

COMPANY REGISTRATION NUMBER 02134049

**ASHBY & THORNTON PLC**  
**FINANCIAL STATEMENTS**  
**30 JUNE 2007**

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COMPANIES HOUSE

**P R HORNSBY & COMPANY LIMITED**  
Chartered Accountants & Registered Auditors  
The Old Mustard Pot  
99 High Road  
Broxbourne  
Herts  
EN10 7BN

**ASHBY & THORNTON PLC**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2007**

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**ASHBY & THORNTON PLC**  
**OFFICERS AND PROFESSIONAL ADVISERS**

|                               |   |
|-------------------------------|---|
| <b>The board of directors</b> | Mr J D Thornton<br>Mrs V J Thornton   |
| <b>Company secretary</b>      | Mr J D Thornton   |
| <b>Registered office</b>      | 3 Castle Gate<br>Castle Street<br>Hertford<br>Hertfordshire<br>SG14 1HD   |
| <b>Auditor</b>                | P R Hornsby & Company Limited<br>Chartered Accountants<br>& Registered Auditors<br>The Old Mustard Pot<br>99 High Road<br>Broxbourne<br>Herts<br>EN10 7BN |
| <b>Bankers</b>                | Lloyds Bank Plc<br>1 Bircherley Street<br>Hertford<br>Hertfordshire<br>SG14 1BU   |

# **ASHBY & THORNTON PLC**

## **THE DIRECTORS' REPORT**

### **YEAR ENDED 30 JUNE 2007**

The directors present their report and the financial statements of the company for the year ended 30 June 2007

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the year was that of property sales or development and management. There have been no significant changes in these activities during the year.

Practical completion of the development at 40 Castle Street occurred in July 2007 enabling a tenant to move into the flat and the offices were occupied in August 2007. Work continues on external drainage and works which it is anticipated will be completed in 2008.

Work has been completed on the site in Fish Hoek Cape Town, but external works continue and the final account has yet to be agreed.

The dispute about the land adjoining Heritage Court is as yet unresolved. No construction has yet started, and discussions with the planners have been continued by the owner of the site.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £122,764. The directors have not recommended a dividend.

#### **FINANCIAL INSTRUMENTS**

Details of the company's financial risk management objectives and policies are included in note 13 to the accounts.

#### **DIRECTORS**

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

Mr J D Thornton  
Mrs V J Thornton

#### **POLICY ON THE PAYMENT OF CREDITORS**

The company's policy is to pay creditors on or before the due date. If for any reason payment cannot be made the creditor is advised accordingly.

#### **DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report 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 law). The financial statements are required by law to 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 these 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,
-

**ASHBY & THORNTON PLC**  
**THE DIRECTORS' REPORT** *(continued)*  
**YEAR ENDED 30 JUNE 2007**

state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,

- 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 that 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 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**DONATIONS**

During the year the company made the following contributions

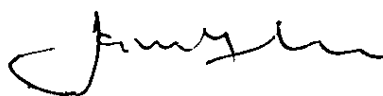
|            | 2007<br>£     | 2006<br>£ |
|------------|---------------|-----------|
| Charitable | <u>11,597</u> | <u>-</u>  |

**AUDITOR**

A resolution to re-appoint P R Hornsby & Company 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.

Registered office  
3 Castle Gate  
Castle Street  
Hertford  
Hertfordshire  
SG14 1HD

Signed by order of the directors



MR J D THORNTON  
Company Secretary

Approved by the directors on 24/1/2008

**ASHBY & THORNTON PLC**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**ASHBY & THORNTON PLC**  
**YEAR ENDED 30 JUNE 2007**

We have audited the financial statements of Ashby & Thornton Plc for the year ended 30 June 2007, which have been prepared on the basis of the accounting policies set out on page 9

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 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. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' 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 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.

