Financial statements Shadowgrade Developments Limited

For the Year Ended 30 June 2009

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Company No. 2223106

Company information

Company registration number	2223106
Registered office	Wraysbury Hall Ferry Lane Staines Middlesex TW19 6HG
Directors	Mr M Winn Mr S Hamilton Mr C Higgins
Secretary	Mr C Higgins
Auditor	Grant Thornton UK LLP Chartered Accountants Statutory Auditor Churchill House Chalvey Road East Slough Berkshire SL1 2LS

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 30 June 2009

Principal activity

The principal activity of the company during the year was that of providing fully self-contained apartments for the short-term rental market

Financial review

The year ended 30 June 2009 was very challenging for the company After a profitable first quarter, the collapse of Lehman Brothers bank in September and ensuing crisis in the world's financial sector severely impacted the demand for the company's services from banks and related financial service institutions through the winter of 2009

The company operates a detailed forecasting model to match the size of its rented and owned property portfolio to anticipated demand From October 2008 through to April 2009, the company realigned its property portfolio, releasing excess inventory caused by the unprecedented downturn in demand in its Canary Wharf location and increasing inventory in the City as demand returned to that location

The impact of this and other actions saw a return to profitability in the last month of the financial year under review In the post year end period this trend has continued with the company producing profits and generating operating cash surpluses in all of the three quarters to 31 March 2010

Results and dividends

The loss for the year, after taxation, amounted to £295,388 (2008 £272,016 loss) after management charges of £102,000 and depreciation costs of £177,862 The directors have not recommended a dividend

Key performance indicators

The directors use many performance indicators, both financial and non-financial, to monitor the company's position However the average rental rates together with the occupancy percentage are fundamental in the analysis of the company's continued growth and future

Going Concern

The company finances its freehold property through bank mortgages The existing arrangements expired on 1 April 2010 A six month extension to 1 October 2010 has been agreed for this facility No matters were drawn to directors' attention during negotiating the extension to suggest that a further renewal may not be forthcoming The company continues to negotiate with the existing mortgage provider and other financial institutions and the directors have a reasonable expectation that the company will renew or refinance the facility on acceptable terms

Report of the directors *(continued)*

Financial risk management objectives and policies

Treasury operations and financial instruments

The company's primary financial instruments include bank mortgages and overdrafts The principal purpose of these is to raise funds for the company's operations In addition various other financial instruments such as trade creditors and trade debtors arise directly from its operations
The main financial risks to which the company has exposure are interest rate risk and liquidity risk

Liquidity risk

The company manages its cash and borrowing requirements in order to minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business

Interest rate risk

The company policy permits but does not demand that a mix of fixed and variable rate debt is used to reduce exposure to changes in interest rates

Credit risk

The company places its cash with creditworthy institutions and performs ongoing credit evaluations of its debtor's financial condition, The carrying cash and debtors represent the maximum credit risk that the company is exposed to All customers wishing to trade on credit terms are subject to verification procedures Trade debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary

Payment of suppliers

The company aims to pay suppliers in accordance with the suppliers' contract terms The company had an average of 30 days purchases (2009 32 days purchases) outstanding in trade creditors

Directors

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

Mr M Winn	
Mr S Hamilton	
Mr C Higgins	(Appointed 1 January 2009)
Mrs L Williams	(Retired 18 December 2008)

The company is a wholly owned subsidiary of Osprey Investments Limited, a company incorporated in Guernsey, and the interests of the group directors are disclosed in the financial statements of the parent company

Report of the directors *(continued)*

Directors' responsibilities

The directors are responsible for preparing the Report of the directors 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) Under company law the directors must not approve the financial statements unless they are satisfied that they 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006 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

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006

BY ORDER OF THE BOARD

C Higgins

Colin Higgins
Secretary

28 APRIL 2010

Report of the independent auditor to the members of Shadowgrade Developments Limited

We have audited the financial statements of Shadowgrade Developments Limited for the year ended 30 June 2009 which comprise the principal accounting policies, profit and loss account, statement of total recognised gains and losses, balance sheet, cash flow statement and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/UKNP

