


Registrar

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WHITELINK SEAFOODS LIMITED

Report and Accounts

30 June 2002

 ERNST & YOUNG



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COMPANIES HOUSE 04/06/03

Whitelink Seafoods Limited

Registered No. 138829

DIRECTORS

James Sutherland
Marie Sutherland

SECRETARY

Marie Sutherland

AUDITORS

Ernst & Young LLP
50 Huntly Street
Aberdeen
AB10 1ZN

BANKERS

Bank of Scotland
Seaforth Street
Fraserburgh
AB43 5BB

Royal Bank of Scotland
62 Broad Street
Fraserburgh
AB43 8AS

Banque Scalbert Dupont
Place Dalton
62200 Boulogne Sur Mer
France

Commerzbank AG
Frankfurt am Main
Cramer/me
Neue Mainzer StraBe 32-36
60261 Frankfurt

Icebank Limited
Raudarastig 27
105 Reykjavik
Iceland

National Westminster Bank Plc
Glasgow Branch
14 Blythswood Square
Glasgow
G2 4AQ

SOLICITORS

Ledingham & Chalmers
Johnstone House
52-54 Rose Street
Aberdeen
AB10 1HA

REGISTERED OFFICE

Maxwell Place
Fraserburgh
AB43 5SX

Whitelink Seafoods Limited

DIRECTORS' REPORT

The directors present their report for the year ended 30 June 2002.

ACCOUNTS AND DIVIDEND

The directors submit the audited accounts of the company in respect of the year to 30 June 2002. The profit for the year amounting to £227,804 (2001 - profit of £465,331) has been dealt with as shown in the profit and loss account.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS DEVELOPMENTS

The principal activity of the company relates to the sale of fish.

DIRECTORS

The directors during the year were those listed on page 2.

DIRECTORS' INTERESTS

According to the register maintained as required under the Companies Act 1985, the directors' interests in the share capital of the company were as follows:

	<i>Ordinary shares</i>	
	<i>2002</i>	<i>2001</i>
James Sutherland	40,000	40,000
Marie Sutherland	60,000	60,000

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year, the company made various charitable contributions totalling £11,371.

AUDITORS

A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

By order of the Board



M Sutherland
25 April 2003

Whitelink Seafoods Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors 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 those accounts, 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 accounts; and
- prepare the accounts 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 accounts 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
WHITELINK SEAFOODS LIMITED**

We have audited the company's financial statements for the year ended 30 June 2002 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes 1 to 20. These financial statements have been prepared on the basis of 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company 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 the financial statements in accordance with applicable United Kingdom law and 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 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.

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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
WHITELINK SEAFOODS LIMITED (continued)**

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the as at 30 June 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Aberdeen
25 April 2003

Whitelink Seafoods Limited

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2002

	<i>Notes</i>	<i>2002</i> £	<i>2001</i> £
TURNOVER	2	21,106,088	22,077,909
OPERATING COSTS		21,181,889	21,714,626
OPERATING PROFIT/(LOSS)	3	(75,801)	363,283
Other income	6	432,273	320,924
Interest payable and similar charges	7	(72,736)	(135,007)
		<u>283,736</u>	<u>549,200</u>
Taxation charge/(credit)	8	55,932	83,869
PROFIT/(LOSS) FOR THE YEAR	18	<u>227,804</u>	<u>465,331</u>

There are no gains and losses for the year other than those already dealt with in the profit and loss account.

Whitelink Seafoods Limited


BALANCE SHEET at 30 June 2002

	Notes	2002 £	2001 £
FIXED ASSETS			
Tangible assets	9	1,701,421	1,531,262
Investment property	10	51,209	51,209
		<u>1,752,630</u>	<u>1,582,471</u>
CURRENT ASSETS			
Stocks		312,740	121,724
Debtors	11	2,962,073	2,774,661
Bank and cash in hand		1,042,867	521,024
		<u>4,317,680</u>	<u>3,417,409</u>
CREDITORS: amounts falling due within one year	12	3,332,245	2,529,328
NET CURRENT ASSETS		<u>985,435</u>	<u>888,081</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,738,065</u>	<u>2,470,552</u>
CREDITORS: amounts falling due after more than one year	13	716,236	698,320
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	8	71,167	63,965
ACCRUALS AND DEFERRED INCOME			
Deferred grants	16	234,148	219,557
		<u>1,716,514</u>	<u>1,488,710</u>
CAPITAL AND RESERVES			
Called up share capital	17	120,000	120,000
Profit and loss account	18	1,596,514	1,368,710
TOTAL SHAREHOLDERS' FUNDS		<u>1,716,514</u>	<u>1,488,710</u>