# ASHBY & THORNTON PLC

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ASHBY & THORNTON PLC *(continued)*

YEAR ENDED 30 JUNE 2007

### 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 company's affairs as at 30 June 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

*P. R. Hornsby & Company Ltd*

P R HORNSBY & COMPANY LIMITED  
Chartered Accountants  
& Registered Auditors

The Old Mustard Pot  
99 High Road  
Broxbourne  
Herts  
EN10 7BN

*24th January 2008*

**ASHBY & THORNTON PLC**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30 JUNE 2007**

|  | Note     | 2007<br>£                 | 2006<br>£                 |
|--|----------|---------------------------|---------------------------|
| <b>TURNOVER</b>                                      | <b>2</b> | <b>176,480</b>            | <b>71,979</b>             |
| Cost of sales  |          | <u>13,846</u>             | <u>12,629</u>             |
| <b>GROSS PROFIT</b>                                  |          | <b>162,634</b>            | <b>59,350</b>             |
| Administrative expenses                              |          | <u>21,285</u>             | <u>7,506</u>              |
| <b>OPERATING PROFIT</b>                              | <b>3</b> | <b>141,349</b>            | <b>51,844</b>             |
| Interest receivable and similar income               |          | <u>320</u>                | <u>157</u>                |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |          | <b>141,669</b>            | <b>52,001</b>             |
| Tax on profit on ordinary activities                 | <b>6</b> | <u>18,905</u>             | <u>—</u>                  |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>                 |          | <b>122,764</b>            | <b>52,001</b>             |
| Balance brought forward                              |          | <u>(1,226,080)</u>        | <u>(1,278,081)</u>        |
| Balance carried forward                              |          | <u><b>(1,103,316)</b></u> | <u><b>(1,226,080)</b></u> |

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

The notes on pages 9 to 15 form part of these financial statements



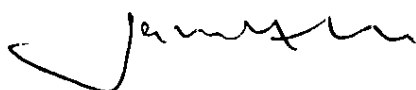
# ASHBY & THORNTON PLC

## BALANCE SHEET

30 JUNE 2007

|  | Note | 2007<br>£          | 2006<br>£          |
|--|------|--------------------|--------------------|
| <b>FIXED ASSETS</b>  |      |                    |                    |
| Investments  | 7    | <u>365,000</u>     | —                  |
| <b>CURRENT ASSETS</b>  |      |                    |                    |
| Stocks   | 8    | 65,436             | 127,982            |
| Debtors  | 9    | 14,075             | 15,616             |
| Cash at bank   |      | <u>4,479</u>       | <u>6,150</u>       |
|  |      | 83,990             | 149,748            |
| <b>CREDITORS: Amounts falling due within one year</b>          | 10   | <u>84,316</u>      | <u>436,949</u>     |
| <b>NET CURRENT LIABILITIES</b>                                 |      | (326)              | (287,201)          |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      | <b>364,674</b>     | <b>(287,201)</b>   |
| <b>CREDITORS: Amounts falling due after more than one year</b> | 11   | <u>1,217,990</u>   | <u>688,879</u>     |
|  |      | <u>(853,316)</u>   | <u>(976,080)</u>   |
| <b>CAPITAL AND RESERVES</b>                                    |      |                    |                    |
| Called-up equity share capital                                 | 16   | 250,000            | 250,000            |
| Profit and loss account  |      | <u>(1,103,316)</u> | <u>(1,226,080)</u> |
| <b>DEFICIT</b>   | 17   | <u>(853,316)</u>   | <u>(976,080)</u>   |

These financial statements were approved by the directors and authorised for issue on 24/1/2008 ,  
and are signed on their behalf by



