

## **The General Welfare of the Blind**

(A registered charity and company limited by guarantee)

Accounts 31 March 2001

together with Council's and Auditors' reports

Charity number: 210794

Company number: 116713



# The General Welfare of the Blind

Founded 1854

Registered in accordance with the National Assistance Act 1948

Registered under the Charities Act 1960

A company limited by guarantee

## **President**

HRH The Duchess of Gloucester

## **Council Chairman**

DF Calow

## **Vice Chairman and Hon. Treasurer**

TB Burton FCA

## **Council Members**

RA Barker

R Wilson

RW Lynes

## **Chief Executive**

GP Robinson FCA

## **Secretary**

J Kay

## **Headquarters**

37/55 Ashburton Grove

London

N7 7DW

## **Trading Locations**

Ashburton Grove

London

Hanover Trading Estate

London

## **Auditors**

Binder Hamlyn

## **Bankers**

Barclays Bank plc

## **Investment Managers**

Deutsche Asset Management Ltd

## **Solicitors**

Hammond Suddards Edge

## Notice of annual general meeting

**NOTICE IS HEREBY GIVEN** that the 90<sup>th</sup> Annual General Meeting of the members of the above Company will be held at the headquarters of the Company at Ashburton Grove on 14 December 2001 at 10.30 a.m. for the following purposes:

- 1 To approve the minutes of the previous Annual General Meeting held on 15 December 2000 (Resolution No.1).
- 2 To approve and adopt the Council's report and annual accounts for the year ended 31 March 2001 and to receive the auditors' report (Resolution No.2).
- 3 To re-elect the following member of the Council who retires by rotation and, being eligible, will be proposed for re-election:

R.A. Barker

(Resolution No.3).

- 4 To appoint Arthur Andersen as auditors (Resolution No.4).
- 5 To transact any other ordinary business of the Company.

By Order of the Council



T.B. Burton  
Council Member

26 September 2001

## **Annual Report of the Council**

For the year ended 31 March 2001

The Council submits its report together with the audited financial statements for the year ended 31 March 2001.

### **Statement of Council Members' responsibilities**

Company law requires the Council Members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the income and expenditure of the Company for that period. In preparing those financial statements, the Council Members have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis.

The Council Members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and 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.

### **Principal Activities of the Company**

The Company, which is a charity and trades under the name of GWB Products, employs blind and disabled people in supported factories in the manufacture of liquid products for the toiletry and household product markets, and in the manufacture of bedding products and in sales positions in the Company's telephone sales office.

### **Results**

The net incoming resources amounted to £168,777 (2000 - £61,321). A review of the Company's operations during the year is contained in the Chairman's statement on page 5.

### **Employees**

The average number of persons employed by the Company throughout the year was 98 (2000: 100) of whom 58 (2000: 57) were blind or disabled.

### **Council**

The Council Members at the date of this report are shown on page 1. One third of council members retire each year, but are allowed to stand for re-election at the Annual General Meeting. The Council has an Audit committee and a Compensation committee.

## Annual Report of the Council (continued)

### Auditors

Binder Hamlyn, a part of Andersen worldwide, will not be seeking re-election at the forthcoming Annual General Meeting. A resolution proposing that Arthur Andersen, also part of Andersen worldwide, be appointed as auditors of the Company will be put to the Annual General Meeting.

**This report was approved by the Council on 26 September 2001.**

A handwritten signature in black ink, appearing to read 'TB Burton', with a stylized, cursive script.

TB Burton

Council Member

## Chairman's report

For the year ended 31 March 2001

In my Statement last year I concentrated principally on the following matters:-

The proposals of the Government concerning disabled people progressively moving into open employment.

Negotiations with Arsenal F.C.

Closure of our manufacturing facilities in Luton.

The development of the Direct Sales Organisation.

I am now dealing with each of these matters in relation to the year under review:-

The Government has proceeded to implement its plans for disabled employees moving into open employment and the administrative mechanics have been put in place. As you may imagine our Executive, whilst small in number, is dealing with this and the Council are informed that they are coping adequately with all the relevant procedures albeit at some additional expense which we believe is being monitored very carefully to keep to a minimum.

