

COMPANY REGISTRATION NUMBER 3054781

EAST TRANSPORTATION LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 NOVEMBER 2008

TUESDAY



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EAST TRANSPORTATION LIMITED
FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2008 TO 30 NOVEMBER 2008

CONTENTS	PAGE
Officers and professional advisers	1
The directors' report	2
Independent auditor's report to the shareholders	4
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9

EAST TRANSPORTATION LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	J Mansley P Aarosin P Hickling
Company secretary	J Mansley
Registered office	Trondheim Way Stallingborough Grimsby N E Lincolnshire DN41 8FD
Auditor	Townends Chartered Accountants & Statutory Auditors Carlisle Street Goole East Riding of Yorkshire DN14 5DX

EAST TRANSPORTATION LIMITED
THE DIRECTORS' REPORT
PERIOD FROM 1 JANUARY 2008 TO 30 NOVEMBER 2008

The directors have pleasure in presenting their report and the financial statements of the company for the period from 1 January 2008 to 30 November 2008.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the period was that the provision of road haulage services.

The directors are pleased to report the relocation of the company to a new purpose built logistics centre in Stallingborough in October 2008. The new facility incorporates a 40 thousand square foot warehouse and office suite and constitutes a significant milestone in the company's structured plan for growth.

A further development was the addition of a pallet network service towards the end of the financial period. This will complement existing transport and warehousing services and improve future operating efficiencies.

On the trading front, like many other businesses in the logistics market, the company has been impacted by the deterioration in the UK economy. Trading conditions worsened and profit margins and cash flows were adversely affected.

Notwithstanding the difficult trading environment the directors are confident of further profitable growth in 2009 and beyond as income streams from the new warehouse development and the pallet network grow. The Directors are also pleased to report that a substantial five year contract will commence in September 2009 and will significantly increase the scale of the company's operations.

RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £26,974. Particulars of dividends paid are detailed in note 9 to the financial statements.

FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's principal financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial statements is shown below.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdraft facilities at floating rates of interest.

Trade debtors are managed in respect of credit and cash flow risk through the use of sales financing.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

DIRECTORS

The directors who served the company during the period were as follows:

J Mansley
P Aarosin
P Hickling

EAST TRANSPORTATION LIMITED

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 1 JANUARY 2008 TO 30 NOVEMBER 2008

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). 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 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 the going concern basis unless it is inappropriate to presume that the company will continue in business.

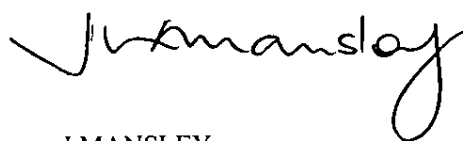
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Registered office:
Trondheim Way
Stallingborough
Grimsby
N E Lincolnshire
DN41 8FD

Signed by order of the directors



J MANSLEY
Company Secretary

Approved by the directors on 30/11/08.....

EAST TRANSPORTATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
EAST TRANSPORTATION LIMITED

PERIOD FROM 1 JANUARY 2008 TO 30 NOVEMBER 2008

We have audited the financial statements of East Transportation Limited for the period from 1 January 2008 to 30 November 2008, which have been prepared on the basis of the accounting policies set out on pages 9 to 10.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' 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 Directors' 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 Directors' 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 directors' remuneration and other transactions is not disclosed.

We read the Directors' 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 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.

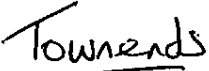
EAST TRANSPORTATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
EAST TRANSPORTATION LIMITED *(continued)*

PERIOD FROM 1 JANUARY 2008 TO 30 NOVEMBER 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 30 November 2008 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.


