

MOSAIC PRINT MANAGEMENT LIMITED

Annual Report & Financial Statements 2011

Company Registration Number 4724321



Brown Butler
Chartered Accountants
Leeds

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Mosaic Print Management Limited

Officers and Professional Advisers

Directors	S K Smith A S Gill D S Marrison J Gill
Secretary	K A Perrins
Registered Office	Leigh House 28-32 St Paul's Street Leeds LS1 2JT
Company Registration Number	4724321
Statutory Auditor	Brown Butler Chartered Accountants Leigh House 28-32 St Paul's Street Leeds LS1 2JT
Bankers	National Westminster Bank plc 8 Park Row Leeds LS1 1QS

The directors present their annual report and the audited financial statements for the year ended 31 July 2011

1 Activities and review of the business

The principal activity of the company is that of print management and design

The directors are pleased with the results for the year and whilst they acknowledge the continued uncertainty in the economy in general, are optimistic about the forthcoming year

The directors are encouraged with the group's investment in subsidiaries and joint ventures and they believe this growth will result in a stronger and more successful group in the future

2 Results

The results for the year ended 31 July 2011 are shown in the profit and loss account on page 7
The profit for the year after taxation was £515,478

3 Purchase of own shares

On 17 September 2010 the company purchased all 1,765 of its 'C' ordinary shares for a consideration of £350,000

4 Fixed assets

Changes in fixed assets are summarised in the notes to the financial statements

5 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 those financial statements, the directors are required to -

- (a) Select suitable accounting policies and apply them consistently,
- (b) Make judgements and estimates that are reasonable and prudent,
- (c) 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 adequate accounting records which 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 2006. 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.

6 Directors

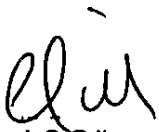
The present composition of the board is set out on page 2 and the directors who held office during the year are as set out below -

S K Smith
A S Gill
D S Marrison
J Gill

7 Audit enquiries

So far as the directors are aware, there is no information relevant to the audit of which the company's auditors are unaware. The directors have taken the necessary steps to ensure they themselves are aware of all relevant audit information and made sure that the company's auditors are also aware of that information.

On behalf of the Board



A S Gill
Director

12th APRIL 2012

We have audited the financial statements of the group and the parent company for the year ended 31 July 2011 which comprise the Consolidated Profit and Loss Account, the Group and Parent Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out in the Directors' Report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Group and Parent company's affairs as at 31 July 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Continued on page 6

Continued from page 5

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the company's financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Denis Cross (Senior Statutory Auditor)
For and on behalf of Brown Butler
Chartered Accountants and Statutory Auditor

Leigh House
28-32 St Paul's Street
Leeds LS1 2JT

23 April 2012

Mosaic Print Management Limited

Consolidated Profit and Loss Account
Year ended 31 July 2011

	Note	2011 £	2010 £
Turnover		16,900,825	15,973,369
Cost of sales		15,325,628	14,119,695
Gross profit		1,575,197	1,853,674
Administrative and selling expenses		1,047,612	1,489,554
Group operating profit		527,585	364,120
Share of operating profit in joint ventures		193,787	70,728
Total operating profit group and share of joint ventures		721,372	434,848
Interest receivable	2	20,667	979
Profit on ordinary activities before taxation	4	742,039	435,827
Tax on profit on ordinary activities	5	226,561	128,295
Profit on ordinary activities after taxation		515,478	307,532
Equity minority interests		6,829	32,349
Profit for the financial year		508,649	275,183
Transfer to capital redemption reserve		1,765	-
Profit transferred to reserves		506,884	275,183

The group had no recognised gains or losses other than the profit for the year, and the above results derive from continuing operations

The notes on pages 11 to 21 form part of these financial statements

Mosaic Print Management Limited
Company Registration Number 4724321

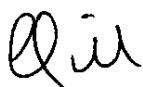
Consolidated Balance Sheet
Year ended 31 July 2011

