

The General Welfare of the Blind

(A registered charity and company limited by guarantee)

Accounts 31 March 2000

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 89th Annual General Meeting of the members of the above Company will be held at the headquarters of the Company at Ashburton Grove on 15 December 2000 at 10.30 a.m. for the following purposes:

- 1 To approve the minutes of the previous Annual General Meeting held on 17 December 1999 (Resolution No.1).
- 2 To approve and adopt the Council's report and annual accounts for the year ended 31 March 2000 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:

T.B. Burton (Resolution No.3).
- 4 To re-appoint Binder Hamlyn 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

11 October 2000

Annual report of the Council

For the year ended 31 March 2000

The Council submits its report together with the audited financial statements for the year ended 31 March 2000.

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 £61,321 (1999 - £1,000,302 outgoing). 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 100 (1999: 148) of whom 57 (1999: 81) 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

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Binder Hamlyn be re-appointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Council on 11 October 2000.



TB Burton

Council Member

Chairman's statement

For the year ended 31 March 2000

The year 2000 will certainly be remembered as one which could well have a long term effect on GWB.

Having successfully dealt with the closure of our facility in Luton in 1999, particularly in relation to our blind and disabled employees, the year under review has been dominated by the Government's proposals for modernising supported employment and also the proposed development of our London factory site at Ashburton Grove to provide a new football stadium for Arsenal FC. I personally regard the former as negative and the latter as positive.

The ideas which the Government propose to implement, apart from imposing a vastly increased administrative and financial burden on supported factories such as GWB, are geared to moving, on a progressive basis, employees into open employment, thus attacking the very fabric and rationale for our existence in the long term. There seems to be little, indeed no sensitivity to the wishes of the employees themselves in the overall scheme of the Government's ideology. Whilst one does not wish to be political in relation to our activities at GWB, it seems quite incredible that a Socialist Government, which for centuries has prided itself on furthering the interests of those in need, should be the authors of such heavy-handed and unfeeling legislation – perhaps they have not actually thought through the ultimate long term effect on enterprises such as GWB, which provide a valuable and economic service to provide blind and disabled people with meaningful employment in an environment in which they feel at ease. Consequently, we believe that our employees contribute to their fullest potential.

The Executive and Council are working with other organisations involved with the blind to provide a co-ordinated approach to the Government and we are of course in touch with MP's within the major parties. The long term result of the Government's plans as they currently exist, is that GWB will be faced with a reducing blind and disabled work force, thus undermining the very purpose for which we exist. There has been little or no effort to date to carry out what I would regard as meaningful direct consultation.

On the brighter side the proposed development, if it proceeds, by Arsenal FC to erect a new state of the art stadium in the Ashburton Grove area, will provide GWB with the opportunity to create a new factory and environment for our people which is suitable for the 21st century and which we hope will be tailored more precisely to our current needs. Much work needs to be done, before it will be known whether the development will proceed, but if it does, we could be looking to relocate our principal London factory in mid-2002 – not too far away.

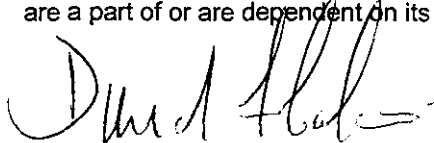
All of our executives and employees have done a tremendous job in the year. One would have hoped that having successfully implemented the closure of Luton, the year could have been spent on concentrating on the trading aspects of our operations. As this report shows this has not been the case. One of the most positive aspects of the year has been the way in which our Direct Sales Organisation has developed under the stewardship of Chris Sylvester, Graham Robinson our Chief Executive and the managers in the field throughout the United Kingdom. The successful introduction and development of the telephone sales activities has provided GWB with a fast growing business activity and much thought and effort is going into securing the successful future development of selling products manufactured in our factory in London through telephone sales throughout the country. Previously this was done by "door to door" selling.

