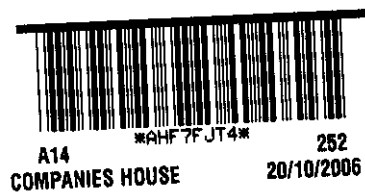


Access Accounting Limited
Financial statements
For the year ended 30 June 2005

Grant Thornton 



Company No. 02343760

Company information

Company registration number

02343760

Registered office

The Old School
School Lane
Stratford St Mary
COLCHESTER
Essex
CO7 6LZ

Directors

Mr R A O'Reilly
Mr S I Allsopp
Mr A B Barrow
Mr J S Beech
Mr R Hibbler
Mr I C Little
Mr B Anderson
Mr K Misselbrook

Secretary

Mr I C Little

Auditors

Grant Thornton UK LLP
Chartered Accountants
Registered Auditors
Crown House
Crown Street
IPSWICH
Suffolk
IP1 3HS

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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 2005.

Principal activities and business review

The principal activity of the company during the year was the development, sale and support of business software.

Access' vision is to be the business and finance software that every user recommends. This drives an ethos of exceptional quality and service throughout everything it does.

The year to 2005 achieved an increase in turnover of £700,000 to £7.2 million. The largest component of this 11% growth has been achieved through new business sales to brand new customers. Profitability has remained strong at £1 million profit before tax. The balance sheet remains exceptionally strong with excellent cash reserves, in addition to which there is £2.3 million of deferred revenue carried forward.

This is the year in which Dimensions and Dimensions Lite, flagship business and finance software, has really come of age with new site sales having grown by 42% in the year. With seven years of evolution and development its pedigree as the premier Microsoft SQL server solution in the middle market is well deserved. The combination of integration tools and in-built business intelligence and push reporting with alerts makes it tremendous value for money and it attracts ever larger companies as its users.

The Access national network of channel partners has also had an unprecedented year with 92% of its top dealers growing by more than 20% in the year. In the same period customer inbound support calls dropped by 5% and the ICAEW analysis of the mid range software market showed that Access has the lowest incidence of business critical failures. A survey by Real Finance magazine showed that Access was the package most likely to be recommended by its users ~ supporting the company vision.

The year ahead to June 2006 will be another investment year for Access as it grows its solutions and channel ready to meet tomorrow's business needs with cutting edge technology and cast iron reliability.

Results and dividends

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements. The directors have not recommended a dividend.

The directors and their interests in the shares of the company

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

	Ordinary Shares of £1 each	
	At 30 June 2005	At 1 July 2004
Mr R A O'Reilly	20,001	20,001
Mr S I Allsopp	200	-
Mr A B Barrow	1,950	1,950
Mr J S Beech	1,740	1,740
Mr R Hibbler	1,300	1,300
Mr I C Little	200	-

Report of the directors

Mr P B Druckman (appointed 1 September 2004, resigned 18 January 2006).

Mr B Anderson (appointed 1 January 2006).

Mr K Misselbrook (appointed 1 January 2006).

In addition, the company and the trustees of the Self Administered Pension Scheme jointly hold 1,000 ordinary shares of £1 each. Mr R A O'Reilly is a trustee and the beneficiary of this scheme.

Certain directors entered into an Enterprise Management Incentive scheme during the year which provides various share options to be exercised within the next 10 years.

No options have been exercised during the year.

Directors' responsibilities

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Donations

During the year the company made the following contributions:

	2005	2004
	£	£
Charitable	<u>3,204</u>	<u>1,795</u>

Auditors

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

ON BEHALF OF THE BOARD


I C Little
Director

12 October 2006

Report of the independent auditors to the members of Access Accounting Limited

We have audited the financial statements of Access Accounting Limited for the year ended 30 June 2005 which comprise the principal accounting policies, profit and loss account, balance sheet, cash flow statement and notes 1 to 28. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's 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 report of the directors and the financial statements in accordance with United Kingdom law and accounting standards 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 United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the report of the directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the report of the directors and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Report of the independent auditors to the members of Access Accounting Limited (continued)

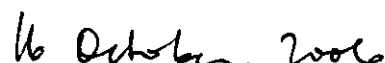
Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 June 2005 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

IPSWICH



Principal accounting policies

Basis of accounting

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

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

The turnover shown in the profit and loss account represents amounts receivable during the year, exclusive of Value Added Tax. Turnover is recognised once a right to consideration has been achieved.