TOWNENDS
Chartered Accountants
& Registered Auditors

Carlisle Street
Goole
East Riding of Yorkshire
DN14 5DX

10 August 2009

EAST TRANSPORTATION LIMITED
PROFIT AND LOSS ACCOUNT
PERIOD FROM 1 JANUARY 2008 TO 30 NOVEMBER 2008

		Period from 1 Jan 08 to 30 Nov 08 £	Year to 31 Dec 07 £
TURNOVER	Note 2	6,297,147	6,095,576
Cost of sales		<u>5,527,966</u>	<u>5,331,602</u>
GROSS PROFIT		769,181	763,974
Administrative expenses		583,465	582,051
Other operating income	3	<u>(8,400)</u>	<u>(7,400)</u>
OPERATING PROFIT	4	194,116	189,323
Interest receivable		—	156
Interest payable and similar charges	7	<u>(150,372)</u>	<u>(116,373)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		43,744	73,106
Tax on profit on ordinary activities	8	16,770	17,020
PROFIT FOR THE FINANCIAL PERIOD		<u>26,974</u>	<u>56,086</u>

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

The company has no recognised gains or losses other than the results for the period as set out above.

EAST TRANSPORTATION LIMITED**BALANCE SHEET****30 NOVEMBER 2008**

	Note	30 Nov 08 £	£	31 Dec 07 £	£
FIXED ASSETS					
Tangible assets	10		1,451,752		1,527,542
CURRENT ASSETS					
Stocks	11	37,031		24,781	
Debtors	12	1,187,889		1,448,142	
Cash at bank and in hand		3,773		2,271	
		<u>1,228,693</u>		<u>1,475,194</u>	
CREDITORS: Amounts falling due within one year	13	<u>1,914,575</u>		<u>1,890,577</u>	
NET CURRENT LIABILITIES			<u>(685,882)</u>		<u>(415,383)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>765,870</u>		<u>1,112,159</u>
CREDITORS: Amounts falling due after more than one year	14		565,856		872,889
PROVISIONS FOR LIABILITIES					
Deferred taxation	16		<u>56,026</u>		<u>39,256</u>
			<u>143,988</u>		<u>200,014</u>
CAPITAL AND RESERVES					
Called-up equity share capital	18		50,000		50,000
Profit and loss account	19		<u>93,988</u>		<u>150,014</u>
SHAREHOLDERS' FUNDS	20		<u>143,988</u>		<u>200,014</u>

These financial statements were approved by the directors and authorised for issue on 30/7/09,
and are signed on their behalf by:

PAH
P HICKLING

EAST TRANSPORTATION LIMITED
CASH FLOW STATEMENT
PERIOD FROM 1 JANUARY 2008 TO 30 NOVEMBER 2008

		Period from 1 Jan 08 to 30 Nov 08		Year to 31 Dec 07	
	Note	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	21		669,620		959,157
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	21		(150,372)		(116,217)
TAXATION	21		—		(21)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	21		(155,013)		(1,184,444)
EQUITY DIVIDENDS PAID			(83,000)		(20,000)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING			281,235		(361,525)
FINANCING	21		(292,696)		265,616
DECREASE IN CASH	21		<u>(11,461)</u>		<u>(95,909)</u>

EAST TRANSPORTATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2008 TO 30 NOVEMBER 2008

1. ACCOUNTING POLICIES

Basis of accounting

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

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the period, 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:

Leasehold property	5 years
Tractor units	5 years
Trailers	10 years
Computers	2-3 years
Plant and fixtures	3-4 years

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 provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes.

Tax deferred is accounted for in respect of all material timing differences to the extent that it is considered that a net asset may crystallise.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Foreign currencies

Monetary assets and liabilities denominated 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 operating profit.

