

BOSTOCK MARKETING GROUP LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2003



**MEAGER WOOD LOCKE & COMPANY
123 HAGLEY ROAD
EDGBASTON
BIRMINGHAM
B16 8LD**

BOSTOCK MARKETING GROUP LIMITED

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BOSTOCK MARKETING GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2003

The directors present their report and the financial statements of the company for the year ended 30 September 2003.

Directors' Responsibilities

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 company 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;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Directors

J P Bostock
D A Bostock
D Bostock
J Wiseman
W A Vickers
V Stait
D J Lewis (appointed 6th August 2003)

Secretary

W A Vickers

Registered Office

Holt Court North
Heneage Street West
Aston Science Park
Birmingham B7 4AX

Principal Activities

The principal activity of the company throughout the year was that of market research.

Review of Business

The results for the year and the financial position at the year end are considered very satisfactory by the directors. The company continues to invest in its infrastructure, the introduction of new technology, and the research and development of new IT applications.

BOSTOCK MARKETING GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2003 (CONT)

Future Developments

The directors believe that the prospects for continued growth are good and that the company is well placed to take advantage of market opportunities as they arise.

Results and Dividends

The results of the year's trading and the financial position of the company are shown in the annexed accounts.

The company's profit for the year, after taxation, amounted to £303,367 (2002 - £444,076).

On 30 September 2003, a dividend of 8.03 pence per ordinary share was paid amounting to £20,000 (2002 - £20,000).

Directors

The present directors are as shown above. All served on the board throughout the year, with the exception of D J Lewis who was appointed on 6th August 2003.

The company's Articles of Association do not require directors to retire by rotation.

Directors' Interests

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

	30 September 2003	1 October 2002
J P Bostock		
Ordinary shares of £1 each	130,500	130,500
D A Bostock		
Ordinary shares of £1 each	89,140	94,500
D Bostock		
Ordinary shares of £1 each	12,500	12,500
J Wiseman		
Ordinary shares of £1 each	12,500	12,500
W A Vickers		
Ordinary shares of £1 each	2,838	-
V Stait		
Ordinary shares of £1 each	1,588	1,588

Auditors

The auditors, Meager Wood Locke & Company, have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

ON BEHALF OF THE BOARD

.....
W A VICKERS - SECRETARY

Date: December 17, 2003

*Chartered Accountants
& Registered Auditors*



Meager Wood Locke
& Company

123 Hagley Road,
Edgbaston,
Birmingham B16 8LD

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BOSTOCK MARKETING GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOSTOCK MARKETING GROUP LIMITED

We have audited the financial statements of Bostock Marketing Group Limited for the year ended 30 September 2003 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, 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 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 described in the directors' report, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, The Directors' Report is not consistent with the financial statements, if 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 directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 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.

Colin G. Meager BSc (Econ), FCA
Christopher B. Locke BA (Econ), FCA

*Chartered Accountants
& Registered Auditors*



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Meager Wood Locke
& Company

BOSTOCK MARKETING GROUP LIMITED

AUDITORS' REPORT TO THE MEMBERS OF BOSTOCK MARKETING GROUP LIMITED (CONT)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'Meager Wood Locke', is written over the company name.

MEAGER WOOD LOCKE & COMPANY
Registered Auditors

Date: December 17, 2003

123 HAGLEY ROAD
EDGBASTON
BIRMINGHAM
B16 8LD

BOSTOCK MARKETING GROUP LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2003

	Note	2003 £	2002 £
TURNOVER	2	6,226,281	6,211,329
Cost of sales		2,383,725	2,570,673
GROSS PROFIT		3,842,556	3,640,656
Net operating expenses	3	3,427,249	3,033,174
OPERATING PROFIT	4	415,307	607,482
Other interest receivable and similar income		27,360	30,148
Interest payable and similar charges	7	(13,300)	(13,950)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		429,367	623,680
Tax on profit on ordinary activities	8	126,000	179,604
PROFIT FOR THE FINANCIAL YEAR		303,367	444,076
Dividend	9	20,000	20,000
RETAINED PROFIT FOR THE FINANCIAL YEAR	20	283,367	424,076

The company's turnover and expenses all relate to continuing operations.

