

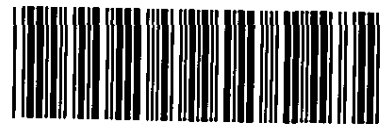
MOSAIC PRINT MANAGEMENT LIMITED

Annual Report & Financial Statements 2012

Company Registration Number 4724321

Brown Butler
Chartered Accountants
Leeds

TUESDAY



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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 2012

1 Activities and review of the business

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

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

In May 2012 the company acquired the entire issued share capital of Direct Marketing Strategies Limited. The directors believe that this acquisition further enhances the group's marketing services

The directors are pleased with the key performance indicators of turnover and operating profit which are in accordance with the group's business plan

2 Results

The results for the year ended 31 July 2012 are shown in the profit and loss account on page 7. The profit for the year after taxation was £803,378

3 Fixed assets

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

4 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 the group and of the profit or loss of the group 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 group 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 the group, 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

5 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

6 Audit enquiries

So far as the directors are aware, there is no information relevant to the audit of which the company's and the group'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 and the group's auditors are also aware of that information.

On behalf of the Board


A S Gill
Director

11 February 2013

We have audited the financial statements of the group and the parent company for the year ended 31 July 2012 which comprise the Consolidated Profit and Loss Account, the Group and Parent Company 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 group's and the parent 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's and parent company's affairs as at 31 July 2012 and of the profit of the group 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 parent 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

11 February 2013

Mosaic Print Management Limited

Consolidated Profit and Loss Account
Year ended 31 July 2012

	Note	2012 £	2011 £
Turnover (continuing operations) – existing	18,827,038		
– acquisition	<u>1,197,750</u>	20,024,788	16,900,825
Cost of sales		<u>17,809,308</u>	<u>15,325,628</u>
Gross profit		2,215,480	1,575,197
Administrative and selling expenses		<u>1,572,116</u>	<u>1,047,612</u>
Group operating profit		643,364	527,585
Share of operating profit in joint ventures		<u>419,595</u>	<u>193,787</u>
Total operating profit group and share of joint ventures		1,062,959	721,372
Interest receivable	2	<u>20,202</u>	<u>20,667</u>
Profit on ordinary activities before taxation	4	1,083,161	742,039
Tax on profit on ordinary activities	5	<u>237,466</u>	<u>226,561</u>
Profit on ordinary activities after taxation		845,695	515,478
Equity minority interests		-	<u>6,829</u>
Profit for the financial year		845,695	508,649
Transfer to capital redemption reserve		-	<u>1,765</u>
Profit transferred to reserves	17	<u>845,695</u>	<u>506,884</u>

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

Consolidated Balance Sheet
Year ended 31 July 2012

	Note	2012 £	2011 £
Fixed assets			
Intangible assets	6	663,384	-
Tangible assets	7	132,502	72,369
Interests in joint ventures	9		
Share of gross assets		567,162	238,190
Share of gross liabilities		(116,775)	(64,064)
		<u>450,387</u>	<u>174,126</u>
		1,246,273	246,495
Current assets			
Stock	10	58,652	46,534
Debtors	11	4,073,976	4,496,954
Cash at bank and in hand		2,489,008	887,297
		<u>6,621,636</u>	<u>5,430,785</u>
Creditors amounts falling due within one year	12	<u>6,422,498</u>	<u>4,867,428</u>
Net current assets		199,138	563,357
Total assets less current liabilities		1,445,411	809,852
Provisions for liabilities and charges	13	4,723	8,851
		<u>1,440,688</u>	<u>801,001</u>
Capital and reserves			
Called up share capital	14	10,000	10,000
Share premium account	15	44,235	44,235
Capital redemption reserve	16	1,765	1,765
Profit and loss account	17	1,384,688	691,698
Shareholders' funds	18	1,440,688	747,698
Minority interests		-	53,303
Capital employed		<u>1,440,688</u>	<u>801,001</u>

These financial statements were approved and authorised for issue by the board on 11 February 2013 and signed on its behalf by



A S Gill

Director

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

Company Balance Sheet
31 July 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	7	49,557	72,369
Investments	8	411,087	22,685
Interests in joint ventures	9	100	100
		<u>460,744</u>	<u>95,154</u>
Current assets			
Stock	10	58,652	46,534
Debtors	11	2,878,075	4,561,337
Cash at bank and in hand		2,200,660	886,481
		<u>5,137,387</u>	<u>5,494,352</u>
Creditors amounts falling due within one year	12	4,403,510	5,016,505
Net current assets		<u>733,877</u>	<u>477,847</u>
Total assets less current liabilities		1,194,621	573,001
Provisions for liabilities	13	4,723	8,851
		<u>1,189,898</u>	<u>564,150</u>
Capital and reserves			
Called up share capital	14	10,000	10,000
Share premium account	15	44,235	44,235
Capital redemption reserve	16	1,765	1,765
Profit and loss account	17	1,133,898	508,150
Shareholders' funds	18	<u>1,189,898</u>	<u>564,150</u>

