

5.16.04
Registered no. 2172956

THE HELPING HAND COMPANY (LEDBURY) LIMITED

ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004



**TEE AND COMPANY
CHARTERED ACCOUNTANTS
6 BRUNSWICK SQUARE
GLOUCESTER
GL1 1UG**

THE HELPING HAND COMPANY (LEDBURY) LIMITED

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THE HELPING HAND COMPANY (LEDBURY) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2004

The directors present their report and the financial statements of the company for the year ended 30 June 2004.

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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

G H James
Mrs H J James
AJ Wilson

Secretary

Mrs H J James

Registered Office

6 Brunswick Square
Gloucester
GL1 1UG

Principal Activities

The principal activities of the company during the year were the manufacture and supply of reaching aids for both the daily living and litter clearance markets and the manufacture and supply of specialist chairs and hoists for the disabled.

Review of Business

The results for the year and the financial position at the year end were considered satisfactory by the directors.

Future Developments

The directors aim to maintain the management policies which have resulted in the company's substantial growth in recent years. They consider that the current year will show a further significant growth in sales.

Research and Development

The company will continue its policy of investment in research and development in order to retain a competitive position in the market.

THE HELPING HAND COMPANY (LEDBURY) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2004 (CONT)

Results and Dividends

The results of the year's trading and the financial position of the company are shown in the annexed accounts.

The company's profit for the year, after taxation, amounted to £76,389 (2003 - £157,487).

The directors recommend that no dividend be paid.

Directors

The present directors are as shown above. All served on the board throughout the year.

The company's Articles of Association do not require directors to retire by rotation.

Directors' Interests

The interests of the directors in the shares of the company at the beginning and end of the year, were as follows:

	30 June 2004	1 July 2003
G H James Beneficial interests	1	1
Mrs H J James Beneficial interests	1	1
A J Wilson Beneficial interests	1,000	1,000
G H James and Mrs H J James Beneficial interests	8,998	8,998

Auditors

The auditors, Tee and Company, have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

ON BEHALF OF THE BOARD


G H JAMES - DIRECTOR

Date: 4 Nov 04

THE HELPING HAND COMPANY (LEDBURY) LIMITED

AUDITORS' REPORT TO THE HELPING HAND COMPANY (LEDBURY) LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 23 for the year ended 30 June 2004 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies 1985, and the abbreviated accounts on pages 4 to 23 properly prepared in accordance with that provision.

TEE AND COMPANY
Registered Auditors

Date: 5 March 2004

CHARTERED ACCOUNTANTS
6 BRUNSWICK SQUARE
GLOUCESTER
GL1 1UG

THE HELPING HAND COMPANY (LEDBURY) LIMITED

ABBREVIATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 £	2003 £
GROSS PROFIT		3,708,920	3,425,663
Net operating expenses	2	3,447,928	3,201,733
OPERATING PROFIT	3	260,992	223,930
Exceptional items	5	(118,579)	9,748
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		142,413	233,678
Other interest receivable and similar income		4,114	-
Interest payable and similar charges	6	(59,920)	(46,454)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		86,607	187,224
Tax on profit on ordinary activities	7	10,218	29,737
RETAINED PROFIT FOR THE FINANCIAL YEAR		76,389	157,487
Retained profit brought forward		1,010,123	852,636
RETAINED PROFIT CARRIED FORWARD		1,086,512	1,010,123

The company's turnover and expenses all relate to continuing operations.

There are no recognised gains or losses other than the profit for the financial year shown above.

The annexed notes form part of these abbreviated accounts.

THE HELPING HAND COMPANY (LEDBURY) LIMITED

ABBREVIATED BALANCE SHEET AT 30 JUNE 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Intangible assets	8	3,651	-
Tangible assets	9	1,377,912	1,249,991
Investments	10	28,213	28,213
		<u>1,409,776</u>	<u>1,278,204</u>
CURRENT ASSETS			
Stocks	11	685,696	591,867
Debtors	12	1,528,589	1,388,484
Cash at bank and in hand		111,600	114,464
		<u>2,325,885</u>	<u>2,094,815</u>
CREDITORS			
Amounts falling due within one year	13	1,648,972	1,398,318
NET CURRENT ASSETS		<u>676,913</u>	<u>696,497</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,086,689</u>	<u>1,974,701</u>
CREDITORS			
Amounts falling due after more than one year	14	943,864	908,617
PROVISIONS FOR LIABILITIES AND CHARGES	15	(17,313)	(16,961)
NET ASSETS		<u><u>1,125,512</u></u>	<u><u>1,049,123</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	10,000	10,000
Share premium account		29,000	29,000
Profit and loss account		1,086,512	1,010,123
SHAREHOLDERS' FUNDS	17	<u><u>1,125,512</u></u>	<u><u>1,049,123</u></u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

