

Financial statements

SPL Services Limited

For the year ended 31 July 2011



Company No. 06321669

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Report of the directors

The directors present their report together with the audited financial statements of the company and the group for the year ended 31 July 2011

Principal activities

The principal activity of the group during the year was the provision of specialist courier services for the pharmaceutical industry

The group is a global provider of courier services for the pharmaceutical industry. Most of the major pharmaceutical organisations use the group's services when trialling newly discovered drugs.

The principal activity of the company is that of a holding company.

The directors use a number of measures, both financial and non-financial to monitor and benchmark the performance of the group. They regard the following as the key financial indicators of performance:

- turnover - measuring market share achieved by the group
- operating profit - measuring the profits generated by the group's operations

The group achieved a turnover of £9,338,940 in the year (2010 £8,269,538) representing an increase of 13% from the prior year.

The directors are confident that the group will generate positive EBITDA in the current year, supported by a continual investment programme. The directors continue to implement the buy out strategy and have committed the necessary financial resources to strengthen the group's global footprint.

Directors

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

P Balkwell
A Thomson
C Bryant

Report of the directors (continued)

Directors' Responsibilities Statement

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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). 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 and profit or loss of the company and group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent, and
- 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 each of the directors is 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.

ON BEHALF OF THE BOARD



A Thomson
Director
Company no 06321669

12/7/2012



Independent auditor's report to the members of SPL Services Limited

We have audited the financial statements of SPL Services Limited for the year ended 31 July 2011 which comprise the principal accounting policies, the consolidated profit and loss account, the consolidated balance sheet, the company balance sheet, the consolidated statement of total recognised gains and losses 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 3, 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 and express an opinion on 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/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 July 2011 and of the group's 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.

Opinion on other matter 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.

Independent auditor's report to the members of SPL Services Limited (continued)

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, or



Robert Napper
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants

Reading

Date 13 July 2012

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The directors have reviewed the principal accounting policies and consider them to be appropriate to the company. The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the parent company and all group undertakings. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over twenty years from the year of acquisition. The results of companies acquired or disposed of are included in the consolidated profit and loss account after or up to the date that control passes respectively. Intra group sales, profit and balances are eliminated on consolidation.

Going concern

The directors are confident that the period of investment and restructuring will allow the group to return to a period of sustained growth and profit which is underlined by the continued commitment of both lenders and investors. The directors are also confident that the business will continue to grow at a significant rate and will produce on-going improvements in profitability.

The investors have provided a letter of support confirming that if necessary they will support the group to meet its liabilities as they fall due for a period of at least 12 months from the signing of these financial statements. On this basis the directors have concluded that the going concern basis for preparing the financial statements is appropriate.

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions is capitalised.

Positive goodwill is amortised by equal annual instalments over its estimated useful life of twenty years.

Capitalised expenditure included within goodwill is amortised over a period of 2-5 years.

Turnover

The turnover represents the total amount receivable by the company for goods supplied and services provided, excluding value added tax. Revenue is recognised when goods are shipped or when the service is provided.

Principal accounting policies (continued)

Stocks

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

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold property	-	over the term of the lease
Fixtures & fittings	-	15% reducing balance
Motor vehicles	-	25% reducing balance

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 group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the group. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured on a non-discounted basis using rates of tax that have been enacted or substantively enacted by 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.

Principal accounting policies (continued)

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Consolidated profit and loss account

	Note	2011 Continuing £	2011 Acquisitions £	2011 Total £	2010 £
Turnover	1	9,256,310	82,630	9,338,940	8,269,538
Cost of sales		(5,307,822)	(47,387)	(5,355,209)	(4,045,100)
Gross profit		3,948,488	35,243	3,983,731	4,224,438
Other operating charges	2	(5,289,406)	(98,116)	(5,387,522)	(4,340,025)
EBITDA	3	(1,340,918)	(62,873)	(1,403,791)	(115,587)
Amortisation	8	(663,560)	–	(663,560)	(326,211)
Depreciation	9	(124,429)	–	(124,429)	(86,058)
Operating loss		(2,128,907)	(62,873)	(2,191,780)	(527,856)
Interest payable and similar charges	6	(252,713)	–	(252,713)	(263,030)
Interest receivable		–	–	–	130
Loss on ordinary activities before taxation		(2,381,620)	(62,873)	(2,444,493)	(790,756)
Tax on loss on ordinary activities	7	(99,488)	–	(99,488)	(109,970)
Loss for the financial year	19	(2,481,108)	(62,873)	(2,543,891)	(900,726)

