

COMPANY REGISTRATION NUMBER 937663

**D W TILLEY LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 OCTOBER 2005**



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COMPANIES HOUSE 02/06/2006

**unw LLP**  
Chartered Accountants & Registered Auditors  
Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JE

# **D W TILLEY LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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<b>The board of director's</b>	D W Tilley S N Nixon
<b>Company secretary</b>	D W Tilley
<b>Registered office</b>	Meadowfield Industrial Estate Ponteland Newcastle upon Tyne NE20 9SD
<b>Auditors</b>	<b>unw LLP</b> Chartered Accountants & Registered Auditors Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
<b>Bankers</b>	Barclays Bank Plc PO Box 379 71 Grey Street Newcastle upon Tyne NE 99 1JA

# D W TILLEY LIMITED

## THE DIRECTORS' REPORT

YEAR ENDED 31 OCTOBER 2005

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The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 October 2005.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year continued to be that of roofing contractors.

The directors are satisfied with the results for the year and are looking forward to continued growth in 2006.

### RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

### THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 October 2005	At 1 November 2004
D W Tilley	11,962	11,962
S N Nixon	<u>1</u>	<u>1</u>

### 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 year. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 8 to 9, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

prepare the financial statements 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 financial statements comply with the Companies Act 1985. The directors 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.

### DONATIONS

During the year the company made the following contributions:

	2005 £	2004 £
Charitable	<u>1,284</u>	<u>1,250</u>

# **D W TILLEY LIMITED**

## **THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 OCTOBER 2005**

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### **AUDITORS**

A resolution to re-appoint unw LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:  
Meadowfield Industrial Estate  
Ponteland  
Newcastle upon Tyne  
NE20 9SD

Signed by order of the directors

  
D W TILLEY  
Company Secretary

Approved by the directors on 19 May 2006

# **D W TILLEY LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF D W TILLEY LIMITED**

**YEAR ENDED 31 OCTOBER 2005**

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We have audited the financial statements of D W Tilley Limited for the year ended 31 October 2005 on pages 5 to 15 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 to 9.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the 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.

### **OPINION**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 October 2005 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



**unw LLP**  
Chartered Accountants  
& Registered Auditors

Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JE

19 May 2006

**D W TILLEY LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 OCTOBER 2005**

	Note	2005 £	2004 £
<b>TURNOVER</b>	<b>2</b>	<b>14,022,206</b>	<b>8,018,903</b>
Cost of sales		<u>9,959,167</u>	<u>5,592,086</u>
<b>GROSS PROFIT</b>		<b>4,063,039</b>	<b>2,426,817</b>
Distribution Costs		<u>410,310</u>	<u>334,953</u>
Administrative expenses		<u>3,405,617</u>	<u>1,871,002</u>
<b>OPERATING PROFIT</b>	<b>3</b>	<b>247,112</b>	<b>220,862</b>
Income from fixed asset investments	<b>6</b>	<b>5,794</b>	<b>5,159</b>
Interest receivable	<b>7</b>	<b>79,916</b>	<b>53,675</b>
Profit on disposal of investments	<b>8</b>	<b>29,237</b>	<b>8,786</b>
Interest payable and similar charges	<b>9</b>	<b>(15,523)</b>	<b>(12,971)</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>346,536</b>	<b>275,511</b>
Tax on profit on ordinary activities	<b>10</b>	<b>84,390</b>	<b>49,230</b>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>262,146</b>	<b>226,281</b>
Dividends	<b>11</b>	<b>—</b>	<b>20,000</b>
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<b>262,146</b>	<b>206,281</b>
Balance brought forward		<u>2,237,729</u>	<u>2,031,448</u>
Balance carried forward		<u><b>2,499,875</b></u>	<u><b>2,237,729</b></u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 8 to 15 form part of these financial statements.

