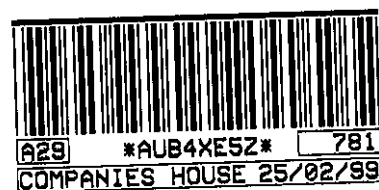


WARDSWIFT GROUP PLC
FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 JULY 1998



Faulkner House
Victoria Street
St Albans
Herts AL1 3SE

RAYNER ESSEX
CHARTERED ACCOUNTANTS

WARDSWIFT GROUP PLC

COMPANY INFORMATION

Directors	P D J Kelly W J Kenny
Secretary	P D J Kelly
Bankers	National Westminster Bank Plc PO Box 17 33 High Street High Wycombe Bucks HP11 2AJ
Solicitors	George & George Dial House 14 Crendon Street High Wycombe Bucks HP13 6LW
Registered Office	1 Twyford Place Lincoln's Inn Lincoln Road High Wycombe Bucks HP12 3RE
Auditor	Rayner Essex Chartered Accountants Faulkner House Victoria Street St Albans Herts AL1 3SE

WARDSWIFT GROUP PLC

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WARDSWIFT GROUP PLC

DIRECTORS REPORT

FOR THE YEAR ENDED 31 JULY 1998

The directors present their report together with financial statements for the year ended 31 July 1998.

Review of the business and future developments

The principle activities of the group remained those of recruitment consultancy and the sale of computer software. Both the level of business and the year end financial position were satisfactory and the directors expect that the present level of activity will continue for the foreseeable future.

Results and dividends

The profit for the year after taxation is stated on page 4. The directors do not recommend the payment of a dividend.

Directors

The directors in office during and at the end of the year are listed below.

The interests of the directors and their families in the shares of the company at the beginning and end of the year were as follows:

	31 July 1998 Ordinary Shares	31 July 1997 Ordinary Shares
P D J Kelly	50,000	50,000
W J Kenny	-	-

Directors' responsibilities for the financial statements

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 group will continue in business.

WARDSWIFT GROUP PLC

REPORT OF THE DIRECTORS (CONTINUED)

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with Section 385(1) of the Companies Act 1985, a resolution proposing the re-appointment of Rayner Essex, Chartered Accountants, as auditor to the company will be put to the Annual General Meeting.

Creditor Payment Policy

The group's policy with regard to payment of creditors is that approved invoices are settled within the suppliers' terms. The average settlement period for suppliers' invoices during the year under review was 38 days.

BY ORDER OF THE BOARD

P D KELLY - DIRECTOR

23/2/99

REPORT OF THE AUDITOR TO THE MEMBERS OF

WARDSWIFT GROUP PLC

We have audited the financial statements on pages 4 to 18 which have been prepared under the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditor

As described on page 1 the directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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 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 affairs of the company and the group at 31 July 1998 and the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Faulkner House
Victoria Street
St Albans
Herts AL1 3SE


RAYNER ESSEX
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
24/2/99

WARDSWIFT GROUP PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 1998

	Note	Year ended 31 July 1998 £	Year ended 31 July 1997 £
Turnover	2	9,036,566	4,764,225
Cost of sales		<u>(7,077,813)</u>	<u>(3,532,796)</u>
Gross profit		1,958,753	1,231,429
Administrative expenses		<u>(1,477,919)</u>	<u>(1,049,464)</u>
Operating profit		480,834	181,965
Interest payable and similar charges	3	(60,085)	(40,014)
Interest receivable		<u>907</u>	<u>-</u>
Profit on ordinary activities before taxation	2	421,656	141,951
Tax on profit on ordinary activities	5	<u>(116,815)</u>	<u>(34,086)</u>
Profit on ordinary activities after taxation		304,841	107,865
Minority interest		(94,161)	(23,424)
Profit for the financial period	14	<u>210,680</u>	<u>84,441</u>
Retained profit for the financial period		210,680	84,441
Retained profit b/fwd		<u>97,427</u>	<u>12,986</u>
Retained profit c/fwd		<u>£308,107</u>	<u>£97,427</u>

RECOGNISED GAINS AND LOSSES

There were no recognised gains or losses other than those recognised in the profit and loss account.

CONTINUING ACTIVITIES

None of the group's activities were acquired or discontinued during the above two financial periods.

The notes on pages 8 to 18 form part of these accounts.