	Note	2011 £	2010 £
Fixed assets			
Intangible assets	6	-	-
Tangible assets	7	72,369	82,329
Interests in joint ventures	9		
Share of gross assets		238,190	80,096
Share of gross liabilities		(64,064)	(25,610)
		<u>174,126</u>	<u>54,486</u>
		246,495	136,815
Current assets			
Stock and work in progress	10	46,534	45,232
Debtors	11	4,496,954	5,017,815
Cash at bank and in hand		887,297	1,076,462
		<u>5,430,785</u>	<u>6,139,509</u>
Creditors amounts falling due within one year	12	4,867,428	5,415,234
Net current assets		<u>563,357</u>	<u>724,275</u>
Total assets less current liabilities		<u>809,852</u>	<u>861,090</u>
Provisions for liabilities and charges	13	8,851	9,567
		<u>801,001</u>	<u>851,523</u>
Capital and reserves			
Called up share capital	14	10,000	11,765
Share premium account	15	44,235	44,235
Capital redemption reserve	16	1,765	-
Profit and loss account	17	691,698	749,049
Shareholders' funds	18	<u>747,698</u>	<u>805,049</u>
Minority interests		53,303	46,474
Capital employed		<u>801,001</u>	<u>851,523</u>

These financial statements were approved and authorised for issue by the board on 12th APRIL 2012 and signed on its behalf by

A S Gill

Director



The notes on pages 11 to 21 form part of these financial statements

Mosaic Print Management Limited
Company Registration Number 4724321

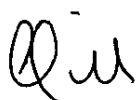
Company Balance Sheet
31 July 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible assets	7	72,369	82,329
Investments	8	22,685	22,685
Investment in joint venture	9	100	51
		<u>95,154</u>	<u>105,065</u>
Current assets			
Stocks	10	46,534	45,232
Debtors	11	4,561,337	5,054,300
Cash at bank and in hand		886,481	1,070,126
		<u>5,494,352</u>	<u>6,169,658</u>
Creditors amounts falling due within one year	12	<u>5,016,505</u>	<u>5,596,450</u>
Net current assets		<u>477,847</u>	<u>573,208</u>
Total assets less current liabilities		<u>573,001</u>	<u>678,273</u>
Provisions for liabilities	13	<u>8,851</u>	<u>9,567</u>
		<u>564,150</u>	<u>668,706</u>
Capital and reserves			
Called up share capital	14	10,000	11,765
Share premium account	15	44,235	44,235
Capital redemption reserve	16	1,765	-
Profit and loss account	17	508,150	612,706
Shareholders' funds	18	<u>564,150</u>	<u>668,706</u>

These financial statements were approved and authorised for issue by the board on ¹² APRIL 2012 and signed on its behalf by

A S Gill

Director



The notes on pages 11 to 21 form part of these financial statements

Mosaic Print Management Limited

Consolidated Cash Flow Statement
Year ended 31 July 2011

	Note	2011 £	2010 £
Net cash inflow from operating activities	23a	565,911	1,077,490
Returns on investments and servicing of finance			
Interest received		20,667	979
Dividends received from joint venture		33,500	-
Dividends paid to minority interests		-	(30,000)
Net cash inflow from returns on investments and servicing of finance		54,167	(29,021)
Taxation			
Corporation tax paid		(114,475)	(107,024)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(41,216)	(24,651)
Net cash outflow for capital expenditure and financial investment		(41,216)	(24,651)
Acquisitions and disposals			
Purchase of subsidiary undertaking		-	(22,380)
Purchase of joint venture		(49)	(51)
Net cash outflow for acquisitions and disposals		(49)	(22,431)
Dividends paid		(216,000)	(250,000)
Financing			
Issue of ordinary share capital		-	46,000
Redemption of ordinary share capital		(350,000)	-
Increase in director's loan		-	94,666
Repayment of director's loan		(87,503)	-
Net cash inflow from financing		(437,503)	140,666
(Decrease)/increase in cash	23b	(189,165)	785,029

The notes on pages 11 to 21 form part of these financial statements

1 Accounting policies

(a) Accounting convention

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

(b) Consolidation

The consolidated financial statements incorporate the financial statements of Mosaic Print Management Limited and its subsidiary companies and include the company's share of the profits or losses of its interests in joint ventures in the consolidated profit and loss account and its share of their net assets within 'interests in Joint Ventures' in the consolidated balance sheet

A profit and loss account is not presented for the company as permitted by Section 408 of the Companies Act 2006

(c) Turnover

Turnover represents the amounts receivable for goods and services net of VAT

(d) Goodwill

Goodwill on the acquisition of subsidiary undertakings is included in the consolidated balance sheet and is being amortised by equal instalments over five years. The directors consider this period does not exceed its useful economic life

(e) Depreciation

Depreciation of tangible fixed assets is provided on cost over their estimated useful lives. The annual rates and methods of depreciation are as follows -

Plant and computer equipment	33% straight line basis
Fixtures and fittings	15% reducing balance basis