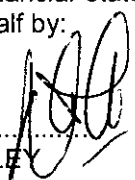
# D W TILLEY LIMITED

## BALANCE SHEET

31 OCTOBER 2005

	Note	2005 £	2004 £
<b>FIXED ASSETS</b>			
Tangible assets	12	527,342	428,689
<b>CURRENT ASSETS</b>			
Stocks	13	130,193	77,251
Debtors	14	3,415,214	1,752,867
Investments	15	267,669	232,638
Cash at bank and in hand		2,307,704	2,011,571
		<u>6,120,780</u>	<u>4,074,327</u>
<b>CREDITORS: Amounts falling due within one year</b>	16	<u>4,058,650</u>	<u>2,227,746</u>
<b>NET CURRENT ASSETS</b>		<u>2,062,130</u>	<u>1,846,581</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,589,472</u>	<u>2,275,270</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	17	<u>52,056</u>	<u>—</u>
		<u>2,537,416</u>	<u>2,275,270</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	19	<u>22,588</u>	<u>22,588</u>
		<u>2,514,828</u>	<u>2,252,682</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	23	14,953	14,953
Profit and loss account		<u>2,499,875</u>	<u>2,237,729</u>
<b>SHAREHOLDERS' FUNDS</b>	24	<u>2,514,828</u>	<u>2,252,682</u>

These financial statements were approved by the directors on the 19 May 2006 and are signed on their behalf by:

  
D W TILLEY

The notes on pages 8 to 15 form part of these financial statements.

**D W TILLEY LIMITED****CASH FLOW STATEMENT****YEAR ENDED 31 OCTOBER 2005**

	Note	2005 £	£	2004 £	£
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>25</b>		<b>459,596</b>		<b>735,265</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>					
Income from other fixed asset investments		5,794		13,945	
Interest received		79,916		53,675	
Interest paid		(12,983)		(12,971)	
Interest element of hire purchase		(2,540)		—	
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			<b>70,187</b>		<b>54,649</b>
<b>TAXATION</b>			<b>(25,567)</b>		<b>(131,120)</b>
<b>CAPITAL EXPENDITURE</b>					
Payments to acquire tangible fixed assets		(280,783)		(134,197)	
Receipts from sale of fixed assets		18,999		23,100	
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>			<b>(261,784)</b>		<b>(111,097)</b>
<b>EQUITY DIVIDENDS PAID</b>			<b>—</b>		<b>(20,000)</b>
<b>CASH INFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING</b>			<b>242,432</b>		<b>527,697</b>
<b>MANAGEMENT OF LIQUID RESOURCES</b>					
Cash placed in other liquid investments		(35,031)		(13,945)	
<b>NET CASH OUTFLOW FROM MANAGEMENT OF LIQUID RESOURCES</b>			<b>(35,031)</b>		<b>(13,945)</b>
<b>FINANCING</b>					
Capital element of hire purchase		88,732		—	
<b>NET CASH INFLOW FROM FINANCING</b>			<b>88,732</b>		<b>—</b>
<b>INCREASE IN CASH</b>	<b>26</b>		<b>296,133</b>		<b>513,752</b>

The notes on pages 8 to 15 form part of these financial statements.



# D W TILLEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2005

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### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

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

#### **Related parties transactions**

The company was under the control of Mr D W Tilley throughout the current and previous year. Mr D W Tilley is the managing director and majority shareholder. Mr D W Tilley is also a trustee of the D W Tilley (Engineers) Limited Executive Pension Scheme.

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	2% Straight line
Plant & Machinery	-	10% Reducing balance and 25% Straight line
Fixtures & Fittings	-	15% Reducing balance
Motor Vehicles	-	25% Reducing balance

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **Work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

#### **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### **Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

#### **Deferred taxation**

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS 19. Deferred tax is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Deferred tax assets are recognised when it is more likely than not that they will be recovered. The company has not adopted a policy of discounting deferred tax assets and liabilities. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

# D W TILLEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2005

### 1. ACCOUNTING POLICIES *(continued)*

#### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

#### Investments

Investments are shown at their market value at the Balance Sheet date.

### 2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2005 £	2004 £
United Kingdom	<u>14,022,206</u>	<u>8,018,903</u>

### 3. OPERATING PROFIT

Operating profit is stated after charging:

	2005 £	2004 £
Depreciation of owned fixed assets	114,694	98,729
Depreciation of assets held under hire purchase agreements	18,358	—
Loss on disposal of fixed assets	30,079	6,463
Auditors' remuneration		
- as auditors	9,000	9,000
- for other services	5,900	9,500
Operating lease costs:		
Vehicles	<u>290,910</u>	<u>251,366</u>

### 4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2005 No	2004 No
Number of production staff	77	74
Number of administrative staff	30	19
	<u>107</u>	<u>93</u>

The aggregate payroll costs of the above were:

	2005 £	2004 £
Wages and salaries	3,608,932	2,663,195
Social security costs	403,222	278,877
Staff pension costs	9,753	3,606
Directors' pension costs	511,220	11,220
	<u>4,533,127</u>	<u>2,956,898</u>