WARDSWIFT GROUP PLC

CONSOLIDATED BALANCE SHEET AT 31 JULY 1998

	Note	1998 £	1997 £
Fixed assets			
Tangible assets	7	234,353	163,183
Investments	8	3,181	8,648
		<u>237,534</u>	<u>171,831</u>
Current assets			
Stocks	9	63,942	54,738
Debtors	10	2,322,219	1,257,294
Cash at bank and in hand		101,925	45,954
		<u>2,488,086</u>	<u>1,357,986</u>
Creditors: amounts falling due within one year	11	<u>(2,257,458)</u>	<u>(1,359,248)</u>
Net current assets/liabilities		<u>230,628</u>	<u>(1,262)</u>
Total assets less current liabilities		<u>468,162</u>	<u>170,569</u>
Creditors: amounts falling due after more than one year	12	(15,523)	(22,771)
Provisions for liabilities and charges			
Minority interests	13	(119,157)	(24,996)
Equity shareholders' funds		<u>£333,482</u>	<u>£122,802</u>
Capital and reserves			
Called up share capital	14	21,875	21,875
Capital reserve	14	3,500	3,500
Profit and loss account	14	308,107	97,427
Equity shareholders' funds	14	<u>£333,482</u>	<u>£122,802</u>

The financial statements were approved by the board of directors on 23.2.99

.....
P D J KELLY - DIRECTOR

WARDSWIFT GROUP PLC

COMPANY BALANCE SHEET AT 31 JULY 1998

	Note	1998 £	1997 £
Fixed assets			
Tangible assets	7	94,408	79,856
Investments	8	34,684	40,148
		<u>129,092</u>	<u>120,004</u>
Current assets			
Debtors	10	149,973	191,608
Cash at bank and in hand		-	-
		<u>149,973</u>	<u>191,608</u>
Creditors: amounts falling due within one year	11	<u>(138,499)</u>	<u>(186,282)</u>
Net current assets		<u>11,474</u>	<u>5,326</u>
Total assets less current liabilities		<u>140,566</u>	<u>125,330</u>
Creditors: amounts falling due after more than one year	12	<u>(13,523)</u>	<u>(14,771)</u>
Equity shareholders' funds		<u>£127,043</u>	<u>£110,559</u>
Capital and reserves			
Called up share capital	14	21,875	21,875
Profit and loss account	14	105,168	88,684
Equity shareholders' funds	14	<u>£127,043</u>	<u>£110,559</u>

The financial statements were approved by the Board of Directors on


P D J KELLY - DIRECTOR

WARDSWIFT GROUP PLC

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 1998

	Note	Year ended 31 July 1998 £	Year ended 31 July 1997 £
Net cash inflow from operating activities	19	191,555	253,385
Returns on investments and servicing of finance	20	(59,178)	(40,014)
Taxation		(26,851)	(4,493)
Capital expenditure and financial investment	20	(112,745)	(37,289)
Cash (outflow)/inflow before use of liquid resources and financing		(7,219)	171,589
Financing - increase in debt	20	(18,975)	(21,789)
(Decrease)/increase in cash for the period		£(26,194)	£149,800
Reconciliation of net cashflow to movement in net debt	21		
(Decrease)/increase in cash in the period	(26,194)		149,800
Cash flow from increase in debt and lease financing		(446,429)	(152,311)
Change in net debt resulting from cash flows		(472,623)	(2,511)
New finance leases		(27,000)	(51,970)
Finance leases redeemed		11,569	-
Change in net debt in period		(488,054)	(54,481)
Net debt at 1.8.97		(451,482)	(397,001)
Net debt at 31.7.98		£(939,536)	£(451,482)

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 31 JULY 1998

1. Accounting Policies

Accounting Convention

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

The principal accounting policies of the group have remained unchanged from the previous year and are set out below.

Basis of Consolidation

The group financial statements consolidate those of the company and its trading subsidiary undertaking (see note 8) drawn up to 31 July 1998. The results of the subsidiary have been included using the acquisition method of accounting.

Turnover

Turnover is the total amount receivable by the group in the ordinary course of business with outside customers for goods supplied as a principal and for services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by annual instalments over their expected useful lives.

The rates generally applicable are:

Office equipment	15% reducing balance
Computer equipment	33% straight line
Motor vehicles	25% reducing balance

Development expenditure

Development costs incurred on specific projects are capitalised when recoverability can be assessed with reasonable certainty and are amortised in line with the expected sales arising from the projects. All other development costs are written off in the year of expenditure.