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Report of the independent auditor to the members of Shadowgrade Developments Limited *(continued)*

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made within the principal accounting policies to the financial statements concerning the company's ability to continue as a going concern The company's existing mortgage facilities expire in April 2010 and whilst an extension has been agreed to October 2010, the absence of long term secured facilities indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Grant Thornton UK LLP

Paul Creasey BA FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Slough
Date

5 May 2010

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold property

The principal accounting policies of the company have remained unchanged from the previous period and are set out below

Going Concern

The company finances its freehold property portfolio through bank mortgages At the balance sheet date, mortgages of £16,330,554 are included within creditors falling due within one year Subsequent to the year end £455,100 of this amount has been repaid upon the sale of one freehold property A six month facility extension to October 2010 has also been agreed for the remaining mortgages

The company will open further facility renewal negotiations with its bankers in due course and has, at this stage, not sought any written commitment that the facility will be renewed However, in negotiating the six month extension, no matters have been drawn to the company's attention to suggest that renewal may not be forthcoming on acceptable terms

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements The financial statements do not contain any adjustments that may arise if this basis is not appropriate

Turnover

Turnover is recorded on an accruals basis Income is accrued for services provided by the accounting date but not invoiced, and deferred if services are invoiced but not fully provided by the accounting date

Fixed assets

All tangible fixed assets are valued at cost less depreciation with the exception of freehold property which is re-valued on an annual basis

Depreciation

Depreciation is calculated so as to write off the cost or revaluation of an asset over the useful economic life of that asset as follows

Fixtures & Fittings	-	20% straight line
Motor Vehicles	-	20% straight line
Equipment	-	33% straight line

No depreciation is provided on freehold properties as the useful economic lives of these assets are of such length and the residual values are such that they are not materially different from the carrying amount and any depreciation would not be material Residual values are reviewed annually and any impairment in value is provided for in the profit and loss account

As no depreciation is charged on revalued assets, there is no excess over the notional historical cost depreciation charge and hence no amount of the revaluation reserve is transferred to the profit and loss reserve

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

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

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

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

Profit and loss account

	Note	2009 £	2008 £
Turnover	1	**6,562,513**	7,903,244
Cost of sales		**(4,745,909)**	(5,463,314)
Gross profit		**1,816,604**	2,439,930
Other operating charges	2	**(1,368,773)**	(1,532,399)
Operating profit	2	**447,831**	907,531
Interest receivable	5	**28,245**	73,344
Interest payable and similar charges	6	**(770,926)**	(1,247,971)
Loss on ordinary activities before taxation		**(294,850)**	(267,096)
Tax on loss on ordinary activities	7	**(538)**	(4,920)
Loss for the financial year	19	**(295,388)**	(272,016)

All of the activities of the company are classed as continuing

Statement of total recognised gains and losses

	2009 £	2008 £
Loss for the financial year	**(295,388)**	(272,016)
Unrealised loss on revaluation of freehold property	**(3,400,000)**	(4,175,000)
Total gains and losses recognised for the year	**(3,695,388)**	(4,447,016)

Balance sheet

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	8	**24,659,915**	28,224,838
Current assets			
Debtors	9	**2,519,739**	3,086,333
Cash in hand		**49,960**	28,401
		2,569,699	3,114,734
Creditors. amounts falling due within one year	10	**(18,327,242)**	(2,340,861)
Net current (liabilities)/assets		**(15,757,543)**	773,873
Total assets less current liabilities		**8,902,372**	28,998,711
Creditors. amounts falling due after more than one year	11	**–**	(16,400,951)
		8,902,372	12,597,760
Capital and reserves			
Called-up equity share capital	17	**1,000**	1,000
Revaluation reserve	18	**9,078,051**	12,478,051
Profit and loss account	19	**(176,679)**	118,709
Shareholders' funds	20	**8,902,372**	12,597,760

These financial statements were approved by the directors and authorised for issue on 28 April 2010 and are signed on their behalf by