MR J D THORNTON

The notes on pages 9 to 15 form part of these financial statements

**ASHBY & THORNTON PLC****CASH FLOW STATEMENT****YEAR ENDED 30 JUNE 2007**

|  | Note | 2007<br>£      | 2006<br>£    |
|--|------|----------------|--------------|
| NET CASH INFLOW/(OUTFLOW) FROM<br>OPERATING ACTIVITIES | 18   | 259,731        | (50,022)     |
| RETURNS ON INVESTMENTS AND<br>SERVICING OF FINANCE     | 18   | 320            | 157          |
| CAPITAL EXPENDITURE AND FINANCIAL<br>INVESTMENT        | 18   | (365,000)      | —            |
| CASH OUTFLOW BEFORE FINANCING                          |      | (104,949)      | (49,865)     |
| FINANCING  | 18   | 103,278        | 51,247       |
| (DECREASE)/INCREASE IN CASH                            | 18   | <u>(1,671)</u> | <u>1,382</u> |

**ASHBY & THORNTON PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2007**

**1. ACCOUNTING POLICIES**

**(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of financial instruments and in accordance with applicable accounting standards

**(b) Turnover**

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

**(c) Fixed assets**

All fixed assets are initially recorded at cost

**(d) Work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress

**(e) Financial instruments**

Trade and other debtors

Trade and other debtors are recognised and carried forward at invoiced amounts less provisions for any doubtful debts. Bad debts are written off when identified

Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less

Interest-bearing loans and borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit and loss account when liabilities are derecognised or impaired, as well as through the amortisation process

**ASHBY & THORNTON PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2007**

**2. TURNOVER**

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

|                | 2007           | 2006          |
|----------------|----------------|---------------|
|                | £              | £             |
| United Kingdom | <u>176,480</u> | <u>71,979</u> |

**3. OPERATING PROFIT**

Operating profit is stated after charging

|                        | 2007       | 2006       |
|------------------------|------------|------------|
|                        | £          | £          |
| Auditor's remuneration |            |            |
| - as auditor           | 1,200      | 800        |
| - for other services   | <u>500</u> | <u>400</u> |

**4. PARTICULARS OF EMPLOYEES**

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

|                            | 2007     | 2006     |
|----------------------------|----------|----------|
|                            | No       | No       |
| Number of management staff | <u>1</u> | <u>1</u> |

The aggregate payroll costs of the above were

|                       | 2007         | 2006         |
|-----------------------|--------------|--------------|
|                       | £            | £            |
| Wages and salaries    | 5,000        | 4,763        |
| Social security costs | <u>-</u>     | <u>-</u>     |
|                       | <u>5,000</u> | <u>4,763</u> |

**5. DIRECTORS' EMOLUMENTS**

The directors' aggregate emoluments in respect of qualifying services were

|                       | 2007         | 2006         |
|-----------------------|--------------|--------------|
|                       | £            | £            |
| Emoluments receivable | <u>5,000</u> | <u>4,763</u> |

**ASHBY & THORNTON PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2007**

**6. TAXATION ON ORDINARY ACTIVITIES**

**Analysis of charge in the year**

|  | 2007<br>£     | 2006<br>£ |
|--|---------------|-----------|
| Current tax  |               |           |
| UK Corporation tax based on the results for the year at 30% (2006 - 30%) | <u>18,905</u> | -         |
| Total current tax  | <u>18,905</u> | -         |

**7. INVESTMENTS**

|                       | Land and<br>property<br>£ |
|-----------------------|---------------------------|
| <b>COST</b>           |                           |
| Additions             | <u>365,000</u>            |
| At 30 June 2007       | <u>365,000</u>            |
| <b>NET BOOK VALUE</b> |                           |
| At 30 June 2007       | <u>365,000</u>            |
| At 30 June 2006       | -                         |

**8. STOCKS**

|                  | 2007<br>£     | 2006<br>£      |
|------------------|---------------|----------------|
| Work in progress | <u>65,436</u> | <u>127,982</u> |

Included within Work In Progress above is an amount of £65 436 (2006 - £127,982) in respect of development costs of land held by Mr J D Thornton as nominee