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 31 JULY 1998

Leased assets

Where assets are financed by leasing agreements which give risks and rewards approximate to ownership ("finance leases") they are treated as if they had been purchased outright on credit. They are therefore initially recorded as a fixed asset and a liability at a sum equal to the fair value of the asset. Leasing payments on such assets are regarded as consisting of a capital element which reduces the outstanding liability and an interest charge.

All other leases are regarded as operating leases and the total payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

Contributions to pension funds

Defined contribution scheme.

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred taxation

Deferred taxation is provided on the liability method on all short term timing differences except where, in the opinion of the directors, a liability is unlikely to arise. Provision is also made for long term timing differences where those differences are expected to reverse in the foreseeable future.

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 1998

2. Turnover and Profit on Ordinary Activities Before Taxation

The turnover, profit/loss before taxation and net assets are attributable to the following activities which are carried out in a single geographical market.

	Turnover		Profit before taxation		Net assets	
	Year ended 31 July 1998 £	Year ended 31 July 1997 £	Year ended 31 July 1998 £	Year ended 31 July 1997 £	31 July 1998 £	31 July 1997 £
Recruitment consultancy	682,195	733,471	59,877	57,646	115,092	92,296
Computer software sales	8,191,258	4,030,754	361,779	84,305	218,390	30,506
	<u>£8,873,453</u>	<u>£4,764,225</u>	<u>£421,656</u>	<u>£141,951</u>	<u>£333,482</u>	<u>£122,802</u>

The profit on ordinary activities is stated after:

	Year ended 31 July 1998 £	Year ended 31 July 1997 £
Auditor's remuneration		
- audit services	12,552	5,500
- non audit services	2,800	6,050
Hire of plant and machinery	4,597	2,700
Other operating lease rentals	56,209	63,939
Amortisation of development costs	-	5,553
Depreciation of tangible fixed assets		
- owned	49,668	32,725
- held under finance leases	4,333	6,116
	<u>125,158</u>	<u>110,583</u>

3. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 July 1998 £	Year ended 31 July 1997 £
On bank loans and overdrafts		
- repayable within 5 years, otherwise than by instalments	1,714	5,215
Other loans		
- repayable within 5 years other than by instalments	52,865	31,505
Hire purchase interest	4,636	3,294
Interest on late payment of tax	870	-
	<u>£60,085</u>	<u>£40,014</u>

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 1998

4. DIRECTORS AND EMPLOYEES

The average number of employees of the group during the year and their aggregate emoluments are shown below:

	Year ended 31 July 1998 £	Year ended 31 July 1997 £
Wages and salaries	818,332	556,809
Social security	71,451	56,952
Pension costs	8,859	4,373
	<u>£898,642</u>	<u>£618,134</u>

The average monthly number of employees of the group during the period was 40 (1997: 30)

Staff costs include remuneration in respect of directors, as follows:

	Year ended 31 July 1998 £	Year ended 31 July 1997 £
Aggregate emoluments	59,757	25,459
Pension contributions	691	1,882
	<u>£60,448</u>	<u>£27,341</u>

The number of directors to whom retirement benefits are accruing under pension schemes is as follows:

	No:	No:
Defined contribution scheme	<u>1</u>	<u>1</u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the profit for the year and represents:

	1998 £	1997 £
Corporation tax @ 21%/30% (1997: 21%)	117,019	34,086
Over-provided in prior years	(204)	-
	<u>£116,815</u>	<u>£34,086</u>

6. PROFIT FOR THE FINANCIAL YEAR

The parent company has taken advantage of section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The group profit for the year includes a profit of £23,834 (1997: profit of £57,646) which is dealt with in the financial statements of the company.

