

COMPANY REGISTRATION NUMBER 02110466

SEA AIR AND LAND FORWARDING LIMITED
FINANCIAL STATEMENTS
FOR
31ST AUGUST 2008



PAUL & CO

Chartered Accountants & Registered Auditors
11-14 Freetrade House
Lowther Road
Stanmore
Middx
HA7 1EP

SEA AIR AND LAND FORWARDING LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2008

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SEA AIR AND LAND FORWARDING LIMITED

THE DIRECTOR'S REPORT

YEAR ENDED 31ST AUGUST 2008

The director has pleasure in presenting his report and the financial statements of the company for the year ended 31st August 2008.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of freight and forwarding agency.

I am pleased to report that the company has continued to progress in the year ended 31st August 2008 thanks to its competitive rates of freight and the progressive market penetration achieved worldwide.

The consistent growth and success of the company has been achieved over the years and it is the result of excellent services with competitive rates of freight and the progressive market penetration worldwide. An analysis of company's Turnover during the year is given below:

	2008	2007
	£	£
United Kingdom	4,767,497	3,891,648
Overseas	1,008,481	1,616,325
	-----	-----
	5,775,978	5,507,973
	=====	=====

The reasons behind this success are due to the following three factors:

1. Focus on providing our customers with excellent services at competitive price.
2. The strength and expertise of a well motivated management team which takes pride in the success of their company and believe in the director's vision.
3. The support of our suppliers with whom we work as partners to achieve good quality and value for money services.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £189,793. Particulars of dividends paid are detailed in note 9 to the financial statements.

THE DIRECTOR AND HIS INTERESTS IN THE SHARES OF THE COMPANY

The director who served the company during the year together with his beneficial interests, including family holdings, in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At	At
	31 August 2008	1 September 2007
Dr R S Ranger	<u>180,000</u>	<u>180,000</u>

SEA AIR AND LAND FORWARDING LIMITED

THE DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31ST AUGUST 2008

DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 these financial statements, the director is 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 director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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 director is aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

DONATIONS

During the year the company made the following contributions:

	2008	2007
	£	£
Charitable	<u>100</u>	<u>-</u>

SEA AIR AND LAND FORWARDING LIMITED

THE DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31ST AUGUST 2008

AUDITOR

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

Registered office:
11-12 Freetrade House
Lowther Road
Stanmore
Middlesex
United Kingdom
HA7 1EP

Signed by order of the director



MRS RENU RANGER
Company Secretary

Approved by the director on 8th December 2008

SEA AIR AND LAND FORWARDING LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
SEA AIR AND LAND FORWARDING LIMITED
YEAR ENDED 31ST AUGUST 2008

We have audited the financial statements of Sea Air And Land Forwarding Limited for the year ended 31st August 2008, which have been prepared on the basis of the accounting policies set out on page 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 DIRECTOR AND AUDITOR

The director's 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 Director's 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 Director's 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 director's remuneration and other transactions is not disclosed.

We read the Director's 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 director 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.

SEA AIR AND LAND FORWARDING LIMITED

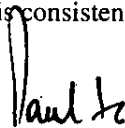
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SEA AIR AND LAND FORWARDING LIMITED *(continued)*

YEAR ENDED 31ST AUGUST 2008

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 31st August 2008 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 Director's Report is consistent with the financial statements.



PAUL & CO
Chartered Accountants
& Registered Auditors

11-14 Freetrade House
Lowther Road
Stanmore
Middx
HA7 1EP

8th December 2008

SEA AIR AND LAND FORWARDING LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST AUGUST 2008

	Note	2008 £	2007 £
TURNOVER	2	5,775,978	5,507,973
Cost of sales		<u>4,491,982</u>	<u>4,188,389</u>
GROSS PROFIT		1,283,996	1,319,584
Distribution Costs		648	1,965
Administrative expenses		846,078	771,867
Other operating income		—	(2,000)
OPERATING PROFIT	3	437,270	547,752
Income from shares in group undertakings	6	3,000	3,000
Interest receivable		15,451	8,648
Interest payable and similar charges	7	(171,497)	(169,235)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		284,224	390,165
Tax on profit on ordinary activities	8	94,431	114,000
PROFIT FOR THE FINANCIAL YEAR		<u>189,793</u>	<u>276,165</u>

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

The notes on page 6 form part of these financial statements.

