

**BELL & SCOTT LLP**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2008**

**Registered Number SO300197**



**Tenon Limited**  
Accountants and Business Advisers  
160 Dundee Street  
Edinburgh  
EH11 1DQ

**BELL & SCOTT LLP**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2008**

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**BELL & SCOTT LLP**  
**DESIGNATED MEMBERS AND ADVISERS**  
**YEAR ENDED 30 APRIL 2008**

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<b>Designated members</b>	R I MacDonald P K Jennings B J Malone C Docherty P F Reilly S M Webster B W Anderson M A Kane D Kaye J Steel R Wark R P A MacLean D Henderson
<b>Business address</b>	16 Hill Street Edinburgh EH2 3LD
<b>Registered office</b>	16 Hill Street Edinburgh EH2 3LD
<b>Auditor</b>	Tenon Audit Limited Registered Auditor 160 Dundee Street Edinburgh EH11 1DQ
<b>Accountants</b>	Tenon Limited Accountants and Business Advisers 160 Dundee Street Edinburgh EH11 1DQ
<b>Bankers</b>	The Royal Bank of Scotland plc 36 St Andrew Square Edinburgh EH2 2YB

**BELL & SCOTT LLP**  
**THE REPORT OF THE MEMBERS**  
**YEAR ENDED 30 APRIL 2008**

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The members present their report and the financial statements of the LLP for the year ended 30 April 2008.

**Principal activities and business review**

Bell & Scott's principal activity is the provision of property focussed Scottish legal services from offices in Edinburgh and Glasgow.

Performance in the year to 30th April 2008 was slightly stronger than in previous years. Total income at £5.2 million represented an increase of 10% on the previous year. The Glasgow office move in October 2007 to Class 1A accommodation in the central business district whilst adding to the overhead has provided an excellent platform for developing the business in the West of Scotland and beyond.

Whilst market positioning has not been measured through a formal survey feedback from peers in the legal industry indicates that the profile of the business has increased both in Scotland and the UK as a whole.

Attendance at premier UK and European property industry events such as MIPIM and BCSC provide excellent opportunities to raise the profile of the firm across the UK and into Europe with those with property interests in Scotland.

The principal risk to the business in the coming year is the downturn in the property industry brought about by the global economic crisis. Risk will be managed through a combination of cost control and rationalisation and business development in new markets and sectors.

**Results for the year and allocation to members**

The profit for the year available for distribution to members was £2,121,044. (2007: £2,165,868).

**Designated members**

The following were designated members during the year:

S E G Guest	(Resigned 29 June 2007)
R I MacDonald	
P K Jennings	
B J Malone	
C Docherty	
P F Reilly	
S M Webster	
B W Anderson	
M A Kane	
D Kaye	
J Steel	
R Wark	
R P A MacLean	(Appointed 1 June 2007)
D Henderson	(Appointed 1 May 2007)

**Policy with respect to members' drawings and subscription and repayments of amounts subscribed or otherwise contributed by members**

Members are permitted to make drawings in anticipation of profits which will be allocated to them. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the LLP.

New members are required to subscribe a minimum level of capital and in subsequent years members are invited to subscribe for further capital, the amounts of which is determined by the performance and seniority of those members. On retirement, capital is repaid to members.

# BELL & SCOTT LLP

## THE REPORT OF THE MEMBERS *(continued)*

YEAR ENDED 30 APRIL 2008

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### Responsibilities of the members

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

Legislation applicable to limited liability partnerships requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members 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 LLP will continue in business.

The members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 1985 as modified by the Limited Liability Partnerships Regulations 2001. The members are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

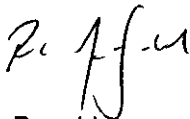
In so far as the members are, individually, aware:

- there is no relevant audit information of which the LLP's auditor is unaware; and
- the members 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

A resolution to re-appoint Tenon Audit Limited as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985 as modified by the Limited Liability Partnerships Regulations 2001.