The discussions with Arsenal F.C. continue and all information to date is that the plans for Arsenal to redevelop the site including and surrounding Ashburton Grove, the home of our London manufacturing facilities, are continuing at a good pace. Somewhat disappointing however is the fact that nothing really suitable has yet been suggested to GWB for the relocation of our London facility. Both the Executive and the Council are very mindful of our obligations to our disabled employees and one of the most important aspects of this is the transportation to and from their homes to work. Graham Robinson and my colleague on the Council, Robert Wilson, continue to work in a very determined manner to find a proper solution.

In relation to Luton, I reported last year the closure of our facility in Luton and the assignment of the leasehold premises from which our operations had previously been conducted. It is disappointing to report that the assignee of the premises has apparently encountered financial difficulties, which may lead to a residual liability being placed on GWB in its capacity as original tenant of the premises. We are investigating all possible ways to deal with this difficult situation.

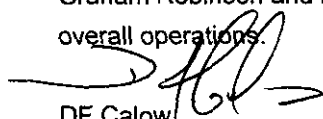
The Direct Sales Organisation under the leadership of Chris Sylvester has gone from strength to strength, notwithstanding some adverse comment through the RNIB to the Charity Commissioners concerning the methodology which they allege are used by our independent sales personnel. These complaints, in the opinion of GWB and its advisers, are totally unfounded and following our representation to the Charity Commissioners, the file has been closed.

The name under which GWB carries on this operation is now being changed to what we believe is a much more modern, commercial punchy name and we are fortunate to be able to use the name CLARITY Employment for Blind People to further these activities.

## Chairman's report (continued)

It is pleasing to note that the value of sales of our products has increased in the year under review from £4.4m to just over £5m and that our total net resources generated in the year have risen from £226,000 to £336,000. Whilst the average number of people employed by the GWB is slightly reduced at 98, the number of disabled people has slightly increased to 58, compared to 57 last year.

Again it gives me pleasure in expressing my gratitude to all of our employees at GWB and particularly to Graham Robinson and his immediate team as well as to members of the Council, all of whom contribute greatly to our overall operations.



DF Calow  
Chairman

**To the members of The General Welfare of the Blind**

We have audited the financial statements on pages 8 to 20 which have been prepared under the historical cost convention as modified by the revaluation of fixed asset investments and the accounting policies set out on pages 11 and 12.

**Respective responsibilities of Council Members and auditors**

As described on page 3, the Council Members are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

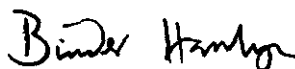
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council Members 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 at 31 March 2001 and of its incoming resources, application of resources expended and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors  
20 Old Bailey  
London  
EC4M 7BH

26 September 2001



# Statement of financial activities

For the year ended 31 March 2001

	Notes	2001 £	2000 £
<b>Incoming resources</b>			
Sales from supported factories		5,055,674	4,405,164
Capitations		701,498	720,997
Donations and legacies	2	118,925	130,488
Rental income		133,711	159,321
Investment income	3	17,500	16,310
Profit on sale of fixed assets		736	17,435
Interest income		1,198	-
<b>Total income</b>		<u>6,029,242</u>	<u>5,449,715</u>
Costs of supported factories		<u>(5,693,114)</u>	<u>(5,223,249)</u>
<b>Net resources available</b>		<u>336,120</u>	<u>226,466</u>
<b>Resources expended</b>			
<i>Direct charitable expenditure</i>			
Benefits to the blind and disabled			
- welfare		62,810	60,230
- hostel		(6,557)	(4,585)
Support costs		55,000	55,000
		<u>111,253</u>	<u>110,645</u>
<i>Management and administration of the charity</i>		<u>56,100</u>	<u>54,500</u>
<b>Resources expended</b>	4	<u>167,353</u>	<u>165,145</u>
<b>Net incoming resources</b>	6	168,777	61,321
<b>Gains/(losses) on investment assets:</b>			
Realised loss on fixed asset investments		-	(20,688)
Unrealised (losses)/gains on listed investments	8	<u>(78,268)</u>	<u>98,330</u>
<b>Net movement in funds</b>		90,509	138,963
Fund balances brought forward at 1 April 2000		<u>3,560,699</u>	<u>3,421,736</u>
<b>Fund balances carried forward at 31 March 2001</b>		<u>3,651,208</u>	<u>3,560,699</u>

All income is from continuing activities. The Company has no recognised gains or losses other than those stated above. The surplus for the year for Companies Act purposes includes realised losses on investments and was £168,777 (2000 - £40,633).

