**Groupe Samat UK Limited**

Financial statements

For the year ended 31 December 2007



**Company No. 1480293**

# Company information

| | |
|---|---|
| **Company registration number** | 1480293 |
| **Registered office** | Atlantic Way<br>Barry<br>Vale of Glamorgan<br>CF64 2AH |
| **Directors** | B Julien<br>A Laffont<br>F Dupasquier<br>S Reid |
| **Secretary** | A Laffont |
| **Bankers** | HSBC Bank Plc<br>1 Herbert Street<br>Stanwell Road<br>Penarth<br>CF64 2AH |
| **Auditor** | Grant Thornton UK LLP<br>Chartered Accountants<br>Registered Auditors<br>11-13 Penhill Road<br>Cardiff<br>CF11 9UP |

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# Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 December 2007

**Principal activities and business review**
The company is engaged in the transportation of goods by road, and also the storage and handling of containers

There was a profit for the year after taxation amounting to £25,516 (2006 £244,236)

Continued improvements in our own efficiencies and our supply chain have lead to operational savings Combined with a growth in income during the year has led to growth in operational returns We have made improvements in our quality systems and our market position in a very competitive industry which will improve future business returns

**Principal risks and uncertainties facing the company**
The transport industry has faced an erosion of margins for the previous several years, combined with a rise in multimodal transport solutions that offer product movements at competitive prices

The company has been subject to large increases in the rate of fuel which is a major cost component of the company and there is continued uncertainty of the future if the price of fuels This risk may affect the company's results in the future

**Key performance indicators (KPI's)**
The directors use many KPI's both financial and non-financial to monitor the company's position, However the Turnover and Gross Profit Margin are fundamental to the analysis of growth and future development

**Financial risk management objectives and policies**
The company uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations The main purpose of these financial instruments is to raise finance for the company's operations The main risks arising from the company financial instruments are interest rate risk, liquidity risk and foreign currency risk The directors review and agree policies for managing each of these risks and they are summarised below The policies have remained unchanged from previous periods

**Interest rate risk**

The company finances its operations through a mixture of retained profits, inter-company accounts and lease arrangements The company's exposure to interest rate fluctuations on its inter-company accounts is managed on a group basis by the use of both fixed and floating facilities Hire purchase leases are for fixed finance charges

**Liquidity risk**

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably Primarily this is achieved through inter-company accounts

# Report of the directors

### Currency risk

The company is exposed to transaction and translation foreign exchange risk In relation to translation risk the proportion of assets held in the foreign currency are matched to an appropriate level of borrowings in the same currency Transaction exposures are limited in the company through interaction with group, passing the exchange risk to be managed centrally

### Directors

The directors who served the company during the year were as follows

B Julien
A Laffont
F Dupasquier
S Reid

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company

### Directors' responsibilities

The directors are responsible for preparing the Directors Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) The financial statements are required by law to 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 these 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 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 that 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

# Report of the directors

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

**Auditor**
A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD

S Reid
Director

Grant Thornton

## Report of the Independent Auditor to the Members of Groupe Samat UK Limited

We have audited the financial statements of Groupe Samat UK Limited for the year ended 31 December 2007 which comprise the principal accounting policies, the profit and loss account, the balance sheet, cash flow statement and notes 1 to 26 These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Directors' Report and financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
CARDIFF

11 June 2008

# Principal accounting policies

### Basis of accounting

The financial statements have been prepared under the historical cost convention

### Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEC and in accordance with section 228 of the Companies Act 1985, is not required to produce, and has not published, consolidated accounts

### Turnover

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

Revenue from services provided by the company is recognised when the company has performed its obligations and in exchange obtained the right to consideration

### 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 | - | Over 10 years |
| Plant & Machinery | - | over 5 years |
| Fixtures & Fittings | - | 10% reducing balance |
| Motor Vehicles | - | over 4 to 8 years |

### Stocks

Fuel stocks are stated at the lower of cost and net realisable value Cost of fuel is based on purchased cost on a first-in, first-out basis

### 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 sum of digits 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

# Principal accounting policies

### 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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

### Foreign currencies

Monetary 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

### Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities Financial liabilities are presented as such in the balance sheet Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument Dividends and distributions relating to equity instruments are debited direct to equity