These financial statements were approved and authorised for issue by the board on 11 February 2013 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 2012

	Note	2012 £	2011 £
Net cash inflow from operating activities	24a	2,267,505	565,911
Returns on investments and servicing of finance			
Interest received		20,202	20,667
Dividends received from joint venture company		42,250	33,500
Net cash inflow from returns on investments and servicing of finance		62,452	54,167
Taxation			
Corporation tax paid		(274,212)	(114,475)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(16,029)	(41,216)
Net cash outflow from capital expenditure and financial investment		(16,029)	(41,216)
Acquisitions and disposals			
Purchase of shares in subsidiary undertaking		(381,357)	-
Purchase of shares in joint venture		-	(49)
Net cash balances acquired with subsidiaries		86,024	-
Net cash outflow from acquisitions and disposals		(295,333)	(49)
Dividends paid		(152,705)	(216,000)
Financing			
Redemption of ordinary share capital		-	(350,000)
Increase in director's loan		10,033	-
Repayment of director's loan		-	(87,503)
Net cash inflow/(outflow) from financing		10,033	(437,503)
Increase/(decrease) in cash	24b	1,601,711	(189,165)

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) Stock

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

2	Interest receivable	2012 £	2011 £
	Bank interest receivable	2,075	1,475
	Other interest receivable	18,127	19,192
		<u>20,202</u>	<u>20,667</u>
3	Staff costs		
	Employee costs, including directors, during the year -	2012 £	2011 £
	Wages and salaries	941,181	592,373
	Social security costs	89,968	71,869
	Other pension costs	17,688	3,891
		<u>1,048,837</u>	<u>668,133</u>
	The average number of employees, including directors, during the year -	£	£
	Sales and administration	<u>30</u>	<u>20</u>
	Directors' remuneration -	£	£
	Aggregate remuneration – salaries	<u>14,000</u>	<u>11,000</u>
4	Profit on ordinary activities before taxation		
	The profit is after charging -	2012 £	2011 £
	Depreciation of owned assets	43,915	51,178
	Amortisation of goodwill	12,026	-
	Operating lease charges – land and buildings	54,362	12,450
	Exchange losses	1,951	-
	Auditor's remuneration	<u>11,760</u>	<u>7,500</u>

5 Tax on profit on ordinary activities

	2012 £	2011 £
Corporation tax		
Current year	172,725	189,482
Adjustments for prior year	(32,114)	(2,901)
Share of corporation tax of joint ventures	100,983	40,696
	<u>241,594</u>	<u>227,277</u>
Current tax charge	241,594	227,277
Transfer in respect of deferred tax	(4,128)	(716)
	<u>237,466</u>	<u>226,561</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 -

	2012 £	2011 £
Profit on ordinary activities before tax	<u>1,083,161</u>	<u>742,039</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax of 25.33% (2011: 27.38%)	274,365	203,170
Effects of -		
Expenses not deductible for tax purposes	(4,785)	37,020
Depreciation in excess of capital allowances	4,128	2
Adjustment in respect of marginal relief	-	(10,014)
Adjustments in respect of prior periods	(32,114)	(2,901)
	<u>241,594</u>	<u>227,277</u>
Current tax charge	<u>241,594</u>	<u>227,277</u>

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

	2012 £	2011 £
Origination and reversal of timing differences	<u>(4,128)</u>	<u>(716)</u>
	<u>(4,128)</u>	<u>(716)</u>

Mosaic Print Management Limited

Notes to the Financial Statements
Year ended 31 July 2012

6 Intangible assets

Group	Purchased goodwill £	Total £
Cost		
At 1 August 2011	15,745	15,745
On acquisition of subsidiary undertaking	675,410	675,410
At 31 July 2012	<u>691,155</u>	<u>691,155</u>
Amortisation		
At 1 August 2011	15,745	15,745
Charge for the year	12,026	12,026
At 31 July 2012	<u>27,771</u>	<u>27,771</u>
Net book value		
At 31 July 2011	<u>-</u>	<u>-</u>
At 31 July 2012	<u>663,384</u>	<u>663,304</u>