S. Hamilton

Scott Hamilton
Director

C Higgins

Colin Higgins
Director

Company Registration Number 2223106

Cash flow statement

	Note	2009 £	2008 £
Net cash inflow from operating activities	22	**568,848**	1,830,180
Returns on investments and servicing of finance	22	**(742,681)**	(1,174,627)
Taxation	22	**(5,458)**	–
Capital expenditure and financial investment	22	**(12,939)**	947,771
Cash (outflow)/inflow before financing		**(192,230)**	1,603,324
Financing	22	**(145,838)**	(1,189,970)
(Decrease)/increase in cash	22	**(338,068)**	413,354

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

Notes to the financial statements

1 Turnover

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

	2009	2008
	£	£
United Kingdom	**6,562,513**	7,903,244

2 Operating profit

Operating profit is stated after charging

	2009	2008
	£	£
Depreciation of owned fixed assets	**96,428**	51,741
Depreciation of assets held under hire purchase agreements	**81,434**	125,183
Loss on disposal of fixed assets	**-**	35,820
Operating lease costs		
Property	**2,877,717**	2,862,852
Plant and Equipment	**13,385**	10,937
Auditor's remuneration		
Audit fees	**12,600**	12,600
Tax fees	**3,600**	3,600
Net loss on foreign currency translation	**184**	744

3 Directors and employees

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

	2009	2008
	No	No
Number of employees	**37**	45

The aggregate payroll costs of the above were

	2009	2008
	£	£
Wages and salaries	**1,064,385**	1,187,326
Social security costs	**92,247**	105,545
	1,156,632	1,292,871

4 Directors

The directors' aggregate remuneration in respect of qualifying services was

	2009	2008
	£	£
Remuneration receivable	**152,262**	154,147

5 Interest receivable

	2009	2008
	£	£
Interest from group undertakings	**28,245**	73,344

6 Interest payable and similar charges

	2009	2008
	£	£
Interest payable on bank borrowing	**30,910**	70,473
Finance charges payable under hire purchase agreements	**10,736**	21,904
Other similar charges payable	**729,280**	1,155,594
	770,926	1,247,971

7 Taxation on loss on ordinary activities

(a) Analysis of charge in the year

	2009	2008
	£	£
Current tax		
UK Corporation tax based on the results for the year at 21% (2008 - 20 25%)	**-**	4,920
Under provision in prior year	**538**	-
Total current tax	**538**	4,920

7 Taxation on loss on ordinary activities (continued)

(b) Factors affecting current tax charge

	2009 £	2008 £
Loss on ordinary activities before taxation	**(294,850)**	(267,096)
Loss on ordinary activities by rate of tax	**(61,919)**	(54,087)
Expenses not deductible for tax purposes	**7,415**	31,585
Depreciation for the period in excess of capital allowances	**34,440**	(5,205)
Chargeable gain on disposal of re-valued assets	-	32,627
Under provision from prior period	**538**	-
Unrelieved tax losses and other deductions arising in the period	**20,064**	-
Total current tax (note 7(a))	**538**	4,920

8 Tangible fixed assets

	Land and buildings £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
Cost or valuation					
At 1 July 2008	27,675,000	1,441,053	15,487	326,374	29,457,914
Additions	–	4,518	–	8,421	12,939
Revaluation	(3,400,000)	–	–	–	(3,400,000)
At 30 June 2009	24,275,000	1,445,571	15,487	334,795	26,070,853
Depreciation					
At 1 July 2008	–	933,230	9,488	290,358	1,233,076
Charge for the year	–	153,482	3,000	21,380	177,862
At 30 June 2009	–	1,086,712	12,488	311,738	1,410,938
Net book value					
At 30 June 2009	**24,275,000**	**358,859**	**2,999**	**23,057**	**24,659,915**
At 30 June 2008	27,675,000	507,823	5,999	36,016	28,224,838

Included within the net book value of £24,659,915 is £104,216 (2008 - £278,819) 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 £81,434 (2008 - £125,183)