Chairman's statement (continued)

As a result of the income generated from our investments and our properties in Wigan, our financial position remains acceptable and all at GWB will be doing their utmost to manage our business and finances as effectively as possible in what could be two quite difficult years ahead.

I am fortunate in my time as Chairman of GWB of always having been in a position to express gratitude to the executives who work full time for GWB for their expertise and contribution to the overall operation of the business for the benefit of our blind and disabled employees. This year is certainly no exception and I personally look forward in the forthcoming immediate years in working with them so that hopefully, together we will be able to steer GWB through the mountainous issues which confront us. However, I would like to express gratitude also to my colleagues on the Council, who work so closely together as a united team. Given the issues referred to in this report the contribution and time which they have to devote to our activities is vastly increased and as a team with their respective expertise and experience I believe that the blend of the Council working with Graham Robinson to be very effective.

These will be difficult times for GWB – we have had them before but I believe that with the full co-operation of all concerned and our outside advisers, we will deal with them so as to achieve the best solution for GWB and all who are a part of or are dependent on its continued success.

A handwritten signature in black ink, appearing to read 'DF Calow', written in a cursive style.

DF Calow

11 October 2000



ARTHURANDERSEN

Binder Hamlyn

20 Old Bailey
London
EC4M 7BH

Tel 020 7489 9000
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Auditors' report

We have audited the financial statements on pages 8 to 22 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 12 to 14.

Respective responsibilities of Council Members and auditors

As described 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 2000 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

11 October 2000

Statement of financial activities

For the year ended 31 March 2000

	Notes	2000 £	1999 £
Incoming resources			
Sales from supported factories - continuing activities		4,405,164	4,080,966
- discontinued activities		-	2,323,187
Capitations - continuing activities		720,997	705,726
- discontinued activities		-	227,100
Donations and legacies	2	130,488	162,310
Rental income		159,321	195,885
Investment income	3	16,310	29,489
Profit on sale of fixed assets		17,435	3,000
Total income		<u>5,449,715</u>	<u>7,727,663</u>
Costs of supported factories - continuing activities		(5,223,249)	(4,933,376)
- discontinued activities			(2,742,405)
Exceptional items	4	-	(832,080)
Net resources available/(absorbed)		<u>226,466</u>	<u>(780,198)</u>
Resources expended			
<i>Direct charitable expenditure</i>			
Benefits to the blind and disabled			
- welfare		60,230	96,556
- hostel		(4,585)	15,648
Support costs		55,000	55,000
		<u>110,645</u>	<u>167,204</u>
<i>Other expenditure</i>			
Management and administration of the charity		54,500	52,900
Resources expended	4	<u>165,145</u>	<u>220,104</u>
Net incoming/(outgoing) resources (carried forward)	6	<u>61,321</u>	<u>(1,000,302)</u>

Statement of financial activities (continued)

For the year ended 31 March 2000

	Notes	2000 £	1999 £
Net incoming/(outgoing) resources (brought forward)		61,321	(1,000,302)
Gains/(losses) on investment assets:			
Realised loss on fixed asset investments		(20,688)	-
Realised gains on listed investments		-	29,363
		<hr/> 40,633	<hr/> (970,939)
Unrealised gains on listed investments	8	98,330	39,603
Revaluation loss on investment properties		-	(200,000)
Revaluation of hostel		-	215,208
		<hr/> 138,963	<hr/> (916,128)
Net movement in funds		138,963	(916,128)
Fund balances brought forward at 1 April 1999		3,421,736	4,337,864
		<hr/> 3,560,699	<hr/> 3,421,736
Fund balances carried forward at 31 March 2000		<hr/> 3,560,699	<hr/> 3,421,736

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 £40,633 (1999 - £970,939 deficit).