# Profit and loss account

| | Note | 2007<br>£ | 2006<br>£ |
|---|---|---|---|
| Turnover | 1 | **6,528,717** | 5,857,427 |
| Cost of sales | | **5,782,380** | 5,401,127 |
| Gross profit | | **746,337** | 456,300 |
| Other operating charges | 2 | **849,274** | 846,277 |
| Other operating income | 3 | **(109,604)** | (157,708) |
| **Operating profit/(loss)** | 4 | **6,667** | (232,269) |
| Profit on disposal of fixed assets | 6 | **148,563** | 573,088 |
| Remediation costs | | **(50,160)** | – |
| | | **105,070** | 340,819 |
| Interest receivable | | **76,658** | 52,353 |
| Amounts written off investments | 7 | **–** | (9,605) |
| Interest payable and similar charges | 8 | **(142,234)** | (28,122) |
| **Profit on ordinary activities before taxation** | | **39,494** | 355,445 |
| Tax on profit on ordinary activities | 9 | **13,978** | 111,209 |
| **Profit for the financial year** | 23 | **25,516** | 244,236 |

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

# Balance sheet

| | Note | 2007 £ | 2006 £ |
|---|---|---|---|
| **Fixed assets** | | | |
| Tangible assets | 10 | **2,302,367** | 1,621,111 |
| Investments | 11 | **700,780** | 700,780 |
| | | **3,003,147** | 2,321,891 |
| **Current assets** | | | |
| Stocks | 12 | **4,678** | 10,400 |
| Debtors | 13 | **3,344,675** | 2,477,183 |
| Cash at bank and in hand | | **198,177** | 126,529 |
| | | **3,547,530** | 2,614,112 |
| **Creditors: amounts falling due within one year** | 14 | **2,201,607** | 1,138,593 |
| **Net current assets** | | **1,345,923** | 1,475,519 |
| **Total assets less current liabilities** | | **4,349,070** | 3,797,410 |
| **Creditors: amounts falling due after more than one year** | 15 | **1,469,556** | 957,390 |
| | | **2,879,514** | 2,840,020 |
| **Provisions for liabilities** | | | |
| Deferred taxation | 17 | **150,697** | 136,719 |
| Other provisions | 18 | **109,300** | 109,300 |
| | | **2,619,517** | 2,594,001 |
| **Capital and reserves** | | | |
| Called-up equity share capital | 21 | **500,000** | 500,000 |
| Share premium account | 22 | **200,002** | 200,002 |
| Profit and loss account | 23 | **1,919,515** | 1,893,999 |
| **Shareholders' funds** | 24 | **2,619,517** | 2,594,001 |

These financial statements were approved by the directors and authorised for issue on 11/6/08, and are signed on their behalf by

S Reid

# Cash flow statement

| | Note | 2007<br>£ | 2006<br>£ |
|---|---|---|---|
| **Net cash inflow/(outflow) from operating activities** | 25 | **419,236** | (431,595) |
| **Returns on investments and servicing of finance** | 25 | **(65,576)** | 24,231 |
| **Taxation** | 25 | **-** | 1,409 |
| **Capital expenditure and financial investment** | 25 | **(1,063,044)** | (346,270) |
| **Acquisitions and disposals** | 25 | **-** | 901 |
| **Cash outflow before financing** | | **(709,384)** | (751,324) |
| **Financing** | 25 | **781,032** | 663,648 |
| **Increase/(decrease) in cash** | 25 | **71,648** | (87,676) |

**The accompanying accounting policies and notes form part of these financial statements.**

# Notes to the financial statements

## 1 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company
An analysis of turnover is given below

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| United Kingdom | **5,361,029** | 4,800,605 |
| Overseas | **1,167,688** | 1,056,822 |
| | **6,528,717** | 5,857,427 |

## 2 Other operating charges

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| Administrative expenses | **849,274** | 846,277 |

## 3 Other operating income

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| Rent receivable | **79,505** | 75,731 |
| Other operating income | **30,099** | 81,977 |
| | **109,604** | 157,708 |

## 4 Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting)

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| Depreciation of owned fixed assets | **173,848** | 283,718 |
| Depreciation of assets held under hire purchase agreements | **356,503** | 104,689 |
| Loss on disposal of fixed assets | **-** | 23,474 |
| Auditor's remuneration | | |
| Audit fees | **6,850** | 6,700 |
| Operating lease costs | | |
| Plant and equipment | **12,995** | 11,756 |
| Other | **101,083** | 92,888 |
| Net (profit)/loss on foreign currency translation | **(11,262)** | 11,749 |

## 5 Directors and employees particulars of employees

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

| | 2007 | 2006 |
|---|---|---|
| | No | No |
| Management and administration | 13 | 12 |
| Drivers and workshop | 56 | 43 |
| | 69 | 55 |

The aggregate payroll costs of the above were

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| Wages and salaries | 1,910,098 | 1,636,052 |
| Social security costs | 178,893 | 153,172 |
| Other pension costs | 16,514 | 8,316 |
| | 2,105,505 | 1,797,540 |

## 6 Profit on disposal of fixed assets

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| Profit on disposal of fixed assets | 148,563 | 573,088 |