J Sutherland

 Directors

M Sutherland


25 April 2003

Whitelink Seafoods Limited

STATEMENT OF CASH FLOWS for the year ended 30 June 2002

	<i>Notes</i>	2002 £	2001 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	20 (a)	666,868	778,951
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	20 (b)	(58,294)	(122,265)
TAXATION	20 (b)	(19,814)	46,504
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	20 (b)	(250,787)	(262,286)
FINANCING	20 (b)	(68,269)	(88,248)
INCREASE IN CASH		<u>269,704</u>	<u>352,656</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	<i>Notes</i>	2002 £	2001 £
Increase in cash		269,704	352,656
Cash used to repay capital element of finance Lease payments		68,269	88,248
Change in net debt resulting from cash flows		<u>337,973</u>	<u>440,904</u>
New finance leases		(103,850)	(96,637)
MOVEMENT IN NET DEBT	20 (c)	<u>234,123</u>	<u>344,267</u>
NET DEBT AT 1 JULY 2001	20 (c)	(727,704)	(1,071,971)
NET DEBT AT 30 JUNE 2002	20 (c)	<u>(493,581)</u>	<u>(727,704)</u>

Whitelink Seafoods Limited

NOTES ON THE ACCOUNTS

at 30 June 2002

1. ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Depreciation

Fixed assets are depreciated as follows:

Heritable buildings	50 years straight line
Plant and equipment	10 years straight line
Motor vehicles	5 years straight line
Office equipment	5 years straight line

Investment property

Investment property is carried at open market value based on the most recent professional or directors' valuation and is not depreciated.

Deferred grants

Grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments.

Grants of a revenue nature are credited to income in the period to which they relate.

Leased assets

Assets held under leasing arrangements and hire purchase contracts that transfer substantially all the risk and rewards of ownership to the company are capitalised. The capital element of the related rental obligation is included in creditors. The interest element of the rental obligations is charged to the profit and loss account so as to produce a constant periodic rate of charge. Rentals in respect of all other leases are charged to the profit and loss account as incurred.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Whitelink Seafoods Limited

NOTES ON THE ACCOUNTS

at 30 June 2002

1. ACCOUNTING POLICIES (continued)

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluations (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. TURNOVER

Turnover, which is attributable to one continuing activity, comprises the invoice value of goods and services supplied, exclusive of VAT.

Turnover is attributable to different geographical markets as follows:

	2002	2001
	£	£
United Kingdom	4,636,859	3,818,171
Rest of Europe	16,655,647	18,259,738
	<u>21,292,506</u>	<u>22,077,909</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

	2002	2001
	£	£
Depreciation of owned fixed assets	185,774	159,730
Depreciation of assets held under finance leases and hire purchase contracts	46,348	16,240
Directors' remuneration	87,434	87,492
Operating lease rentals - plant and machinery	12,148	12,788
Auditors' remuneration	10,000	10,000
	<u>341,704</u>	<u>306,250</u>

Whitelink Seafoods Limited

NOTES ON THE ACCOUNTS

at 30 June 2002

4. DIRECTORS' EMOLUMENTS

	2002	2001
	£	£
Fees	87,434	87,492
Pensions	-	-
	<u>87,434</u>	<u>87,492</u>

5. STAFF COSTS

	2002	2001
	£	£
Wages and salaries	1,627,057	1,314,084
Social security costs	126,912	108,175
Pensions	25,469	38,886
	<u>1,779,438</u>	<u>1,461,145</u>

The average weekly number of employees during the year was as follows:

	2002	2001
	No	No
Management and office staff	10	13
Factory	97	90
	<u>107</u>	<u>103</u>