Balance sheet
As at 31 March 2000

	Notes	2000 £	1999 £
Fixed assets			
Tangible assets	7	1,051,046	1,046,508
Investments	8	2,394,728	2,526,398
		<u>3,445,774</u>	<u>3,572,906</u>
Current assets			
Stocks	9	871,052	869,962
Debtors	10	657,695	821,952
Cash		3,906	3,991
		<u>1,532,653</u>	<u>1,695,905</u>
Creditors: amounts falling due within one year	11	(798,142)	(1,334,199)
Net current assets		<u>734,511</u>	<u>361,706</u>
Total assets less current liabilities		4,180,285	3,934,612
Creditors: amounts falling due after more than one year	12	(522,831)	(436,200)
Deferred income	13	(96,755)	(76,676)
Net assets		<u>3,560,699</u>	<u>3,421,736</u>
General funds			
Realised		2,314,472	2,058,631
Unrealised	8	1,246,227	1,393,105
		<u>3,560,699</u>	<u>3,421,736</u>

The financial statements on pages 9 to 22 were approved by the Council on 11 October 2000.

DF Calow
Chairman



TB Burton
Honorary Treasurer

Cash flow statement
for the year ended 31 March 2000

	Notes	2000 £	1999 £
Net cash outflow from operating activities	16	(123,225)	(25,300)
Returns on investments and servicing of finance	17	137,474	148,871
Capital expenditure and financial investment	17	135,095	265,150
Cash inflow before financing		149,344	388,721
Financing	17	136,676	(142,935)
Increase in cash in the year	18	286,020	245,786

Notes to the financial statements

For the year ended 31 March 2000

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) Foreign currencies

Transactions in foreign currencies are converted at the exchange rate ruling at the time of the transaction.

h) 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.

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) *Investments*

Investments are stated at market value. Market value is taken to be the middle market price ruling at the balance sheet date.

k) *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.

l) *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.

m) *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.

Notes to the financial statements (continued)

1 Accounting policies (continued)

n) 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.

2 Donations and legacies

	2000 £	1999 £
Greater London Fund for the Blind	47,350	41,590
Legacies	77,556	115,255
Other donations	5,582	5,465
	<u>130,488</u>	<u>162,310</u>

3 Investment income

	2000 £	1999 £
Dividends receivable	<u>16,310</u>	<u>29,489</u>

4 Total resources expended

	Staff costs £	Other costs £	Allocated costs £	Total 2000 £	Total 1999 £
Benefits to the blind and disabled					
- welfare	19,590	40,640	-	60,230	96,556
- hostel	-	(4,585)	-	(4,585)	15,648
Support costs	-	5,000	50,000	55,000	55,000
Management and administration of the charity	228,970	225,555	(400,025)	54,500	52,900
Net exceptional costs	-	-	-	-	832,080
	<u>248,560</u>	<u>266,610</u>	<u>(350,025)</u>	<u>165,145</u>	<u>1,052,184</u>
Costs from supported factories	<u>1,243,900</u>	<u>3,629,324</u>	<u>350,025</u>	<u>5,223,249</u>	<u>7,675,781</u>
Total resources expended	<u>1,492,460</u>	<u>3,895,934</u>	<u>-</u>	<u>5,388,394</u>	<u>8,727,965</u>

The net exceptional costs in 1999 related to the closure of the Luton factory, where the discontinued activities had been undertaken.

Notes to the financial statements (continued)

5 Staff costs

	2000 £	1999 £
Wages and salaries	1,330,214	1,979,944
Social security costs	93,645	142,069
Pension costs	68,601	104,113
Redundancy costs	-	131,210
	<u>1,492,460</u>	<u>2,357,336</u>

One employee earned between £50,000 and £55,000 (1999: 1).