## 7 Amounts written off investments

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| Amount written off investments | – | 9,605 |

## 8 Interest payable and similar charges

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| Finance charges payable under hire purchase agreements | 142,234 | 28,122 |

## 9 Taxation on ordinary activities

Analysis of charge in the year

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| Deferred tax | | |
| Origination and reversal of timing differences | 13,978 | 111,209 |

## 9 Taxation on ordinary activities (continued)

Factors affectıng current tax charge

The tax assessed on the profit on ordınary actıvıties for the year ıs lower than the standard rate of corporatıon tax ın the UK of 30% (2006 - 30%)

| | **2007** | 2006 |
|---|---|---|
| | **£** | £ |
| Profit on ordınary actıvıties before taxatıon | **39,494** | 355,445 |
| Profit on ordınary actıvıties by rate of tax | **11,848** | 106,634 |
| Expenses not deducted for tax purposes | **5,699** | 6,130 |
| Capıtal allowances for perıod ın excess of depreciatıon | **(33,311)** | (146,015) |
| Non-qualıfyıng depreciatıon | **703** | 655 |
| Other tımıng differences | **15,061** | 32,596 |
| Total current tax | **-** | - |

## 10 Tangible fixed assets

| | **Leasehold Property** | **Plant & Machınery** | **Fixtures & Fittıngs** | **Motor Vehicles** | **Total** |
|---|---|---|---|---|---|
| | **£** | **£** | **£** | **£** | **£** |
| Cost | | | | | |
| At 1 January 2007 | 23,418 | 7,906 | 80,809 | 4,222,520 | 4,334,653 |
| Addıtions | – | – | 3,412 | 1,246,464 | 1,249,876 |
| Dısposals | – | (3,413) | (15,267) | (1,081,113) | (1,099,793) |
| At 31 December 2007 | 23,418 | 4,493 | 68,954 | 4,387,871 | 4,484,736 |
| Depreciatıon | | | | | |
| At 1 January 2007 | 7,831 | 4,426 | 65,758 | 2,635,527 | 2,713,542 |
| Charge for the year | 2,342 | 747 | 1,747 | 525,515 | 530,351 |
| On dısposals | – | (2,804) | (15,266) | (1,043,454) | (1,061,524) |
| At 31 December 2007 | 10,173 | 2,369 | 52,239 | 2,117,588 | 2,182,369 |
| Net book value | | | | | |
| At 31 December 2007 | **13,245** | **2,124** | **16,715** | **2,270,283** | **2,302,367** |
| At 31 December 2006 | 15,587 | 3,480 | 15,051 | 1,586,993 | 1,621,111 |

Included wıthın the net book value of £2,302,367 ıs £2,086,938 (2006 - £1,251,305) relatıng to assets held under hire purchase agreements The depreciatıon charged to the financıal statements ın the year ın respect of such assets amounted to £356,503 (2006 - £104,689)

## 11 Investments

### Shares in subsidiary undertakings

At 31 December 2007 the company held 100% of the allotted share capital of Samat UK Limited, a dormant company incorporated in the UK.

| | £ |
|---|---|
| Cost | |
| At 1 January 2007 and 31 December 2007 | **710,385** |
| Amounts written off | |
| At 1 January 2007 and 31 December 2007 | **9,605** |
| Net book value | |
| At 31 December 2007 | **700,780** |
| At 31 December 2006 | 700,780 |

## 12 Stocks

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| Raw materials | **4,678** | 10,400 |

## 13 Debtors

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| Trade debtors | **1,341,394** | 1,295,244 |
| Amounts owed by group undertakings | **1,798,903** | 936,406 |
| Other debtors | **63,382** | 122,983 |
| Prepayments and accrued income | **140,996** | 122,550 |
| | **3,344,675** | 2,477,183 |

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

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| Trade creditors | **515,130** | 539,818 |
| Amounts owed to group undertakings | **808,802** | 87,848 |
| Other taxation and social security | **136,483** | 41,799 |
| Amounts due under hire purchase agreements | **575,610** | 306,744 |
| Other creditors | **127,498** | 86,406 |
| Accruals and deferred income | **38,084** | 75,978 |
| | **2,201,607** | 1,138,593 |

There is a fixed charge over book debts and a floating charge over all other assets

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

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| Amounts due under hire purchase agreements | **1,469,556** | 957,390 |

### 16 Commitments under hire purchase agreements

Future commitments under hire purchase agreements net of future finance lease charges are as follows

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| Amounts payable within 1 year | **575,610** | 306,744 |
| Amounts payable between 1 and 2 years | **528,608** | 301,408 |
| Amounts payable between 3 and 5 years | **940,948** | 655,982 |
| | **2,045,166** | 1,264,134 |