SEA AIR AND LAND FORWARDING LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31ST AUGUST 2008

	2008 £	2007 £
Profit for the financial year attributable to the shareholders	189,793	276,165
Unrealised profit on revaluation of certain fixed assets	<u>1,550,277</u>	<u>-</u>
Total gains and losses recognised since the last annual report	<u><u>1,740,070</u></u>	<u><u>276,165</u></u>

The notes on page 7 form part of these financial statements.

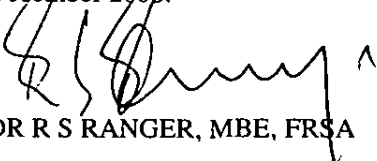
SEA AIR AND LAND FORWARDING LIMITED

BALANCE SHEET

31ST AUGUST 2008

	Note	2008		2007	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10		5,146,821		3,389,843
Investments	11		10,000		10,000
			<u>5,156,821</u>		<u>3,399,843</u>
CURRENT ASSETS					
Debtors	12	1,158,926		1,249,437	
Cash at bank and in hand		996,988		454,959	
		<u>2,155,914</u>		<u>1,704,396</u>	
CREDITORS: Amounts falling due within one year	13	960,800		876,082	
NET CURRENT ASSETS			<u>1,195,114</u>		<u>828,314</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,351,935</u>		<u>4,228,157</u>
CREDITORS: Amounts falling due after more than one year	14		2,414,597		1,976,889
			<u>3,937,338</u>		<u>2,251,268</u>
PROVISIONS FOR LIABILITIES					
Deferred taxation	16		4,194		4,194
			<u>3,933,144</u>		<u>2,247,074</u>
CAPITAL AND RESERVES					
Called-up equity share capital	18		180,000		180,000
Revaluation reserve	19		1,550,277		—
Profit and loss account	20		2,202,867		2,067,074
SHAREHOLDERS' FUNDS	21		<u>3,933,144</u>		<u>2,247,074</u>

These financial statements were approved and signed by the director and authorised for issue on 8th December 2008.


DR R S RANGER, MBE, FRSA

The notes on page 8 form part of these financial statements.

SEA AIR AND LAND FORWARDING LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31ST AUGUST 2008

	Note	2008 £	£	2007 £	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	22		734,580		422,784
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	22		(153,046)		(157,587)
TAXATION	22		(115,570)		(30,356)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	22		(302,712)		(400)
EQUITY DIVIDENDS PAID			(54,000)		(45,000)
CASH INFLOW BEFORE FINANCING			<u>109,252</u>		<u>189,441</u>
FINANCING	22		432,777		(154,467)
INCREASE IN CASH	22		<u>542,029</u>		<u>34,974</u>

The notes on page 9 form part of these financial statements.

SEA AIR AND LAND FORWARDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2008

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

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:

Buildings	2% Straight Line
Plant & Machinery	25% WDV
F&F	25% WDV
Motor Vehicles	25% WDV

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.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. 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

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.

SEA AIR AND LAND FORWARDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2008

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:

	2008 £	2007 £
United Kingdom	4,767,497	3,891,648
Overseas	1,008,481	1,616,325
	<u>5,775,978</u>	<u>5,507,973</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2008 £	2007 £
Depreciation of owned fixed assets	91,848	48,489
Depreciation of assets held under hire purchase agreements	4,163	5,550
Auditor's remuneration - as auditor	6,000	8,000
Net (profit)/loss on foreign currency translation	<u>(1,387)</u>	<u>757</u>

4. PARTICULARS OF EMPLOYEES

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

	2008 No	2007 No
Sales and distribution	7	6
Administrative staff	15	10
	<u>22</u>	<u>16</u>

The aggregate payroll costs of the above were:

	2008 £	2007 £
Wages and salaries	414,996	362,262
Social security costs	41,347	39,559
Other pension costs	2,001	2,333
	<u>458,344</u>	<u>404,154</u>

SEA AIR AND LAND FORWARDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2008

5. DIRECTOR'S EMOLUMENTS

The director's aggregate emoluments in respect of qualifying services were:

	2008	2007
	£	£
Aggregate emoluments	<u>2,001</u>	<u>2,333</u>

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

	2008	2007
	No	No
Defined benefit schemes	<u>1</u>	<u>1</u>

6. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2008	2007
	£	£
Dividend from group undertakings	<u>3,000</u>	<u>3,000</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
	£	£
Finance charges	1,280	2,006
Other similar charges payable	<u>170,217</u>	<u>167,229</u>
	<u>171,497</u>	<u>169,235</u>

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2008	2007
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year	<u>94,431</u>	<u>115,635</u>
Total current tax	<u>94,431</u>	<u>115,635</u>
Deferred tax:		
Origination and reversal of timing differences (note 16)		
Capital allowances	-	(1,635)
Tax on profit on ordinary activities	<u>94,431</u>	<u>114,000</u>

SEA AIR AND LAND FORWARDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2008

8. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(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% (2007 - 30%).