There are no recognised gains or losses other than the profit for the financial year shown above.

The annexed notes form part of these financial statements.

BOSTOCK MARKETING GROUP LIMITED

BALANCE SHEET AT 30 SEPTEMBER 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Intangible assets	10	-	39,052
Tangible assets	11	223,356	239,305
Investments	12	4	4
		<u>223,360</u>	<u>278,361</u>
CURRENT ASSETS			
Work in progress	13	160,939	42,661
Debtors	14	1,407,216	1,544,051
Cash at bank and in hand		859,602	537,719
		<u>2,427,757</u>	<u>2,124,431</u>
CREDITORS			
Amounts falling due within one year	15	1,209,937	1,076,261
NET CURRENT ASSETS		<u>1,217,820</u>	<u>1,048,170</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,441,180</u>	<u>1,326,531</u>
CREDITORS			
Amounts falling due after more than one year	16	48,276	73,266
NET ASSETS		<u><u>1,392,904</u></u>	<u><u>1,253,265</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	249,066	251,588
Share premium account	18	5,653	2,139
Other reserves	19	205,360	200,000
Profit and loss account	20	932,825	799,538
SHAREHOLDERS' FUNDS	21	<u><u>1,392,904</u></u>	<u><u>1,253,265</u></u>

These financial statements were approved by the board on December 17, 2003

ON BEHALF OF THE BOARD

J P BOSTOCK - DIRECTOR

The annexed notes form part of these financial statements.

BOSTOCK MARKETING GROUP LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2003

	Note	2003 £	2002 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	26	774,461	293,166
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	27,360	30,148	
Interest paid	(552)	(1,248)	
Interest element of finance lease rental payments	(12,748)	(12,702)	
		14,060	16,198
TAXATION		(164,627)	(161,255)
CAPITAL EXPENDITURE			
Payments to acquire fixed assets	(45,075)	(36,067)	
Receipts from sales of fixed assets	1,865	1,283	
		(43,210)	(34,784)
EQUITY DIVIDENDS PAID		(20,000)	(20,000)
		560,684	93,325
FINANCING			
Issue of shares	6,352	3,727	
Purchase of the company's own shares	(150,080)	(240,000)	
Capital element of finance lease repayments	(95,073)	(100,110)	
		(238,801)	(336,383)
INCREASE/(DECREASE) IN CASH		321,883	(243,058)

The annexed notes form part of these financial statements.

BOSTOCK MARKETING GROUP LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2003

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied.

Consolidation

The parent 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.

Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention.

The effect of events in relation to the year ended 30 September 2003 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 30 September 2003 and of the results for the year ended on that date.

Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Computer equipment	- 33% per annum of cost
Fixtures and fittings	- 20% per annum of cost

Intangible Fixed Assets

Depending upon the circumstances of each acquisition, purchased and consolidated goodwill is amortised through the profit and loss account over the directors' estimate of its useful life.

If a subsidiary, associate or business is subsequently sold or closed, any goodwill arising on acquisition that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or closure.

Work in progress

Work in progress has been valued at the lower of cost and net realisable value and includes a relevant proportion of overheads, according to the stage of completion.

Deferred Taxation

Deferred taxation is provided using the liability method on all timing differences between the profit computed for taxation purposes and the profit stated in the financial statements. Deferred tax assets are only included in the financial statements if recovery is more likely than not. This policy was changed during the year following the introduction of Financial Reporting Standard 19. There were no changes to the amounts included in the financial statements as a result of this change in accounting policy.

Research and Development

Expenditure on research and development is written off against profits for the year in which it is incurred.