(f) Stocks

Stock is stated at the lower of cost and net realisable value

(g) Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax is not recognised when assets are revalued unless, by the balance sheet date, the company has entered into a binding agreement to sell the assets and recognised the gains or losses expected to arise on sale

(h) Foreign currency translation

Transactions in foreign currency are translated at the ruling rate at the date of the transaction

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the balance sheet date or the contracted rate if applicable

All exchange differences are taken to the profit and loss account

Mosaic Print Management Limited

Notes to the Financial Statements
Year ended 31 July 2011

2	Interest receivable	2011 £	2010 £
	Bank interest receivable	1,475	979
	Other interest received	19,192	-
		<u>20,667</u>	<u>979</u>
3	Staff costs		
	Employee costs, including directors, during the year -	2011 £	2010 £
	Wages and salaries	592,373	813,980
	Social security costs	71,869	103,027
	Other pension costs	3,891	4,024
		<u>668,133</u>	<u>921,031</u>
	The average number of employees, including directors, during the year -	£	£
	Sales and administration	<u>20</u>	<u>20</u>
	Directors' remuneration -	£	£
	Salaries	11,000	31,642
	Benefits in kind	-	1,045
	Aggregate remuneration	<u>11,000</u>	<u>32,687</u>
4	Profit on ordinary activities before taxation		
	The profit is after charging -	2011 £	2010 £
	Depreciation of owned assets	51,178	45,564
	Amortisation of goodwill	-	15,745
	Operating lease charges – land and buildings	12,450	12,450
	Exchange losses	-	1,334
	Auditor's remuneration	<u>7,500</u>	<u>4,000</u>

Mosaic Print Management Limited

Notes to the Financial Statements
Year ended 31 July 2011

5 Tax on profit on ordinary activities

	2011 £	2010 £
Corporation tax		
Current year	189,482	114,475
Adjustments for prior year	(2,901)	8
Share of the corporation tax of joint ventures	40,696	16,295
	<u>227,277</u>	<u>130,778</u>
Current tax charge	227,277	130,778
Transfer in respect of deferred tax	(716)	(2,483)
	<u>226,561</u>	<u>128,295</u>

The standard rate of corporation tax is the full rate of United Kingdom corporation tax applicable for the year

A reconciliation of the current tax charge for the year to the charge that would result from applying the standard rate of tax to the profit on ordinary activities before tax is set out below -

	2011 £	2010 £
Profit on ordinary activities before tax	<u>742,039</u>	<u>435,827</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax of 27.38% (2010: 28.00%)	203,170	122,032
Effects of -		
Expenses not deductible for tax purposes	37,020	12,976
Depreciation in excess of capital allowances	2	2,484
Adjustment in respect of marginal relief	(10,014)	(6,722)
Adjustments in respect of prior periods	(2,901)	8
	<u>227,277</u>	<u>130,778</u>
Current tax charge	227,277	130,778

The transfer in respect of deferred tax is made up as follows -

	2011 £	2010 £
Origination and reversal of timing differences	(716)	(2,483)
	<u>(716)</u>	<u>(2,483)</u>

Mosaic Print Management Limited

Notes to the Financial Statements
Year ended 31 July 2011

6 Intangible assets

Group	Purchased goodwill £	Total £
Cost		
At 1 August 2010 and 31 July 2011	<u>15,745</u>	<u>15,745</u>
Amortisation		
At 1 August 2010 and 31 July 2011	<u>15,745</u>	<u>15,745</u>
Net book value		
At 31 July 2011	<u>-</u>	<u>-</u>
At 31 July 2010	<u>-</u>	<u>-</u>

7 Tangible assets

Group and company	Plant and computer equipment £	Fixtures and fittings £	Total £
Cost			
At 1 August 2010	155,758	25,698	181,456
Additions	<u>38,990</u>	<u>2,226</u>	<u>41,216</u>
At 31 July 2011	<u>194,748</u>	<u>27,924</u>	<u>222,672</u>
Depreciation			
At 1 August 2010	94,315	4,812	99,127
Charge for the year	<u>47,841</u>	<u>3,335</u>	<u>51,176</u>
At 31 July 2011	<u>142,156</u>	<u>8,147</u>	<u>150,303</u>
Net book value			
At 31 July 2010	<u>61,443</u>	<u>20,886</u>	<u>82,329</u>
At 31 July 2011	<u>52,592</u>	<u>19,777</u>	<u>72,369</u>

