Company received Management Charges of £60,000, (2002, £50,004), from C.F. Cases Limited, a Company in which both the Directors have an interest.

During the year, the Company received £56,750, (2002,£Nil), from Piccadilly Leasing Limited, a Company under common control.

23. LEASE COMMITMENTS

At 30th June 2003 the Company had annual commitments under non-cancellable operating leases as set out below :

Operating leases which expire :

	2003 £	2002 £
Property:		
- within 2-5 years	98,125	97,500
Plant and machinery:		
- within 1 year	8,527	12,095
- within 2-5 years	-	46,377
	8,527	58,472

PICCADILLY HIRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2003****24. SUBSIDIARY COMPANIES**

The subsidiary companies at 30th June 2003 were as follows:

Name of Company	Principal Activities
Piccadilly Hire (Birmingham) Limited	Dormant
Piccadilly Hire (Cardiff) Limited	Dormant
Piccadilly Hire (London) Limited	Dormant
Piccadilly Hire (Manchester) Limited	Dormant

The above were all 100% holdings of ordinary shares. All of the above Companies were incorporated in England.

The Directors have taken advantage of the exemption conferred by Section 248 of the Companies Act 1985 from the requirement to prepare group accounts for the year ended 30th June 2003.

25. CONTINGENT LIABILITIES

The Company is currently in dispute with H.M. Inspector of Taxes regarding Capital Allowances claimed. The maximum potential liability not provided for in these financial statements is £63,294.

The Directors are unaware of any contingent liabilities which may affect the financial statements.

26. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2003	2002
	£	£
Operating profit	133,605	231,898
Depreciation	325,776	274,642
Loss on sale of tangible fixed assets	10,293	2,797
(Increase)Decrease in debtors	13,266	82,169
Increase(Decrease) in creditors	(9,227)	(216,839)
Net cash inflow from operating activities	<u>473,713</u>	<u>374,667</u>

PICCADILLY HIRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2003****27. NOTES TO THE CASH FLOW STATEMENT**

	2003	2002
	£	£
Returns on investments and servicing of finance		
Interest received	1,658	733
Interest paid	(41,533)	(59,168)
Interest element of finances lease rentals payment	(10,430)	(14,573)
	<u>(50,305)</u>	<u>(73,008)</u>
Capital expenditure		
Purchase of tangible fixed assets	(114,204)	(82,497)
Purchase of investments	-	-
Sale of tangible fixed assets	14,840	4,800
	<u>(99,364)</u>	<u>(77,697)</u>
Financing		
New Loan	34,340	-
Loan movements	(6,850)	(9,619)
Capital element of finance lease rental payments	(171,480)	(222,357)
	<u>143,990</u>	<u>231,976</u>

28. ANALYSIS OF NET DEBT

	At	Cash	Other	At
	30.06.02	Flows	non-cash	30.06.03
	£	£	changes	£
			£	
Cash in hand, at bank	41,126	52,426	-	93,552
Overdrafts	(128,110)	46,590	-	(81,520)
	<u>(86,984)</u>	<u>99,016</u>	<u>-</u>	<u>12,032</u>
Debt due after one year	-	(16,157)	-	(16,157)
Debt due within one year	(68,500)	(11,333)	-	(79,833)
Finance leases	(134,301)	(90,239)	-	(224,540)
	<u>(202,801)</u>	<u>(117,729)</u>	<u>-</u>	<u>(320,530)</u>
Total	<u>(289,785)</u>	<u>(18,713)</u>	<u>-</u>	<u>(308,498)</u>

The notes on pages 9 to 19 form part of these financial statements.