Leasing

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

BOSTOCK MARKETING GROUP LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2003 (CONT)

Pension Costs

The company operates a pension scheme for the benefit of certain directors and employees. The scheme is a defined contribution scheme, and the contributions are charged against profits as they are paid.

2. TURNOVER

The company's turnover represents the value, excluding Value Added Tax, of goods and services supplied to customers during the year.

3. NET OPERATING EXPENSES

	2003 £	2002 £
Overhead expenses	3,427,249	3,033,174

4. OPERATING PROFIT

Operating profit is stated after charging:

	2003 £	2002 £
Directors' emoluments	481,586	460,808
Directors' pension contributions in respect of money purchase benefits	25,996	25,385
Total directors' emoluments	507,582	486,193
Hire of plant and machinery - operating leases	80,163	81,693
Hire of other assets - operating leases	128,745	105,709
Depreciation and amortisation of owned assets	62,801	46,302
Depreciation of assets held under finance leases and hire purchase	68,405	62,316
Amortisation of goodwill	39,052	39,268
Auditors' remuneration	5,100	5,100
Profit on sale of fixed assets	(1,076)	(723)

5. DIRECTORS' REMUNERATION

	2003 £	2002 £
Highest paid director:		
Emoluments	117,000	112,500
Pension contributions in respect of money purchase benefits	7,980	7,980

There are 7 directors to whom retirement benefits are accruing under money purchase pension schemes in respect of qualifying services (2002 - 6).

1 director exercised share options during the year (2002 - 1).

BOSTOCK MARKETING GROUP LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2003 (CONT)

6. STAFF COSTS

The average number of persons employed by the company, including directors, during the year was as follows:

	2003 Number	2002 Number
Operations	186	189
Research	25	22
Management and administration	24	22
	<u>235</u>	<u>233</u>

The aggregate payroll costs of these persons were as follows:

	2003 £	2002 £
Wages and salaries	3,328,101	3,119,510
Social security	279,257	246,686
Other pension costs	77,548	67,811
	<u>3,684,906</u>	<u>3,434,007</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2003 £	2002 £
Other loans	552	1,248
Finance charges payable - finance leases and hire purchase	12,748	12,702
	<u>13,300</u>	<u>13,950</u>

8. TAXATION

Analysis of charge in period	2003 £	2002 £
Current tax:		
UK corporation tax on profits of the year	126,000	183,000
Adjustments in respect of prior periods	-	(3,396)
Tax on profit on ordinary activities	<u>126,000</u>	<u>179,604</u>

9. DIVIDEND

	2003 £	2002 £
Final dividend paid on ordinary shares	<u>20,000</u>	<u>20,000</u>

BOSTOCK MARKETING GROUP LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2003 (CONT)

10. INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 October 2002	196,339
At 30 September 2003	<u>196,339</u>
Amortisation	
At 1 October 2002	157,287
Charge for the year	39,052
At 30 September 2003	<u>196,339</u>
Net book value	
At 30 September 2003	<u>-</u>
At 30 September 2002	<u>39,052</u>

Goodwill arose on the purchase, on 29 September 1998, of the client base of Bostock Marketing, a partnership operated by J P Bostock and D A Bostock. The goodwill has been amortised over 5 years from the date of acquisition in accordance with the directors' estimate of its useful life.

11. TANGIBLE FIXED ASSETS

	Computer Equipment £	Fixtures and fittings £	Total £
Cost			
At 1 October 2002	423,077	145,913	568,990
Additions	102,098	13,948	116,046
Disposals	(140,476)	-	(140,476)
At 30 September 2003	<u>384,699</u>	<u>159,861</u>	<u>544,560</u>
Depreciation			
At 1 October 2002	259,960	69,725	329,685
Charge for the year	100,981	30,226	131,207
Eliminated on disposals	(139,688)	-	(139,688)
At 30 September 2003	<u>221,253</u>	<u>99,951</u>	<u>321,204</u>
Net book value			
At 30 September 2003	<u>163,446</u>	<u>59,910</u>	<u>223,356</u>
At 30 September 2002	<u>163,117</u>	<u>76,188</u>	<u>239,305</u>

Included in the total net book value of tangible fixed assets held at 30 September 2003 was £124,280 in respect of assets held under finance leases and hire purchase contracts.

