
E HARPER (YORK) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2009

Company registration number 01866895

jwpcreeers
CHARTERED ACCOUNTANTS

Foss Place, Foss Islands Road, York YO31 7UJ

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E HARPER (YORK) LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

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E HARPER (YORK) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2009

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2009.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of waste disposal.

Trading levels held up well during the year with our best ever sales result and a particularly good performance from projects. The company continues to invest in both its infrastructure and its asset base ensuring we are well placed to continue as a leading waste management specialist and industrial services provider.

The more recent trading climate has been difficult as a result of the recessionary pressures impacting our customer base in the manufacturing and process industry sectors.

The business has maintained its key accreditations including, ISO 9001, ISO 14001 and OHSAS 18001. In addition Harpers was proud to have won, for a second year running, a British Safety Award presented at the international safety awards in London. This reflects the company's continuing efforts in maintaining a safe working environment for our workforce, clients and the public.

The business has again invested in facilities in the current year and have committed to further investment in our infrastructure at our Billingham site. In addition we have completed a strategic acquisition in the north east with the acquisition of 100% share capital of UK Resource Management Ltd, a hazardous and non hazardous waste management disposal, treatment and recycling business, based in Middlesbrough. This will allow Harpers to provide a competitive and wider service offering to our customers.

Overall the business performed satisfactory. During the year the business incurred £350,000 of one-off non trading costs.

We look forward to another challenging year and continued expansion increasing our service offer to both existing and new clients

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £19,338. Particulars of dividends paid are detailed in note 9 to the financial statements.

FINANCIAL INSTRUMENTS

Financial risk management objectives and policies are not material for the assessment of the assets, liabilities, financial position and profit or loss of the group.

DIRECTORS

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

N H Harper
J K Harper
R Holley
D M Whalley
K C Maguire
N El - Hindy
Dr N El Hindy

E HARPER (YORK) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2009

AUDITOR

JWPCreers are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office:

Cleveland

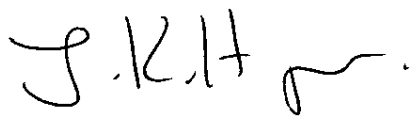
Carr Lane

Sutton-on-Forest

York

YO61 1EY

Signed by order of the directors



J K HARPER
Company Secretary

Approved by the directors on 9-9-2009

E HARPER (YORK) LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 MARCH 2009

The directors are responsible for preparing the Annual 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 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.

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.

E HARPER (YORK) LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF E HARPER (YORK) LIMITED****YEAR ENDED 31 MARCH 2009**

We have audited the financial statements of E Harper (York) Limited for the year ended 31 March 2009, which have been prepared on the basis of the accounting policies set out on pages 9 to 10.

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 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom 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.

E HARPER (YORK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF E HARPER (YORK) LIMITED *(continued)*

YEAR ENDED 31 MARCH 2009

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 March 2009 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.



JWPCREERS
Chartered Accountants
& Registered Auditor

Foss Place
Foss Islands Road
York
North Yorkshire
YO31 7UJ

..... 10/9/09

10/9/09

E HARPER (YORK) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2009

	Note	2009 £	2008 £
TURNOVER	2	8,447,610	7,461,353
Cost of sales		<u>5,801,755</u>	<u>5,081,686</u>
GROSS PROFIT		2,645,855	2,379,667
Administrative expenses		<u>2,398,371</u>	<u>1,964,683</u>
OPERATING PROFIT	3	247,484	414,984
Loss on disposal of discontinued operations	6	<u>-</u>	<u>450</u>
Loss on revaluation of freehold property		<u>202,598</u>	<u>-</u>
		44,886	414,534
Interest receivable		<u>63,278</u>	<u>86,765</u>
Interest payable and similar charges	7	<u>86,153</u>	<u>58,537</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		22,011	442,762
Tax on profit on ordinary activities	8	<u>2,673</u>	<u>91,428</u>
PROFIT FOR THE FINANCIAL YEAR		<u>19,338</u>	<u>351,334</u>

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

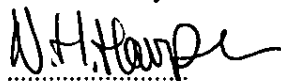
The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 9 to 18 form part of these financial statements.