8 Tangible fixed assets (continued)

The properties were revalued on 30 June 2009 by Vail Williams LLP, external Chartered Surveyors The basis of the valuation was open market value (excluding notional selling costs) and the deficit has been transferred from the revaluation reserve The effect of the revaluation has no effect on depreciation as no depreciation is provided on this class of assets If the properties had not been revalued they would have been included at a net book value on a historical cost basis of, £14,525,801 (2008 £14,525,801) The accumulated depreciation of £nil is equal to the accumulated depreciation of £nil that would have been provided on a historical cost basis

No provision has been made in the deferred taxation account for the estimated corporation tax that would be payable on disposal at this valuation, because, in the opinion of the directors, the assets are unlikely to be disposed of in the foreseeable future

9 Debtors

	2009	2008
	£	£
Trade debtors	**396,930**	592,320
Amounts owed by group undertakings	**1,883,635**	2,152,656
Other debtors	**3,440**	3,340
Prepayments and accrued income	**235,734**	338,017
	2,519,739	3,086,333

10 Creditors: amounts falling due within one year

	2009	2008
	£	£
Bank overdrafts	**1,062,830**	703,203
Bank mortgages	**16,330,554**	-
Trade creditors	**257,593**	297,623
Corporation tax	**-**	4,920
PAYE and social security	**25,099**	30,767
VAT	**90,313**	187,420
Amounts due under hire purchase agreements	**69,208**	144,649
Accruals and deferred income	**491,645**	972,279
	18,327,242	2,340,861

The bank mortgages fall due for repayment on 7 April 2010 and are therefore shown as due in less than one year Subsequent to the year end, the company has secured an extension of this facility which now expires in October 2010

Mortgages from Nationwide Building Society are secured by fixed and floating charges over the properties and other assets of the company Natwest Bank plc have a second charge over a property with a net book value of £3 75m as at 30 June 2009 (2008 £4 275m)

11 Creditors: amounts falling due after more than one year

	2009	2008
	£	£
Bank mortgages	–	16,330,554
Amounts due under hire purchase agreements	–	70,397
	–	16,400,951

12 Commitments under hire purchase agreements

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

	2009	2008
	£	£
Amounts payable within 1 year	69,208	144,649
Amounts payable between 1 and 2 years	-	68,114
Amounts payable between 3 and 5 years	-	2,283
	69,208	215,046

13 Deferred taxation

No provision has been made for deferred tax on gains recognised on revaluing the freehold property to its market value or the sale of properties where potentially taxable gains have been rolled over into replacement assets Such tax would become payable only if the property were sold without it being possible to claim rollover relief The total amount un-provided for is £1,562,930 (2008 £2,522,695) At present it is not envisaged that any tax will become payable in the foreseeable future

No deferred tax asset has been recognised for the tax losses available for offset against future taxable profits The total deferred tax asset not yet recognised is £233,016 (2008 £312,304) No deferred tax asset has been recognised for the effect of decelerated capital allowances The total deferred tax asset not recognised is £14,521 (2008 deferred tax liability £29,459)

14 Leasing commitments

At 30 June 2009 the company had annual commitments under non-cancellable operating leases as set out below

	2009		2008	
	Land and buildings	**Other Items**	Land and buildings	Other Items
	£	**£**	£	£
Operating leases which expire				
Within 1 year	**1,792,427**	**3,750**	2,696,162	-
Within 2 to 5 years	**-**	**-**	-	13,385
	1,792,427	**3,750**	2,696,162	13,385

15 Contingent liabilities

There were no contingent liabilities as at 30 June 2009 and at 30 June 2008

16 Related party transactions and ultimate controlling party

Osprey Investments Limited, a company incorporated in Guernsey, is the company's controlling related party by virtue of its 100% shareholding in the company The ultimate controlling related party of the company is Mr David Winn as a result of his control of the Victor Trust which in turn controls Osprey Investments Limited

Year end balances with related parties were as follows

Debtors

	2008	2007
	£	£
Osprey Investments Limited* (2)	**1,883,635**	2,089,390
Victor Trust** (1)	**–**	60,000

* Entities incorporated in and/or resident in Guernsey,
** Guernsey Trust Fund
(1) Related by common control,
(2) Related by common control and common directorship,