Research and development

Research and development expenditure in maintaining and developing the software is written off in the profit and loss account in the year in which it is incurred.

Amortisation

Amortisation 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:

Goodwill	- 5 years straight line
----------	-------------------------

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:

Freehold Buildings	- 2 - 5% straight line
Motor Vehicles	- 30% reducing balance
Equipment	- 25% straight line

Stocks

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

Operating lease agreements

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

Pension costs

The company makes pension contributions into certain employees' personal pension schemes. The pension cost charge represents contributions payable by the company to the individual funds. These contributions payable are charged to the profit and loss account.

The company is also a party to a Self Administered Pension Scheme where the assets of the Scheme are held separately from those of the company. The Scheme member, Mr R A O'Reilly, is a trustee of the Scheme as well as a director and majority shareholder of the company. The Scheme is run as a Defined Contribution Scheme.

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 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.

Investments

Investments are included at cost less amounts written off.

Government grants

Government grants of a revenue nature are credited to the profit and loss account in the same period as the related expenditure.

Profit and loss account

	Note	2005 £	2004 £
Turnover	1	7,229,987	6,502,812
Cost of sales		1,972,300	1,806,185
Gross profit		5,257,687	4,696,627
Other operating charges	2	4,309,279	3,661,275
Operating profit	4	948,408	1,035,352
Interest receivable and similar income		65,716	58,746
Amounts written off investments	7	–	(86,570)
Interest payable and similar charges	8	(13,280)	–
Profit on ordinary activities before taxation		1,000,844	1,007,528
Tax on profit on ordinary activities	9	(305,592)	182,558
Retained profit for the financial year	22	695,252	1,190,086

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	2005 £	2004 £
Fixed assets			
Intangible assets	10	171,277	–
Tangible assets	11	826,032	283,793
Investments	12	743,160	448,106
		<u>1,740,469</u>	<u>731,899</u>
Current assets			
Stocks	13	1,384	2,507
Debtors	14	2,272,348	1,559,432
Cash at bank and in hand		2,290,951	2,559,840
		<u>4,564,683</u>	<u>4,121,779</u>
Creditors: amounts falling due within one year	16	<u>3,681,397</u>	<u>2,945,175</u>
Net current assets		<u>883,286</u>	<u>1,176,604</u>
Total assets less current liabilities		<u>2,623,755</u>	<u>1,908,503</u>
Capital and reserves			
Called-up equity share capital	21	26,392	25,992
Share premium account	22	71,965	52,365
Other reserves	22	4,800	4,800
Profit and loss account	22	2,520,598	1,825,346
Shareholders' funds	23	<u>2,623,755</u>	<u>1,908,503</u>

These financial statements were approved by the directors on 12/10/06 and are signed on their behalf by:



IC Little
Director

Cash flow statement

	Note	2005 £	2004 £
Net cash inflow from operating activities	24	699,779	1,398,388
Returns on investments and servicing of finance			
Interest received		65,716	58,746
Interest paid		(13,280)	—
Net cash inflow from returns on investments and servicing of finance		52,436	58,746
Taxation		116,840	(166,543)
Capital expenditure			
Payments to acquire intangible fixed assets		(207,912)	—
Payments to acquire tangible fixed assets		(665,277)	(241,363)
Receipts from sale of fixed assets		10,299	54,784
Net cash outflow from capital expenditure		(862,890)	(186,579)
Acquisitions and disposals			
Acquisition of shares in group undertakings		(295,054)	(528,676)
Net cash outflow from acquisitions and disposals		(295,054)	(528,676)
Cash (outflow)/inflow before use of liquid resources and financing		(288,889)	575,336
Management of liquid resources*			
Cash placed in short term deposits		—	(700,000)
Net cash outflow from management of liquid resources		—	(700,000)
Financing			
Issue of equity share capital		400	—
Share premium on issue of equity share capital		19,600	—
Net cash inflow from financing		20,000	—
Decrease in cash	25	(268,889)	(124,664)

*Liquid resources are readily convertible into cash.