**9. DEBTORS**

|               | 2007<br>£     | 2006<br>£     |
|---------------|---------------|---------------|
| Trade debtors | 4,298         | 15,616        |
| Other debtors | <u>9,777</u>  | -             |
|               | <u>14,075</u> | <u>15,616</u> |

**ASHBY & THORNTON PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2007**

**10. CREDITORS: Amounts falling due within one year**

|                                    | 2007<br>£     | 2006<br>£      |
|------------------------------------|---------------|----------------|
| Bank loans                         | –             | 426,533        |
| Trade creditors                    | 63,211        | 6,863          |
| Other creditors including taxation |               |                |
| Taxation                           | 18,905        | 2,753          |
| Other creditors                    | 700           | –              |
|                                    | <u>82,816</u> | <u>436,149</u> |
| Accruals and deferred income       | 1,500         | 800            |
|                                    | <u>84,316</u> | <u>436,949</u> |

The loan due to Banque Nationale de Paris has been transferred to the directors loan account during the year

The directors took this decision on the basis that despite numerous attempts to obtain confirmation from the bank of the amount due to clear the loan no reply has been received and the last correspondence received from the bank was in 1998

The directors have agreed to settle this loan personally if the bank subsequently pursues the debt

**11. CREDITORS: Amounts falling due after more than one year**

|                          | 2007<br>£        | 2006<br>£      |
|--------------------------|------------------|----------------|
| Other creditors          |                  |                |
| Directors' loan accounts | <u>1,217,990</u> | <u>688,879</u> |

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date

|                          | 2007<br>£        | 2006<br>£      |
|--------------------------|------------------|----------------|
| Directors' loan accounts | <u>1,217,990</u> | <u>688,879</u> |

The loan from the directors is not payable by instalments nor is any interest accruing on the loan The loan will be repaid when the company has sufficient capital to do so

The creditors are secured by means of a debenture dated 26 February 2007 which gives a fixed and floating charge over the company's assets

**12. GOING CONCERN**

At 30 June 2007 the company's liabilities exceeded its assets by £853,316 (2006 - £976,080) The company continues to trade because the directors are of the opinion that all long term creditors are due to the directors and the directors will continue to offer their financial support to the company

**ASHBY & THORNTON PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2007**

**13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The company holds or issues financial instruments in order to achieve three main objectives, being

- (a) to finance its operations,
- (b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance, and
- (c) for trading purposes

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below

***Credit risk***

The company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments

**14. TRANSACTIONS WITH THE DIRECTORS**

The maximum amount of the directors' loan at any point during the year was £1,217,990 (2006 - £688,879)

**15. RELATED PARTY TRANSACTIONS**

The directors, Mr J D Thornton and Mrs V J Thornton, are materially interested in the share capital of Ashby & Horner Limited (AHL), Hurford Salvage Property Management Limited (HSCPML), Saracen Investments Limited (SIL) and Heritage Court Management Limited (HCML)

The company made sales to the value of £74,020 (2006 - £77,508), and purchased goods and services to the value of £56,764 (2006 - £11,473) from related parties. These transactions were made on normal commercial terms

At 30 June 2007 the company was owed £Nil (2006 - £11,322) from AHL and £Nil (2006 - £601) from HCML. The company also owed £44,589 (2006 - £Nil) to AHL, £10,194 (2006 - £Nil) to HSCPML, £2,566 (2006 - £984) to SIL and £30 (2006 - £Nil) to HCML

**ASHBY & THORNTON PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2007**

**16. SHARE CAPITAL**

**Authorised share capital:**

|                                      | 2007<br>£        | 2006<br>£        |
|--------------------------------------|------------------|------------------|
| 7,000,000 Ordinary shares of £1 each | <u>7,000,000</u> | <u>7,000,000</u> |