These financial statements were approved by the board on 4 Nov 04
ON BEHALF OF THE BOARD

G H James
G H JAMES - DIRECTOR

The annexed notes form part of these financial statements.

THE HELPING HAND COMPANY (LEDBURY) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 £	2003 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	23	247,461	249,663
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	4,114	-	
Interest paid	(46,395)	(35,825)	
Interest element of finance lease rental payments	(13,525)	(10,629)	
		(55,806)	(46,454)
		(20,576)	(55,889)
TAXATION			
CAPITAL EXPENDITURE			
Payments to acquire fixed assets	(307,846)	(218,185)	
Receipts from sales of fixed assets	5,060	8,809	
		(302,786)	(209,376)
		(131,707)	(62,056)
FINANCING			
New bank loans	200,000	200,000	
Repayments of loans	(85,262)	(47,911)	
Capital element of finance lease repayments	(104,088)	(74,368)	
		10,650	77,721
(DECREASE) INCREASE IN CASH	24	(121,057)	15,665

The annexed notes form part of these financial statements.

THE HELPING HAND COMPANY (LEDBURY) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2004

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Consolidation

The parent company and its subsidiary undertaking comprise a medium sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention.

The effect of events in relation to the year ended 30 June 2004 which occurred 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 fair view of the state of affairs at 30 June 2004 and of the results for the year ended on that date.

Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Freehold buildings	- 1% per annum of cost
Plant and machinery	- 20 - 25% per annum of cost
Motor vehicles	- 25% per annum of cost

Intangible Fixed Assets

Patents and trademarks are amortised through the profit and loss account in equal instalments over their estimated useful lives.

Stocks

Stocks and work in progress have been valued at the lower of cost and net realisable value; in respect of finished goods, cost includes a relevant proportion of overheads according to the stage of manufacturing/completion.

Deferred Taxation

Deferred taxation is accounted for in accordance with the requirements of FRS19.

Research and Development

Expenditure on research and development is written off against profits for the year in which it is incurred.

THE HELPING HAND COMPANY (LEDBURY) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2004 (CONT)

Foreign Exchange

Transactions denominated in foreign currencies are translated into sterling and recorded at an approximate rate of exchange at the date of the transaction.

Balances at the year end denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the balance sheet date.

Leasing

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension Costs

The company operates a pension scheme for the benefit of certain of its employees. The scheme is a defined contribution scheme, and the contributions are charged against profits as they are paid.

2. NET OPERATING EXPENSES

	2004 £	2003 £
Administrative expenses	3,453,334	3,242,165
Other operating income	(5,406)	(40,432)
	<u>3,447,928</u>	<u>3,201,733</u>

THE HELPING HAND COMPANY (LEDBURY) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2004 (CONT)

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2004 £	2003 £
Directors' emoluments	112,258	108,857
Directors' pension contributions in respect of money purchase benefits	3,565	3,427
Total directors' emoluments	<u>115,823</u>	<u>112,284</u>
Hire of other assets - operating leases	283,541	278,872
Loss/(profit) on sale of fixed assets	380	(901)
Depreciation and amortisation of owned assets	143,777	129,567
Depreciation of assets held under finance leases and hire purchase	88,903	57,362
Auditors' remuneration	4,000	4,000
Foreign currency exchange gains	(30,475)	(36,087)
	<u></u>	<u></u>

THE HELPING HAND COMPANY (LEDBURY) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2004 (CONT)

4. STAFF COSTS

The average number of persons employed by the company, including directors, during the year was as follows:

2004 Number	2003 Number
164	153

The aggregate payroll costs of these persons were as follows:

	2004 £	2003 £
Wages and salaries	2,864,756	2,628,796
Social security	255,040	229,972
Other pension costs	3,565	3,427
	<u>3,123,361</u>	<u>2,862,195</u>

5. EXCEPTIONAL ITEMS

	2004 £	2003 £
This comprises of:		
Computer project costs (net of grant)	118,579	-
Bad debt (recovered)	-	(37,748)
Damages payable	-	28,000
	<u>118,579</u>	<u>(9,748)</u>

The computer project costs consist of project management, implementation, support and training costs for a new computer system installed in the year.