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

Consolidated balance sheet

	Note	2011 £	2010 £
Fixed assets			
Intangible assets	8	5,421,547	6,011,095
Tangible assets	9	538,720	528,956
		<u>5,960,267</u>	<u>6,540,051</u>
Current assets			
Stocks	11	124,027	38,665
Debtors	12	2,180,706	1,833,830
Cash at bank and in hand		447,053	183,280
		<u>2,751,786</u>	<u>2,055,775</u>
Creditors, amounts falling due within one year	13	<u>(3,609,735)</u>	<u>(2,480,379)</u>
Net current liabilities		<u>(857,949)</u>	<u>(424,604)</u>
Total assets less current liabilities		<u>5,102,318</u>	<u>6,115,447</u>
Creditors' amounts falling due in greater than one year	14	<u>(6,332,495)</u>	<u>(4,843,331)</u>
Provisions	14	<u>(30,000)</u>	<u>(30,000)</u>
		<u>(1,260,177)</u>	<u>1,242,116</u>
Capital and reserves			
Called-up share capital	16	43,786	42,671
Share premium account	17	3,965,030	3,850,155
Profit and loss account	18	<u>(5,268,993)</u>	<u>(2,650,710)</u>
Shareholders' (deficit)/funds	19	<u>(1,260,177)</u>	<u>1,242,116</u>

These financial statements were approved by the directors and authorised for issue on 12/7/12, and are signed on their behalf by



A Thomson
Director

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

Consolidated statement of total recognised gains and losses

	2011 £	2010 £
Loss for the year	(2,543,981)	(900,726)
Foreign exchange differences on translation of foreign subsidiaries	<u>(74,302)</u>	<u>26,735</u>
Total loss recognised since the last financial statements	<u>(2,618,283)</u>	<u>(873,991)</u>

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

Consolidated cash flow statement

	Note	2011 £	2010 £
Net cash (outflow)/inflow from operating activities	20	(879,792)	92,343
Return on investments and servicing of finance			
Interest received		—	130
Interest paid		<u>(252,713)</u>	<u>(263,030)</u>
Net cash outflow from return on investments and servicing of finance		<u>(252,713)</u>	<u>(262,900)</u>
Taxation		<u>15,000</u>	<u>43,582</u>
Capital expenditure and financial investment			
Purchase of fixed assets		<u>(124,429)</u>	<u>(216,260)</u>
Net cash outflow from capital expenditure and financial investment		<u>(124,429)</u>	<u>(216,260)</u>
Acquisitions and disposals			
Purchase of subsidiary undertaking		<u>(74,012)</u>	<u>(465,511)</u>
Net cash outflow from acquisitions and disposals		<u>(74,012)</u>	<u>(465,511)</u>
Financing			
Loan advances		1,489,164	98,491
Issue of share capital		<u>115,990</u>	<u>—</u>
Net cash outflow from financing		<u>1,605,154</u>	<u>98,491</u>
Increase/(decrease) in cash	21	<u>289,208</u>	<u>(710,255)</u>

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

Company balance sheet

	Note	2011 £	2010 £
Fixed assets			
Investments	10	<u>7,144,058</u>	<u>7,660,058</u>
Current assets			
Debtors	12	<u>2,474,677</u>	<u>897,098</u>
Cash at bank and in hand		<u>2,589</u>	<u>69</u>
		<u>2,477,266</u>	<u>897,167</u>
Creditors: amounts falling due within one year	13	<u>(133,341)</u>	<u>(42,853)</u>
Net current assets		<u>2,343,925</u>	<u>854,314</u>
Total assets less current liabilities		<u>9,487,983</u>	<u>8,514,372</u>
Creditors: amounts falling due in greater than one year	14	<u>(6,332,495)</u>	<u>(4,843,331)</u>
		<u>3,155,488</u>	<u>3,671,041</u>
Capital and reserves			
Called-up share capital	16	<u>43,786</u>	<u>42,671</u>
Share premium account	17	<u>3,965,030</u>	<u>3,850,155</u>
Profit and loss account	18	<u>(853,328)</u>	<u>(221,785)</u>
Shareholders' funds	19	<u>3,155,488</u>	<u>3,671,041</u>