7 Tangible assets

Group	Plant and computer equipment £	Fixtures and fittings £	Total £
Cost			
At 1 August 2011	194,748	27,924	222,672
On acquisition of subsidiary undertaking	27,047	60,972	88,019
Additions	7,673	8,356	16,029
At 31 July 2012	229,468	97,252	326,720
Depreciation			
At 1 August 2011	142,156	8,147	150,303
Charge for the year	39,241	4,674	43,915
At 31 July 2012	181,397	12,821	194,218
Net book value			
At 31 July 2011	52,592	19,777	72,369
At 31 July 2012	48,071	84,431	132,502
Company			
Cost			
At 1 August 2011	194,748	27,924	222,672
Additions	7,672	8,356	16,029
At 31 July 2012	202,420	36,280	238,701
Depreciation			
At 1 August 2011	142,156	8,147	150,303
Charge for the year	35,293	3,548	38,841
At 31 July 2012	177,449	11,695	189,144
Net book value			
At 31 July 2011	52,592	19,777	72,369
At 31 July 2012	24,971	24,585	49,557

8 Investments

Shares in subsidiary undertaking at cost -	£
At 1 August 2011	22,685
Additions	388,402
At 31 July 2012	<u>411,087</u>

The subsidiary companies are as follows -

Subsidiary undertakings	Description and proportion of shares held		Main activity
	Shares	%	
Mosaic Document Management Limited	Ordinary	67	Dormant
Mosaic Print Management (York) Limited	Ordinary	100	Print management
G8 Communications Limited	Ordinary	75	Print management
Direct Marketing Strategies Limited	Ordinary	100	Direct marketing

The company acquired 100% of the issued share capital of Direct Marketing Strategies Limited on 14 May 2012

During the year the company increased its shareholding in G8 Communications Limited to 75% from 65% and in Mosaic Print Management (York) Limited from 75% to 100%

9 Interests in joint ventures

Group	£
At 1 August 2011 – net assets	174,126
Share of retained profits for the year	276,261
At 31 July 2012 – net assets	<u>450,387</u>
Company	£
Shares in joint ventures at cost	
At 1 August 2011 and 31 July 2012	<u>100</u>

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

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

Mosaic Print Management Limited

Notes to the Financial Statements
Year ended 31 July 2012

9 Interests in joint ventures - continued

The aggregate share of Mosaic Print Management Limited in the turnover and assets and liabilities of the joint ventures as at 31 July 2012 of which Untangled Print Solutions Limited represents the greater share, is as follows -

	2012 £	2011 £
Turnover	<u>4,035,803</u>	<u>3,105,281</u>
Gross assets		
Fixed assets	980	-
Current assets	<u>566,182</u>	<u>238,190</u>
	<u>567,162</u>	<u>238,190</u>
Gross liabilities		
Liabilities due within one year	<u>116,775</u>	<u>64,064</u>
	<u>116,775</u>	<u>64,064</u>

10 Stocks Group and company	2012 £	2011 £
Goods for resale	<u>58,652</u>	<u>46,534</u>

11 Debtors	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Trade debtors	2,992,722	3,761,364	2,232,859	3,761,364
Amounts recoverable on contracts	480,639	-	-	-
Amounts owed by subsidiary undertakings	-	-	175,060	64,383
Other debtors	359,761	686,539	278,674	686,539
Corporation tax	36,949	-	32,115	-
Prepayments	203,905	49,051	159,367	49,051
	<u>4,073,976</u>	<u>4,496,954</u>	<u>2,878,075</u>	<u>4,561,337</u>

12 Creditors

Amounts falling due within one year -

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade creditors	4,675,880	3,881,816	2,984,465	3,879,007
Amounts owed to subsidiary undertakings	-	-	-	238,185
Amounts owed to joint ventures	1,093,210	475,228	1,093,210	469,228
Corporation tax	258,812	186,581	122,084	172,359
Social security and other taxes	80,659	76,329	13,481	10,052
Director's loan	17,196	7,163	17,196	7,163
Other creditors	925	330	341	330
Accruals and deferred income	295,816	239,981	172,733	240,181
	<u>6,422,498</u>	<u>4,867,428</u>	<u>4,403,510</u>	<u>5,016,505</u>

13 Provisions for liabilities

Deferred tax is analysed over the following timing differences -

Group and company

	2012	2011
	£	£
Capital allowances in excess of depreciation	<u>4,723</u>	<u>8,851</u>
Movements on the provision for deferred tax are as follows -		
	£	£
At 1 August 2011	8,851	9,567
Credit in profit and loss account	<u>(4,128)</u>	<u>(716)</u>
At 31 July 2012	<u>4,723</u>	<u>8,851</u>

14 Called up share capital

Company

	2012	2011
	£	£
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
	<u>10,000</u>	<u>10,000</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