EAST TRANSPORTATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2008 TO 30 NOVEMBER 2008

1. ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

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:

	Period from 1 Jan 08 to 30 Nov 08 £	Year to 31 Dec 07 £
United Kingdom	<u>6,297,147</u>	<u>6,095,576</u>

3. OTHER OPERATING INCOME

	Period from 1 Jan 08 to 30 Nov 08 £	Year to 31 Dec 07 £
Rent receivable	<u>8,400</u>	<u>7,400</u>

4. OPERATING PROFIT

Operating profit is stated after charging:

	Period from 1 Jan 08 to 30 Nov 08 £	Year to 31 Dec 07 £
Depreciation of owned fixed assets	28,968	27,210
Depreciation of assets held under hire purchase agreements	201,835	168,542
Loss on disposal of fixed assets	-	359
Auditor's remuneration		
- as auditor	4,500	5,500
- for other services	11,032	6,500
Net loss on foreign currency translation	<u>-</u>	<u>837</u>

EAST TRANSPORTATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2008 TO 30 NOVEMBER 2008

5. PARTICULARS OF EMPLOYEES

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

	Period from 1 Jan 08 to 30 Nov 08 No	Year to 31 Dec 07 No
Number of distribution staff	47	41
Number of administrative staff	6	6
Number of management staff	2	2
	<u>55</u>	<u>49</u>

The aggregate payroll costs of the above were:

	Period from 1 Jan 08 to 30 Nov 08 £	Year to 31 Dec 07 £
Wages and salaries	1,448,674	1,294,773
Social security costs	132,395	117,197
	<u>1,581,069</u>	<u>1,411,970</u>

6. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	Period from 1 Jan 08 to 30 Nov 08 £	Year to 31 Dec 07 £
Emoluments receivable	<u>135,345</u>	<u>142,532</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	Period from 1 Jan 08 to 30 Nov 08 £	Year to 31 Dec 07 £
Finance charges	57,652	44,490
Interest on other loans	2,422	—
Other interest	90,298	71,883
	<u>150,372</u>	<u>116,373</u>

EAST TRANSPORTATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2008 TO 30 NOVEMBER 2008

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

	Period from 1 Jan 08 to 30 Nov 08 £	£	Year to 31 Dec 07 £	£
Current tax:				
Corporation tax		-		-
Over/under provision in prior year		-		21
Total current tax		-		21
Deferred tax:				
Origination and reversal of timing differences (note 16)				
Capital allowances	15,590		83,580	
Losses	1,180		(66,581)	
Total deferred tax (note 16)		16,770		16,999
Tax on profit on ordinary activities		16,770		17,020

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 20.70% (2007 - -%).

	Period from 1 Jan 08 to 30 Nov 08 £	Year to 31 Dec 07 £
Profit on ordinary activities before taxation	43,744	73,106
Profit on ordinary activities by rate of tax	9,055	-
Capital allowances in excess of depreciation in the year	1,339	-
Expenses not deductible for corporation tax	2,869	-
Tax losses utilised in the year	(11,524)	-
Over/Under provision in prior year	-	21
Group tax relief	(1,739)	-
Total current tax (note 8(a))	-	21

9. DIVIDENDS

Equity dividends

	Period from 1 Jan 08 to 30 Nov 08 £	Year to 31 Dec 07 £
Paid		
Equity dividends on ordinary shares	83,000	20,000

EAST TRANSPORTATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2008 TO 30 NOVEMBER 2008

10. TANGIBLE FIXED ASSETS

	Leasehold Property Imp'ments £	Plant & Machinery etc. £	Total £
COST			
At 1 January 2008	8,107	1,778,143	1,786,250
Additions	—	155,013	155,013
At 30 November 2008	<u>8,107</u>	<u>1,933,156</u>	<u>1,941,263</u>
DEPRECIATION			
At 1 January 2008	3,517	255,191	258,708
Charge for the period	990	229,813	230,803
At 30 November 2008	<u>4,507</u>	<u>485,004</u>	<u>489,511</u>
NET BOOK VALUE			
At 30 November 2008	<u>3,600</u>	<u>1,448,152</u>	<u>1,451,752</u>
At 31 December 2007	<u>4,590</u>	<u>1,522,952</u>	<u>1,527,542</u>

Hire purchase agreements

Included within the net book value of £1,451,752 is £1,403,825 (2007 - £1,471,700) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the period in respect of such assets amounted to £201,835 (2007 - £168,542).