E HARPER (YORK) LIMITED**BALANCE SHEET****31 MARCH 2009**

	Note	2009 £	£	2008 £	£
FIXED ASSETS					
Tangible assets	10		3,787,894		3,667,496
CURRENT ASSETS					
Stock	11	70,210		91,511	
Debtors	12	2,143,885		1,590,427	
Cash at bank and in hand		923,763		1,672,471	
		3,137,858		3,354,409	
CREDITORS: Amounts falling due within one year	13	1,660,054		1,499,802	
NET CURRENT ASSETS			1,477,804		1,854,607
TOTAL ASSETS LESS CURRENT LIABILITIES			5,265,698		5,522,103
CREDITORS: Amounts falling due after more than one year	14		1,098,626		1,202,987
PROVISIONS FOR LIABILITIES					
Deferred taxation	16		179,993		216,000
			3,987,079		4,103,116
CAPITAL AND RESERVES					
Called-up equity share capital	19		55,050		54,900
Share premium account	20		1,725		—
Other reserves	21		3,050		3,050
Profit and loss account	22		3,927,254		4,045,166
SHAREHOLDERS' FUNDS	23		3,987,079		4,103,116

These financial statements were approved by the directors and authorised for issue on 9-9-2009, and are signed on their behalf by:


 N H HARPER

E HARPER (YORK) LIMITED**CASH FLOW STATEMENT****YEAR ENDED 31 MARCH 2009**

	Note	2009 £	£	2008 £	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	25		324,330		1,202,229
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	25		(22,875)		28,228
TAXATION	25		-		(10,428)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	25		(441,612)		(630,746)
ACQUISITIONS AND DISPOSALS	25		-		950
EQUITY DIVIDENDS PAID			(137,250)		-
CASH (OUTFLOW)/INFLOW BEFORE FINANCING			(277,407)		590,233
FINANCING	25		(471,301)		(704,299)
DECREASE IN CASH	25		<u>(748,708)</u>		<u>(114,066)</u>

E HARPER (YORK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2009

1. ACCOUNTING POLICIES

Basis of accounting

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

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	-	4% SL
Plant & Machinery	-	10% SL
Fixtures & Fittings	-	10% - 20% SL
Motor Vehicles	-	10% - 25% SL

No depreciation has been provided in respect of freehold buildings as the directors consider their residual value to approximate to cost, such that any depreciation charge would not be material

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.

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated in accordance with the policy stated above. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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, with the following exceptions:

E HARPER (YORK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 MARCH 2009****1. ACCOUNTING POLICIES (continued)**

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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.

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:

	2009 £	2008 £
United Kingdom	<u>8,447,610</u>	<u>7,461,353</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2009 £	2008 £
Depreciation of owned fixed assets	271,692	259,188
Depreciation of assets held under hire purchase agreements	314,802	242,937
Profit on disposal of fixed assets	(37,996)	(15,200)
Auditor's remuneration		
- as auditor	17,170	7,700
Operating lease costs:		
- Plant and equipment	41,701	43,760
- Other	<u>30,120</u>	<u>18,431</u>

E HARPER (YORK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

4. PARTICULARS OF EMPLOYEES

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

	2009	2008
	No	No
Number of operating staff	80	66
Number of administrative staff	20	20
	<u>100</u>	<u>86</u>

The aggregate payroll costs of the above were:

	2009	2008
	£	£
Wages and salaries	2,869,802	2,461,681
Social security costs	299,012	258,945
Other pension costs	316,930	111,631
	<u>3,485,744</u>	<u>2,832,257</u>

5. DIRECTORS' EMOLUMENTS

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

	2009	2008
	£	£
Aggregate emoluments	355,923	216,526
Value of company pension contributions to money purchase schemes	316,930	102,820
Compensation for loss of directorship	-	25,988
	<u>672,853</u>	<u>345,334</u>