6. OTHER INCOME

	2002	2001
	£	£
Gain on foreign exchange	394,903	294,396
Bank interest receivable	14,442	12,742
Deferred grant released (note 16)	22,928	11,920
Miscellaneous income	-	1,866
	<u>432,273</u>	<u>320,924</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2002	2001
	£	£
Bank loans and overdraft	65,058	130,714
Finance charges payable under finance leases and hire purchase contracts	7,678	4,293
	<u>72,736</u>	<u>135,007</u>

Whitelink Seafoods Limited

NOTES ON THE ACCOUNTS

at 30 June 2002

8. TAX

(a) Tax on (loss)/profit on ordinary activities

The tax charge is made up as follows:

	2002	2001
	£	£
<i>Current tax:</i>		
UK Corporation tax	48,946	19,815
Tax (over)/under provided in previous years	(216)	89
Total current tax (note 8(b))	<u>48,730</u>	<u>19,904</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences	8,002	67,104
Adjustment in respect of previous periods	-	(3,139)
Effect of changes in tax rate on opening liability	(800)	-
Total deferred tax (note 8(d))	<u>7,202</u>	<u>63,965</u>
Tax on profit on ordinary activities	<u><u>55,932</u></u>	<u><u>83,869</u></u>

(b) Factors affecting current tax charge

The tax assessed on the profit or ordinary activities for the year is higher than the standard rate of corporation tax of 30% (2000 – 30%). The differences are reconciled below:

	2002	2001
	£	£
Profit on ordinary activities before tax	283,736	549,200
Profit on ordinary activities multiplied by standard rate of 30% (2000 – 30%)	56,038	109,467
Expenses not deductible for tax purposes	837	2,348
Short term timing differences	(2,045)	8,071
Capital allowances in excess of depreciation	(8,766)	(6,261)
Adjustment in respect of previous periods	(216)	89
Tax losses	-	(91,426)
Adjustment in respect of government grants	2,882	(2,384)
Total current tax (note 8(a))	<u><u>48,730</u></u>	<u><u>19,904</u></u>

(c) Factors that may affect future tax changes

There are no factors considered to affect future tax charges.

Whitelink Seafoods Limited

NOTES ON THE ACCOUNTS

at 30 June 2002

8. TAX (continued)

(d) Deferred tax

The deferred tax included in the balance sheet is as follows:

	2002 £	2001 £
Provisions for liabilities and charges	71,167	63,965
	<u>71,167</u>	<u>63,965</u>
	2002 £	2001 £
Accelerated capital allowances	76,867	72,036
Other timing differences	(5,700)	(8,071)
Provision for deferred tax	71,167	63,965
	<u>71,167</u>	<u>63,965</u>
At 1 July 2001		63,965
Deferred tax charge in profit and loss account (note 8(a))		7,202
At 30 June 2002		<u>71,167</u>

9. TANGIBLE FIXED ASSETS

	<i>Heritable property</i> £	<i>Plant and equipment</i> £	<i>Motor vehicles</i> £	<i>Office equipment</i> £	<i>Total</i> £
Cost:					
At 30 June 2001	683,897	1,175,416	396,559	106,381	2,362,253
Additions	76,859	312,497	21,250	-	410,606
Disposals	-	-	(47,370)	-	(47,370)
At 30 June 2002	<u>760,756</u>	<u>1,487,913</u>	<u>370,439</u>	<u>106,381</u>	<u>2,725,489</u>
Depreciation:					
At 30 June 2001	77,038	541,784	142,905	69,264	830,991
Charge for year	13,740	105,402	98,752	14,228	232,122
Disposals	-	-	(39,045)	-	(39,045)
At 30 June 2002	<u>90,778</u>	<u>647,186</u>	<u>202,612</u>	<u>83,492</u>	<u>1,024,068</u>
Net book value:					
At 30 June 2002	<u>669,978</u>	<u>840,727</u>	<u>167,827</u>	<u>22,889</u>	<u>1,701,421</u>
At 30 June 2001	<u>606,859</u>	<u>633,632</u>	<u>253,654</u>	<u>37,117</u>	<u>1,531,262</u>

Included in heritable property is land valued at £47,000 which is not depreciated.

