

# Levelcrown Limited

## FINANCIAL STATEMENTS

for the year ended

31 May 2003



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# Levelcrown Limited

## FINANCIAL STATEMENTS

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# Levelcrown Limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

Mr A I Patel  
Mr Y I Patel  
Miss K Rice

### SECRETARY

Mr A I Patel

### REGISTERED OFFICE

Lynstock House  
PO Box 2076  
Lynstock Way  
Bolton  
BL6 4SA

### AUDITORS

Baker Tilly  
Chartered Accountants  
Brazennose House  
Lincoln Square  
Manchester  
M2 5BL

### BANKERS

Barclays  
1 Bridge Street  
Stockport  
Cheshire  
SK1 1XU

# Levelcrown Limited

## DIRECTORS' REPORT

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The directors submit their report and financial statements of Levelcrown Limited for the year ended 31 May 2003.

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of retail dispensing chemists.

### REVIEW OF THE BUSINESS

The directors are pleased with the results for 2003 and wish to improve on current activities via both organic growth and acquisition.

### 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 SHARES OF THE COMPANY

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

	Ordinary Shares of £1 each	
	At 31 May 2003	At 1 June 2002
Mr A I Patel	1	1
Mr Y I Patel	1	1
Miss K Rice	—	—
	==	==

### AUDITORS

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

By order of the board



Mr A I Patel

Company Secretary

5<sup>th</sup> December 2003

# Levelcrown Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of 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.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEVELCROWN LIMITED

We have audited the financial statements on pages 5 to 17.

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 Annual Report and the financial statements in accordance with applicable law and United Kingdom 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 Directors' Report 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 Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. 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.

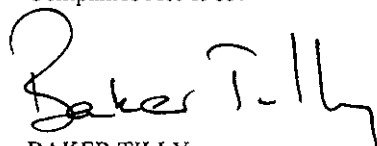
### **Basis of opinion**

We conducted our audit in accordance with 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.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 May 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY

Registered Auditor  
Chartered Accountants  
Brazenose House  
Lincoln Square  
Manchester  
M2 5BL

5<sup>th</sup> December 2003

# Levelcrown Limited

## PROFIT AND LOSS ACCOUNT for the year ended 31 May 2003

		2003			2002
		Continuing operations	Acquisitions	Total	Total
	Notes	£	£	£	£
Turnover		12,815,438	1,585,788	14,401,226	12,446,671
Cost of sales		9,503,518	1,205,005	10,708,523	9,310,733
Gross profit		3,311,920	380,783	3,692,703	3,135,938
Net operating expenses	2	2,689,575	292,476	2,982,051	2,739,507
OPERATING PROFIT	4	622,345	88,307	710,652	396,431
Profit on ordinary activities before interest		622,345	88,307	710,652	396,431
Income from shares in group undertakings			5	20,836	—
Interest receivable				3,734	3,702
Interest payable			6	(278,464)	(251,505)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION				456,758	148,628
Tax on profit on ordinary activities			7	153,350	34,460
RETAINED PROFIT FOR THE FINANCIAL YEAR				303,408	114,168

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

The operating profit for the year arises from the company's continuing operations.

# Levelcrown Limited

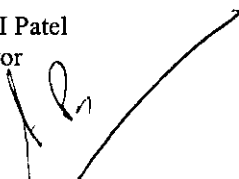
## BALANCE SHEET

31 May 2003

	Notes	2003 £	2002 £
<b>FIXED ASSETS</b>			
Intangible assets	8	5,495,866	4,087,516
Tangible assets	9	145,275	134,622
Investments	10	902	2
		<u>5,642,043</u>	<u>4,222,140</u>
<b>CURRENT ASSETS</b>			
Stocks	11	1,263,014	1,114,431
Debtors	12	1,858,590	2,266,857
Cash at bank and in hand		775,749	780,327
		<u>3,897,353</u>	<u>4,161,615</u>
<b>CREDITORS</b>			
Amounts falling due within one year	13	3,581,767	3,722,877
<b>NET CURRENT ASSETS</b>		<u>315,586</u>	<u>438,738</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,957,629</u>	<u>4,660,878</u>
<b>CREDITORS</b>			
Amounts due after more than one year	14	5,364,654	4,366,803
		<u>592,975</u>	<u>294,075</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	16	2,516	7,024
		<u>590,459</u>	<u>287,051</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	19	2	2
Profit and loss account	20	590,457	287,049
<b>SHAREHOLDERS' FUNDS</b>	21	<u>590,459</u>	<u>287,051</u>