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 1998

7. TANGIBLE FIXED ASSETS

The group	Total £	Office equipment £	Computer equipment £	Motor vehicles £
Cost				
At 1 August 1997	311,914	80,622	163,822	67,470
Additions at cost	139,745	50,501	59,244	30,000
Disposals	(15,075)	-	-	(15,075)
At 31 July 1998	436,584	131,123	223,066	82,395
Depreciation				
At 1 August 1997	148,731	42,103	92,268	14,360
Provided in the year	54,002	9,387	28,728	15,887
Disposals	(502)	-	-	(502)
At 31 July 1998	202,231	51,490	120,996	29,745
Net book value				
At 31 July 1998	£234,353	£79,633	£102,070	£52,650
At 31 July 1997	£163,183	£38,519	£71,554	£53,110
The company				
Cost				
At 1 August 1997	175,228	73,147	54,611	47,470
Additions at cost	46,869	12,612	4,257	30,000
Disposals	(15,075)	-	-	(15,075)
At 31 July 1998	207,022	85,759	58,868	62,395
Depreciation				
At 1 August 1997	95,372	39,846	43,833	11,693
Provided in the year	17,744	4,776	1,414	11,554
Disposals	(502)	-	-	(502)
At 31 July 1998	112,614	44,622	45,247	22,745
Net book value				
At 31 July 1998	94,408	41,137	13,621	39,650
At 31 July 1997	79,856	33,301	10,778	35,777

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR 31 JULY 1998

7. TANGIBLE FIXED ASSETS (CONTINUED)

Included in the figures stated above are assets held under finance leases as follows:

The group

	Office equipment	Computer equipment	Motor vehicles
Net book value at 31 July 1998	-	-	£37,749
Net book value at 31 July 1997	£8,592	£2,014	£47,110

The company

	Office equipment	Computer equipment	Motor vehicles
Net book value at 31 July 1998	-	-	£37,749
Net book value at 31 July 1997	£8,592	£2,014	£29,777

8. FIXED ASSET INVESTMENTS

	Loans to associates £	Shares in associates £	Loans to subsidiaries £	Shares in subsidiaries £	Total £
Cost at 1 August 1997	8,647	1	-	31,500	40,148
Additions/Repayments	(5,468)	-	-	4	(5,464)
Reclassification	(3,179)	(1)	3,179	1	-
Cost at 31 July 1998	-	-	3,179	31,505	34,684

At 31 July 1998 the company held more than 10% of the equity of the following companies:

Subsidiary	Country of registration	Class of share capital held	Proportion held	Nature of business
Software Catalogue Ltd	England & Wales	Ordinary	64%	Computer Software
Mac Recruitment Ltd	England & Wales	Ordinary	100%	Computer Recruiting
SDS Plc	England & Wales	Ordinary	100%	Computer Marketing

The results of Software Catalogue have been consolidated by virtue of the fact that Wardswift Group Plc holds the majority of the voting share capital.

The results of Mac Recruitment have been consolidated by virtue of the fact that Wardswift Group Plc owns 100% of the issued share capital.

During the year the company acquired the remaining 67% of the share capital of Satellite Digital Systems Plc to make it a 100% subsidiary. The subsidiary remained dormant throughout the year and its aggregate capital and reserves are negligible, and its accounts have therefore been excluded from the consolidated figures on the grounds of immateriality (S.229(2) Companies Act 1985)

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 1998

9. STOCKS

	The group	
	1998	1997
Goods for resale	<u>£63,942</u>	<u>£54,738</u>

10. DEBTORS

	The group		The company	
	1998	1997	1998	1997
	£	£	£	£
Amounts owed by group undertakings	-	-	103,380	-
Trade debtors	2,233,565	1,188,865	23,592	153,053
Other debtors	-	1,150	-	1,150
Tax recoverable	-	7,000	-	7,000
Prepayments and accrued income	88,654	60,279	23,001	30,405
	<u>£2,322,219</u>	<u>£1,257,294</u>	<u>£149,973</u>	<u>£191,608</u>

Trade debtors include factored debts of £1,775,210. (1997: £818,186)

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The group		The company	
	1998	1997	1998	1997
	£	£	£	£
Bank overdrafts (a)	134,086	51,921	6,889	51,921
Trade creditors	846,449	641,651	22,977	29,555
Amounts owed to group undertakings	-	-	-	13,237
Current taxation	117,018	36,878	7,065	16,988
Social security and other taxes	116,883	87,733	40,342	42,048
Accruals and deferred income	151,168	118,321	43,124	18,953
Other creditors	868,570	403,164	818	-
Amounts due under finance leases	23,284	19,580	17,284	13,580
	<u>£2,257,458</u>	<u>£1,359,248</u>	<u>£138,499</u>	<u>£186,282</u>

(a) The bank overdrafts are secured by mortgage debentures over the assets of the group and unlimited cross-guarantees between group companies.

(b) The other creditors are secured by cross company guarantees, the book debts of Software Catalogue Limited and a personal guarantee by Mr P D J Kelly, Director.