Related party transactions during the year were as follows

Osprey Investments Limited charged £102,000 (2008 £102,000) to Shadowgrade Developments Limited in respect of management fees Shadowgrade Developments Limited recharged Osprey Investments Limited accommodation costs of £10,258 (2008 £5,872)

17 Share capital

Authorised share capital

	2009 £	2008 £
1,000 Ordinary shares of £1 each	**1,000**	1,000

Allotted, called up and fully paid

	2009 No	£	2008 No	£
1,000 Ordinary shares of £1 each	**1,000**	**1,000**	1,000	1,000

18 Revaluation reserve

	2009 £	2008 £
Balance brought forward	**12,478,051**	17,009,619
Revaluation of fixed assets	**(3,400,000)**	(4,175,000)
Transfer to the Profit and Loss Account on realisation	–	(356,568)
Balance carried forward	**9,078,051**	12,478,051

19 Profit and loss account

	2009 £	2008 £
Balance brought forward	**118,709**	34,157
Loss for the financial year	**(295,388)**	(272,016)
Transfer from revaluation reserve	–	356,568
Balance carried forward	**(176,679)**	118,709

20 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Loss for the financial year	**(295,388)**	(272,016)
Other net recognised gains and losses	**(3,400,000)**	(4,175,000)
Net reduction to shareholders' funds	**(3,695,388)**	(4,447,016)
Opening shareholders' funds	**12,597,760**	17,044,776
Closing shareholders' funds	**8,902,372**	12,597,760

21 Capital commitments

There were no capital commitments as at 30 June 2009 and at 30 June 2008

22 Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2009	2008
	£	£
Operating profit	**447,831**	907,531
Depreciation	**177,862**	176,924
Loss on disposal of fixed assets	**–**	35,820
Decrease in debtors	**566,594**	655,977
(Decrease)/increase in creditors	**(623,439)**	53,928
Net cash inflow from operating activities	**568,848**	1,830,180

Returns on investments and servicing of finance

	2009	2008
	£	£
Income from group undertakings	**28,245**	73,344
Interest paid	**(760,190)**	(1,226,067)
Interest element of hire purchase	**(10,736)**	(21,904)
Net cash outflow from returns on investments and servicing of finance	**(742,681)**	(1,174,627)

Taxation

	2009	2008
	£	£
Taxation	**(5,458)**	–

Capital expenditure

	2009	2008
	£	£
Payments to acquire tangible fixed assets	**(12,939)**	(13,707)
Receipts from sale of fixed assets	**–**	961,478
Net cash (outflow)/inflow from capital expenditure	**(12,939)**	947,771

22 Notes to the cash flow statement (continued)

Financing

	2009 £	2008 £
Repayment of bank loans and mortgages	–	(1,076,588)
Capital element of hire purchase	(145,838)	(113,382)
Net cash outflow from financing	(145,838)	(1,189,970)

Reconciliation of net cash flow to movement in net debt

	2009 £	2008 £
(Decrease)/increase in cash in the period	(338,068)	413,354
Net cash outflow from bank loans and mortgages	–	1,076,588
Cash outflow in respect of hire purchase	145,838	113,382
	(192,230)	1,603,324
Change in net debt	(192,230)	1,603,324
Net debt at 1 July 2008	(17,220,402)	(18,823,726)
Net debt at 30 June 2009	(17,412,632)	(17,220,402)

Analysis of changes in net debt

	At 1 Jul 2008 £	Cash flows £	At 30 Jun 2009 £
Net cash			
Cash in hand and at bank	28,401	21,559	49,960
Overdrafts	(703,203)	(359,627)	(1,062,830)
	(674,802)	(338,068)	(1,012,870)
Debt			
Debt due within 1 year	–	(16,330,554)	(16,330,554)
Debt due after 1 year	(16,330,554)	16,330,554	–
Hire purchase agreements	(215,046)	145,838	(69,208)
	(16,545,600)	145,838	(16,399,762)
Net debt	(17,220,402)	(192,230)	(17,412,632)