# D W TILLEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2005

### 5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2005 £	2004 £
Emoluments receivable	849,399	594,897
Value of company pension contributions to money purchase schemes	511,220	11,220
	<u>1,360,619</u>	<u>606,117</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2005 No	2004 No
Money purchase schemes	<u>2</u>	<u>1</u>

### 6. INCOME FROM FIXED ASSET INVESTMENTS

	2005 £	2004 £
Income from other Current Asset Investments	<u>5,794</u>	<u>5,159</u>

### 7. INTEREST RECEIVABLE

	2005 £	2004 £
Bank interest receivable	<u>79,916</u>	<u>53,675</u>

### 8. PROFIT ON DISPOSAL OF INVESTMENTS

	2005 £	2004 £
Unrealised gain on the market value of current asset investments	<u>(29,237)</u>	<u>(8,786)</u>

### 9. INTEREST PAYABLE AND SIMILAR CHARGES

	2005 £	2004 £
Finance charges	2,540	—
Other similar charges payable	12,983	12,971
	<u>15,523</u>	<u>12,971</u>

### 10. TAXATION ON ORDINARY ACTIVITIES

#### (a) Analysis of charge in the year

	2005 £	2004 £
Current tax:		
UK Corporation tax based on the results for the year at 30% (2004 - 19%)	84,390	49,230
Total current tax	<u>84,390</u>	<u>49,230</u>

# D W TILLEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2005

### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 30% (2004 - 19%).

	2005 £	2004 £
Profit on ordinary activities before taxation	<u>346,536</u>	<u>275,511</u>
Profit on ordinary activities multiplied by standard rate of tax in the UK of 30% (2004 : 19%)	103,961	52,347
Expenses not deductible for tax purposes	4,454	20,599
Capital allowances in advance of depreciation	1,724	(23,716)
Less Marginal Relief	<u>(25,749)</u>	-
Total current tax (note 10(a))	<u>84,390</u>	<u>49,230</u>

### 11. DIVIDENDS

No dividend has been recommended for the year ended 31 October 2005.

### 12. TANGIBLE FIXED ASSETS

	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
<b>COST</b>					
At 1 November 2004	41,963	239,324	93,009	635,181	1,009,477
Additions	-	-	30,727	250,056	280,783
Disposals	-	-	(13,478)	(172,540)	(186,018)
<b>At 31 October 2005</b>	<u>41,963</u>	<u>239,324</u>	<u>110,258</u>	<u>712,697</u>	<u>1,104,242</u>
<b>DEPRECIATION</b>					
At 1 November 2004	17,383	177,142	46,451	339,812	580,788
Charge for the year	-	7,837	5,815	119,400	133,052
On disposals	-	-	(3,862)	(133,078)	(136,940)
<b>At 31 October 2005</b>	<u>17,383</u>	<u>184,979</u>	<u>48,404</u>	<u>326,134</u>	<u>576,900</u>
<b>NET BOOK VALUE</b>					
<b>At 31 October 2005</b>	<u>24,580</u>	<u>54,345</u>	<u>61,854</u>	<u>386,563</u>	<u>527,342</u>
At 31 October 2004	<u>24,580</u>	<u>62,182</u>	<u>46,558</u>	<u>295,369</u>	<u>428,689</u>

#### Hire purchase agreements

Included within the net book value of £527,342 is £91,792 (2004 - £Nil) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £18,358 (2004 - £Nil).

# D W TILLEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2005

### 13. STOCKS

	2005 £	2004 £
Raw material	20,000	20,000
Work in progress	110,193	57,251
	<u>130,193</u>	<u>77,251</u>

### 14. DEBTORS

	2005 £	2004 £
Trade debtors	3,232,680	1,429,913
Other debtors	2,360	2,360
Directors current accounts	94,580	107,115
Prepayments and accrued income	85,594	213,479
	<u>3,415,214</u>	<u>1,752,867</u>

### 15. INVESTMENTS

	2005 £	2004 £
Other investments	<u>267,669</u>	<u>232,638</u>

Total equities had a market value at 31 October 2005 of £229,378 (2004 - £206,255) and are listed on a recognised stock exchange.

The remainder of the investment portfolio is made up of cash and fixed interest bonds of £38,291 (2004 - £26,383).