During the year the Company employed 58 (2000 : 57) blind and disabled people in supported factories.

Balance sheet  
As at 31 March 2001

	Notes	2001 £	2000 £
<b>Fixed assets</b>			
Tangible assets	7	1,022,438	1,051,046
Investments	8	2,316,460	2,394,728
		<u>3,338,898</u>	<u>3,445,774</u>
<b>Current assets</b>			
Stocks	9	830,011	871,052
Debtors	10	600,236	657,695
Cash		206,958	3,906
		<u>1,637,205</u>	<u>1,532,653</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(803,976)</u>	<u>(798,142)</u>
<b>Net current assets</b>		<u>833,229</u>	<u>734,511</u>
<b>Total assets less current liabilities</b>		<u>4,172,127</u>	<u>4,180,285</u>
<b>Creditors: amounts falling due after more than one year</b>	12	<u>(418,631)</u>	<u>(522,831)</u>
<b>Deferred income</b>	13	<u>(102,288)</u>	<u>(96,755)</u>
<b>Net assets</b>		<u>3,651,208</u>	<u>3,560,699</u>
<b>General funds</b>			
Realised		2,483,248	2,314,472
Unrealised	8	1,167,960	1,246,227
		<u>3,651,208</u>	<u>3,560,699</u>

The financial statements on pages 8 to 20 were approved by the Council on 26 September 2001.



DF Calow  
Chairman



TB Burton  
Honorary Treasurer

## Cash flow statement

for the year ended 31 March 2001

	Notes	2001 £	2000 £
<b>Net cash inflow/(outflow) from operating activities</b>	16	162,554	(123,225)
Returns on investments and servicing of finance	17	123,999	137,474
Capital expenditure and financial investment	17	(59,730)	135,095
<b>Cash inflow before financing</b>		<u>226,823</u>	<u>149,344</u>
Financing	17	(21,900)	136,676
<b>Increase in cash in the year</b>	18	<u>204,923</u>	<u>286,020</u>

## Notes to the financial statements

For the year ended 31 March 2001

### 1 Accounting policies

#### a) Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of fixed asset investments which are included on a market value basis. The accounts, have been prepared in accordance with the 'Statement of Recommended Practice - Accounting by Charities ("SORP")' and applicable accounting standards.

#### b) Company status

The Charity is a company limited by guarantee. The guarantors are the Council members of the General Welfare of the Blind. The liability in respect of the guarantee, as set out in the memorandum, is limited to £1 while a person is a Council member and for up to one year after ceasing to be a member. The Charity has availed itself of Paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the company's activities.

#### c) Fund accounting

General funds are available for use at the discretion of the Council in furtherance of the general objectives of the Charity.

All income and expenditure is shown in the Statement of Financial Activities.

#### d) Sales from supported factories

Sales represents the amount receivable for goods and services provided in the normal course of trading net of trade discounts, VAT and other sales related taxes.

#### e) Capitations

Capitations are received from local authorities in respect of blind and disabled employees and are credited in the period to which they relate.

#### f) Donations and legacies

Donations, legacies and other voluntary income are recognised on a receivable basis when the Council consider that such recognition is prudent and practicable and conditions for receipt have been met.

#### g) Resources expended

The cost headings comprise expenditure, including staff costs, directly attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with use of the resources and the number of employees involved.

Central overheads are allocated on the basis of their use with the aim of ensuring that those costs remaining within administration relate to the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements.

#### h) Investments

Investments are stated at market value. Market value of listed investments is taken to be the middle market price ruling at the balance sheet date. The freehold investment property is valued at open market value.

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### i) *Tangible fixed assets and depreciation*

Tangible fixed assets are stated at cost including any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis at the following annual rates:

Freehold buildings	-	at varying rates between 0.5% and 1.5%
Leasehold buildings	-	life of lease
Plant and machinery	-	10%
Motor vehicles	-	25%
Computer equipment	-	20%

#### j) *Stocks*

Raw material and finished goods stocks are valued at the lower of cost and net realisable value. Cost in relation to manufactured products is the cost of labour and materials with a proportion of overhead expended added where appropriate.