**Allotted, called up and fully paid:**

|                            | 2007<br>No     | £              | 2006<br>No     | £              |
|----------------------------|----------------|----------------|----------------|----------------|
| Ordinary shares of £1 each | <u>250,000</u> | <u>250,000</u> | <u>250,000</u> | <u>250,000</u> |

**17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

|                               | 2007<br>£        | 2006<br>£          |
|-------------------------------|------------------|--------------------|
| Profit for the financial year | 122,764          | 52,001             |
| Opening shareholders' deficit | <u>(976,080)</u> | <u>(1,028,081)</u> |
| Closing shareholders' deficit | <u>(853,316)</u> | <u>(976,080)</u>   |

**18. NOTES TO THE STATEMENT OF CASH FLOWS**

**RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

|   | 2007<br>£      | 2006<br>£       |
|---|----------------|-----------------|
| Operating profit                                    | 141,349        | 51,844          |
| Decrease/(increase) in stocks                       | 62,546         | (82,621)        |
| Decrease/(increase) in debtors                      | 1,541          | (9,135)         |
| Increase/(decrease) in creditors                    | <u>54,295</u>  | <u>(10,110)</u> |
| Net cash inflow/(outflow) from operating activities | <u>259,731</u> | <u>(50,022)</u> |

**RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**

|  | 2007<br>£  | 2006<br>£  |
|--|------------|------------|
| Interest received  | <u>320</u> | <u>157</u> |
| Net cash inflow from returns on investments and servicing of finance | <u>320</u> | <u>157</u> |

**CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT**

|   | 2007<br>£        | 2006<br>£ |
|---|------------------|-----------|
| Acquisition of fixed asset investments                            | <u>(365,000)</u> | —         |
| Net cash outflow for capital expenditure and financial investment | <u>(365,000)</u> | —         |



**ASHBY & THORNTON PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2007**

**18. NOTES TO THE STATEMENT OF CASH FLOWS** *(continued)*

**FINANCING**

|  | 2007<br>£      | 2006<br>£     |
|--|----------------|---------------|
| Repayment of bank loans                    | (426,533)      | –             |
| Net inflow from other short-term creditors | 700            | –             |
| Repayment of directors' long-term loans    | 529,111        | 51,247        |
| Net cash inflow from financing             | <u>103,278</u> | <u>51,247</u> |

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

|   | 2007<br>£          | 2006<br>£          |
|---|--------------------|--------------------|
| (Decrease)/increase in cash in the period     | (1,671)            | 1,382              |
| Net cash outflow from bank loans              | 426,533            | –                  |
| Net (inflow) from other short-term creditors  | (700)              | –                  |
| Cash (inflow) from directors' long-term loans | <u>(529,111)</u>   | <u>(51,247)</u>    |
|   | <u>(104,949)</u>   | <u>(49,865)</u>    |
| Change in net debt                            | (104,949)          | (49,865)           |
| Net debt at 1 July 2006                       | <u>(1,109,262)</u> | (1,059,397)        |
| Net debt at 30 June 2007                      | <u>(1,214,211)</u> | <u>(1,109,262)</u> |

**ANALYSIS OF CHANGES IN NET DEBT**

|                          | At<br>1 Jul 2006<br>£ | Cash flows<br>£  | At<br>30 Jun 2007<br>£ |
|--------------------------|-----------------------|------------------|------------------------|
| Net cash                 |                       |                  |                        |
| Cash in hand and at bank | <u>6,150</u>          | <u>(1,671)</u>   | <u>4,479</u>           |
| Debt                     |                       |                  |                        |
| Debt due within 1 year   | (426,533)             | 425,833          | (700)                  |
| Debt due after 1 year    | <u>(688,879)</u>      | <u>(529,111)</u> | <u>(1,217,990)</u>     |
|                          | <u>(1,115,412)</u>    | <u>(103,278)</u> | <u>(1,218,690)</u>     |
| Net debt                 | <u>(1,109,262)</u>    | <u>(104,949)</u> | <u>(1,214,211)</u>     |