Emoluments of highest paid director:

	2009	2008
	£	£
Total emoluments (excluding pension contributions)	77,154	76,753
Value of company pension contributions to money purchase schemes	150,000	100,000
	<u>227,154</u>	<u>176,753</u>

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

	2009	2008
	No	No
Money purchase schemes	<u>3</u>	<u>3</u>

6. LOSS ON DISPOSAL OF DISCONTINUED OPERATIONS

	2009	2008
	£	£
Disposal of discontinued operations: (Profit)/Loss on sale of operation	<u>-</u>	<u>(450)</u>

E HARPER (YORK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2009	2008
	£	£
Interest payable on bank borrowing	-	3,965
Finance charges	83,846	51,003
Other similar charges payable	2,307	3,569
	<u>86,153</u>	<u>58,537</u>

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2009	2008
	£	£
Current tax:		
UK Corporation tax based on the results for the year	38,680	-
Over/under provision in prior year	-	(572)
Total current tax	38,680	(572)
Deferred tax:		
Origination and reversal of timing differences (note 16)		
Capital allowances	(36,007)	92,000
Tax on profit on ordinary activities	<u>2,673</u>	<u>91,428</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 21% (2008 - 20%).

	2009	2008
	£	£
Profit on ordinary activities before taxation	<u>22,011</u>	<u>442,762</u>
Profit on ordinary activities by rate of tax	4,622	88,552
Non deductible expenses	9,294	966
Depreciation add back	123,163	100,425
Capital allowances	(140,945)	(187,478)
Chargeable disposals	-	(3,040)
Other tax adjustments	1	3
Revaluation of fixed assets	42,545	-
Total current tax (note 8(a))	<u>38,680</u>	<u>(572)</u>

9. DIVIDENDS

Equity dividends

	2009	2008
	£	£
Paid during the year:		
Equity dividends on ordinary shares	<u>137,250</u>	<u>-</u>

E HARPER (YORK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 MARCH 2009****10. TANGIBLE FIXED ASSETS**

	Freehold Property £	Leasehold Property Improvements £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST						
At 1 Apr 2008	649,345	161,709	856,920	252,157	6,123,266	8,043,397
Additions	-	-	51,329	42,336	827,831	921,496
Disposals	-	-	(112,296)	(789)	(404,990)	(518,075)
Revaluation	(202,598)	-	-	-	-	(202,598)
At 31 Mar 2009	<u>446,747</u>	<u>161,709</u>	<u>795,953</u>	<u>293,704</u>	<u>6,546,107</u>	<u>8,244,220</u>
DEPRECIATION						
At 1 Apr 2008	-	25,150	693,156	129,024	3,528,571	4,375,901
Charge for the year	-	6,468	48,234	39,046	492,746	586,494
On disposals	-	-	(112,279)	(223)	(393,567)	(506,069)
At 31 Mar 2009	<u>-</u>	<u>31,618</u>	<u>629,111</u>	<u>167,847</u>	<u>3,627,750</u>	<u>4,456,326</u>
NET BOOK VALUE						
At 31 Mar 2009	<u>446,747</u>	<u>130,091</u>	<u>166,842</u>	<u>125,857</u>	<u>2,918,357</u>	<u>3,787,894</u>
At 31 Mar 2008	<u>649,345</u>	<u>136,559</u>	<u>163,764</u>	<u>123,133</u>	<u>2,594,695</u>	<u>3,667,496</u>

Hire purchase agreements

Included within the net book value of £3,787,894 is £2,419,909 (2008 - £2,313,087) 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 £314,802 (2008 - £242,937).