Signed on behalf of the members



R I MacDonald

Designated member

Approved by the members on 20/11/08

**BELL & SCOTT LLP**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BELL &  
SCOTT LLP**

**YEAR ENDED 30 APRIL 2008**

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We have audited the financial statements of Bell & Scott LLP on pages 6 to 19 for the year ended 30 April 2008. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the LLP's members, as a body, in accordance with Section 235 of the Companies Act 1985 as modified by the Limited Liability Partnerships Regulations 2001. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of members and auditor**

As described in the statement of members' responsibilities the LLP's members are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 as modified by the Limited Liability Partnerships Regulations 2001. We also report to you whether in our opinion the information given in the Members' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the LLP 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 members' remuneration and other transactions is not disclosed.

We read the Members' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the LLP'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.

**BELL & SCOTT LLP**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BELL &  
SCOTT LLP *(continued)***

**YEAR ENDED 30 APRIL 2008**

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**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the LLP's affairs as at 30 April 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985 as modified by the Limited Liability Partnerships Regulations 2001; and
- the information given in the Members' Report is consistent with the financial statements.

*Tenon Audit Limited*

Tenon Audit Limited  
Registered Auditor  
160 Dundee Street  
Edinburgh  
EH11 1DQ

Date:- 26/1/09

**BELL & SCOTT LLP**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30 APRIL 2008**

		2008 £	2007 £
<b>Turnover</b>	Note 2	5,255,670	4,780,634
Cost of sales		(1,936,911)	(1,658,039)
<b>Gross profit</b>		3,318,759	3,122,595
Administrative expenses		(1,252,652)	(986,405)
Other operating income	3	84,427	21,846
<b>Operating profit</b>	4	2,150,534	2,158,036
Interest receivable		62,830	90,434
Interest payable	6	(92,320)	(82,602)
<b>Profit for the financial year before members' remuneration and profit shares</b>		2,121,044	2,165,868
Members' remuneration charged as an expense	7	(598,568)	(348,505)
<b>Profit for the financial year available for discretionary division among members</b>		<u>1,522,476</u>	<u>1,817,363</u>

The LLP's turnover and expenses all relate to continuing operations.



**BELL & SCOTT LLP****STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****YEAR ENDED 30 APRIL 2008**

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	2008 £	2007 £
Profit for the financial year available for discretionary division among members	1,522,476	1,817,363
Unrealised profit on revaluation of certain fixed assets	<u>105,000</u>	<u>175,000</u>
Total gains and losses recognised since the last annual report	<u>1,624,476</u>	<u>1,992,363</u>

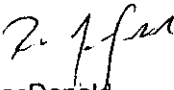
# BELL & SCOTT LLP

## BALANCE SHEET

30 APRIL 2008

	Note	2008 £	£	2007 £	£
<b>Fixed assets</b>					
Intangible assets	8		499,998		625,000
Tangible assets	9		1,629,344		1,531,383
			<u>2,129,342</u>		<u>2,156,383</u>
<b>Current assets</b>					
Debtors	10	2,416,044		2,231,498	
Cash in hand		326		574	
		<u>2,416,370</u>		<u>2,232,072</u>	
<b>Creditors: Amounts falling due within one year</b>	11	(1,353,448)		(1,003,461)	
<b>Net current assets</b>			1,062,922		1,228,611
<b>Total assets less current liabilities</b>			<u>3,192,264</u>		<u>3,384,994</u>
<b>Creditors: Amounts falling due after more than one year</b>	12		(845,206)		(817,150)
<b>Net assets attributable to members</b>			<u>2,347,058</u>		<u>2,567,844</u>
<b>Represented by:</b>					
<b>Loans and other debts due to members</b>					
Other amounts	17		1,781,294		2,107,080
<b>Equity</b>					
Members' other interests	18		565,764		460,764
			<u>2,347,058</u>		<u>2,567,844</u>
<b>Total members' interests</b>					
Loans and other debts due to members	17		1,797,154		2,107,080
Members' other interests	18		549,904		460,764
			<u>2,347,058</u>		<u>2,567,844</u>

These financial statements were approved by the members and authorised for issue on 20.11.08, and are signed on their behalf by:

  
R I MacDonald  
Designated Member

**BELL & SCOTT LLP**  
**CASH FLOW STATEMENT**  
**YEAR ENDED 30 APRIL 2008**

		2008		2007	
	Note	£	£	£	£
<b>Net cash inflow from operating activities</b>	19		2,166,026		2,154,802
<b>Returns on investments and Servicing of finance</b>					
Interest received		62,830		90,434	
Interest paid		<u>(92,320)</u>		<u>(82,602)</u>	
<b>Net cash (outflow)/inflow from returns on investments and servicing of finance</b>			(29,490)		7,832
<b>Capital expenditure</b>					
Payments to acquire intangible fixed assets		—		(250,000)	
Payments to acquire tangible fixed assets		<u>(44,364)</u>		<u>(11,840)</u>	
<b>Net cash outflow from capital expenditure</b>			(44,364)		(261,840)
<b>Transactions with members and former members</b>					
Payments to members		(2,682,250)		(2,008,753)	
Contributions by members		<u>253,119</u>		<u>90,000</u>	
<b>Net cash outflow from transactions with members and former members</b>			(2,429,131)		(1,918,753)
<b>Cash outflow before financing</b>			(336,959)		(17,959)
<b>Financing</b>					
Increase in/(repayment of) bank loans		<u>278,056</u>		<u>(59,226)</u>	
<b>Net cash inflow/(outflow) from financing</b>			278,056		(59,226)
<b>Decrease in cash</b>	19		<u>(58,903)</u>		<u>(77,185)</u>

**BELL & SCOTT LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2008**

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**1. Accounting policies**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and financial instruments and in accordance with applicable UK accounting standards and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' issued in March 2006 (SORP 2006).

**Turnover**

Fee income represents amounts derived from the provision of work for clients during the year, excluding value added tax. Fee income is recognised on an ongoing basis in accordance with UITF 40 and FRS 5 Application Note G.

**Amortisation**

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

Goodwill is written off over a period of six years.

**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:

Heritable Property	-	nil
Furniture & Equipment	-	20% reducing balance / 25% straight line

Heritable property is stated at valuation. Financial Reporting Standard 15 requires fixed assets that are carried at revalued amounts to be shown at their current market value at the balance sheet date. To achieve this, heritable property is subject to a full valuation every five years and an interim valuation in the third year of this cycle. A full valuation of the company's property was obtained in June 2007.

**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.

**BELL & SCOTT LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2008**

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**1. Accounting policies *(continued)***

**Members' participation rights**

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with FRS 25 (IAS 32) Financial Instruments: Disclosure and Presentation and UITF abstract 39 Members' shares in co-operative entities and similar instruments. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the LLP.

Amounts subscribed or otherwise contributed by members, for example members' capital, are classed as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

Where members are entitled to a fixed level of remuneration under the terms of the membership agreement such amounts are charged as an expense in the Profit and Loss account.

Remaining profits are automatically divided as they arise. The LLP does not have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. To the extent that they remain unpaid at the year end, they are shown as liabilities in the Balance Sheet.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment.

All amounts due to members that are classified as liabilities are presented in the Balance Sheet within 'Loans and other debts due to members'. Amounts due to members that are classified as equity are shown in the Balance Sheet within 'Members' other interests'.

**Tax provisions**

The taxation payable on profits is the personal liability of the members during the year. No retention from profits is made to fund payments of taxation on members' behalf.

**Other debtors**

Other debtors comprises direct staff costs and members costs appropriate to the relevant state of completion of the related project. A profit element is also included in the work in progress valuation representing the average realisation on specific categories of work. The profit element on contingent fees is excluded from the work in progress valuation in accordance with UITF 40.

**BELL & SCOTT LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2008**

**2. Turnover**

The turnover and profit before tax are attributable to the one principal activity of the LLP.

An analysis of turnover is given below:

	2008 £	2007 £
United Kingdom	<u>5,255,670</u>	<u>4,780,634</u>

**3. Other operating income**

	2008 £	2007 £
Delegate Income	<u>84,427</u>	<u>21,846</u>

**4. Operating profit**

Operating profit is stated after charging:

	2008 £	2007 £
Amortisation	125,002	125,000
Depreciation of owned fixed assets	33,703	52,375
Auditor's remuneration	<u>5,000</u>	<u>5,000</u>

**5. Employee information**

The aggregate payroll costs were:

	2008 £	2007 £
Wages and salaries	<u>2,535,479</u>	<u>2,006,544</u>

The average number of persons, including members with contracts of employment, employed by the LLP during the year:

	2008 No	2007 No
Average number of employees (including members)	<u>61</u>	<u>55</u>

**6. Interest payable**

	2008 £	2007 £
Interest payable on bank borrowing	<u>92,320</u>	<u>82,602</u>

**BELL & SCOTT LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2008**

**7. Information in relation to members**

	<b>2008</b> <b>£</b>	<b>2007</b> <b>£</b>
Salaried remuneration of members:		
Paid under employment contract	598,568	348,505
Total remuneration	<u>598,568</u>	<u>348,505</u>
	<b>2008</b> <b>£</b>	<b>2007</b> <b>£</b>
Highest paid members remuneration	<u>226,173</u>	<u>265,757</u>
	<b>2008</b> <b>No</b>	<b>2007</b> <b>No</b>
The average number of members during the year was	<u>14</u>	<u>11</u>

**8. Intangible fixed assets**

	<b>Goodwill</b> <b>£</b>
<b>Cost</b>	
At 1 May 2007 and 30 April 2008	<u>750,000</u>
<b>Amortisation</b>	
At 1 May 2007	125,000
Charge for the year	<u>125,002</u>
At 30 April 2008	<u>250,002</u>
<b>Net book value</b>	
At 30 April 2008	<u>499,998</u>
At 30 April 2007	<u>625,000</u>

**BELL & SCOTT LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2008**

**9. Tangible fixed assets**

	Heritable property £	Furniture & equipment £	Silvermills car park £	Total £
<b>Cost or valuation</b>				
At 1 May 2007	1,375,000	440,077	60,000	1,875,077
Additions	—	44,364	—	44,364
Disposals	—	—	(17,700)	(17,700)
Revaluation	105,000	—	—	105,000
At 30 April 2008	<u>1,480,000</u>	<u>484,441</u>	<u>42,300</u>	<u>2,006,741</u>
<b>Depreciation</b>				
At 1 May 2007	—	343,694	—	343,694
Charge for the year	—	33,703	—	33,703
At 30 April 2008	<u>—</u>	<u>377,397</u>	<u>—</u>	<u>377,397</u>
<b>Net book value</b>				
At 30 April 2008	<u>1,480,000</u>	<u>107,044</u>	<u>42,300</u>	<u>1,629,344</u>
At 30 April 2007	<u>1,375,000</u>	<u>96,383</u>	<u>60,000</u>	<u>1,531,383</u>

The heritable property at 18/20 Hill Street, Edinburgh, was revalued at open market value on 1 June 2007 by Donaldsons, Chartered Surveyors, 93 George Street, Edinburgh, at a value of £1,480,000. The designated members believe that this is not materially different to the open market value at 30 April 2008.

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	Heritable property £	Silvermills car park £	Total £
<b>Historical cost</b>	<u>968,000</u>	<u>4,396</u>	<u>972,396</u>

**10. Debtors**

	2008 £	2007 £
Trade debtors	1,627,383	1,509,945
Clients debit balances	27,339	22,995
Amounts receivable on contracts	566,997	462,537
Surplus on clients' funds	78,193	165,486
Prepayments and accrued income	116,132	70,535
	<u>2,416,044</u>	<u>2,231,498</u>



**BELL & SCOTT LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2008**

**11. Creditors: Amounts falling due within one year**

	2008 £	2007 £
Overdrafts	257,473	198,818
Other taxation	282,322	258,339
Other creditors	367,709	250,002
Accruals and deferred income	445,944	296,302
	<u>1,353,448</u>	<u>1,003,461</u>

**12. Creditors: Amounts falling due after more than one year**

	2008 £	2007 £
Bank loans	845,206	567,150
Other creditors	—	250,000
	<u>845,206</u>	<u>817,150</u>

'Other creditors' per notes 11 and 12 above include £250,000 (2007: £500,002) relating to deferred consideration payable in relation to the acquisition of the trade and assets of Clairmont.

**13. Creditors - capital instruments**

Creditors include finance capital which is due for repayment as follows:

	2008 £	2007 £
Amounts repayable:		
In one year or less or on demand	257,473	103,667
In more than one year but not more than two years	106,366	103,667
In more than two years but not more than five years	319,098	311,001
In more than five years	419,742	152,482
	<u>1,102,679</u>	<u>670,817</u>

**14. Secured creditors**

The bank loan and overdraft totalling £1,102,679 (2007: £765,968) is secured by a standard security over the whole of the property and undertaking of the LLP.