#### k) *Pension costs*

The regular cost of providing pension and related benefits is charged to the statement of financial activities over the employees' service lives on the basis of a constant percentage of earnings. Variations from regular cost, arising from periodic actuarial valuations are allocated over the expected remaining service lives of current employees on the basis of a constant percentage of current and estimated future earnings. Any difference between the charge to the statement of financial activities and the contributions payable to the scheme is shown as an asset or a liability in the balance sheet.

#### l) *Finance and operating leases*

Rentals applicable to operating leases are charged to the statement of financial activities over the period in which the cost is incurred.

Assets purchased under finance lease are capitalised in fixed assets. Obligations under such agreements are included in creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance charges.

Finance charges are written-off over the period of the lease so as to produce a constant periodic rate of charge on fixed interest contracts.

#### m) *Capital grants from the Employment Service*

Grants are receivable from the Employment Service in respect of certain plant and machinery. They are subject to conditions laid down by the Service and are repayable on a diminishing basis within five years of receipt if the plant and machinery in question is sold. These grants are released to the statement of financial activities in equal and annual instalments in line with the reduction in amount repayable if the plant were to be sold.

## Notes to the financial statements (continued)

### 2 Donations and legacies

	2001 £	2000 £
Greater London Fund for the Blind	56,728	47,350
Legacies	50,255	77,556
Other donations	11,942	5,582
	<u>118,925</u>	<u>130,488</u>

### 3 Investment income

	2001 £	2000 £
Dividends receivable	<u>17,500</u>	<u>16,310</u>

### 4 Total resources expended

	Staff costs £	Other costs £	Allocated costs £	Total 2001 £	Total 2000 £
Benefits to the blind and disabled					
- welfare	14,090	48,718	-	62,808	60,230
- hostel	-	(6,557)	-	(6,557)	(4,585)
Support costs	-	5,000	50,000	55,000	55,000
Management and administration of the charity	241,628	244,840	(430,368)	56,100	54,500
	<u>255,718</u>	<u>292,001</u>	<u>(380,368)</u>	<u>167,351</u>	<u>165,145</u>
Costs from supported factories	1,165,201	4,157,545	380,368	5,693,114	5,223,249
Total resources expended	<u>1,410,919</u>	<u>4,449,546</u>	<u>-</u>	<u>5,860,465</u>	<u>5,388,394</u>

### 5 Staff costs

	2001 £	2000 £
Wages and salaries	1,255,914	1,330,214
Social security costs	87,248	93,645
Pension costs	67,757	68,601
	<u>1,410,919</u>	<u>1,492,460</u>

One employee earned between £50,000 and £55,000 (2000: 1).

## Notes to the financial statements (continued)

### 5 Staff costs (continued)

The average number of employees, analysed by function was:

	2001 Number	2000 Number
Production	86	90
Sales	7	5
Welfare	1	1
Management and administration of the charity	4	4
	<u>98</u>	<u>100</u>

### 6 Net incoming resources is stated after charging/(crediting):

	2001 £	2000 £
Depreciation		
- Hire purchase assets	10,013	10,616
- other	79,061	76,498
Grants from the Employment Services released from reserves	(25,246)	(17,094)
Surplus on sale of tangible fixed assets	(736)	(17,435)
Auditors' remuneration	15,500	18,000
Hire purchase interest	1,627	1,892
Operating lease rentals		
- plant and machinery	38,336	32,147
- land and buildings	95,100	132,227
Interest on bank loans falling due after more than five years	2,579	5,009
Interest on other bank loans and overdrafts	<u>24,204</u>	<u>31,259</u>

# Notes to the financial statements (continued)

## 7 Tangible fixed assets

	Freehold land £	Freehold building £	Short leasehold £	Long leasehold £	Plant and machinery £	Total £
<b>Cost</b>						
1 April 2000	11,040	12,184	43,272	835,456	777,123	1,679,075
Additions	-	-	-	-	64,480	64,480
Disposals	-	-	-	-	(120,998)	(120,998)
<b>31 March 2001</b>	<b>11,040</b>	<b>12,184</b>	<b>43,272</b>	<b>835,456</b>	<b>720,605</b>	<b>1,622,557</b>
<b>Depreciation</b>						
1 April 2000	-	5,997	24,635	168,170	429,227	628,029
Charge for year	-	150	4,970	9,813	74,141	89,074
Disposals	-	-	-	-	(116,984)	(116,984)
<b>31 March 2001</b>	<b>-</b>	<b>6,147</b>	<b>29,605</b>	<b>177,983</b>	<b>386,384</b>	<b>600,119</b>
<b>Net book value</b>						
<b>at 31 March 2001</b>	<b>11,040</b>	<b>6,037</b>	<b>13,667</b>	<b>657,473</b>	<b>334,221</b>	<b>1,022,438</b>
at 31 March 2000	11,040	6,187	18,637	667,286	347,896	1,051,046

