

Consolidated cash flow statement

For the year ended 31 December 2007

| | Notes | 2007 £'000 | 2006 £'000 |
|--|-------|-----------------|-----------------|
| Operating activities | | | |
| Operating profit | | 43,101 | 28,541 |
| <i>Adjustments to reconcile Group operating profit to net cash inflows from operating activities</i> | | | |
| Depreciation | | 27,130 | 14,585 |
| Amortisation | | 3,547 | 1,907 |
| Share-based payment | | 2,659 | 1,411 |
| Impairment of property, plant and equipment | | – | 2,492 |
| Loss on disposal of property, plant and equipment | | 190 | 353 |
| Impairment of intangible assets | | 86 | 114 |
| Loss on disposal of intangible assets | | – | 9 |
| Dividend received from associate | | – | 202 |
| (Increase)/decrease in inventories | | (8,724) | 4,560 |
| Increase in trade and other receivables | | (1,470) | (35,498) |
| (Decrease)/increase in trade and other payables | | (19,976) | 6,895 |
| Currency and other adjustments | | (218) | 5 |
| Cash generated from operations | | 46,325 | 25,576 |
| Income taxes paid | | (13,853) | (11,994) |
| Net cash flow from operating activities | | 32,472 | 13,582 |
| Investing activities | | | |
| Interest received | | 3,885 | 6,600 |
| Acquisition of subsidiaries, net of cash acquired | | (32,600) | – |
| Sale of property, plant and equipment | | 336 | 24 |
| Purchases of property, plant and equipment | | (8,620) | (7,504) |
| Purchases of intangible assets | | (5,619) | (2,499) |
| Acquisition of minority interests | | (30) | – |
| Sale of interest in associate | | – | 364 |
| Net cash flow from investing activities | | (42,648) | (3,015) |
| Financing activities | | | |
| Interest paid | | (5,333) | (2,152) |
| Dividends paid to equity shareholders of the parent | | (11,806) | (13,326) |
| Proceeds from share issues | | 661 | 2,383 |
| Purchase of own shares | | (11,332) | – |
| Repayment of capital element of finance leases | | (12,195) | (2,629) |
| Repayment of loans | | (11,103) | (5,527) |
| New borrowings | | 19,832 | 12,447 |
| Return of capital | | – | (74,442) |
| Expenses on return of capital | | – | (365) |
| Decrease in factor financing | | (8,743) | (1,377) |
| Net cash flow from financing activities | | (40,019) | (84,988) |
| Decrease in cash and cash equivalents | | (50,195) | (74,421) |
| Effect of exchange rates on cash and cash equivalents | | (1,521) | 492 |
| Cash and cash equivalents at the beginning of the year | 18 | 58,982 | 132,911 |
| Cash and cash equivalents at the year end | 18 | 7,266 | 58,982 |

Analysis of changes in net funds

| | At 1 January 2007 £'000 | Cash flows in year £'000 | Non-cash flow £'000 | Exchange differences £'000 | At 31 December 2007 £'000 |
|--|----------------------------------|-----------------------------------|---------------------------|----------------------------------|------------------------------------|
| Cash and cash equivalents | 58,982 | (50,195) | – | (1,521) | 7,266 |
| Factor financing | (29,549) | 8,743 | – | (2,647) | (23,453) |
| Net funds/(debt) prior to customer-specific financing | 29,433 | (41,452) | – | (4,168) | (16,187) |
| Finance leases | (11,403) | 12,195 | (47,768) | (666) | (47,642) |
| Other loans | (7,246) | (8,729) | – | – | (15,975) |
| Net funds/(debt) | 10,784 | (37,986) | (47,768) | (4,834) | (79,804) |