	2008 £	2007 £
Profit on ordinary activities before taxation	<u>284,224</u>	<u>390,165</u>
Profit/(loss) on ordinary activities by rate of tax	<u>94,431</u>	<u>115,635</u>
Total current tax (note 8(a))	<u>94,431</u>	<u>115,635</u>

9. DIVIDENDS

Equity dividends

	2008 £	2007 £
Paid		
Equity dividends on ordinary shares	<u>54,000</u>	<u>45,000</u>

10. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST OR VALUATION					
At 1 September 2007	3,443,723	173,918	300,000	94,220	4,011,861
Additions	290,710	2,366	9,636	-	302,712
Revaluation	1,406,277	-	-	-	1,406,277
At 31 August 2008	<u>5,140,710</u>	<u>176,284</u>	<u>309,636</u>	<u>94,220</u>	<u>5,720,850</u>
DEPRECIATION					
At 1 September 2007	144,000	149,835	259,955	68,228	622,018
Charge for the year	70,481	6,612	12,420	6,498	96,011
Revaluation adjustment	(144,000)	-	-	-	(144,000)
At 31 August 2008	<u>70,481</u>	<u>156,447</u>	<u>272,375</u>	<u>74,726</u>	<u>574,029</u>
NET BOOK VALUE					
At 31 August 2008	<u>5,070,229</u>	<u>19,837</u>	<u>37,261</u>	<u>19,494</u>	<u>5,146,821</u>
At 31 August 2007	<u>3,299,723</u>	<u>24,083</u>	<u>40,045</u>	<u>25,992</u>	<u>3,389,843</u>

SEA AIR AND LAND FORWARDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2008

The freehold land and buildings were revalued for the first time during the year at open market value basis by the director. The aggregate depreciation on freehold buildings under historical cost basis would have been £168,000 (2007 - £144,000).

Hire purchase agreements

Included within the net book value of £5,146,821 is £12,488 (2007 - £16,650) 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 £4,163 (2007 - £5,550).

11. INVESTMENTS - unlisted

Investment in Group Company

	£
COST	
At 1st September 2007 and 31st August 2008	<u>10,000</u>
NET BOOK VALUE	
At 31st August 2008	<u>10,000</u>
At 31st August 2007	<u>10,000</u>

12. DEBTORS

	2008 £	2007 £
Trade debtors	796,091	653,548
Amounts owed by group undertakings	354,601	590,000
Other debtors	1,023	2,654
Prepayments and accrued income	7,211	3,235
	<u>1,158,926</u>	<u>1,249,437</u>

13. CREDITORS: Amounts falling due within one year

	2008 £	2007 £
Bank loans	244,888	244,888
Trade creditors	323,278	290,589
Other creditors including taxation and social security:		
Corporation tax	94,496	115,635
PAYE and social security	12,749	9,868
VAT	2,076	545
Hire purchase agreements	3,882	8,813
Other creditors	547	-
	<u>113,750</u>	<u>134,861</u>
Accruals and deferred income	278,884	205,744
	<u>960,800</u>	<u>876,082</u>

SEA AIR AND LAND FORWARDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2008

13. CREDITORS: Amounts falling due within one year *(continued)*

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

	2008 £	2007 £
Bank loans	<u>244,888</u>	<u>244,888</u>

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

	2008 £	2007 £
Bank loans and overdrafts	2,414,597	1,973,007
Other creditors:		
Hire purchase agreements	-	3,882
	<u>2,414,597</u>	<u>1,976,889</u>

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

	2008 £	2007 £
Bank loans and overdrafts	<u>2,414,597</u>	<u>1,973,007</u>

15. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2008 £	2007 £
Amounts payable within 1 year	3,882	8,813
Amounts payable between 2 to 5 years	-	3,882
	<u>3,882</u>	<u>12,695</u>

16. DEFERRED TAXATION

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

	2008 £	2007 £
Provision brought forward	4,194	5,829
Profit and loss account movement arising during the year	-	(1,635)
Provision carried forward	<u>4,194</u>	<u>4,194</u>

SEA AIR AND LAND FORWARDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2008

16. DEFERRED TAXATION *(continued)*

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

	2008 £	2007 £
Excess of taxation allowances over depreciation on fixed assets	4,194	4,194
	<u>4,194</u>	<u>4,194</u>

17. RELATED PARTY TRANSACTIONS

The company was under the control of Dr R Ranger throughout the current and previous years. Dr Ranger is the managing director and majority shareholder.