11. STOCKS

	30 Nov 08 £	31 Dec 07 £
Stock	<u>37,031</u>	<u>24,781</u>

12. DEBTORS

	30 Nov 08 £	31 Dec 07 £
Trade debtors	1,034,668	946,939
Amounts owed by group undertakings	83,180	323,864
Prepayments and accrued income	70,041	177,339
	<u>1,187,889</u>	<u>1,448,142</u>

EAST TRANSPORTATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2008 TO 30 NOVEMBER 2008

13. CREDITORS: Amounts falling due within one year

	30 Nov 08	31 Dec 07
	£	£
Overdrafts	111,222	98,259
Trade creditors	369,464	485,273
Other creditors:		
Other taxation and social security	66,747	44,236
Hire purchase agreements	397,985	383,648
Other creditors	843,432	799,728
	<u>1,308,164</u>	<u>1,227,612</u>
Accruals and deferred income	125,725	79,433
	<u>1,914,575</u>	<u>1,890,577</u>

The bank overdraft is secured by way of a debenture giving a fixed and floating charge over the assets of the company.

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

	30 Nov 08	31 Dec 07
	£	£
Overdrafts	111,222	98,259
Other creditors	843,432	799,728
Hire purchase agreements	397,985	383,646
	<u>1,352,639</u>	<u>1,281,633</u>

14. CREDITORS: Amounts falling due after more than one year

	30 Nov 08	31 Dec 07
	£	£
Other creditors:		
Hire purchase agreements	527,223	811,889
Other creditors	38,633	61,000
	<u>565,856</u>	<u>872,889</u>

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

	30 Nov 08	31 Dec 07
	£	£
Other creditors	38,633	61,000
Hire purchase agreements	527,223	811,889
	<u>565,856</u>	<u>872,889</u>

EAST TRANSPORTATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2008 TO 30 NOVEMBER 2008

15. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	30 Nov 08 £	31 Dec 07 £
Amounts payable within 1 year	397,985	383,648
Amounts payable between 2 to 5 years	527,223	811,889
	<u>925,208</u>	<u>1,195,537</u>

16. DEFERRED TAXATION

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

	Period from 1 Jan 08 to 30 Nov 08 £	Year to 31 Dec 07 £
Provision brought forward	39,256	22,257
Profit and loss account movement arising during the period	16,770	16,999
Provision carried forward	<u>56,026</u>	<u>39,256</u>

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

	30 Nov 08 £	31 Dec 07 £
Excess of taxation allowances over depreciation on fixed assets	154,706	139,116
Tax losses available	<u>(98,680)</u>	<u>(99,860)</u>
	<u>56,026</u>	<u>39,256</u>

17. RELATED PARTY TRANSACTIONS

As a subsidiary of East Transportation Holdings Limited, the company has taken advantage of the exemptions in FRS8 "Related Party Disclosures", not to disclose transactions with other members of the Group headed by East Transportation Holdings Limited.

During the year the company made diesel sales to the directors.

	Total sales in period £	Balance outstanding at 30 November 2008 £
Mr J Mansley	4,219	3,875
Mr P Hickling	2,068	1,577

18. SHARE CAPITAL

Authorised share capital:

	30 Nov 08 £	31 Dec 07 £
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

EAST TRANSPORTATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 1 JANUARY 2008 TO 30 NOVEMBER 2008

18. SHARE CAPITAL *(continued)*

Allotted, called up and fully paid:

	30 Nov 08		31 Dec 07	
	No	£	No	£
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

19. PROFIT AND LOSS ACCOUNT

	Period from 1 Jan 08 to 30 Nov 08 £	Year to 31 Dec 07 £
Balance brought forward	150,014	113,928
Profit for the financial period	26,974	56,086
Equity dividends	<u>(83,000)</u>	<u>(20,000)</u>
Balance carried forward	<u>93,988</u>	<u>150,014</u>