These financial statements were approved by the directors and authorised for issue on 12/7/12, and are signed on their behalf by



A Thomson
 Director

Notes to the financial statements

1 Turnover

The group turnover is attributable to the one principal activity. The analysis of turnover by geographical market has not been disclosed, as in the opinion of the directors, this would be seriously prejudicial to the interests of the group. Company turnover relates to management charges charged to subsidiary undertakings.

2 Other operating charges

	2011 £	2010 £
Administrative expenses	<u>5,387,522</u>	<u>4,340,025</u>

3 Operating loss

The operating loss is stated after charging/(crediting)

	2011 £	2010 £
Depreciation of owned fixed assets	124,429	86,058
Amortisation of goodwill	663,560	326,211
Auditor's remuneration		
Audit fees	18,900	18,500
Operating lease costs		
- Plant and equipment	47,469	9,004
- Other	<u>100,679</u>	<u>176,359</u>

4 Directors and employees

The aggregate payroll costs of the above were

	2011 £	2010 £
Wages and salaries	2,540,694	2,438,827
Social security costs	200,114	198,554
Other pension costs	86,538	85,748
	<u>2,827,346</u>	<u>2,723,129</u>

The average number of staff employed by the group during the financial year amounted to 100 (2010: 109). This number does not include the extensive network partner employees which the group works with around the world.

5 Directors

Remuneration in respect of directors was as follows

	2011 £	2010 £
Emoluments receivable	315,381	350,666
Value of company pension contributions to money purchase schemes	19,307	22,073
	<u>334,688</u>	<u>372,739</u>

Emoluments of highest paid director

	2011 £	2010 £
Total emoluments (excluding pension contributions)	<u>107,050</u>	<u>120,309</u>

During the year, 3 (2010 3) directors participated in money purchase schemes via the compulsory stakeholders scheme

6 Interest payable and similar charges

	2011 £	2010 £
Interest payable on borrowings	<u>252,713</u>	<u>263,030</u>

7 Taxation on loss on ordinary activities

(a) Analysis of charge in the year

	2011 £	2010 £
Current tax		
UK Corporation tax based on the results for the year at 26.64% (2010 28%)	717	—
Over provision in prior years	15,000	(16,367)
Total current tax	<u>15,717</u>	<u>(16,367)</u>
Deferred tax		
Origination and reversal of timing differences	<u>83,771</u>	<u>126,337</u>
Tax on loss on ordinary activities	<u>99,488</u>	<u>109,970</u>

7 Taxation on loss on ordinary activities (continued)

(b) Factors affecting current tax charge

	2011 £	2010 £
Loss on ordinary activities before taxation	(2,444,493)	(790,756)
Loss on ordinary activities by rate of tax	(651,275)	(221,412)
Expenses not deductible for tax purposes	345,839	114,579
Capital allowances for period in excess of depreciation	(7,736)	(13,032)
Tax losses	—	(74,643)
Other differences	1,249	(4,150)
Unrelieved tax losses	203,770	198,658
Impact of foreign subsidiaries	108,870	—
Over provision in prior years	15,000	(16,367)
Total current tax (note 7(a))	<u>15,717</u>	<u>(16,367)</u>

8 Intangible fixed assets - group

	Goodwill £
Cost	
At 1 August 2010	6,989,728
Additions	36,940
Foreign exchange differences	37,072
At 31 July 2011	<u>7,063,740</u>
Amortisation	
At 1 August 2010	978,633
Charge for the year	663,560
At 31 July 2011	<u>1,642,193</u>
Net book value	
At 31 July 2011	<u>5,421,547</u>
At 31 July 2010	<u>6,011,095</u>