These financial statements were approved by the directors on the 5<sup>th</sup> December 2003 and are signed on their behalf by:

Mr A I Patel  
Director





Levelcrown Limited  
CASH FLOW STATEMENT  
for the year ended 31 May 2003

	Notes	2003 £	2002 £
Net cash flow from operating activities	22	1,263,885	1,097,949
Returns on investments and servicing of finance	22	(253,894)	(247,803)
Taxation	22	(38,929)	(17,572)
Capital expenditure and financial investment	22	(1,461,337)	(532,447)
ACQUISITIONS AND DISPOSALS			
Acquisition of shares in group undertakings		(900)	—
NET CASH OUTFLOW FROM ACQUISITIONS AND DISPOSALS		(900)	—
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(491,175)	300,127
Financing	22	997,851	2,926,849
INCREASE IN CASH IN THE PERIOD		<u>506,676</u>	<u>3,226,976</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT			
		2003 £	2002 £
Increase in cash in the period		506,676	3,226,976
Net cash (inflow) from bank loans		(1,897,851)	(2,926,849)
Net cash outflow from other long-term creditors		900,000	—
CHANGE IN NET DEBT	22	(491,175)	300,127
NET DEBT AT 1 JUNE 2002	22	(5,493,426)	(1,302,244)
NET DEBT AT 31 MAY 2003	22	<u>(5,984,601)</u>	<u>(5,493,426)</u>

# Levelcrown Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

The company and its subsidiary undertaking comprise a medium sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts. These financial statements therefore present information about the company as an individual and not about its group.

### TURNOVER

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

### GOODWILL

In accordance with FRS 10, the directors have concluded that goodwill arising on acquisition of certain trade and assets of Sunscript Limited, Benson's, M Hacking and Rodney Lee Limited and as a result of a hive up, post acquisition, of the trade and assets of its subsidiary undertakings J & N Cohen and F M Rimmington Limited, should not be amortised as it has an indefinite useful economic life.

Each of these investments is considered to have an indefinite life that can be demonstrated, and the value of the goodwill can be readily measured. The dispensing chemists industry, in which the company operates, has high market entry barriers due to the nature of licence agreements with local health authorities and the limited number available in the marketplace. The value of the business can be ascertained by reference to the current value of goodwill which is payable in the market based on a price per £ in relation to the levels of turnover for each individual pharmacy. The directors undertake an annual impairment review of goodwill.

The company has not amortised this goodwill, a departure from the Companies Act 1985, paragraph 21 of Schedule 4, for the over-riding purpose of giving a true and fair view of the company's results, for the reasons outlined above. Amortisation is only one factor affecting the value of goodwill and the directors have concluded that it is not possible to quantify the effect of not amortising goodwill.

### 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:

### 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:

Fixtures & Fittings	- 25% reducing balance
Motor Vehicles	- 25% reducing balance

### STOCKS

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

# Levelcrown Limited

## ACCOUNTING POLICIES

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### 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.