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30 Nov 08 £	31 Dec 07 £
Profit for the financial period	26,974	56,086
Equity dividends	<u>(83,000)</u>	<u>(20,000)</u>
Net (reduction)/addition to shareholders' funds	<u>(56,026)</u>	36,086
Opening shareholders' funds	<u>200,014</u>	<u>163,928</u>
Closing shareholders' funds	<u>143,988</u>	<u>200,014</u>

21. NOTES TO THE STATEMENT OF CASH FLOWS

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

	Period from 1 Jan 08 to 30 Nov 08 £	Year to 31 Dec 07 £
Operating profit	194,116	189,323
Depreciation	230,803	195,752
Loss on disposal of fixed assets	—	359
Increase in stocks	<u>(12,250)</u>	<u>(9,696)</u>
Decrease/(increase) in debtors	260,253	(394,025)
(Decrease)/increase in creditors	<u>(3,302)</u>	<u>977,444</u>
Net cash inflow from operating activities	<u>669,620</u>	<u>959,157</u>

EAST TRANSPORTATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS****PERIOD FROM 1 JANUARY 2008 TO 30 NOVEMBER 2008****21. NOTES TO THE STATEMENT OF CASH FLOWS (continued)****RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**

	Period from 1 Jan 08 to 30 Nov 08 £	Year to 31 Dec 07 £
Interest received	–	156
Interest paid	(92,720)	(71,883)
Interest element of hire purchase	(57,652)	(44,490)
Net cash outflow from returns on investments and servicing of finance	<u>(150,372)</u>	<u>(116,217)</u>

TAXATION

	Period from 1 Jan 08 to 30 Nov 08 £	Year to 31 Dec 07 £
Taxation	–	(21)

CAPITAL EXPENDITURE

	Period from 1 Jan 08 to 30 Nov 08 £	Year to 31 Dec 07 £
Payments to acquire tangible fixed assets	(155,013)	(1,193,946)
Receipts from sale of fixed assets	–	9,502
Net cash outflow from capital expenditure	<u>(155,013)</u>	<u>(1,184,444)</u>

FINANCING

	Period from 1 Jan 08 to 30 Nov 08 £	Year to 31 Dec 07 £
Net outflow from other short-term creditors	–	(549,925)
Capital element of hire purchase	(270,329)	754,541
Net (outflow)/inflow from other long-term creditors	(22,367)	61,000
Net cash (outflow)/inflow from financing	<u>(292,696)</u>	<u>265,616</u>

EAST TRANSPORTATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2008 TO 30 NOVEMBER 2008

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

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	30 Nov 08		31 Dec 07	
	£	£	£	£
Decrease in cash in the period	(11,461)		(95,909)	
Net outflow from other short-term creditors	—		549,925	
Cash outflow in respect of hire purchase	270,329		(754,541)	
Net cash outflow from/(inflow) from other long-term creditors	<u>22,367</u>		<u>(61,000)</u>	
		281,235		(361,525)
Change in net debt		281,235		(361,525)
Net debt at 1 January 2008		<u>(1,352,525)</u>		<u>(991,000)</u>
Net debt at 30 November 2008		<u>(1,071,290)</u>		<u>(1,352,525)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2008 £	Cash flows £	At 30 Nov 2008 £
Net cash:			
Cash in hand and at bank	2,271	1,502	3,773
Overdrafts	<u>(98,259)</u>	<u>(12,963)</u>	<u>(111,222)</u>
	<u>(95,988)</u>	<u>(11,461)</u>	<u>(107,449)</u>
Debt:			
Debt due after 1 year	(61,000)	22,367	(38,633)
Hire purchase agreements	<u>(1,195,537)</u>	<u>270,329</u>	<u>(925,208)</u>
	<u>(1,256,537)</u>	<u>292,696</u>	<u>(963,841)</u>
Net debt	<u>(1,352,525)</u>	<u>281,235</u>	<u>(1,071,290)</u>

22. ULTIMATE PARENT COMPANY

The company is a 100% subsidiary of East Transportation Holdings Ltd, a company registered in England.