The average number of employees, analysed by function was:

	2000 Number	1999 Number
Production	90	136
Sales	5	5
Welfare	1	2
Management and administration of the charity	4	5
	<u>100</u>	<u>148</u>

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

	2000 £	1999 £
Depreciation		
- Hire purchase assets	10,616	7,791
- other	76,498	194,680
Grants from the Employment Services released from reserves	(17,094)	(133,491)
Surplus on sale of tangible fixed assets	(17,435)	(3,000)
Auditors' remuneration	18,000	18,000
Hire purchase interest	1,892	2,087
Operating lease rentals		
- plant and machinery	32,147	29,317
- land and buildings	132,227	254,421
Interest on bank loans falling due after more than five years	5,009	7,119
Interest on other bank loans and overdrafts	<u>31,259</u>	<u>67,297</u>

Notes to the financial statements (continued)

7 Tangible fixed assets

	Freehold land £	Freehold building £	Short leasehold £	Long leasehold £	Plant and machinery £	Total £
Cost						
1 April 1999	11,040	12,184	43,272	835,456	769,435	1,671,387
Additions	-	-	-	-	100,617	100,617
Disposals	-	-	-	-	(92,929)	(92,929)
31 March 2000	11,040	12,184	43,272	835,456	777,123	1,679,075
Depreciation						
1 April 1999	-	5,847	19,666	158,357	441,009	624,879
Charge for year	-	150	4,969	9,813	72,182	87,114
Disposals	-	-	-	-	(83,964)	(83,964)
31 March 2000	-	5,997	24,635	168,170	429,227	628,029
Net book value at 31 March 2000	11,040	6,187	18,637	667,286	347,896	1,051,046
At 31 March 1999	11,040	6,337	23,606	677,099	328,426	1,046,508

Plant and machinery includes assets with a net book value of £26,591 (1999 - £22,141) held under hire purchase agreements.

Notes to the financial statements (continued)

8 Fixed asset investments

	Listed investments £	Freehold property - Wigan £	Freehold property - Luton £	Bank deposits £	Total £
Market value as at 1 April 1999	743,723	1,550,000	230,000	2,675	2,526,398
Additions	-	-	-	-	-
Disposals	-	-	(230,000)	-	(230,000)
Net investment gains	98,330	-	-	-	98,330
Market value as at 31 March 2000	842,053	1,550,000	-	2,675	2,394,728
Historical cost as at 31 March 2000	629,576	516,250	-	2,675	1,148,501
Unrealised gains at 31 March 2000	212,477	1,033,750	-	-	1,246,227
Unrealised gains at 31 March 1999	114,147	1,033,750	-	-	1,147,897
Net investment gains	98,330	-	-	-	98,330
Historical cost as at 31 March 1999	629,576	516,250	14,792	2,675	1,163,293
Market value of listed investments:-	£				
Charities Aid Foundation	842,053				

9 Stocks

	2000 £	1999 £
Raw materials and consumables	336,906	399,549
Finished goods	534,146	470,413
	<u>871,052</u>	<u>869,962</u>

10 Debtors

	2000 £	1999 £
Trade debtors	627,823	714,674
Other debtors	20,468	80,274
Prepayments and accrued income	9,404	27,004
	<u>657,695</u>	<u>821,952</u>

Notes to the financial statements (continued)

11 Creditors: amounts falling due within one year

	2000 £	1999 £
Bank loans and overdraft (See note 12)	40,942	313,297
Trade creditors	429,358	557,782
Other creditors	173,132	206,333
Grants repayable	7,800	40,120
Other taxes and social security	96,758	88,628
Accruals	36,008	113,017
Hire purchase agreements	14,144	15,022
	<u>798,142</u>	<u>1,334,199</u>

12 Creditors: amounts falling due after more than one year

	2000 £	1999 £
Bank loan	326,581	239,950
Interest free loan from the Employment Service	196,250	196,250
	<u>522,831</u>	<u>436,200</u>
Bank loan		
The loan is repayable as follows:		
Between two and five years	198,980	129,280
More than five years	127,601	110,670
	<u>326,581</u>	<u>239,950</u>
Within one year	39,071	25,321
	<u>365,652</u>	<u>265,271</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 6 years. The charge which also covers the short term overdraft facilities, requires the minimum value of the listed investments to be greater than £600,000. 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%.

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.