9 Tangible fixed assets - group

	Leasehold Improvements £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost				
At 1 August 2010	107,577	872,696	66,883	1,047,156
Additions	-	124,429	-	124,429
Disposal	-	(7,225)	-	(7,225)
Foreign exchange differences	-	(10,663)	967	(9,696)
At 31 July 2011	<u>107,577</u>	<u>979,237</u>	<u>67,850</u>	<u>1,154,664</u>
Depreciation				
At 1 August 2010	65,403	402,492	50,305	518,200
Charge for the year	7,710	84,231	4,191	96,132
Disposal	-	(4,616)	-	(4,616)
Foreign exchange differences	-	5,822	406	6,288
At 31 July 2011	<u>73,113</u>	<u>487,929</u>	<u>54,902</u>	<u>615,944</u>
Net book value				
At 31 July 2011	<u>34,364</u>	<u>491,308</u>	<u>12,948</u>	<u>538,720</u>
At 31 July 2010	<u>42,174</u>	<u>470,204</u>	<u>16,578</u>	<u>528,956</u>

10 Investments - company

	Share in subsidiary undertakings £
Cost	
At 1 August 2010 and 31 July 2011	<u>7,660,058</u>
Impairment	
At 1 August 2010	-
Impairment provision	<u>516,000</u>
At 31 July 2011	<u>516,000</u>
Net book value	
At 31 July 2011	<u>7,144,058</u>
At 31 July 2010	<u>7,660,058</u>

11 Stocks

	2011		2010	
	Group	Company	Group	Company
	£	£	£	£
Finished goods	<u>124,027</u>	<u>-</u>	<u>38,665</u>	<u>-</u>

12 Debtors

	2011		2010	
	Group	Company	Group	Company
	£	£	£	£
Trade debtors	1,867,798	-	1,485,882	-
Amounts owed by group undertakings	-	2,445,318	-	789,114
Amounts owed by related undertakings	15,082	-	-	-
Corporation tax recoverable	-	-	15,000	15,000
Deferred tax asset	-	-	83,771	-
Other debtors	129,492	29,359	242,725	92,984
Prepayments and accrued income	<u>168,334</u>	<u>-</u>	<u>6,452</u>	<u>-</u>
	<u>2,180,706</u>	<u>2,474,677</u>	<u>1,833,830</u>	<u>897,098</u>

The deferred tax asset relates to fixed asset timing differences. The profit and loss movement in respect of the deferred tax asset is shown in note 7.

The intercompany debtor of £2,445,318 (2010 £789,114) is due in more than one year.

13 Creditors: amounts falling due within one year

	2011		2010	
	Group	Company	Group	Company
	£	£	£	£
Bank loans and overdrafts	836,272	-	861,707	-
Trade creditors	1,953,684	75,008	1,204,374	42,853
Other taxation and social security	140,658	-	175,641	-
Other creditors	73,630	-	-	-
Accruals and deferred income	<u>605,491</u>	<u>58,333</u>	<u>238,657</u>	<u>-</u>
	<u>3,609,735</u>	<u>133,341</u>	<u>2,480,379</u>	<u>42,853</u>

14 Creditors: amounts falling due after more than one year

	2011		2010	
	Group £	Company £	Group £	Company £
Bank loans	2,698,709	2,698,709	2,698,709	2,698,709
Other loans	3,633,786	3,633,786	2,144,622	2,144,622
Provision for dilapidation	30,000	–	30,000	–
	<u>6,362,495</u>	<u>6,332,495</u>	<u>4,873,331</u>	<u>4,843,331</u>

The bank and other loans are secured by a fixed and floating charge over the assets of the group

15 Commitments under operating leases

At 31 July 2011 the group had aggregate annual commitments under non-cancellable operating leases as set out below

	2011		2010	
	Land & Buildings £	Other £	Land & Buildings £	Other £
Operating leases which expire				
Less than one year	18,572	77,408	63,830	–
Within 2 - 5 years	28,897	23,271	207,206	9,400
	<u>47,469</u>	<u>100,679</u>	<u>271,036</u>	<u>9,400</u>