Plant and machinery includes assets with a net book value of £12,565 (2000 - £26,591) held under hire purchase agreements.

## 8 Fixed asset investments

	Listed investments £	Freehold property - Wigan £	Bank deposits £	Total £
Market value as at 1 April 2000	842,054	1,550,000	2,674	2,394,128
Additions	2,007	-	(2,007)	-
Net investment losses	(78,268)	-	-	(78,268)
<b>Market value as at 31 March 2001</b>	<b>765,793</b>	<b>1,550,000</b>	<b>667</b>	<b>2,316,460</b>
<b>Historical cost as at 31 March 2001</b>	<b>(631,583)</b>	<b>(516,250)</b>	<b>(667)</b>	<b>(1,148,500)</b>
Unrealised gains at 31 March 2001	134,210	1,033,750	-	1,167,960
Unrealised gains at 31 March 2000	(212,478)	(1,033,750)	-	(1,246,228)
Net investment losses	(78,268)	-	-	(78,268)
<b>Historical cost as at 31 March 2000</b>	<b>629,576</b>	<b>516,250</b>	<b>2,674</b>	<b>1,148,500</b>
<b>Market value of listed investments:-</b>	<b>£</b>			
Charities Aid Foundation	765,793			



## Notes to the financial statements (continued)

### 9 Stocks

	2001 £	2000 £
Raw materials and consumables	261,771	336,906
Finished goods	558,240	534,146
	<u>830,011</u>	<u>871,052</u>

### 10 Debtors

	2001 £	2000 £
Trade debtors	551,749	627,823
Other debtors	28,545	20,468
Prepayments and accrued income	19,942	9,404
	<u>600,236</u>	<u>657,695</u>

### 11 Creditors: amounts falling due within one year

	2001 £	2000 £
Bank loans and overdraft (See note 12)	100,350	40,942
Trade creditors	411,201	429,358
Other creditors	169,736	173,132
Grants repayable	-	7,800
Other taxes and social security	80,311	96,758
Accruals	37,992	36,008
Hire purchase agreements	4,386	14,144
	<u>803,976</u>	<u>798,142</u>

## Notes to the financial statements (continued)

### 12 Creditors: amounts falling due after more than one year

	2001 £	2000 £
Bank loan	222,381	326,581
Interest free loan from the Employment Service	196,250	196,250
	<u>418,631</u>	<u>522,831</u>
Bank loan		
The loan is repayable as follows:		
Between two and five years	222,381	198,980
More than five years	-	127,601
	<u>222,381</u>	<u>326,581</u>
Within one year	100,350	39,071
	<u>322,731</u>	<u>365,652</u>

The Barclays Bank plc loan is secured by way of a fixed charge over the company's listed investments and is for a period of 5 years. The charge which also covers the short term overdraft facilities, requires the minimum value of the listed investments to be greater than £400,000. It is repayable by monthly instalments to include capital and interest. Interest is charged at 1.5% above base rate, subject to a minimum of 5.5%. It is anticipated that the loan will be repaid within 3 years.

The interest free loan from the Employment Service is repayable in the event of the premises at Ashburton Grove ceasing to be utilised for supported employment.

### 13 Deferred income

	2001 £	2000 £
Capital grants from the Employment Service		
At 1 April 2000	96,755	76,676
Received in the year	30,779	54,413
Released to Statement of Financial Activities	(25,246)	(17,094)
Repayable to Employment Service	-	(17,240)
At 31 March 2001	<u>102,288</u>	<u>96,755</u>

## Notes to the financial statements (continued)

### 14 Financial commitments

#### i) Capital commitments

There was no capital expenditure authorised and contracted for at the year end (2000: nil).