Mosaic Print Management Limited

Notes to the Financial Statements
Year ended 31 July 2012

15	Share premium account				
	Group and company	2012 £	2011 £		
	At 1 August 2011 and 31 July 2012	<u>44,235</u>	<u>44,235</u>		
16	Capital redemption reserve				
	Group and company	2012 £	2011 £		
	At 1 July 2011 and 31 August 2012	<u>1,765</u>	<u>1,765</u>		
17	Profit and loss account				
		Group		Company	
		2012 £	2011 £	2012 £	2011 £
	At 1 August 2011	691,698	749,049	508,150	612,706
	Profit for the financial year	845,695	506,884	778,453	453,679
	Dividends paid	(152,705)	(216,000)	(152,705)	(210,000)
	Purchase of own shares	-	(348,235)	-	(348,235)
	At 31 July 2012	<u>1,384,688</u>	<u>691,698</u>	<u>1,133,898</u>	<u>508,150</u>
18	Reconciliation of movements in shareholders' funds				
		Group		Company	
		2012 £	2011 £	2012 £	2011 £
	Profit for the financial year	845,695	508,649	778,453	455,444
	Dividends paid	(152,705)	(216,000)	(152,705)	(210,000)
		<u>692,990</u>	<u>292,649</u>	<u>625,748</u>	<u>245,444</u>
	Purchase of own shares	-	(350,000)	-	(350,000)
	Net addition to/(reduction in) shareholders' funds	<u>692,990</u>	<u>(57,351)</u>	<u>625,748</u>	<u>(104,556)</u>
	Opening shareholders' funds	<u>747,698</u>	<u>805,049</u>	<u>564,150</u>	<u>668,706</u>
	Closing shareholders' funds	<u>1,440,688</u>	<u>747,698</u>	<u>1,189,898</u>	<u>564,150</u>

19 Leasing commitments

At 31 July 2012 the group and the company had operating lease commitments for the following year as set out below -

	Land and buildings	
	2012	2011
	£	£
Operating leases which expire -		
Within two and five years	14,366	-
Over five years	39,996	12,450
	<u>54,362</u>	<u>12,450</u>

20 Share based payments

At 31 July 2012 and 31 July 2011 no share options had been granted by the company

21 Related party transactions

During the year the company paid dividends of £38,853 to Mr A S Gill and Mrs J Gill and £37,500 to Mr S K Smith

22 Acquisition of subsidiary undertakings

The company purchased Direct Marketing Strategies Limited on 14 May 2012 for a total consideration, including expenses, of £381,357

This purchase has been accounted for as an acquisition

Direct Marketing Strategies Limited contributed £1.2m to turnover in the period and an operating loss of £119,502

In its last financial year to 30 June 2011, Direct Marketing Strategies Limited made a profit after tax of £191,069

For the period since that date to the date of acquisition, the management accounts of Direct Marketing Strategies Limited show -

	£
Turnover	8,599,731
Operating profit	259,786
Loss before tax	(3,644,389)
Taxation	128,760
Total recognised loss for the period	(3,773,149)

The assets and liabilities of Direct Marketing Strategies Limited at the date of acquisition were as follows -

	Fair value £
Fixed assets	
Tangible assets	88,019
Other net liabilities	(428,230)
Net liabilities acquired	(340,211)
Goodwill	721,568
Consideration	381,357
Consideration satisfied by	
Cash paid, including expenses	381,357

23 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

24 Cash flow statement

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

	2012 £	2011 £
Operating profit	643,364	527,585
Depreciation of tangible assets	43,915	51,178
Amortisation of intangible assets	12,026	-
Increase in stocks	(12,118)	(1,302)
Decrease in debtors	1,786,649	514,402
Decrease in creditors	(206,331)	(525,952)
Net cash inflow from operating activities	<u>2,267,505</u>	<u>565,911</u>

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

	2012 £	2011 £
Increase/(decrease) in cash	1,601,711	(189,165)
Cash to repay director's loan		87,503
Cash inflow from new director's loan	(10,033)	-
Movements in net funds in the year	<u>1,591,678</u>	<u>(101,662)</u>
Net funds at beginning of year	880,134	981,796
Net funds at end of year	<u>2,471,812</u>	<u>880,134</u>

c) Analysis of changes in net debt

	At 01 08 11 £	Cash flows £	At 31 07 12 £
Cash at bank	887,297	1,601,711	2,489,008
Decrease in cash		1,601,711	
Debts due within one year	(7,163)	(10,033)	(17,196)
Total	<u>880,134</u>	<u>1,591,678</u>	<u>2,471,812</u>