A standard security of £250,000 has also been granted to D S Kaye in respect of the property at 18 - 20 Hill Street, Edinburgh.

**BELL & SCOTT LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2008**

**15. Commitments under operating leases**

At 30 April 2008 the LLP had annual commitments under non-cancellable operating leases as set out below.

	2008		2007	
	Land & buildings £	Other Items £	Land & buildings £	Other Items £
Operating leases which expire:				
Within 1 year	-	5,224	-	-
Within 2 to 5 years	88,348	5,417	88,348	12,383
After more than 5 years	133,500	-	133,500	-
	<u>221,848</u>	<u>10,641</u>	<u>221,848</u>	<u>12,383</u>

**16. Related party transactions**

Fees of £12,517 (2007: £4,399) in relation to legal services provided were received from Grant Westfield Limited during the year. Included in outstanding fees is a balance of £5,619 (2007: £1,111) relating to Grant Westfield Limited. Grant Westfield Limited is a subsidiary of Granfit Holding Limited, a company of which R I MacDonald is also a director.

**17. Loans and other debts due to members**

	2008 £	2007 £
Amounts owed to members in respect of profits	984,575	1,108,063
Other members' loans	812,579	999,017
	<u>1,797,154</u>	<u>2,107,080</u>

# BELL & SCOTT LLP

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2008

### 18. Members' interests

	Members' other interests		Total members' other interests	Other debts due to members	Total
	Revaluation reserve £	Other reserves £	£	£	£
Amounts due to members	-	-	-	2,107,080	
Balance at 1 May 2007	460,764	-	460,764	2,107,080	2,567,844
Members remuneration charged as an expense	-	-	-	598,568	598,568
Profit for the financial year available for discretionary division amongst members	-	1,522,476	1,522,476	-	1,522,476
Members' interests after profit for the year	460,764	1,522,476	1,522,476	2,705,648	4,706,507
Allocated profits	-	(1,522,476)	(1,522,476)	1,522,476	-
Surplus on revaluation of fixed assets	105,000	-	105,000	-	105,000
Introduced by members	-	-	-	244,658	244,658
Repayment of debt	-	-	-	(470,337)	(470,337)
Disposal of fixed assets	(15,860)	-	(15,860)	-	(15,860)
Drawings	-	-	-	(2,205,291)	(2,205,291)
Balance at 30 April 2008	549,904	-	549,904	1,797,154	2,347,058

### 19. Notes to the statement of cash flows

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

	2008 £	2007 £
Operating profit	2,168,153	2,158,036
Amortisation	125,002	125,000
Depreciation	33,703	52,375
Increase in debtors	(184,546)	(323,059)
Increase in creditors	23,713	142,452
Net cash inflow from operating activities	2,166,025	2,154,802

**BELL & SCOTT LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2008**

**19. Notes to the statement of cash flows (continued)**

**Reconciliation of net cash flow to movement in net debt**

	2008		2007	
	£	£	£	£
Decrease in cash in the period	(58,903)		(77,185)	
Net cash (inflow) from/outflow from bank loans	<u>(278,056)</u>		<u>59,226</u>	
Change in net debt		<u>(336,959)</u>		<u>(17,959)</u>
Net debt at 1 May 2007		<u>(765,394)</u>		<u>(744,408)</u>
Net debt at 30 April 2008		<u><u>(1,102,353)</u></u>		<u><u>(762,367)</u></u>

**Analysis of changes in net debt**

	At 1 May 2007	Cash flows	At 30 April 2008
	£	£	£
Net cash:			
Cash in hand and at bank	574	(248)	326
Overdrafts	<u>(198,818)</u>	<u>(58,655)</u>	<u>(257,473)</u>
	<u>(198,244)</u>	<u>(58,903)</u>	<u>(257,147)</u>
Debt:			
Debt due after 1 year	<u>(567,150)</u>	<u>(278,056)</u>	<u>(845,206)</u>
Net debt	<u><u>(765,394)</u></u>	<u><u>(336,959)</u></u>	<u><u>(1,102,353)</u></u>

**20. Ultimate controlling party**

The members consider that there is no ultimate controlling party.