Capital commitments

	2009 £	2008 £
Contracted but not provided for in the financial statements	<u>145,500</u>	<u>200,000</u>

11. STOCKS

	2009 £	2008 £
Work in progress	29,761	61,427
Finished goods	<u>40,449</u>	<u>30,084</u>
	<u>70,210</u>	<u>91,511</u>

12. DEBTORS

	2009 £	2008 £
Trade debtors	2,079,953	1,574,030
Prepayments and accrued income	<u>63,932</u>	<u>16,397</u>
	<u>2,143,885</u>	<u>1,590,427</u>

E HARPER (YORK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

13. CREDITORS: Amounts falling due within one year

	2009 £	2008 £
Bank loans	–	12,584
Trade creditors	750,781	588,985
Corporation tax	38,680	–
Other taxation	185,274	137,649
Hire purchase agreements	498,733	425,082
Other creditors	29,923	25,905
Accruals and deferred income	156,663	309,597
	<u>1,660,054</u>	<u>1,499,802</u>

The bank loans are secured by a fixed and floating charge over the assets of the company.

Hire purchase borrowings are secured against the assets to which they relate.

14. CREDITORS: Amounts falling due after more than one year

	2009 £	2008 £
Bank loans	–	28,587
Hire purchase agreements	1,098,626	1,174,400
	<u>1,098,626</u>	<u>1,202,987</u>

15. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2009 £	2008 £
Amounts payable within 1 year	498,733	425,082
Amounts payable between 2 to 5 years	1,098,626	1,174,400
	<u>1,597,359</u>	<u>1,599,482</u>

16. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2009 £	2008 £
Provision brought forward	216,000	124,000
Profit and loss account movement arising during the year	(36,007)	92,000
Provision carried forward	<u>179,993</u>	<u>216,000</u>

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

	2009 £	2008 £
Excess of taxation allowances over depreciation on fixed assets	179,993	216,000
	<u>179,993</u>	<u>216,000</u>

E HARPER (YORK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

17. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2009 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets other than Land and buildings	
	2009	2008
	£	£
Operating leases which expire:		
Within 1 year	4,973	4,500
Within 2 to 5 years	40,662	34,553
	<u>45,635</u>	<u>39,053</u>

18. RELATED PARTY TRANSACTIONS

The company was under the control of NH and JK Harper, two of the directors throughout the current and previous year.

During the year the company paid rent to NH Harper, a director and shareholder, amounting to £30,120 (2008 £17,300).

19. SHARE CAPITAL

Authorised share capital:

	2009	2008
	£	£
190,310 Ordinary Class A shares of £1 each	190,310	200,000
9,690 Ordinary Class B shares of £1 each	9,690	-
	<u>200,000</u>	<u>200,000</u>

Allotted, called up and fully paid:

	2009		2008	
	No	£	No	£
Ordinary Class A shares of £1 each	54,900	54,900	54,900	54,900
Ordinary Class B shares of £1 each	150	150	-	-
	<u>55,050</u>	<u>55,050</u>	<u>54,900</u>	<u>54,900</u>

20. SHARE PREMIUM ACCOUNT

	2009	2008
	£	£
Premium on shares issued in the year	1,725	-
Balance carried forward	<u>1,725</u>	<u>-</u>

21. OTHER RESERVES

	2009	2008
	£	£
Capital redemption reserve	<u>3,050</u>	<u>3,050</u>

E HARPER (YORK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 MARCH 2009****22. PROFIT AND LOSS ACCOUNT**

	2009 £	2008 £
Balance brought forward	4,045,166	3,696,882
Profit for the financial year	19,338	351,334
Equity dividends	(137,250)	—
Purchase of own shares	—	(3,050)
Balance carried forward	<u>3,927,254</u>	<u>4,045,166</u>

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £	£	2008 £	£
Profit for the financial year		19,338		351,334
New equity share capital subscribed	150		—	
Premium on new share capital subscribed	<u>1,725</u>		—	
		1,875		—
Purchase of own ordinary shares	—		(3,050)	
Equity dividends	<u>(137,250)</u>		—	
		(137,250)		(3,050)
Net (reduction)/addition to shareholders' funds		(116,037)		348,284
Opening shareholders' funds		<u>4,103,116</u>		<u>3,754,832</u>
Closing shareholders' funds		<u>3,987,079</u>		<u>4,103,116</u>

24. SHARE OPTIONS

The company has a share option scheme for individuals (including directors). Options are exercisable at a set price.