Damages payable were in respect of the total uninsured loss of a motor vehicle, which was on contract hire.

THE HELPING HAND COMPANY (LEDBURY) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2004 (CONT)

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2004 £	2003 £
Bank loans and overdrafts	43,521	33,223
Finance charges payable - finance leases and hire purchase	13,525	10,629
Other loan interest	2,874	2,602
	<u>59,920</u>	<u>46,454</u>

THE HELPING HAND COMPANY (LEDBURY) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2004 (CONT)

7. TAXATION

Analysis of charge in period	2004 £	2003 £
Current tax:		
UK corporation tax on profits of the year	9,866	20,576
Total current tax	9,866	20,576
Deferred tax:	352	9,161
Tax on profit on ordinary activities	10,218	29,737

Factors affecting tax charge for the period

The tax assessed for the year is lower than the effective small companies rate of corporation tax in the UK (19%). The differences are explained below:

	2004 £	2003 £
Profit on ordinary activities before tax	86,607	187,224
Profit on ordinary activities multiplied by the small companies rate of corporation tax in the UK of 19% (2003 - 19%)	16,455	35,573
Effects of:		
Expenses not deductible for tax purposes	5,505	5,551
Capital allowances for year in excess of depreciation	1,060	(7,878)
Additional relief for research and development	(13,154)	(9,937)
Adjustments to charge in respect of previous periods	-	(2,733)
Current tax charge for year	9,866	20,576

THE HELPING HAND COMPANY (LEDBURY) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2004 (CONT)

8. INTANGIBLE FIXED ASSETS

	Patents and trademarks £
Cost	
At 1 July 2003	-
Additions	3,651
Disposals	-
At 30 June 2004	<u>3,651</u>
Amortisation	
At 1 July 2003	-
Charge for the year	-
Eliminated on disposals	-
At 30 June 2004	<u>-</u>
Net book value	
At 30 June 2004	<u><u>3,651</u></u>
At 30 June 2003	<u><u>-</u></u>

THE HELPING HAND COMPANY (LEDBURY) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2004 (CONT)

9. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 July 2003	705,231	1,521,137	55,389	2,281,757
Additions	102,861	195,186	67,994	366,041
Disposals	-	(100,347)	(20,210)	(120,557)
At 30 June 2004	<u>808,092</u>	<u>1,615,976</u>	<u>103,173</u>	<u>2,527,241</u>
Depreciation				
At 1 July 2003	33,029	966,057	32,680	1,031,766
Charge for the year	7,434	205,384	19,862	232,680
Elimination on disposals	-	(98,275)	(16,842)	(115,117)
At 30 June 2004	<u>40,463</u>	<u>1,073,166</u>	<u>35,700</u>	<u>1,149,329</u>
Net book value				
At 30 June 2004	<u>767,629</u>	<u>542,810</u>	<u>67,473</u>	<u>1,377,912</u>
At 30 June 2003	<u>672,202</u>	<u>555,080</u>	<u>22,709</u>	<u>1,249,991</u>
		2004 £	2003 £	
Freehold land and buildings		<u>767,629</u>	<u>672,202</u>	

Included in the total net book value of tangible fixed assets held at 30 June 2004 was £239,928 (2003 - £260,898) in respect of assets held under finance leases and hire purchase contracts.