16 Share capital

Authorised share capital

	2011 £	2010 £
293,859 (2010 293,859) Ordinary shares of £0.01 each	2,939	2,939
647,454 (2010 647,454) Ordinary Class A shares of £0.001 each	65	65
411,129 (2010 411,129) Ordinary Class B shares of £0.001 each	41	41
14,130,000 (2010 3,315,529) Ordinary Class C shares of £0.001 each	1,413	332
102,755 (2010 102,755) Ordinary Class W shares of £0.001 each	10	10
433,007,388 (2010 433,007,388) Deferred shares of £0.001 each	43,300	43,300
	<u>47,768</u>	<u>46,687</u>

Allotted, called up and fully paid

	2011		2010	
	No	£	No	£
Ordinary shares of £0.01 each	277,439	2,774	277,259	2,774
Ordinary Class A shares of £0.001 each	647,537	65	647,537	65
Ordinary Class B shares of £0.001 each	370,020	37	369,920	37
Ordinary Class C shares of £0.001 each	14,127,755	1,413	2,972,355	297
Ordinary Class W shares of £0.001 each	—	—	—	—
Deferred shares of £0.001 each	394,972,677	39,497	394,972,677	39,498
	<u>410,395,248</u>	<u>43,786</u>	<u>399,239,748</u>	<u>42,671</u>

All shares rank parri passu

During the year, 11,155,400 ordinary C shares and 100 ordinary B shares were issued for consideration of £111,554 and £100 respectively

17 Share premium account

	2011	2010
	£	£
Balance brought forward	3,850,155	3,850,155
Premium on shares issued in the year	114,875	—
Balance carried forward	<u>3,965,030</u>	<u>3,850,155</u>

18 Profit and loss account

	2011		2010	
	Group	Company	Group	Company
	£	£	£	£
Balance brought forward	(2,650,710)	(221,785)	(1,776,719)	(183,160)
Loss for the financial year	(2,543,981)	(631,543)	(900,726)	(38,625)
Foreign exchange differences	(74,302)	—	26,735	—
Balance carried forward	<u>(5,268,993)</u>	<u>(853,328)</u>	<u>(2,650,710)</u>	<u>(221,785)</u>

19 Reconciliation of movements in shareholders' funds

	2011		2010	
	Group	Company	Group	Company
	£	£	£	£
Loss for the financial year	(2,543,981)	(631,543)	(900,726)	(38,625)
Share capital subscribed	1,115	1,115	—	—
Premium on share capital subscribed	114,875	114,875	—	—
Foreign exchange differences	(74,302)	—	26,735	—
Opening shareholders' funds	<u>1,242,116</u>	<u>3,671,041</u>	<u>2,116,107</u>	<u>3,709,666</u>
Closing shareholders' funds/(deficit)	<u>(1,260,177)</u>	<u>3,155,488</u>	<u>1,242,116</u>	<u>3,671,041</u>

20 Reconciliation of operating loss to net cash inflow from operating activities

	2011 £	2010 £
Operating loss	(2,191,780)	(527,856)
Depreciation and amortisation charges	759,692	412,269
Profit on sale of fixed assets	(2,609)	–
Foreign exchange differences	(67,092)	–
Increase in stocks	(85,362)	(10,952)
(Increase)/decrease in debtors	(445,647)	321,721
Increase/(decrease) in creditors	1,153,006	(102,839)
Net cash (outflow)/inflow from operating activities	<u>(879,792)</u>	<u>92,343</u>

21 Analysis of changes in net funds

	At 1 August 2010 £	Cash flow £	At 31 July 2011 £
Cash			
Cash at bank	183,280	263,773	447,053
Overdrafts	(861,707)	25,435	(836,272)
	<u>(678,427)</u>	<u>289,208</u>	<u>(389,219)</u>
Debt			
Loans	(4,843,331)	(1,489,164)	(6,332,495)
	<u>(4,843,331)</u>	<u>(1,489,164)</u>	<u>(6,332,495)</u>
Total	<u>(5,521,758)</u>	<u>(1,199,956)</u>	<u>(6,721,714)</u>

22 Parent company loss

As permitted by section 408 of the Companies Act 2006, the profit and loss of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £631,543 (2010 loss £38,625).

23 Contingent liabilities

There were no contingent liabilities at 31 July 2011 and 31 July 2010.

24 Capital commitments

There were no capital commitments at 31 July 2011 and 31 July 2010.