Mosaic Print Management Limited

Notes to the Financial Statements
Year ended 31 July 2011

8 Investments

Shares in subsidiary undertaking at cost -	£
At 1 August 2010 and 31 July 2011	<u>22,685</u>

The subsidiary companies are as follows -

	Description and proportion of shares held		Main activity
	Shares	%	
Subsidiary undertakings			
Mosaic Document Management Limited	Ordinary	67	Dormant
Mosaic Print Management (York) Limited	Ordinary	70	Print management
G8 Communications Limited	Ordinary	65	Print management

9 Interests in joint ventures

Group	£
At 1 August 2010 – net assets	54,486
Additions – net assets	49
Share of retained profits for the year	<u>119,591</u>
At 31 July 2011 – net assets	<u>174,126</u>

Mosaic Print Management Limited

Notes to the Financial Statements
Year ended 31 July 2011

9 Interests in joint ventures - continued

	£
Company	
Shares in joint ventures	
At 1 August 2010	51
Additions	49
At 31 July 2011	<u>100</u>

The company acquired 50% of the issued share capital of Untangled Print Solutions Limited under a joint venture arrangement on 7 February 2011 for £1. During the year ended 31 July 2011 Untangled Print Solutions Limited issued further shares in equal proportions to all its shareholders resulting in Mosaic Print Management Limited acquiring a further 49 ordinary shares in the company but maintaining a 50% interest only.

Untangled Print Solutions Limited is incorporated in England and its principal activity is that of print management and design.

The company acquired 50% of the issued share capital of Mosaic Plus Limited under a joint venture arrangement on 20 April 2011 for £50.

Mosaic Plus Limited is incorporated in England and its principal activity is that of print management and design.

The aggregate share of Mosaic Print Management Limited in the turnover and assets and liabilities of the joint ventures as at 31 July 2011 of which Untangled Print Solutions Limited represents the greater share, is as follows -

	2011 £	2010 £
Turnover	<u>3,105,281</u>	<u>2,091,939</u>
Gross assets		
Fixed assets	-	-
Current assets	<u>238,189</u>	<u>79,168</u>
	<u>238,189</u>	<u>79,168</u>
Gross liabilities		
Liabilities due within one year	64,065	24,435
Liabilities due over one year	<u>-</u>	<u>-</u>
	<u>64,065</u>	<u>24,435</u>

Mosaic Print Management Limited

Notes to the Financial Statements
Year ended 31 July 2011

10 Stocks

Group and company	2011 £	2010 £
Goods for resale	<u>46,534</u>	<u>45,232</u>

11 Debtors

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Trade debtors	3,761,364	4,749,985	3,761,364	4,749,985
Amounts owed by joint ventures	-	9,585	-	9,585
Amounts owed by subsidiary undertakings	-	-	64,383	36,485
Other debtors	686,539	218,568	686,539	218,568
Prepayments	49,051	39,677	49,051	39,677
	<u>4,496,954</u>	<u>5,017,815</u>	<u>4,561,337</u>	<u>5,054,300</u>

12 Creditors

Amounts falling due within one year -

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Trade creditors	3,881,816	4,633,876	3,879,007	4,633,876
Amounts owed to subsidiary undertakings	-	-	238,185	259,626
Amounts owed to joint ventures	475,228	93,991	469,228	93,991
Corporation tax	186,581	114,475	172,359	64,677
Social security and other taxes	76,329	83,909	10,052	58,097
Director's loan	7,163	94,666	7,163	94,666
Other creditors	330	4,412	330	4,612
Accruals and deferred income	239,981	389,905	240,181	386,905
	<u>4,867,428</u>	<u>5,415,234</u>	<u>5,016,505</u>	<u>5,596,450</u>

Mosaic Print Management Limited

Notes to the Financial Statements
Year ended 31 July 2011

13 Provisions for liabilities

Deferred tax is analysed over the following timing differences -

Group and company

	2011 £	2010 £
Capital allowances in excess of depreciation	<u>8,851</u>	<u>9,567</u>
Movements on the provision for deferred tax are as follows -	£	£
At 1 August 2010	9,567	12,050
Credit in profit and loss account	(716)	(2,483)
At 31 July 2011	<u>8,851</u>	<u>9,567</u>

14 Called up share capital

Company

	2011 £	2010 £
Allotted, called up and fully paid		
5,000 'A' Ordinary shares of £1 each	5,000	5,000
5,000 'B' Ordinary shares of £1 each	5,000	5,000
'C' Ordinary shares of £1 each		
At 1 August 2010	1,765	-
Issued during the year	-	1,765
Repurchased during the year	(1,765)	-
	<u>10,000</u>	<u>11,765</u>

The 'A' and 'B' ordinary shares of £1 each rank pari passu in all respects except that no shareholder is entitled to any dividend or distribution declared on any other class of shares. The 'C' ordinary shares of £1 each rank pari passu with the 'A' and 'B' ordinary shares of £1 each except that no shareholder is entitled to any dividend or distribution declared on any class of shares and the 'C' ordinary shares do not carry any voting rights.