#### ii) Operating leases

Annual commitments under non cancellable operating leases are as follows:

	2001		2000	
	Land and buildings £	Other £	Land and buildings £	Other £
Expiring:				
Within one year	-	3,507	-	16,217
In second to fifth years inclusive	60,500	19,087	60,100	20,121
After five years	35,000	1,160	35,000	-
	<u>95,100</u>	<u>23,754</u>	<u>95,100</u>	<u>36,338</u>

Leases of land and buildings are subject to regular rent reviews.

### 15 Pension costs

The Company operates a defined benefit final salary pension scheme for all permanent employees, the assets of which are held in a separate trustee administered fund. The funding of this scheme and the Company's pension cost are both determined based on advice provided by a professionally qualified actuary. The Company's pensions costs for the year were £67,757 (2000 - £68,601) and were assessed using the Projected Unit Method together with the actuarial assumptions detailed below.

The pension scheme was formally valued at 1 April 1998 using the Projected Unit Method and assumed rates of investment return, earnings increases and pension increases in payment of 8.5%, 6.5% and 4.0% respectively. This valuation revealed that the scheme had assets with a market value of £8,316,000 and was funded to the extent of 118% of its liabilities on an on-going basis. As a result of the valuation, the Company contributes to the scheme at the recommended rate of 7.1% of pensionable salaries.

# Notes to the financial statements (continued)

## 16 Reconciliation of net incoming resources to operating cash flows

	2001 £	2000 £
Changes in resources before revaluation	168,777	40,633
Depreciation	89,074	87,114
Interest paid	26,783	36,266
Loss on sale of fixed asset investments	-	20,688
Rents received	(133,711)	(159,321)
Grant amortised	(25,246)	(17,094)
Profit on sale of tangible fixed assets	(736)	(17,433)
Dividend and interest income	(18,698)	(16,310)
(Increase)/decrease in stocks	41,041	(1,090)
Decrease in debtors	57,459	164,257
Decrease in creditors	(43,816)	(262,826)
Interest element of hire purchase payment	1,627	1,891
<b>Net cash inflow/(outflow) from operating activities</b>	<b>162,554</b>	<b>(123,225)</b>

## 17 Analysis of cashflows for headings netted in the cashflow statement

	2001 £	2000 £
<b>Returns on investments and servicing of finance</b>		
Dividend and interest income	18,698	16,310
Interest paid	(26,783)	(36,266)
Rents received	133,711	159,321
Interest element of hire purchase	(1,627)	(1,891)
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b>123,999</b>	<b>137,474</b>
<b>Capital expenditure and financial investment</b>		
Sale of fixed asset investments	-	209,312
Purchase of tangible fixed assets	(64,480)	(100,617)
Sale of tangible fixed assets	4,750	26,400
<b>Net cash (outflow)/inflow for capital expenditure and financial investment</b>	<b>(59,730)</b>	<b>135,095</b>
<b>Financing</b>		
(Repayment)/increase of secured loan	(42,921)	100,381
Capital element of finance lease rental payments	(9,758)	(878)
Grants received	30,799	54,413
Grants repayable	-	(17,240)
<b>Net cash (outflow)/inflow from financing</b>	<b>(21,900)</b>	<b>136,676</b>

## Notes to the financial statements (continued)

### 18 Analysis of net debt

	At 1 April 2000 £	Cashflow £	At 31 March 2001 £
Cash in hand, at bank	3,906	203,052	206,958
Bank overdraft	(1,871)	1,871	-
	<u>2,035</u>	<u>204,923</u>	<u>206,958</u>
Debt due after one year	(522,831)	104,200	(418,631)
Debt due within one year	(39,071)	(61,279)	(100,350)
Finance leases	(14,144)	9,758	(4,286)
<b>Total</b>	<u>(574,011)</u>	<u>257,602</u>	<u>316,409</u>

2001  
£

2000  
£

### Reconciliation of net cash flow to movement in net debt

Increase in cash in the period	204,923	286,020
Cash outflow/(inflow) from repayment/(increase) of debt and finance leases	52,679	(108,543)
New finance leases	-	9,040
	<u>257,602</u>	<u>186,517</u>
Movement in net debt in the period		
Net debt at 1 April 2000	(574,011)	(760,528)
<b>Net debt at 31 March 2001</b>	<u>(316,409)</u>	<u>(574,011)</u>