On 29 May 2008 the company granted 9,690 options at £12.50 per ordinary B share. The vesting period is limited to 10 years from the date of granting. The exercise of the options also depends on meeting specific criteria. The options are settled in equity once exercised

The fair value of these shares has been deemed to be £11.60 on the basis of an unrestricted market value for the class B ordinary shares.

25. NOTES TO THE STATEMENT OF CASH FLOWS**RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2009 £	2008 £
Operating profit	247,484	414,984
Depreciation	586,494	502,125
Profit on disposal of fixed assets	(37,996)	(15,200)
Decrease in stock	21,301	29,098
Increase in debtors	(553,458)	(25,463)
Increase in creditors	60,505	296,685
Net cash inflow from operating activities	<u>324,330</u>	<u>1,202,229</u>

E HARPER (YORK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

25. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2009	2008
	£	£
Interest received	63,278	86,765
Interest paid	(2,307)	(7,534)
Interest element of hire purchase	<u>(83,846)</u>	<u>(51,003)</u>
Net cash (outflow)/inflow from returns on investments and servicing of finance	<u>(22,875)</u>	<u>28,228</u>

TAXATION

	2009	2008
	£	£
Taxation	<u>-</u>	<u>(10,428)</u>

CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2009	2008
	£	£
Payments to acquire tangible fixed assets	(491,614)	(645,946)
Receipts from sale of fixed assets	50,002	15,200
Disposal of fixed asset investments	(202,598)	-
Disposal of current asset investments	<u>202,598</u>	<u>-</u>
Net cash outflow from capital expenditure	<u>(441,612)</u>	<u>(630,746)</u>

ACQUISITIONS AND DISPOSALS

	2009	2008
	£	£
Disposal of shares in group undertakings	<u>-</u>	<u>950</u>
Net cash inflow from acquisitions and disposals	<u>-</u>	<u>950</u>

FINANCING

	2009	2008
	£	£
Issue of equity share capital	150	-
Share premium on issue of equity share capital	1,725	-
Purchase of own equity shares	-	(3,050)
Repayment of bank loans	(41,171)	(237,160)
Capital element of hire purchase	<u>(432,005)</u>	<u>(464,089)</u>
Net cash outflow from financing	<u>(471,301)</u>	<u>(704,299)</u>

E HARPER (YORK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

25. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2009	£	2008	£
Decrease in cash in the period	(748,708)		(114,066)	
Net cash outflow from bank loans	41,171		237,160	
Cash outflow in respect of hire purchase	<u>432,005</u>		<u>464,089</u>	
Change in net debt resulting from cash flows		(275,532)		587,183
New finance leases		<u>(429,882)</u>		<u>(627,292)</u>
Movement in net debt in the period		(705,414)		(40,109)
Net funds at 1 April 2008		<u>31,818</u>		<u>71,927</u>
Net debt at 31 March 2009		<u>(673,596)</u>		<u>31,818</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2008 £	Cash flows £	Other changes £	At 31 Mar 2009 £
Net cash:				
Cash in hand and at bank	1,672,471	(748,708)	—	923,763
Debt:				
Debt due within 1 year	(12,584)	12,584	—	—
Debt due after 1 year	(28,587)	28,587	—	—
Hire purchase agreements	<u>(1,599,482)</u>	<u>432,005</u>	<u>(429,882)</u>	<u>(1,597,359)</u>
	<u>(1,640,653)</u>	<u>473,176</u>	<u>(429,882)</u>	<u>(1,597,359)</u>
Net debt	<u>31,818</u>	<u>(275,532)</u>	<u>(429,882)</u>	<u>(673,596)</u>