The company traded with its related company Sun Mark Limited (formerly Sun Oil Ltd) in providing goods and services worth £3,358,835 (2007: £2,960,271) during the year. The Company received Storage Charges worth £360,000 (2007: £360,000) and paid £120,000 (2007: £120,000) towards the usage of Unit 5 and 6 to Sun Mark Limited.

18. SHARE CAPITAL

Authorised share capital:

	2008 £	2007 £
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>

Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
Ordinary shares of £1 each	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>

19. REVALUATION RESERVE

	2008 £	2007 £
Revaluation of fixed assets	1,550,277	—
Balance carried forward	<u>1,550,277</u>	<u>—</u>

20. PROFIT AND LOSS ACCOUNT

	2008 £	2007 £
Balance brought forward	2,067,074	1,835,909
Profit for the financial year	189,793	276,165
Equity dividends paid (FRS 25)	(54,000)	(45,000)
Balance carried forward	<u>2,202,867</u>	<u>2,067,074</u>

SEA AIR AND LAND FORWARDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2008

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Profit for the financial year	189,793	276,165
Other net recognised gains and losses	1,550,277	—
Equity dividends paid (FRS 25)	(54,000)	(45,000)
Net addition to shareholders' funds	1,686,070	231,165
Opening shareholders' funds	2,247,074	2,015,909
Closing shareholders' funds	<u>3,933,144</u>	<u>2,247,074</u>

22. NOTES TO THE STATEMENT OF CASH FLOWS

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2008 £	2007 £
Operating profit	437,270	547,752
Depreciation	96,011	54,039
Decrease/(increase) in debtors	90,511	(161,410)
Increase/(decrease) in creditors	110,788	(17,597)
Net cash inflow from operating activities	<u>734,580</u>	<u>422,784</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2008 £	2007 £
Income from group undertakings	3,000	3,000
Interest received	15,451	8,648
Interest paid	(170,217)	(167,229)
Interest element of hire purchase	(1,280)	(2,006)
Net cash outflow from returns on investments and servicing of finance	<u>(153,046)</u>	<u>(157,587)</u>

TAXATION

	2008 £	2007 £
Taxation	<u>(115,570)</u>	<u>(30,356)</u>

CAPITAL EXPENDITURE

	2008 £	2007 £
Payments to acquire tangible fixed assets	(302,712)	(400)
Net cash outflow from capital expenditure	<u>(302,712)</u>	<u>(400)</u>

SEA AIR AND LAND FORWARDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2008

22. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

FINANCING

	2008 £	2007 £
Increase in/(repayment of) bank loans	441,590	(95,847)
Capital element of hire purchase	(8,813)	(13,620)
Repayment of director's long-term loans	—	(45,000)
Net cash inflow/(outflow) from financing	<u>432,777</u>	<u>(154,467)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2008 £	2007 £
Increase in cash in the period	542,029	34,974
Net cash (inflow) from/outflow from bank loans	(441,590)	95,847
Cash outflow in respect of hire purchase	8,813	13,620
Cash outflow from director's long-term loans	—	45,000
	<u>109,252</u>	<u>189,441</u>
Change in net debt	109,252	189,441
Net debt at 1 September 2007	(1,775,631)	(1,965,072)
Net debt at 31 August 2008	<u>(1,666,379)</u>	<u>(1,775,631)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Sep 2007 £	Cash flows £	At 31 Aug 2008 £
Net cash:			
Cash in hand and at bank	454,959	542,029	996,988
Debt:			
Debt due within 1 year	(244,888)	—	(244,888)
Debt due after 1 year	(1,973,007)	(441,590)	(2,414,597)
Hire purchase agreements	(12,695)	8,813	(3,882)
	<u>(2,230,590)</u>	<u>(432,777)</u>	<u>(2,663,367)</u>
Net debt	<u>(1,775,631)</u>	<u>109,252</u>	<u>(1,666,379)</u>