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:

	2005 £	2004 £
United Kingdom	6,624,511	5,887,046
Overseas	605,476	615,766
	<u>7,229,987</u>	<u>6,502,812</u>

2 Other operating charges

	2005 £	2004 £
Distribution costs	1,066,102	926,310
Administrative expenses	3,243,177	2,734,965
	<u>4,309,279</u>	<u>3,661,275</u>

3 Administrative expenses

Included in administrative expenses above is £128,004 relating to the write off of amounts due from group related undertakings.

4 Operating profit

Operating profit is stated after charging/(crediting):

	2005 £	2004 £
Amortisation of government grants	(87,485)	(63,551)
Amortisation	36,635	—
Depreciation of owned fixed assets	112,481	115,512
Loss on disposal of fixed assets	258	2,784
Auditors' remuneration:		
Audit fees	7,200	7,200
Operating lease costs:		
Land and buildings	126,187	122,547
Vehicles	46,374	64,879

5 Directors and employees

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

	2005 No	2004 No
Number of administrative staff	<u>100</u>	<u>96</u>

The aggregate payroll costs of the above were:

	2005 £	2004 £
Wages and salaries	3,245,101	3,126,264
Social security costs	399,668	379,869
Other pension costs	126,874	83,032
	<u>3,771,643</u>	<u>3,589,165</u>

6 Directors

Remuneration in respect of directors was as follows:

	2005 £	2004 £
Emoluments receivable	701,777	786,562
Value of company pension contributions to money purchase schemes	54,325	24,336
	<u>756,102</u>	<u>810,898</u>

During the year, one director was paid fees amounting to £16,591.

Emoluments of highest paid director:

	2005 £	2004 £
Total emoluments (excluding pension contributions)	138,881	180,625
Value of company pension contributions to money purchase schemes	5,000	5,000
	<u>143,881</u>	<u>185,625</u>

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

	2005 No	2004 No
Money purchase schemes	<u>6</u>	<u>6</u>

7 Amounts written off investments

	2005	2004
	£	£
Amount written off investments	—	86,570

8 Interest payable and similar charges

	2005	2004
	£	£
Interest payable on bank borrowing	13,259	—
Other similar charges payable	21	—
	<u>13,280</u>	<u>—</u>

9 Taxation on ordinary activities

(a) Analysis of charge in the year

	2005	2004
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% (2004 - 30%)	300,248	(130,000)
Adjustments to tax charge in respect of previous periods	13,160	(1,457)
Total current tax	<u>313,408</u>	<u>(131,457)</u>
Deferred tax:		
Origination and reversal of timing differences	(7,816)	(51,101)
Tax on profit on ordinary activities	<u>305,592</u>	<u>(182,558)</u>

9 Taxation on ordinary activities (continued)

(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 30% (2004 - 30%).

	2005 £	2004 £
Profit on ordinary activities before taxation	<u>1,000,844</u>	<u>1,007,528</u>
Profit on ordinary activities multiplied by the standard rate of UK		
Corporation tax	300,253	302,258
Expenses not deductible for tax purposes	12,862	15,954
Capital depreciation for period in excess of allowances	(7,816)	(6,075)
Group relief	(34,666)	-
Tax chargeable at lower rates	-	10,579
Adjustments to tax charge in respect of previous periods	13,160	(1,457)
Amounts written off investments	38,374	25,971
Prior year adjustments	-	(478,687)
Sundry tax adjusting items	(8,759)	-
Total current tax (note 9(a))	<u>313,408</u>	<u>(131,457)</u>

10 Intangible fixed assets

	Goodwill £
Cost	
Additions	207,912
At 30 June 2005	<u>207,912</u>
Amortisation	
Charge for the year	36,635
At 30 June 2005	<u>36,635</u>
Net book value	
At 30 June 2005	<u>171,277</u>
At 30 June 2004	<u>-</u>

11 Tangible fixed assets

	Freehold Property £	Motor Vehicles £	Equipment £	Total £
Cost				
At 1 July 2004	52,667	133,970	370,133	556,770
Additions	540,800	21,365	103,112	665,277
Disposals	—	(19,418)	—	(19,418)
At 30 June 2005	<u>593,467</u>	<u>135,917</u>	<u>473,245</u>	<u>1,202,629</u>
Depreciation				
At 1 July 2004	26,823	39,904	206,250	272,977
Charge for the year	2,417	29,993	80,071	112,481
On disposals	—	(8,861)	—	(8,861)
At 30 June 2005	<u>29,240</u>	<u>61,036</u>	<u>286,321</u>	<u>376,597</u>
Net book value				
At 30 June 2005	<u>564,227</u>	<u>74,881</u>	<u>186,924</u>	<u>826,032</u>
At 30 June 2004	<u>25,844</u>	<u>94,066</u>	<u>163,883</u>	<u>283,793</u>