On 17 September 2011 the company purchased 1,765 'C' ordinary shares of £1 each for a consideration of £350,000.

Mosaic Print Management Limited

Notes to the Financial Statements
Year ended 31 July 2011

15 Share premium

	2011 £	2010 £
At 1 August 2010 and 31 July 2011	<u>44,235</u>	<u>44,235</u>

16 Capital redemption reserve

	2011 £	2010 £
Transfer from profit and loss account	<u>1,765</u>	<u>-</u>

17 Profit and loss account

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
At 1 August 2010	749,049	723,866	612,706	723,866
Profit for the financial year	506,884	275,183	453,679	138,840
Dividends paid	(216,000)	(250,000)	(210,000)	(250,000)
Purchase of own shares	(348,235)	-	(348,235)	-
At 31 July 2011	<u>691,698</u>	<u>749,049</u>	<u>508,150</u>	<u>612,706</u>

18 Reconciliation of movements in shareholders' funds

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Profit for the financial year	508,649	275,183	455,444	138,840
Dividends paid	(216,000)	(250,000)	(210,000)	(250,000)
	<u>292,649</u>	<u>25,183</u>	<u>245,444</u>	<u>(111,160)</u>
Proceeds from issue of shares	-	46,000	-	46,000
Purchase of own shares	(350,000)	-	(350,000)	-
	<u>(57,351)</u>	<u>71,183</u>	<u>(104,556)</u>	<u>(64,160)</u>
Net addition to/(reduction in) shareholders' funds	(57,351)	71,183	(104,556)	(64,160)
Opening shareholders' funds	<u>805,049</u>	<u>733,866</u>	<u>668,706</u>	<u>733,866</u>
Closing shareholders' funds	<u>747,698</u>	<u>805,049</u>	<u>564,150</u>	<u>668,706</u>

19 Leasing commitments

At 31 July 2011 the company had operating lease commitments for the following year as set out below -

	Land and buildings	
	2011	2010
	£	£
Operating leases which expire -		
Over five years	<u>12,450</u>	<u>12,450</u>

20 Share based payments

At 31 July 2011 and 31 July 2010 no share options had been granted by the company

21 Related party transactions

During the year the company paid dividends of £52,500 to each of the directors Mr S K Smith, Mr A S Gill and Mrs J Gill

22 Controlling party

Mr S K Smith, Mr A S Gill and Mrs J Gill, the directors, are together the controlling party of the company by virtue of their directorships and their interests, and close family member interests, in the entire issued share capital of the company

Mosaic Print Management Limited

Notes to the Financial Statements
Year ended 31 July 2011

23 Cash flow statement

a) Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	2011 £	2010 £
Operating profit	527,585	364,120
Depreciation of tangible assets	51,178	45,564
Amortisation of intangible assets	-	15,745
Increase in stocks	(1,302)	(3,703)
Decrease/(increase) in debtors	514,402	(1,755,747)
(Decrease)/increase in creditors	(525,952)	2,411,511
Net cash inflow from operating activities	<u>565,911</u>	<u>1,077,490</u>

b) Reconciliation of net cash flow to movement in net funds

	2011 £	2010 £
(Decrease)/increase in cash	(189,165)	784,829
Cash to repay director's loan	87,503	-
Cash inflow from new director's loan	-	(94,666)
Movements in net funds in the year	<u>(101,662)</u>	<u>690,163</u>
Net funds at beginning of year	981,696	291,533
Net funds at end of year	<u>880,034</u>	<u>981,696</u>

c) Analysis of changes in net debt

	At 01 08 10 £	Cash flows £	At 31 07 11 £
Cash at bank	1,076,362	(189,165)	887,197
Decrease in cash		<u>(189,165)</u>	
Debts due within one year	<u>(94,666)</u>	87,503	<u>(7,163)</u>
Total	<u>981,696</u>	<u>(101,662)</u>	<u>880,034</u>