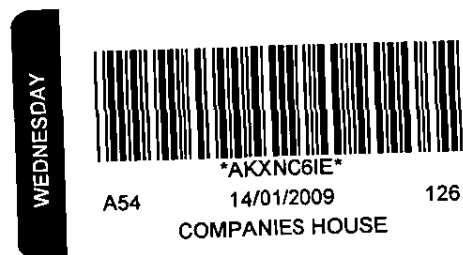


COMPANY REGISTRATION NUMBER 03010238

**SUN MARK LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR**  
**31 AUGUST 2008**



**PAUL & CO**  
Chartered Accountants & Registered Auditors  
11-14 Freetrade House  
Lowther Road  
Stanmore  
Middx  
HA7 1EP

**SUN MARK LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2008**

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**SUN MARK LIMITED**  
**THE DIRECTOR'S REPORT**  
**YEAR ENDED 31 AUGUST 2008**

The director has pleasure in presenting his report and the financial statements of the company for the year ended 31 August 2008.

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The name of the company Sun Oil Ltd was changed by a Special Resolution of the Board of Directors dated 6 June 2008 to Sun Mark Ltd.

The principal activity of the company during the year was distribution and export of food and consumer products both overseas and in the UK.

I am pleased to report that the company has continued its impressive performance in the year ended 31st August 2008. The consistent growth and success of the company has been achieved over the years and is the result of continuous product development and the progressive market penetration achieved worldwide. An analysis of company's Turnover during the year is given below:

	2008	2007
	£	£
United Kingdom	7,298,458	5,369,681
Overseas	33,723,066	26,589,720
	-----	-----
	41,021,524	31,959,401
	=====	=====

The reasons behind this success are due to the following three factors:

1. Focus on providing our customers with a range of products.
2. The strength and expertise of a well motivated management team which takes pride in the success of their company and believe in the director's vision.
3. The support of our suppliers with whom we work as partners to achieve good quality and value for money products.

**RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £725,174. Particulars of dividends proposed are detailed in note 8 to the financial statements.

**THE DIRECTOR AND HIS INTERESTS IN THE SHARES OF THE COMPANY**

The director who served the company during the year together with his beneficial interests, including family holdings, in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At	At
	31 August 2008	1 September 2007
Dr R S Ranger	<u>160,000</u>	<u>160,000</u>

Dr R S Ranger has beneficial interests in Sea Air and Land Forwarding Limited which owns the remaining 10,000 ordinary shares in Sun Oil Limited.

# SUN MARK LIMITED

## THE DIRECTOR'S REPORT *(continued)*

### YEAR ENDED 31 AUGUST 2008

#### DIRECTOR'S RESPONSIBILITIES

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director is 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 company will continue in business.

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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 director is aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all steps that he ought to have taken to make himself 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:

	2008 £	2007 £
Charitable	<u>13,025</u>	<u>5,902</u>
Other	<u>-</u>	<u>775</u>

**SUN MARK LIMITED**  
**THE DIRECTOR'S REPORT** *(continued)*  
**YEAR ENDED 31 AUGUST 2008**

**AUDITOR**

A resolution to re-appoint Paul & Co 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:  
11-12 Freetrade house  
Lowther Road  
Stanmore  
Middlesex  
HA7 1EP

Signed by order of the director



MRS RENU RANGER  
Company Secretary

Approved by the director on 8 December 2008

**SUN MARK LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF SUN**  
**MARK LIMITED**

**YEAR ENDED 31 AUGUST 2008**

We have audited the financial statements of Sun Mark Limited for the year ended 31 August 2008, which have been prepared on the basis of the accounting policies set out on pages 10 to 11.

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

**RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR**

The director's 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 Director's 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 Director's 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 director's remuneration and other transactions is not disclosed.

We read the Director's 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 director 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.

# **SUN MARK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF SUN MARK LIMITED *(continued)***

**YEAR ENDED 31 AUGUST 2008**

### **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 31 August 2008 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 Director's Report is consistent with the financial statements.