THE HELPING HAND COMPANY (LEDBURY) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2004 (CONT)

10. INVESTMENTS

Shares in group undertakings

	2004 £
Cost	
At 1 July 2003	70,713
Additions	-
Disposals	(42,500)
	<u>28,213</u>
At 30 June 2004	<u>28,213</u>
Provision	
At 1 July 2003	42,500
During the year	(42,500)
	<u>-</u>
At 30 June 2004	<u>-</u>
Net cost or valuation	<u><u>28,213</u></u>

The company owns more than 20% of the issued share capital of the following companies:

Name	Nature of business	Country of registration	Shares held, class/percentage
Symmetrikit Engineering Limited	Dormant	Great Britain	100 £1 Ordinary (100%)
Innocare B.V.	Supply of disabled aids	Netherlands	9,076 €1 Ordinary (50%)

	Aggregate amount of capital and reserves		Profit (loss) for the year	
	2004	2003	2004	2003
	£	£	£	£
Symmetrikit Engineering Limited	-	-	-	-
Innocare B.V. (year ended 31 December 2003 (2002))	(10,876)	(23,079)	14,316	(29,187)
	<u><u>(10,876)</u></u>	<u><u>(23,079)</u></u>	<u><u>14,316</u></u>	<u><u>(29,187)</u></u>

THE HELPING HAND COMPANY (LEDBURY) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2004 (CONT)

JOINT VENTURE

The Helping Hand Company (Ledbury) Limited purchased a 50% interest in Innocare B.V. on 12 November 2001. The following figures are based on accounts produced for Innocare B.V. and represent The Helping Hand Company (Ledbury) Limited's share of the company's results for the year ended 31 December 2003.

	£	£
Share of turnover		176,228
Share of profit before tax	7,158	
Taxation	-	
Profit/(loss) after tax		7,158
Share of assets		
Fixed assets	1,284	
Current assets	71,128	
		72,412
Share of liabilities		
Due within one year	(77,850)	
Due after more than one year	-	
		(77,850)
Share of net assets/(liabilities)		(5,438)

11. STOCKS

	2004 £	2003 £
Raw materials and consumables	411,431	372,241
Finished goods and goods for resale	274,265	219,626
	685,696	591,867

THE HELPING HAND COMPANY (LEDBURY) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2004 (CONT)

12. DEBTORS

Receivable within one year:

	2004 £	2003 £
Trade debtors	1,337,981	1,163,141
Amount owed by joint venture company	86,095	84,065
Other debtors	28,212	70,754
Prepayments and accrued income	76,301	67,791
Corporation tax recoverable	-	2,733
	<u>1,528,589</u>	<u>1,388,484</u>

13. CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	2004 £	2003 £
Bank loans and overdrafts	547,328	411,173
Obligations under finance leases and hire purchase contracts	85,837	96,550
Trade creditors	587,428	559,666
Social security and other taxes	139,011	91,429
Other creditors	105,695	72,263
Corporation tax payable	9,866	23,309
Accruals and deferred income	173,807	143,928
	<u>1,648,972</u>	<u>1,398,318</u>

THE HELPING HAND COMPANY (LEDBURY) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2004 (CONT)

14. CREDITORS - AMOUNTS DUE AFTER ONE YEAR

	2004 £	2003 £
Bank loans	488,747	391,971
Obligations under finance leases and hire purchase contracts	68,450	99,979
Other creditors	386,667	416,667
	<u>943,864</u>	<u>908,617</u>

Repayable by instalments, amounts falling due after five years:

	2004 £	2003 £
Bank loan	<u>94,542</u>	<u>35,217</u>

Obligations under finance leases and hire purchase contracts are secured by related assets.

The bank loans and overdrafts are secured by legal mortgages over the freehold property and by a mortgage debenture dated 14th March 1995. Interest is charged on the bank loans at 1.75% over bank base rate.

Analysis of debt maturity

	2004 £	2003 £
Amounts payable:		
Within one year or on demand	547,328	411,173
Between one and two years	104,108	84,222
Between two and five years	290,097	272,532
In five years or more	94,542	35,217
	<u>1,036,075</u>	<u>803,144</u>

Obligations under finance leases and hire purchase contracts

	2004 £	2003 £
Amounts payable:		
Within two to five years	68,450	99,979
After five years	-	-
	<u>68,450</u>	<u>99,979</u>

THE HELPING HAND COMPANY (LEDBURY) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2004 (CONT)

15. PROVISIONS FOR LIABILITIES AND CHARGES

Provision for deferred tax

	2004 £	2003 £
Accelerated capital allowances	17,313	16,961
Tax losses carried forward	-	-
Other timing differences	-	-
Undiscounted provision for deferred tax	17,313	16,961
Discount	-	-
Discounted provision for deferred tax	17,313	16,961
Provision at 1 July 2003	16,961	
Deferred tax charge in profit and loss account for the year	352	
Provision at 30 June 2004	17,313	