Notes to the financial statements (continued)

13 Deferred income

	2000 £	1999 £
Capital grants from the Employment Service		
At 1 April 1999	76,676	181,525
Received in the year	54,413	68,762
Released to Statement of Financial Activities	(17,094)	(133,491)
Repayable to Employment Service	(17,240)	(40,120)
At 31 March 2000	<u>96,755</u>	<u>76,676</u>

14 Financial commitments

i) Capital commitments

There was no capital expenditure authorised and contracted for at the year end (1999: nil).

ii) Operating leases

Annual commitments under non cancellable operating leases are as follows:

	2000		1999	
	Land and buildings £	Other £	Land and buildings £	Other £
Expiring:				
Within one year	-	16,217	21,250	-
In second to fifth years inclusive	60,100	20,121	60,100	28,051
After five years	35,000	-	35,000	-
	<u>95,100</u>	<u>36,338</u>	<u>116,350</u>	<u>28,051</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 £68,601 (1999 - £104,113) 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

Notes to the financial statements (continued)

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.

16 Reconciliation of net incoming/(outgoing) resources to operating cash flows

	2000 £	1999 £
Changes in resources before revaluation	40,633	(970,939)
Depreciation	87,114	202,471
Interest paid	36,266	74,416
Profit/(loss) on sale of fixed asset investments	20,688	(29,363)
Rents received	(159,321)	(195,885)
Grant amortised	(17,094)	(133,491)
Profit on sale of tangible fixed assets	(17,433)	(3,000)
Dividend and interest income	(16,310)	(29,489)
(Increase)/decrease in stocks	(1,090)	228,963
Decrease in debtors	164,257	507,829
Decrease in creditors	(262,826)	(286,259)
Interest element of hire purchase payment	1,891	2,087
Loss on sale of tangible fixed assets	-	607,360
Net cash outflow from operating activities	(123,225)	(25,300)

Notes to the financial statements (continued)

17 Analysis of cashflows for headings netted in the cashflow statement

	2000 £	1999 £
Returns on investments and servicing of finance		
Dividend and interest income	16,310	29,489
Interest paid	(36,266)	(74,416)
Rents received	159,321	195,885
Interest element of hire purchase	(1,891)	(2,087)
Net cash inflow for returns on investments and servicing of finance	137,474	148,871
Capital expenditure and financial investment		
Purchase of fixed asset investments	-	(139,675)
Sale of fixed asset investments	209,312	538,234
Purchase of tangible fixed assets	(100,617)	(136,409)
Sale of tangible fixed assets	26,400	3,000
Net cash inflow for capital expenditure and financial investment	135,095	265,150
Financing		
Debt due beyond a year	-	(130,877)
Increase/(repayment) of secured loan	100,381	(42,376)
Capital element of finance lease rental payments	(878)	1,676
Grants received	54,413	68,762
Grants repayable	(17,240)	(40,120)
Net cash inflow/(outflow) from financing	136,676	(142,935)

18 Analysis of net debt

	At 1 April 1999 £	Cashflow £	At 31 March 2000 £
Cash in hand, at bank	3,991	(85)	3,906
Bank overdraft	(287,976)	286,105	(1,871)
	(283,985)	286,020	2,035
Debt due after one year	(436,200)	(86,631)	(522,831)
Debt due within one year	(25,321)	(13,750)	(39,071)
Finance leases	(15,022)	878	(14,144)
Total	(760,528)	186,517	(574,011)

Notes to the financial statements (continued)

18 Analysis of net debt (continued)

	2000 £	1999 £
Reconciliation of net cash flow to movement in net debt		
Increase in cash in the period	286,020	245,786
Cash (inflow)/outflow from (increase)/repayment of debt and finance leases	(108,543)	154,935
New finance leases	9,040	16,642
	<hr/>	<hr/>
Movement in net debt in the period	186,517	417,363
Net debt at 1 April 1999	(760,528)	(1,177,891)
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Net debt at 31 March 2000	(574,011)	(760,528)