PAUL & CO  
Chartered Accountants  
& Registered Auditors

11-14 Freetrade House  
Lowther Road  
Stanmore  
Middx  
HA7 1EP

8 December 2008

**SUN MARK LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 AUGUST 2008**

	Note	2008 £	2007 £
<b>TURNOVER</b>	<b>2</b>	<b>41,021,524</b>	<b>31,959,401</b>
Cost of sales		<u>37,893,205</u>	<u>29,343,921</u>
<b>GROSS PROFIT</b>		<b>3,128,319</b>	<b>2,615,480</b>
Distribution Costs		230,573	125,951
Administrative expenses		2,037,822	1,706,968
Other operating income		<u>(184,233)</u>	<u>(171,699)</u>
<b>OPERATING PROFIT</b>	<b>3</b>	<b>1,044,157</b>	<b>954,260</b>
Interest receivable		13,025	20,035
Interest payable and similar charges	<b>6</b>	—	(1,081)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u><b>1,057,182</b></u>	<u><b>973,214</b></u>
Tax on profit on ordinary activities	<b>7</b>	<b>332,008</b>	<b>316,693</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u><b>725,174</b></u></u>	<u><u><b>656,521</b></u></u>

All of the activities of the company are classed as continuing.

The notes on pages 10 to 19 form part of these financial statements.



**SUN MARK LIMITED**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**YEAR ENDED 31 AUGUST 2008**

	2008 £	2007 £
Profit for the financial year attributable to the shareholder	725,174	656,521
Unrealised profit on revaluation of certain fixed assets	<u>801,501</u>	<u>-</u>
Total gains and losses recognised since the last annual report	<u><u>1,526,675</u></u>	<u><u>656,521</u></u>

The notes on pages 10 to 19 form part of these financial statements.

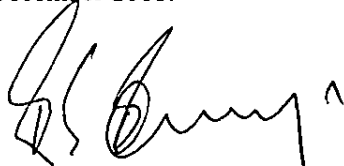
# SUN MARK LIMITED

## BALANCE SHEET

31 AUGUST 2008

	Note	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible assets	9	5,046,788	4,291,569
Investments	10	15,000	—
		<u>5,061,788</u>	<u>4,291,569</u>
<b>CURRENT ASSETS</b>			
Stocks	11	3,220,264	1,976,028
Debtors	12	4,264,606	2,662,684
Investments	13	10,000	—
Cash at bank		930,908	893,497
		<u>8,425,778</u>	<u>5,532,209</u>
<b>CREDITORS: Amounts falling due within one year</b>	14	<u>7,154,017</u>	<u>4,919,043</u>
<b>NET CURRENT ASSETS</b>		<u>1,271,761</u>	<u>613,166</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>6,333,549</u>	<u>4,904,735</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	15	<u>2,482,434</u>	<u>2,529,294</u>
		<u>3,851,115</u>	<u>2,375,441</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	16	4,785	4,785
		<u>3,846,330</u>	<u>2,370,656</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	18	170,000	170,000
Revaluation reserve	19	801,500	—
Profit and loss account	20	2,874,830	2,200,656
<b>SHAREHOLDER'S FUNDS</b>	21	<u>3,846,330</u>	<u>2,370,656</u>

These financial statements were approved and signed by the director and authorised for issue on 8 December 2008.

  
 DR R S RANGER, MBE, FRSA  
 Director

The notes on pages 10 to 19 form part of these financial statements.

**SUN MARK LIMITED**  
**CASH FLOW STATEMENT**  
**YEAR ENDED 31 AUGUST 2008**

	Note	2008 £	2007 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	22	663,350	1,005,223
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	22	(175,597)	(169,753)
TAXATION	22	(316,146)	(52,628)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	22	(87,335)	(279,724)
EQUITY DIVIDENDS PAID		—	(51,000)
CASH INFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING		84,272	452,118
MANAGEMENT OF LIQUID RESOURCES			
Cash placed in short term deposits		503,479	(372,234)
NET CASH INFLOW/(OUTFLOW) FROM MANAGEMENT OF LIQUID RESOURCES		503,479	(372,234)
FINANCING	22	(46,860)	(62,940)
INCREASE IN CASH	22	540,891	16,944

The notes on pages 10 to 19 form part of these financial statements.