16. SHARE CAPITAL

	2004 £	2003 £
Authorised		
100,000 ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid		
10,000 ordinary shares of £1 each	10,000	10,000

THE HELPING HAND COMPANY (LEDBURY) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2004 (CONT)

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004 £	2003 £
Profit for the financial year	76,389	157,487
Opening shareholders' funds	1,049,123	891,636
Closing shareholders' funds	<u>1,125,512</u>	<u>1,049,123</u>

18. FINANCIAL COMMITMENTS

At the balance sheet date the company had entered into a number of forward exchange contracts to exchange a total of US \$720,000 into UK sterling, all of which are due to mature within twelve months of the year end.

19. CAPITAL COMMITMENTS

Commitments for capital expenditure at the end of the year were as follows:

	2004 £	2003 £
Authorised and contracted for	<u>76,962</u>	<u>34,058</u>

20. LEASING COMMITMENTS

At 30 June 2004 the company had annual commitments under non-cancellable operating leases as detailed below:

	Land and buildings £	2004 Other £	Land and buildings £	2003 Other £
Operating leases which expire:				
Within one year	10,149	26,206	10,149	21,795
Within two to five years	22,000	128,838	-	130,196
After more than five years	46,650	-	46,650	-
	<u>78,799</u>	<u>155,044</u>	<u>56,799</u>	<u>151,991</u>

THE HELPING HAND COMPANY (LEDBURY) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2004 (CONT)

21. PENSION COSTS

The company operates a contributory pension scheme. It is a defined contribution scheme and contributions are charged in the profit and loss account as they are paid. The charge for the year was £3,565 (2003 - £3,427).

22. RELATED PARTIES

The company occupied property owned by the Trustees of The Helping Hand Company Pension Fund at a rental of £46,650 per annum. G H James and Mrs H J James are Trustees of the pension fund.

The company paid loan interest of £2,458 to A R James and Mrs C O U Morse in respect of unsecured loans totalling £66,667 in the year. G H James is the brother of A R James and Mrs C O U Morse.

The company was loaned £20,000 by Miss S James, the daughter of G H and Mrs H J James, in the year. No interest had been paid to her by the balance sheet date.

The company also purchased services from A R James totalling £15,890 in the year.

The company sold goods totalling £214,279 to Innocare B.V. during the year.

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

	2004 £	2003 £
Operating profit	260,992	223,930
Exceptional items	(118,579)	9,748
Depreciation charge	232,680	186,929
Loss/(profit) on sale of fixed assets	380	(901)
Increase in stocks	(93,829)	(24,668)
Increase in debtors	(142,838)	(124,951)
Increase/(decrease) in creditors	108,655	(20,424)
Net cash inflow/outflow from operating activities	247,461	249,663

THE HELPING HAND COMPANY (LEDBURY) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2004 (CONT)

24. ANALYSIS OF NET DEBT

	2003 £	Cash flow £	Other changes £	2004 £
Cash at bank and in hand	114,464	(2,864)	-	111,600
Overdraft	(331,153)	(118,193)	-	(449,346)
		<u>(121,057)</u>		
Debt due within 1 year	(80,020)	(114,738)	96,776	(97,982)
Debt due after 1 year	(391,971)	-	(96,776)	(488,747)
Finance leases	(196,529)	104,088	(61,846)	(154,287)
		<u>(10,650)</u>		
Total	<u>(885,209)</u>	<u>(131,707)</u>	<u>(61,846)</u>	<u>(1,078,762)</u>
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

THE HELPING HAND COMPANY (LEDBURY) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2004 (CONT)

25. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2004 £	2003 £
(Decrease)/increase in cash in the year	(121,057)	15,665
Cash inflow from increase in debt and lease financing	(10,650)	(77,721)
Change in net debt resulting from cash flows	(131,707)	(62,056)
New finance leases	(61,846)	(145,000)
Movement in net debt in the year	(193,553)	(207,056)
Net debt at 1 July 2003	(885,209)	(678,153)
Net debt at 30 June 2004	(1,078,762)	(885,209)

26. NON-CASH TRANSACTIONS

During the year the company entered into finance lease and hire purchase arrangements in respect of assets with a total capital value at the inception of the leases of £61,846 (2003 - £145,000).