### 16. CREDITORS: Amounts falling due within one year

	2005 £	2004 £
Trade creditors	2,294,997	1,036,716
Other creditors including taxation and social security:		
Corporation tax	84,986	49,808
PAYE and social security	125,567	80,060
VAT	302,898	215,967
Hire purchase agreements	36,676	—
Other creditors	<u>27,930</u>	<u>27,637</u>
	578,057	373,472
Accruals and deferred income	<u>1,185,596</u>	<u>817,558</u>
	<u>4,058,650</u>	<u>2,227,746</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2005 £	2004 £
Hire purchase agreements	<u>36,676</u>	<u>—</u>

# D W TILLEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2005

### 17. CREDITORS: Amounts falling due after more than one year

	2005 £	2004 £
Other creditors:		
Hire purchase agreements	<u>52,056</u>	<u>—</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2005 £	2004 £
Hire purchase agreements	<u>52,056</u>	<u>—</u>

### 18. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2005 £	2004 £
Amounts payable within 1 year	36,676	—
Amounts payable between 1 and 2 years	<u>52,056</u>	<u>—</u>
	<u>88,732</u>	<u>—</u>

### 19. DEFERRED TAXATION

The balance of the deferred taxation provision throughout the year was £22,588.

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2005 £	2004 £
Excess of taxation allowances over depreciation on fixed assets	<u>22,588</u>	<u>22,588</u>
	<u>22,588</u>	<u>22,588</u>

### 20. COMMITMENTS UNDER OPERATING LEASES

At 31 October 2005 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & Buildings 2005 £	2004 £
Operating leases which expire: After more than 5 years	<u>64,500</u>	<u>52,500</u>

### 21. TRANSACTIONS WITH THE DIRECTORS

Mr D W Tilley had a directors loan account with the company during the year, the balance outstanding to the company at 31 October 2005 is £94,580. The maximum balance outstanding balance during the period was £287,115.

# D W TILLEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2005

### 22. RELATED PARTY TRANSACTIONS

The company was under the control of Mr D W Tilley throughout the current and previous year. Mr D W Tilley is the managing director and majority shareholder.

D W Tilley is a trustee of the D W Tilley (Engineers) Limited Executive Pension Scheme, from whom the company rents premises. Amounts payable during the year were £51,770 (2004 - £58,020).

During the year the company made a special contribution of £500,000 (2004 £Nil) to the D W Tilley (Engineers) Limited Executive Pension Scheme.

### 23. SHARE CAPITAL

#### Authorised share capital:

	2005 £	2004 £
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

#### Allotted, called up and fully paid:

	2005 No	£	2004 No	£
Ordinary shares of £1 each	<u>14,953</u>	<u>14,953</u>	<u>14,953</u>	<u>14,953</u>

### 24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
Profit for the financial year	704,493	226,281
Dividends	-	(20,000)
	<u>704,493</u>	<u>206,281</u>
Opening shareholders' equity funds	2,252,682	2,046,401
Closing shareholders' equity funds	<u>2,957,175</u>	<u>2,252,682</u>

### 25. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2005 £	2004 £
Operating profit	896,840	220,862
Depreciation	133,052	98,729
Loss on disposal of fixed assets	30,079	6,463
Unrealised Profit/(loss) on market value of investments	29,237	8,786
(Increase)/decrease in stocks	(52,942)	45,379
(Increase)/decrease in debtors	(1,685,992)	103,901
Increase in creditors	1,109,322	251,144
Net cash inflow from operating activities	<u>459,596</u>	<u>735,265</u>

# D W TILLEY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2005

### 26. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2005		2004	
	£	£	£	£
Increase in cash in the period	296,133		513,752	
Cash outflow in respect of hire purchase	(88,732)		—	
Cash used to increase liquid resources	35,031		13,945	
	<u>242,432</u>		<u>527,697</u>	
Change in net funds	242,432		527,697	
Net funds at 1 November 2004	2,244,209		1,716,512	
Net funds at 31 October 2005	<u>2,486,641</u>		<u>2,244,209</u>	

### 27. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Nov 2004 £	Cash flows £	At 31 Oct 2005 £
Net cash:			
Cash in hand and at bank	2,011,571	296,133	2,307,704
Liquid resources:			
Current asset investments	232,638	35,031	267,669
Debt:			
Hire purchase agreements	—	(88,732)	(88,732)
Net funds	<u>2,244,209</u>	<u>242,432</u>	<u>2,486,641</u>