**SUN MARK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2008**

**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.

**Consolidation**

In the opinion of the director, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

**Turnover**

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

**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:

Freehold Buildings	2% Straight Line
Plant & Machinery	25% WDV
Fixtures & Fittings	25% WDV
Motor Vehicles	25% WDV
Equipments	25% WDV

**Stocks**

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

**Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

# SUN MARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2008

### 1. ACCOUNTING POLICIES *(continued)*

#### 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.

### 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:

	2008 £	2007 £
United Kingdom	7,298,458	5,369,681
Overseas	33,723,066	26,589,720
	<u>41,021,524</u>	<u>31,959,401</u>

### 3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2008 £	2007 £
Depreciation of owned fixed assets	108,617	112,925
Depreciation of assets held under hire purchase agreements	-	4,662
Profit on disposal of fixed assets	-	(992)
Auditor's remuneration - as auditor	8,000	11,000
Net loss on foreign currency translation	<u>75,543</u>	<u>57,549</u>

**SUN MARK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2008**

**4. PARTICULARS OF EMPLOYEES**

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

	2008	2007
	No	No
Number of administrative staff	<u>32</u>	<u>29</u>

The aggregate payroll costs of the above were:

	2008	2007
	£	£
Wages and salaries	588,176	528,622
Social security costs	<u>55,828</u>	<u>53,971</u>
	<u>644,004</u>	<u>582,593</u>

**5. DIRECTOR'S EMOLUMENTS**

The director's aggregate emoluments in respect of qualifying services were:

	2008	2007
	£	£
Emoluments receivable	<u>25,000</u>	<u>25,000</u>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	2008	2007
	£	£
Finance charges	<u>-</u>	<u>1,081</u>

**7. TAXATION ON ORDINARY ACTIVITIES**

**Analysis of charge in the year**

	2008	2007
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year	332,008	316,146
Total current tax	<u>332,008</u>	<u>316,146</u>
Deferred tax:		
Origination and reversal of timing differences (note 16)		
Capital allowances	-	547
Tax on profit on ordinary activities	<u>332,008</u>	<u>316,693</u>

**SUN MARK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2008**

**8. DIVIDENDS**

**Equity dividends**

	2008 £	2007 £
Paid		
Equity dividends on ordinary shares	<u>-</u>	<u>51,000</u>
Proposed		
Equity dividends on ordinary shares	<u>51,000</u>	<u>-</u>

**9. TANGIBLE FIXED ASSETS**

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
<b>COST OR VALUATION</b>						
At 1 Sep 2007	4,434,346	96,690	92,213	45,019	80,543	4,748,811
Additions	895	46,432	-	-	15,008	62,335
Revaluation	600,000	-	-	-	-	600,000
<b>At 31 Aug 2008</b>	<u>5,035,241</u>	<u>143,122</u>	<u>92,213</u>	<u>45,019</u>	<u>95,551</u>	<u>5,411,146</u>
<b>DEPRECIATION</b>						
At 1 Sep 2007	254,946	59,294	51,286	35,305	56,411	457,242
Charge for the year	65,214	20,957	10,232	2,429	9,785	108,617
Revaluation adjustment	(201,501)	-	-	-	-	(201,501)
<b>At 31 Aug 2008</b>	<u>118,659</u>	<u>80,251</u>	<u>61,518</u>	<u>37,734</u>	<u>66,196</u>	<u>364,358</u>
<b>NET BOOK VALUE</b>						
<b>At 31 Aug 2008</b>	<u>4,916,582</u>	<u>62,871</u>	<u>30,695</u>	<u>7,285</u>	<u>29,355</u>	<u>5,046,788</u>
<b>At 31 Aug 2007</b>	<u>4,179,400</u>	<u>37,396</u>	<u>40,927</u>	<u>9,714</u>	<u>24,132</u>	<u>4,291,569</u>

The freehold land and buildings were revalued for the first time during the year at open market value basis by the director. The aggregate depreciation on freehold buildings under historical cost basis would have been £235,501 (2007 - £201,501).