BOSTOCK MARKETING GROUP LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2003 (CONT)

12. INVESTMENTS

Participating interests

	2003 £
Cost	
At 1 October 2002	4
Additions	-
At 30 September 2003	<u>4</u>
Provision	
At 1 October 2002	-
During the year	-
At 30 September 2003	<u>-</u>
Net book value at September 30, 2002 and 2003	<u><u>4</u></u>

The company owns more than 20% of the issued share capital of the following companies:

Name	Nature of business	Country of registration	Shares held, class/percentage
Bostock Marketing International Limited	Dormant	England	Ordinary 100%
People Matters Network Limited	Dormant	England	Ordinary 100%

13. WORK IN PROGRESS

	2003 £	2002 £
Work in progress	<u>160,939</u>	<u>42,661</u>

14. DEBTORS

Receivable within one year:

	2003 £	2002 £
Trade debtors	1,242,998	1,482,736
Prepayments and accrued income	164,218	61,315
	<u>1,407,216</u>	<u>1,544,051</u>

BOSTOCK MARKETING GROUP LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2003 (CONT)

15. CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	2003 £	2002 £
Obligations under finance leases and hire purchase contracts	75,101	74,212
Trade creditors	438,218	299,907
Social security and other taxes	319,392	322,164
Other creditors	100,266	60,140
Corporation tax payable	144,373	183,000
Accruals and deferred income	132,587	136,838
	<u>1,209,937</u>	<u>1,076,261</u>

16. CREDITORS - AMOUNTS DUE AFTER ONE YEAR

	2003 £	2002 £
Obligations under finance leases and hire purchase contracts	48,272	73,262
Amounts owed to group undertakings	4	4
	<u>48,276</u>	<u>73,266</u>

Obligations under finance leases and hire purchase contracts are secured by related assets.

Obligations under finance leases and hire purchase contracts

	2003 £	2002 £
Amounts payable:		
Within two to five years	48,272	73,262
	<u>48,272</u>	<u>73,262</u>

17. SHARE CAPITAL

	2003 £	2002 £
Authorised		
500,000 ordinary shares of £1 each	500,000	500,000
200,000 redeemable preference shares of £1 each	200,000	200,000
	<u>700,000</u>	<u>700,000</u>
Allotted, called up and fully paid		
249,066 ordinary shares of £1 each	249,066	251,588
	<u>249,066</u>	<u>251,588</u>

During the year the share capital was increased by £2,838 by the issue of 2,838 ordinary shares of £1 each.

Shares were issued as follows:

On 1st June 2003, 2,500 ordinary shares of £1 each were issued for a total consideration of £5,000.

On 1st June 2003, 338 ordinary shares of £1 each were issued for a total consideration of £1,352.

All shares were fully paid.

During the year the company redeemed 5,360 ordinary shares of £1 each at a premium of £27 per share.

BOSTOCK MARKETING GROUP LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2003 (CONT)

18. SHARE PREMIUM ACCOUNT

	2003 £
At 1 October 2002	2,139
Share premium on new issue	3,514
	<hr/>
At 30 September 2003	5,653
	<hr/> <hr/>

19. OTHER RESERVES

	2003 £
Capital redemption reserve	
At 1 October 2002	200,000
Transfer from profit and loss account	5,360
	<hr/>
At 30 September 2003	205,360
	<hr/> <hr/>

20. PROFIT AND LOSS ACCOUNT

	2003 £
At 1 October 2002	799,538
Retained profit for the financial year	283,367
Redemption of shares	(150,080)
	<hr/>
At 30 September 2003	932,825
	<hr/> <hr/>