### 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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

# Levelcrown Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2003

### 2 ANALYSIS OF COST OF SALES AND NET OPERATING EXPENSES

	Continuing Operations £	Acquired Operations £	Total £
Year ended 31 May 2003			
Cost of sales	<u>9,503,518</u>	<u>1,205,005</u>	<u>10,708,523</u>
Administrative expenses	2,700,142	292,476	2,992,618
Other operating income (Note 3)	(10,567)	-	(10,567)
Net operating expenses	<u>2,689,575</u>	<u>292,476</u>	<u>2,982,051</u>
Year ended 31 May 2002			
Cost of sales	<u>8,633,449</u>	<u>677,284</u>	<u>9,310,733</u>
Administrative expenses	<u>2,542,157</u>	<u>197,350</u>	<u>2,739,507</u>
Net operating expenses	<u>2,542,157</u>	<u>197,350</u>	<u>2,739,507</u>

### 3 OTHER OPERATING INCOME

	2003 £	2002 £
Rent receivable	<u>10,567</u>	<u>8,130</u>

### 4 OPERATING PROFIT

Operating profit is stated after charging:

	2003 £	2002 £
Depreciation	42,334	44,076
Loss on disposal of fixed assets	-	1,708
Auditors' remuneration		
- as auditors	4,250	3,921
Operating lease costs:		
Land and buildings	<u>188,888</u>	<u>191,899</u>

### 5 INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2003 £	2002 £
Post acquisition profits received from group undertaking	<u>20,836</u>	<u>-</u>

### 6 INTEREST PAYABLE

	2003 £	2002 £
Interest payable on bank borrowing	2,483	622
Other similar charges payable	<u>275,981</u>	<u>250,883</u>
	<u>278,464</u>	<u>251,505</u>

# Levelcrown Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2003

### 7 TAX ON PROFIT ON ORDINARY ACTIVITIES

#### (a) Taxation

	2003 £	2002 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% (2002 - 30%)	154,151	35,222
Over/under provision in prior year	3,597	(7,243)
	<u>157,748</u>	<u>27,979</u>
Interest on overdue tax paid	110	457
Total current tax	<u>157,858</u>	<u>28,436</u>
Deferred tax:		
(Decrease)/increase in deferred tax provision	(4,508)	6,024
Tax on profit on ordinary activities	<u>153,350</u>	<u>34,460</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 30% (2002 - 30%).

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>456,758</u>	<u>148,628</u>
Profit/(loss) on ordinary activities by rate of tax	137,027	44,588
Disallowable expenses	15,131	3,166
Capital allowances	(11,795)	(8,854)
Depreciation	12,700	13,223
Other tax adjustments	1,088	81
Interest on overdue tax	110	457
Under/(over) provision in prior year	3,597	(7,243)
Relief for losses b/f	—	(16,982)
Total current tax (note 7(a))	<u>157,858</u>	<u>28,436</u>

### 8 INTANGIBLE FIXED ASSETS

	Goodwill	Lease Premium	Total
Cost	£	£	£
At 1 June 2002	4,087,516	—	4,087,516
Additions	1,403,850	4,500	1,408,350
At 31 May 2003	<u>5,491,366</u>	<u>4,500</u>	<u>5,495,866</u>
Amortisation	—	—	—
Net book value			
At 31 May 2003	<u>5,491,366</u>	<u>4,500</u>	<u>5,495,866</u>
At 31 May 2002	<u>4,087,516</u>	—	<u>4,087,516</u>

# Levelcrown Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2003

### 9 TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost			
At 1 June 2002	193,506	17,222	210,728
Additions	37,775	15,212	52,987
At 31 May 2003	<u>231,281</u>	<u>32,434</u>	<u>263,715</u>
Depreciation			
At 1 June 2002	69,985	6,121	76,106
Charge for the year	36,726	5,608	42,334
At 31 May 2003	<u>106,711</u>	<u>11,729</u>	<u>118,440</u>
Net book value			
At 31 May 2003	<u>124,570</u>	<u>20,705</u>	<u>145,275</u>
At 31 May 2002	<u>123,521</u>	<u>11,101</u>	<u>134,622</u>

### 10 INVESTMENTS

	Share in group undertakings £
Cost	
At 1 June 2002	2
Additions	900
At 31 May 2003	<u>902</u>
Net book value	
At 31 May 2003	<u>902</u>
At 31 May 2002	<u>2</u>