# SUN MARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2008

### 10. INVESTMENTS

	Unlisted £
<b>LOANS</b>	
Advanced in year	<u>15,000</u>
At 31 August 2008	<u>15,000</u>
<b>NET BOOK VALUE</b>	
At 31 August 2008	<u>15,000</u>

The loans were made to the 100% subsidiary Friendship Films Ltd, a company set up to produce and distribute films.

### 11. STOCKS

	2008 £	2007 £
Stock	<u>3,220,264</u>	<u>1,976,028</u>

### 12. DEBTORS

	2008 £	2007 £
Trade debtors	3,632,280	2,444,309
VAT recoverable	615,075	124,079
Other debtors	6,300	41,140
Prepayments and accrued income	10,951	18,372
Advance payments for Trademark Registration	—	34,784
	<u>4,264,606</u>	<u>2,662,684</u>

### 13. INVESTMENTS - Unlisted

	2008 £	2007 £
Shares in group undertakings	<u>10,000</u>	<u>—</u>

The company has acquired 100% of the issued share capital of Friendship Films Ltd, an unlisted company set up to produce and distribute films. Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.



# SUN MARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2008

### 14. CREDITORS: Amounts falling due within one year

	2008	2007
	£	£
Bank loans	238,967	238,967
Trade creditors	4,825,359	2,937,976
Amounts owed to group undertakings	354,601	590,000
Other creditors including taxation and social security:		
Corporation tax	332,008	316,146
PAYE and social security	16,034	15,229
Dividends payable	51,000	-
Other creditors	10,500	10,500
	<u>409,542</u>	<u>341,875</u>
Accruals and deferred income	<u>1,325,548</u>	<u>810,225</u>
	<u>7,154,017</u>	<u>4,919,043</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2008	2007
	£	£
Bank loans	<u>238,967</u>	<u>238,967</u>

### 15. CREDITORS: Amounts falling due after more than one year

	2008	2007
	£	£
Bank loans and overdrafts	<u>2,482,434</u>	<u>2,529,294</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2008	2007
	£	£
Bank loans and overdrafts	<u>2,482,434</u>	<u>2,529,294</u>

### 16. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2008	2007
	£	£
Provision brought forward	4,785	4,238
Profit and loss account movement arising during the year	-	547
Provision carried forward	<u>4,785</u>	<u>4,785</u>

**SUN MARK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2008**

**16. DEFERRED TAXATION** *(continued)*

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

	2008 £	2007 £
Excess of taxation allowances over depreciation on fixed assets	4,785	4,785
	<u>4,785</u>	<u>4,785</u>

**17. RELATED PARTY TRANSACTIONS**

The company was under the control of Dr R Ranger throughout the current and previous years. Dr Ranger is the Managing Director and majority shareholder.

The Company traded with its related company Sea Air & Land Forwarding Limited in providing goods and services worth £3,358,835 (2007: £2,960,271) during the year. The company paid storage charges worth £360,000 (2007: £360,000) to Sea Air & Land Forwarding Ltd during the year and charged £120,000 (2007: £120,000) towards usage of unit 5 and 6 to Sea Air and Land Forwarding Limited.

