

**Notes to the cash flow statement
for the year ended 31 December 2007**

**1. Reconciliation of operating surplus to net cash inflow
from operating activities**

	2007	2006
	£	£
Operating surplus/ (deficit)	14,915	9,716
Exceptional overseas income	-	28,544
Depreciation charges	14,332	19,859
Profit on disposal of fixed assets	(720)	(171)
(Increase)/Decrease in stocks	(9,469)	32,257
Decrease/(Increase) in debtors	(30,205)	45,046
Increase/(Decrease) in creditors	69,049	(108,416)
Net cash inflow from operating activities	<u>57,902</u>	<u>26,835</u>

2. Analysis of cash flows for headings netted in the cash flow statement

	2007	2006
	£	£
Returns on investments and servicing of finance		
Interest received	<u>7,286</u>	<u>4,431</u>
Net cash outflow for returns on investments and servicing of finance	<u>7,286</u>	<u>4,431</u>
Capital expenditure		
Receipts from sales of tangible fixed assets	720	770
Payments to acquire tangible fixed assets	<u>(19,111)</u>	<u>(9,351)</u>
Net cash inflow/(outflow) for capital expenditure and financial investment	<u>(18,391)</u>	<u>(8,581)</u>

3. Reconciliation of net cashflow to movement in net funds

	At 1.1.07	Cash flow	Other non-cash changes	At 31.12.07
	£	£	£	£
Net cash:				
Cash at bank and in hand	<u>100,586</u>	<u>36,632</u>	<u>-</u>	<u>137,218</u>
Total	<u>100,586</u>	<u>36,632</u>	<u>-</u>	<u>137,218</u>