12 Investments

	Shares in group undertakings £
Cost	
At 1 July 2004	448,106
Additions	295,054
At 30 June 2005	<u>743,160</u>
Net book value	
At 30 June 2005	<u>743,160</u>
At 30 June 2004	<u>448,106</u>

12 Investments (continued)

At 30 June 2005, the company held 20% or more of the issued ordinary share capital of the following companies:

	Nature of business	Proportion of share capital held	Profit/(loss) for the financial year £	Aggregate capital and reserves £
Access Supply Chain Limited	Software consultancy and supply	52%	103,288	127,736
Access Accounting (Ireland) Limited	Software consultancy and supply	100%	(63,005)	(298,546)
Asyst Solutions Limited	Software consultancy and supply	100%	—	(21,595)
Best Practice Associates Limited	Telemarketing	100%	—	1,000

The company has entered into a put and call option, under which it may acquire, or be obliged to acquire, the remaining 48% of Access Supply Chain Limited at a price linked to the future performance of that company. After the year end, Access Accounting Limited acquired a further 22.6% of Access Supply Chain Limited.

Under the provision of section 248 of the Companies Act 1985, the company is exempt from preparing consolidated accounts and has not done so, therefore the financial statements show information about the company as an individual entity.

The above subsidiary undertakings are all registered in Great Britain with the exception of Access Accounting (Ireland) Limited, formerly known as Access Accounting (Software) Limited, which is registered in Ireland.

13 Stocks

	2005 £	2004 £
Stock	<u>1,384</u>	<u>2,507</u>

14 Debtors

	2005 £	2004 £
Trade debtors	1,144,614	1,225,147
Amounts owed by group undertakings	947,960	69,634
Other debtors	6,888	7,984
Corporation tax recoverable	—	130,000
Prepayments and accrued income	142,366	103,963
Deferred taxation (note 15)	30,520	22,704
	<u>2,272,348</u>	<u>1,559,432</u>

15 Deferred taxation

The deferred tax included in the balance sheet is as follows:

	2005 £	2004 £
Included in debtors (note 14)	<u>30,520</u>	<u>22,704</u>

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

	2005 £	2004 £
Balance brought forward	22,704	(28,397)
Profit and loss account movement arising during the year	7,816	51,101
Balance carried forward	<u>30,520</u>	<u>22,704</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2005 £	2004 £
Excess of depreciation over taxation allowances on fixed assets	<u>30,520</u>	<u>22,704</u>

16 Creditors: amounts falling due within one year

	2005 £	2004 £
Trade creditors	145,427	92,763
Amounts owed to group undertakings	—	1,000
Corporation tax	300,248	—
Other taxation and social security	385,016	308,318
Other creditors	108,758	16,921
Accruals and deferred income	<u>2,741,948</u>	<u>2,526,173</u>
	<u>3,681,397</u>	<u>2,945,175</u>

17 Pensions

The pension cost charge for the year was £126,874 (2004 - £83,032).

At 30 June 2005, contributions amounting to £24,786 (2004 - £11,942) were payable and included in creditors.

18 Leasing commitments

At 30 June 2005 the company had annual commitments under non-cancellable operating leases as set out below.

	2005		2004	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire:				
Within 1 year	-	4,389	-	2,207
Within 2 to 5 years	122,152	40,325	120,552	40,679
	<u>122,152</u>	<u>44,714</u>	<u>120,552</u>	<u>42,886</u>

19 Contingent liabilities

The directors have confirmed that there were no other contingent liabilities which should be disclosed at 30 June 2005, other than that disclosed in note 12.