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Profit for the financial year	303,367	444,076
Dividends	20,000	20,000
	<hr/>	<hr/>
	283,367	424,076
 New share capital subscribed	 6,352	 3,727
Redemption of shares	(150,080)	(240,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	139,639	187,803
 Opening shareholders' funds	 1,253,265	 1,065,462
	<hr/>	<hr/>
Closing shareholders' funds	1,392,904	1,253,265
	<hr/> <hr/>	<hr/> <hr/>

BOSTOCK MARKETING GROUP LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2003 (CONT)

22. LEASING COMMITMENTS

At 30 September 2003 the company had annual commitments under non-cancellable operating leases as detailed below:

	2003		2002	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	-	28,000	-	53,420
Within two to five years	-	70,792	-	36,292
	<u>-</u>	<u>98,792</u>	<u>-</u>	<u>89,712</u>

23. PENSION COSTS

The company operates a contributory pension scheme. It is a defined contribution scheme and contributions are charged in the profit and loss account as they accrue. The charge for the year was £77,548 (2002 - £67,811). There were no outstanding premiums at the year end.

24. TRANSACTIONS WITH DIRECTORS

Transactions with Directors

During the year the company purchased its own shares from a director, Mrs D A Bostock. 5,360 ordinary shares of £1 each were purchased at a premium of £27. The total consideration was £150,080. The transaction was completed during the year and no monies were outstanding at the year end.

Directors' share options

	Number of ordinary shares	Cost of Option	Exercise Price	Dates Exercisable
W A Vickers				
At 1 October 2002	2,500	£1.00	£2.00 each	31.05.03 to 31.05.10
	338	£1.00	£4.00 each	31.05.01 to 31.05.11
	<u>2,838</u>			
Exercised during the year	2,500	£1.00	£2.00 each	
	338	£1.00	£4.00 each	
	<u>-</u>			
At September 30, 2003	-			
V Stait				
At 1 October 2002 and 30 September 2003	1,250	£1.00	£2.00 each	31.05.03 - 31.05.10
	<u>1,250</u>			
J Wiseman				
At 1 October 2002 and 30 September 2003	1,689	£1.00	£4.00 each	31.05.01 to 31.05.11
	<u>1,689</u>			
D Bostock				
At 1 October 2002 and 30 September 2003	1,689	£1.00	£4.00 each	31.05.01 to 31.05.11
	<u>1,689</u>			

BOSTOCK MARKETING GROUP LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2003 (CONT)

25. CONTROLLING PARTY

The company is controlled by J P Bostock by virtue of his shareholding as described in the directors' report.

26. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2003 £	2002 £
Operating profit	415,307	607,482
Depreciation charge	170,259	147,886
Profit on sale of fixed assets	(1,076)	(723)
(Increase)/decrease in work in progress	(118,278)	1,526
Decrease/(increase) in debtors	136,835	(425,071)
Increase/(decrease) in creditors	171,414	(37,934)
Net cash inflow from operating activities	<u>774,461</u>	<u>293,166</u>

27. ANALYSIS OF NET FUNDS

	2002 £	Cash flow £	Other changes £	2003 £
Cash at bank and in hand	537,719	321,883	-	859,602
Finance leases	(147,474)	95,073	(70,972)	(123,373)
Total	<u>390,245</u>	<u>416,956</u>	<u>(70,972)</u>	<u>736,229</u>

28. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2003 £	2002 £
Increase/(decrease) in cash in the year	321,883	(243,058)
Cash outflow from decrease in lease financing	95,073	100,110
Change in net funds resulting from cash flows	<u>416,956</u>	<u>(142,948)</u>
New finance leases	(70,972)	(139,841)
Movement in net funds in the year	<u>345,984</u>	<u>(282,789)</u>
Net funds at 1 October 2002	390,245	673,034
Net funds at 30 September 2003	<u>736,229</u>	<u>390,245</u>

29. NON-CASH TRANSACTIONS

During the year the company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £70,972 (2002 - £139,841).