### 17 Deferred taxation

The movement in the deferred taxation provision during the year was

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| Provision brought forward | **136,719** | 25,510 |
| Profit and loss account movement arising during the year | **13,978** | 111,209 |
| Provision carried forward | **150,697** | 136,719 |

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

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| Excess of taxation allowances over depreciation on fixed assets | **257,002** | 210,257 |
| Other timing differences | **(106,305)** | (73,538) |
| | **150,697** | 136,719 |

## 18 Other provisions

| | 2007 |
|---|---|
| | £ |
| **Tyres buy back provision:** | |
| At 1 January 2007 and 31 December 2007 | **109,300** |

## 19 Commitments under operating leases

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as set out below

| | **2007** | | 2006 | |
|---|---|---|---|---|
| | **Land & Buildings** | **Other Items** | Land & Buildings | Other Items |
| | **£** | **£** | £ | £ |
| Operating leases which expire | | | | |
| Within 2 to 5 years | **91,850** | **119,443** | - | 104,532 |
| After more than 5 years | **-** | **41,673** | 91,850 | 56,585 |
| | **91,850** | **161,116** | 91,850 | 161,117 |

## 20 Related party transactions

The company is a 100% subsidiary of Groupe Samat SA, incorporated in France The company has taken advantage of the exemption under FRS8 not to disclose transactions with other group companies

## 21 Share capital

Authorised share capital

| | **2007** | 2006 |
|---|---|---|
| | **£** | £ |
| 500,000 Ordinary shares of £1 each | **500,000** | 500,000 |

Allotted, called up and fully paid

| | **2007** | | 2006 | |
|---|---|---|---|---|
| | **No** | **£** | No | £ |
| Ordinary shares of £1 each | **500,000** | **500,000** | 500,000 | 500,000 |

## 22 Share premium account

There was no movement on the share premium account during the financial year

## 23 Profit and loss account

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| Balance brought forward | 1,893,999 | 1,649,763 |
| Profit for the financial year | 25,516 | 244,236 |
| Balance carried forward | 1,919,515 | 1,893,999 |

## 24 Reconciliation of movements in shareholders' funds

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| Profit for the financial year | 25,516 | 244,236 |
| Opening shareholders' funds | 2,594,001 | 2,349,765 |
| Closing shareholders' funds | 2,619,517 | 2,594,001 |

## 25 Notes to the statement of cash flows

### Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| Operating profit/(loss) | 6,667 | (232,269) |
| Depreciation | 530,351 | 388,407 |
| Loss on disposal of fixed assets | - | 23,474 |
| Decrease in stocks | 5,722 | 9,317 |
| Increase in debtors | (867,492) | (692,538) |
| Increase in creditors | 743,988 | 13,114 |
| Increase in provisions | - | 58,900 |
| Net cash inflow/(outflow) from operating activities | 419,236 | (431,595) |

### Returns on investments and servicing of finance

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| Interest received | 76,658 | 52,353 |
| Interest element of hire purchase | (142,234) | (28,122) |
| Net cash (outflow)/inflow from returns on investments and servicing of finance | (65,576) | 24,231 |

### Taxation

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| Taxation | - | 1,409 |

## 25 Notes to the statement of cash flows (continued)

### Capital expenditure

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| Payments to acquire tangible fixed assets | (1,249,876) | (1,213,042) |
| Receipts from sale of fixed assets | 186,832 | 866,772 |
| Net cash outflow from capital expenditure | (1,063,044) | (346,270) |

### Aquisitions and disposals

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| Disposal of shares in group undertakings | - | 901 |
| Net cash inflow from acquisitions and disposals | - | 901 |

### Financing

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| Capital element of hire purchase | 781,032 | 663,648 |
| Net cash inflow from financing | 781,032 | 663,648 |

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

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| Increase/(decrease) in cash in the period | 71,648 | (87,676) |
| Cash outflow in respect of hire purchase | (781,032) | (663,648) |
| | (709,384) | (751,324) |
| Change in net debt | (709,384) | (751,324) |
| Net debt at 1 January 2007 | (1,137,605) | (386,281) |
| Net debt at 31 December 2007 | (1,846,989) | (1,137,605) |

### Analysis of changes in net debt

| | At 1 Jan 2007 | Cash flows | At 31 Dec 2007 |
|---|---|---|---|
| | £ | £ | £ |
| Net cash | | | |
| Cash in hand and at bank | 126,529 | 71,648 | 198,177 |
| Debt | | | |
| Hire purchase agreements | (1,264,134) | (781,032) | (2,045,166) |
| Net debt | (1,137,605) | (709,384) | (1,846,989) |

## 26 Ultimate parent company

The directors consider the ultimate controlling parent to be Groupe Samat SA, a company incorporated in France