The depreciation and net book value of assets held under hire purchase agreements amount to £46,348 and £235,126 (2001 £16,240 and £44,840) respectively.

Whitelink Seafoods Limited

NOTES ON THE ACCOUNTS

at 30 June 2002

10. FIXED ASSET - INVESTMENTS

	2002	2001
	£	£
Investment property	51,209	51,209

In the directors' opinion the market value at 30 June 2002 is not significantly different from cost.

11. DEBTORS

	2001	2001
	£	£
Trade debtors	2,651,363	2,459,732
Sundry debtors and prepayments	133,909	134,312
Due from Quiveshore	2,189	2,189
Due from Whitelink Gmbh (note 20)	34,760	13,693
Other debtors	139,852	164,735
	<u>2,962,073</u>	<u>2,774,661</u>

12. CREDITORS: amounts falling due within one year

	2002	2001
	£	£
Bank loans secured - (note 14)	54,389	60,702
Bank overdrafts - secured	701,995	449,856
Trade creditors	1,518,025	966,910
Due to Whitelink Transport (note 19)	138,856	179,013
Due to Valemar Sea Products Limited (note 19)	-	600,400
Due to Les Pêcheurs d'Ecosse Limited	1,214	1,214
Corporation tax	48,730	19,814
Sundry creditors and accruals	315,437	167,468
Obligations under finance leases and hire purchase contracts (note 15)	63,828	39,850
Other taxes and social security costs	48,164	28,318
Directors loan	441,607	15,783
	<u>3,332,245</u>	<u>2,529,328</u>

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

	2002	2001
	£	£
Bank loans secured - (note 14)	645,611	667,716
Obligations under finance leases and hire purchase contracts (note 15)	70,625	30,604
	<u>716,236</u>	<u>698,320</u>

Whitelink Seafoods Limited

NOTES ON THE ACCOUNTS at 30 June 2002

14. BANK LOANS

	2002	2001
	£	£
Not wholly repayable within five years:		
£700,000 term loan at base plus 1.5%, repayable in monthly instalments over 10 years	700,000	-
£800,000 term loan at base plus 2.5%, repayable in monthly instalments over 10 years	-	728,418
Less: included in creditors: amounts falling due within one year	54,389	60,702
	<u>645,611</u>	<u>667,716</u>
	2002	2001
	£	£
Amounts repayable:		
In one year or less	54,389	60,702
Between one and two years	57,370	65,758
Between two and five years	192,612	231,846
	<u>304,371</u>	<u>358,306</u>
In five years or more	395,629	370,112
	<u>700,000</u>	<u>728,418</u>

The Bank of Scotland holds a bond and floating charge over the assets of the company and standard Securities over the lease of premises and processing factory.

15. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	2002	2001
	£	£
The maturity of these amounts is as follows:		
Amounts payable:		
Within one year	71,978	44,698
Within two to five years	79,794	34,096
	<u>151,772</u>	<u>78,794</u>
Less: Finance charges allocated to future periods	(17,319)	(8,340)
	<u>134,453</u>	<u>70,454</u>
Finance leases and hire purchase contracts are analysed as follows:		
	£	£
Current obligations	63,828	39,850
Non-current obligations	70,625	30,604
	<u>134,453</u>	<u>70,454</u>

Whitelink Seafoods Limited

NOTES ON THE ACCOUNTS

at 30 June 2002

16. ACCRUALS AND DEFERRED INCOME

	<i>Deferred grants</i>	
	<i>2002</i>	<i>2001</i>
	£	£
Balance at 1 July	219,557	196,070
Additional funds received	37,519	35,407
Released during the year	(22,928)	(11,920)
Balance at 30 June	<u>234,148</u>	<u>219,557</u>

17. SHARE CAPITAL

	<i>2002</i>	<i>2001</i>
	£	£
Authorised Ordinary shares of £1 each	500,000	500,000
Issued and fully paid Ordinary shares of £1 each	<u>120,000</u>	<u>120,000</u>

18. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share</i>	<i>Profit and</i>	<i>Total</i>
	<i>capital</i>	<i>loss account</i>	<i>shareholders'</i>
	£	£	£
Balance at 30 June 2000	120,000	903,379	1,023,379
Profit for year	-	465,331	465,331
Balance at 30 June 2001	<u>120,000</u>	<u>1,368,710</u>	<u>1,488,710</u>
Profit for year	-	227,804	227,804
Balance at 30 June 2002	<u>120,000</u>	<u>1,596,514</u>	<u>1,716,514</u>

19. RELATED PARTY TRANSACTIONS

During the year the company was charged commission of £103,276 by Whitelink GmbH, a company in which James and Marie Sutherland's son James is a shareholder and funds were transferred to Whitelink GmbH of £124,344. At the balance sheet date the amount due from Whitelink GmbH was £34,760.

During the year the company were charged £86,981 in commission by Whitelink France Sarl, a company incorporated in France in which James and Marie Sutherland's daughters, Marie and Valerie are directors. There were net bankings made by Whitelink France Sarl on behalf of Whitelink Seafoods Limited of £341,950. In addition, Whitelink Seafoods Limited made net payments of £10,393 and received a rebate of £225,587 on behalf of Whitelink France Sarl. At the balance sheet date, an amount of £135,864 was due from Whitelink France Sarl. As in the prior year, full provision has been made against this outstanding balance.

During the year the company also charged a management fee of £40,000 to Whitelink Transport Limited, a company in which both James and Marie Sutherland are the main shareholders.

During the year the amount due to Valemar Seafoods, a company in which James and Marie Sutherland are shareholders, of £600,400 was repaid in full.

Whitelink Seafoods Limited

NOTES ON THE ACCOUNTS

at 30 June 2002

20. NOTES TO THE STATEMENT OF CASH FLOWS

a) Reconciliation of operating profit/(loss) to cash inflow from operating activities.

	2002	2001
	£	£
Operating (loss)/profit	(75,801)	363,283
Depreciation	232,122	175,970
(Profit)/loss on sale of tangible fixed assets	(10,125)	8,700
Miscellaneous income	-	1,866
(Increase)/decrease in stocks	(191,016)	214,108
(Increase)/decrease in debtors	(187,412)	(817,003)
Increase/(decrease) in creditors	504,197	537,631
Exchange gain on cash liquid resources and loans	394,903	294,396
	<u>666,868</u>	<u>778,951</u>

b) Analysis of cash flows for headings netted in the statement of cash flows

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2002	2001
	£	£
Interest received	14,442	12,742
Interest paid	(65,058)	(130,714)
Interest element of finance lease rental payments	(7,678)	(4,293)
	<u>(58,294)</u>	<u>(122,265)</u>

TAXATION

	2002	2001
	£	£
UK corporation tax (paid)/received	(19,814)	46,504

Whitelink Seafoods Limited

NOTES ON THE ACCOUNTS at 30 June 2002

20. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2002	2001
	£	£
Payment to acquire tangible fixed assets	(306,755)	(338,239)
Receipts from sales of tangible fixed assets	18,449	40,546
Receipt of government grant	37,519	35,407
	<u>(250,787)</u>	<u>(262,286)</u>

FINANCING

	2002	2001
	£	£
Repayment of borrowings	(28,418)	(55,385)
Capital element of finance lease rental payments	(39,851)	(32,863)
	<u>(68,269)</u>	<u>(88,248)</u>

(c) Analysis of changes in net debt

	At 1 July 2001	Cash flow	Other	At 30 June 2002
	£	£	£	£
Cash at bank and in hand	521,024	521,843	-	1,042,867
Overdraft	(449,856)	(252,139)	-	(701,995)
Debt due within one year	(60,702)	6,313	-	(54,389)
Debt due after one year	(667,716)	22,105	-	(645,611)
Finance lease contract	(70,454)	39,851	(103,850)	(134,453)
Total	<u>(727,704)</u>	<u>337,973</u>	<u>(103,850)</u>	<u>(493,581)</u>

(d) Non-cash transactions

During the year, the company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the lease of £103,850 (2001 - £96,637).