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 1998

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	The group		The company	
	1998	1997	1998	1997
Amount due under finance leases	<u>£15,523</u>	<u>£22,771</u>	<u>£13,523</u>	<u>£14,771</u>
Borrowings are repayable as follows:				
	1998	1997	1998	1997
	£	£	£	£
Between one and two years	13,273	14,883	11,273	8,883
Between two and five years	<u>2,250</u>	<u>7,888</u>	<u>2,250</u>	<u>5,888</u>
	<u>£15,523</u>	<u>£22,771</u>	<u>£13,523</u>	<u>£14,771</u>

13. MINORITY INTERESTS

	The group	
	1998	1997
Equity minority interests	<u>£119,157</u>	<u>£24,996</u>

14. SHAREHOLDERS' FUNDS

The group	Share capital £	Capital reserve £	Profit and loss account £	Total £
At 31 July 1997	21,875	3,500	97,427	122,802
Profit for the financial year	-	-	210,680	210,680
At 31 July 1998	<u>£21,875</u>	<u>£3,500</u>	<u>£308,107</u>	<u>£333,482</u>

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 1998

14. SHAREHOLDERS' FUNDS (CONTINUED)

The company	Share capital £	Profit and loss account £	Total £
At 31 July 1997	21,875	88,684	110,559
Profit for the financial year	-	16,484	16,484
At 31 July 1998	<u>£21,875</u>	<u>£105,168</u>	<u>£127,043</u>

The share capital consists of 50,000 authorised, ordinary shares of £1 each, of which 12,500 are allotted, called up and fully paid and 37,500 are allotted, called up and quarter paid.

15. LEASING COMMITMENTS

Operating lease payments amounting to £42,000 (1997: £28,982) are due within one year. The leases to which these amounts relate expire as follows:

	1998 Land and buildings	1997 Land and buildings
In two to five years	<u>£42,000</u>	<u>£28,982</u>

16. PENSIONS

The company operates a defined contribution pension scheme for the benefit of the senior employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

17. DEFERRED TAXATION

No provision has been made for deferred taxation as, in the opinion of the directors, a liability is unlikely to arise.

18. DISCLOSURE OF CONTROL

The ultimate controlling party of the group is Mr P D J Kelly, Director.

As disclosed in note 11, Other Creditors of £868,570 (1997: £403,164) have been partly secured by a personal guarantee from Mr P D J Kelly.

WARDSWIFT GROUP PLC

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 JULY 1998

19. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOW

	Year ended 31 July 1998 £	Year ended 31 July 1997 £
Operating profit	480,834	181,965
Depreciation charges	54,002	38,841
Amortisation charges	-	5,553
(Increase)/decrease in stock	(9,204)	100,844
Increase in debtors	(1,071,925)	(668,425)
Increase in creditors	731,747	595,000
Loss/(Profit) on disposal	3,003	(393)
Write off of investment	3,098	-
	<u>£191,555</u>	<u>£253,385</u>

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Year ended 31 July 1998 £	Year ended 31 July 1997 £
Returns on investments and servicing of finance:		
Interest received	(907)	-
Interest paid	2,583	5,215
Interest element of finance lease rental payments	4,637	3,294
Interest element of factor charges	52,865	31,505
	<u>£59,178</u>	<u>£40,014</u>
Net cash outflow for returns on investments and servicing of finance		
Capital expenditure and financial investment:		
Purchase of tangible fixed assets	112,745	33,841
Purchase of trade investment	-	8,648
Sale of tangible fixed assets	-	(5,200)
	<u>£112,745</u>	<u>£37,289</u>
Net cash outflow for capital expenditure and financial investment		
Financing:		
Capital element of finance lease repayments	£(18,975)	£(21,789)

WARDSWIFT GROUP PLC

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 JULY 1998

21. ANALYSIS OF NET DEBT

	At 31 July 1997 £	Cash Flow £	Other non- cash changes £	At 31 July 1998 £
Cash in hand	(45,954)	(55,971)	-	(101,925)
Overdrafts	51,921	82,165	-	134,086
	<u>5,967</u>	<u>26,194</u>	<u>-</u>	<u>32,161</u>
Debt due within 1 year	403,164	465,404	-	868,568
Finance leases	42,351	(18,975)	15,431	38,807
	<u>£451,482</u>	<u>£472,623</u>	<u>£15,431</u>	<u>£939,536</u>