# Levelcrown Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2003

### 10 INVESTMENTS *(continued)*

The company owns 100% of the issued share capital of the companies listed below,

Aggregate capital and reserves	2003 £	2002 £
J & N Cohen Limited	—	—
Gamcrest Limited	15,848	19,869
F M Rimmington Limited	—	—
M Hacking Limited	—	—
Profit and (loss) for the year		
J & N Cohen Limited	—	—
Gamcrest Limited	(4,021)	(6,845)
F M Rimmington Limited	—	—
M Hacking Limited	—	—

On 1 October 2002 the company acquired the trade and assets of Rodney Lee Limited for a consideration of £2,153,701 satisfied by cash. The identifiable assets and liabilities acquired at fair value to the company were:

Fixed assets £36,570; Stock £317,078; Debtors £477,054; Creditors £(282,256); Cash balances £209,201.

Goodwill of £1,396,054, being the difference between the fair value of net assets acquired and consideration paid, arises from this transaction.

### 11 STOCKS

	2003 £	2002 £
Finished goods	<u>1,263,014</u>	<u>1,114,431</u>

### 12 DEBTORS

	2003 £	2002 £
Trade debtors	1,515,950	1,960,457
Amounts owed by group undertakings	3,806	14,190
Other debtors	186,392	172,748
Prepayments and accrued income	152,442	119,462
	<u>1,858,590</u>	<u>2,266,857</u>

# Levelcrown Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2003

### 13 CREDITORS amounts falling due within one year

	2003	2002
	£	£
Bank loans and overdrafts	1,395,696	1,906,950
Trade creditors	1,057,278	1,390,431
Amounts owed to group undertakings	10,000	10,000
Amounts owed to undertakings in which the company has a participating interest	53,527	17,800
Corporation tax	154,151	35,222
Other taxation and social security	39,915	30,837
Other creditors	746,310	214,561
Accruals and deferred income	124,890	117,076
	<u>3,581,767</u>	<u>3,722,877</u>

The bank loans and overdraft are secured by a fixed and floating charge over the company's assets, including a fixed charge over goodwill. A third party also acts as guarantor in relation to certain loan balances. Interest is levied at 1% above base rate on capital borrowed of £3,853,000 and 1.25% above base rate on capital borrowed of £3,180,000.

### 14 CREDITORS amounts falling due after more than one year

	2003	2002
	£	£
Bank loans and overdrafts	5,364,654	3,466,803
Other creditors	—	900,000
	<u>5,364,654</u>	<u>4,366,803</u>

### 15 CREDITORS - MATURITY OF DEBT

Creditors include bank loans which are due for repayment as follows:

	2003	2002
	£	£
Amounts repayable:		
In one year or less or on demand	493,696	1,147,817
In more than one year but not more than two years	518,234	263,757
In more than two years but not more than five years	1,714,719	897,496
In more than five years	3,131,701	2,305,550
	<u>5,858,350</u>	<u>4,614,620</u>

### 16 DEFERRED TAXATION

	2003	2002
	£	£
The movement in the deferred taxation provision during the year was:		
Provision brought forward	7,024	1,000
Profit and Loss Account movement arising during the year	(4,508)	6,024
Provision carried forward	<u>2,516</u>	<u>7,024</u>



# Levelcrown Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2003

### 16 DEFERRED TAXATION *(continued)*

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

	2003	2002
	£	£
Excess of taxation allowances over depreciation on fixed assets	2,516	7,024
	<u>2,516</u>	<u>7,024</u>

### 17 COMMITMENTS UNDER OPERATING LEASES

At 31 May 2003 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	2003	2002
	£	£
Operating leases which expire:		
Within 1 year	59,275	—
After more than 5 years	167,208	166,370
	<u>226,483</u>	<u>166,370</u>

### 18 RELATED PARTY TRANSACTIONS

Included in other debtors are amounts due from parties related by virtue of common control:

Wardcare Limited - £6,048 (2002 - £4,325)

Included in other debtors are amounts due from group companies:

Gamecrest Limited - £3,806 (2002 - £14,190)

Included in other creditors are amounts owed to the following parties, related by virtue of common control:

Gorgemead Limited - £265,860 (2002 - £139,009)

Scholes (Chemists) Limited - £338,324 (2002 - £70,978) Makan Investments Limited - £130,401 (2002, amounts owed by Makan Investments - £22,599) Prinwest Limited - £9,036 (2002, amounts owed by Prinwest Limited - £3,694)

Included in other creditors are amounts owed to the following group companies:

Rodney Lee Limited - £35,727 (2002 - Nil)

F M Rimmington - £16,800 (2002 - £16,800)

J&N Cohen - £1,000 (2002 - £1,000)

M Hacking Limited - £10,000 (2002 - £10,000)

# Levelcrown Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2003

### 19 SHARE CAPITAL

	2003 £	2002 £
Authorised:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:		
Ordinary share capital	<u>2</u>	<u>2</u>

### 20 PROFIT AND LOSS ACCOUNT

	2003 £	2002 £
Balance brought forward	287,049	172,881
Retained profit for the financial year	<u>303,408</u>	<u>114,168</u>
Balance carried forward	<u>590,457</u>	<u>287,049</u>

### 21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Profit for the financial year	303,408	114,168
Opening shareholders' equity funds	<u>287,051</u>	<u>172,883</u>
Closing shareholders' equity funds	<u>590,459</u>	<u>287,051</u>

### 22 NOTES TO THE STATEMENT OF CASH FLOWS

#### a Reconciliation of operating profit to net cash inflow from operating activities

	2003 £	2002 £
Operating profit	710,652	396,431
Depreciation	42,334	44,076
Loss on disposal of fixed assets	—	1,708
(Increase)/decrease in stocks	(148,583)	22,733
Decrease in debtors	408,267	498,246
Increase in creditors	251,215	134,755
Net cash inflow from operating activities	<u>1,263,885</u>	<u>1,097,949</u>

#### b Analysis of cash flows for headings netted in the cash flow

##### Returns on investment and servicing of finance

	2003 £	2002 £
Income from group undertakings	20,836	—
Interest received	3,734	3,702
Interest paid	(278,464)	(251,505)
Net cash outflow from returns on investments and servicing of finance	<u>(253,894)</u>	<u>(247,803)</u>

# Levelcrown Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2003

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

#### Taxation

	2003	2002
	£	£
Taxation	<u>(38,929)</u>	<u>(17,572)</u>

#### Capital expenditure

	2003	2002
	£	£
Payments to acquire intangible fixed assets	(1,408,350)	(505,008)
Payments to acquire tangible fixed assets	(52,987)	(28,689)
Receipts from sale of fixed assets	–	1,250
<b>Net cash outflow from capital expenditure</b>	<u><b>(1,461,337)</b></u>	<u><b>(532,447)</b></u>

#### Financing

	2003	2002
	£	£
Increase in bank loans	1,897,851	2,926,849
Net outflow from other long-term creditors	(900,000)	–
<b>Net cash inflow from financing</b>	<u><b>997,851</b></u>	<u><b>2,926,849</b></u>

#### c Analysis of changes in net debt

	At 1 Jun 2002 £	Cash flows £	At 31 May 2003 £
Net cash:			
Cash in hand and at bank	780,327	(4,578)	775,749
Overdrafts	<u>(1,906,950)</u>	<u>511,254</u>	<u>(1,395,696)</u>
	<u>(1,126,623)</u>	<u>506,676</u>	<u>(619,947)</u>
Debt:			
Debt due after 1 year	<u>(4,366,803)</u>	<u>(997,851)</u>	<u>(5,364,654)</u>
<b>Net debt</b>	<u><b>(5,493,426)</b></u>	<u><b>(491,175)</b></u>	<u><b>(5,984,601)</b></u>