**18. SHARE CAPITAL**

**Authorised share capital:**

	2008 £	2007 £
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

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

	2008 No	£	2007 No	£
Ordinary shares of £1 each	<u>170,000</u>	<u>170,000</u>	<u>170,000</u>	<u>170,000</u>

**19. REVALUATION RESERVE**

	2008 £	2007 £
Revaluation of fixed assets	801,500	—
Balance carried forward	<u>801,500</u>	<u>—</u>

# SUN MARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**YEAR ENDED 31 AUGUST 2008**

### 20. PROFIT AND LOSS ACCOUNT

	2008 £	2007 £
Balance brought forward	2,200,656	1,595,135
Profit for the financial year	725,174	656,521
Equity dividends proposed (FRS 25)	(51,000)	-
Equity dividends paid (FRS 25)	-	(51,000)
Balance carried forward	<u>2,874,830</u>	<u>2,200,656</u>

### 21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2008 £	2007 £
Profit for the financial year	725,174	656,521
Other net recognised gains and losses	801,500	-
Equity dividends proposed (FRS 25)	(51,000)	-
Equity dividends paid (FRS 25)	-	(51,000)
Net addition to shareholder's funds	1,475,674	605,521
Opening shareholder's funds	2,370,656	1,765,135
Closing shareholder's funds	<u>3,846,330</u>	<u>2,370,656</u>

### 22. NOTES TO THE STATEMENT OF CASH FLOWS

#### RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2008 £	2007 £
Operating profit	1,044,157	954,260
Interest payable	188,622	188,707
Depreciation	108,617	117,587
Profit on disposal of fixed assets	-	(992)
Increase in stocks	(1,244,236)	(344,051)
Increase in debtors	(1,601,922)	(711,244)
Increase in creditors	2,168,112	800,956
Net cash inflow from operating activities	<u>663,350</u>	<u>1,005,223</u>

#### RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2008 £	2007 £
Interest received	13,025	20,035
Interest paid	(188,622)	(188,707)
Interest element of hire purchase	-	(1,081)
Net cash outflow from returns on investments and servicing of finance	<u>(175,597)</u>	<u>(169,753)</u>

# SUN MARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2008

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

#### TAXATION

	2008 £	2007 £
Taxation	<u>(316,146)</u>	<u>(52,628)</u>

#### CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2008 £	2007 £
Payments to acquire tangible fixed assets	(62,335)	(285,224)
Receipts from sale of fixed assets	–	5,500
Loans to group undertakings	(15,000)	–
Acquisition of current asset investments in group undertakings	<u>(10,000)</u>	<u>–</u>
Net cash outflow for capital expenditure and financial investment	<u>(87,335)</u>	<u>(279,724)</u>

#### FINANCING

	2008 £	2007 £
Repayment of bank loans	(46,860)	(55,883)
Capital element of hire purchase	–	(7,057)
Net cash outflow from financing	<u>(46,860)</u>	<u>(62,940)</u>

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

	2008 £	2007 £
Increase in cash in the period	540,891	16,944
Net cash outflow from bank loans	46,860	55,883
Cash outflow in respect of hire purchase	–	7,057
Cash used to decrease/increase liquid resources	<u>(503,479)</u>	<u>372,234</u>
	84,272	452,118
Change in net debt	84,272	452,118
Net debt at 1 September 2007	<u>(1,874,764)</u>	<u>(2,326,882)</u>
Net debt at 31 August 2008	<u>(1,790,493)</u>	<u>(1,874,764)</u>

**SUN MARK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2008**

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

**ANALYSIS OF CHANGES IN NET DEBT**

	At 1 Sep 2007 £	Cash flows £	At 31 Aug 2008 £
Net cash:			
Cash in hand and at bank	893,497	37,411	930,908
Less: deposits treated as liquid resources	(503,479)	503,479	—
	<u>390,018</u>	<u>540,890</u>	<u>930,908</u>
Liquid resources:			
Deposits included in cash	503,479	(503,479)	—
Debt:			
Debt due within 1 year	(238,967)	—	(238,967)
Debt due after 1 year	(2,529,294)	46,860	(2,482,434)
	<u>(2,768,261)</u>	<u>46,860</u>	<u>(2,721,401)</u>
Net debt	<u>(1,874,764)</u>	<u>84,271</u>	<u>(1,790,493)</u>