20 Related party transactions

Transactions with group undertakings were as follows:

2005:	Sales £	Purchases £	Trade Debtors £	Loan Debtors £	Trade Creditors £
Access Supply Chain Limited	97,125	3,997	19,126	-	1,410
Access Accounting Ireland Limited	222,242	6,268	30,931	186,699	-
Asyst Solutions Limited	50,833	-	59,729	650,000	-
Best Practice Associates Limited	<u>6,243</u>	<u>21,600</u>	<u>10,329</u>	<u>-</u>	<u>7,344</u>
2004:					
Access Supply Chain Limited	40,627	-	5,393	-	-
Oyster Computing Limited	18,781	-	-	-	-
Best Practice Associates Limited	<u>-</u>	<u>14,241</u>	<u>64,241</u>	<u>-</u>	<u>1,000</u>

In addition, a balance of £Nil (2004 - £7,381) was owed from Oyster Computing Limited.

The balance owed by Best Practice Associates Limited was fully provided for at the year end.

Transactions with directors were as follows:

During the year, the company paid rental income of £120,552 (2004 - £120,552) to Mr R A O'Reilly.

In addition, Access Accounting Limited purchased an element of the customer base of Asyst International Limited for £193,091. Sales amounting to £312,317 were made and purchases of £203,174 were received from Asyst International Limited during the year to 30 June 2005. Asyst International Limited is owned by Susan Ashton, the partner of the director and majority shareholder Mr R A O'Reilly.

21 Share capital

Authorised share capital:

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

Allotted, called up and fully paid:

	2005 No	£	2004 No	£
Ordinary shares of £1 each	<u>26,392</u>	<u>26,392</u>	<u>25,992</u>	<u>25,992</u>

Allotments during the year

The company made an allotment of 400 ordinary £1 shares at £50 per share. The difference between the total consideration of £20,000 and the total nominal value of £400 has been credited to the share premium account.

Certain directors entered into an Enterprise Management Incentive scheme during the year which provides various share options to be exercised within the next 10 years.

No options have been exercised during the year.

22 Reserves

	Share premium account £	Capital redemption reserve £	Profit and loss account £
At 1 July 2004	52,365	4,800	1,825,346
Retained profit for the year	—	—	695,252
Other movements			
New equity share capital subscribed	19,600	—	—
At 30 June 2005	<u>71,965</u>	<u>4,800</u>	<u>2,520,598</u>

The balance on the share premium account and the capital redemption reserve may not be distributed legally under section 263 of the Companies Act 1985.

23 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Profit for the financial year	695,252	1,190,086
New equity share capital subscribed	400	—
Premium on new share capital subscribed	19,600	—
Net addition to shareholders' equity funds	<u>715,252</u>	<u>1,190,086</u>
Opening shareholders' equity funds	1,908,503	718,417
Closing shareholders' equity funds	<u>2,623,755</u>	<u>1,908,503</u>

24 Reconciliation of operating profit to net cash inflow from operating activities

	2005 £	2004 £
Operating profit	948,408	1,035,352
Amortisation	36,635	—
Depreciation	112,481	115,512
Loss on disposal of fixed assets	258	2,784
Decrease/(increase) in stocks	1,123	(463)
Increase in debtors	(835,100)	(284,567)
Increase in creditors	435,974	529,770
Net cash inflow from operating activities	<u>699,779</u>	<u>1,398,388</u>

25 Reconciliation of net cash flow to movement in net funds

	2005 £	2004 £
Decrease in cash in the period	(268,889)	(124,664)
Cash used to increase liquid resources	—	700,000
Change in net funds	<u>(268,889)</u>	<u>575,336</u>
Net funds at 1 July 2004	2,559,840	1,984,504
Net funds at 30 June 2005	<u>2,290,951</u>	<u>2,559,840</u>

26 Analysis of changes in net funds

	At 1 Jul 2004 £	Cash flows £	At 30 Jun 2005 £
Net cash:			
Cash in hand and at bank	2,559,840	(268,889)	2,290,951
Less: deposits treated as liquid resources	(700,000)	—	(700,000)
	<u>1,859,840</u>	<u>(268,889)</u>	<u>1,590,951</u>
Liquid resources:			
Deposits included in cash	700,000	—	700,000
Net funds	<u>2,559,840</u>	<u>(268,889)</u>	<u>2,290,951</u>

27 Capital Commitments

At 30 June 2005 the company had capital commitments of £30,000 (2004 - £Nil).

28 Controlling related party

Mr R A O'Reilly is the company's controlling related party by virtue of his majority shareholding.