

NOTES TO THE CASH FLOW STATEMENT

YEAR ENDED 30 SEPTEMBER 2002

	2002	2001
	£	£
i) RECONCILIATION OF OPERATING CASH FLOWS		
Operating loss	(635,718)	(436,456)
Depreciation	53,893	42,064
Amortisation	17,500	-
Grants received	-	250
Research and development written off	71,345	-
(Increase)/decrease in stock	(48,934)	27,382
(Increase)/decrease in debtors	(279,262)	29,240
Increase/(decrease) in creditors	23,949	(119,301)
Net cash flow from operating activities	(797,227)	(456,821)

	2001	Cash flow	Other non-cash charges	2002
	As restated (note 1) £	£	£	£
ii) ANALYSIS OF NET DEBT				
Cash at bank and in hand	22,512	512,685	-	535,197
Bank overdraft	(36,555)	36,555	-	-
		549,240		
Debt due within one year	(37,363)	37,363	(37,363)	(37,363)
Debt due after one year	(128,204)	-	37,363	(90,841)
Loan from Security Change Limited	(516,840)	516,840	-	-
		554,203		
Current asset investments	413,468	(370,544)	-	42,924
	(282,982)	732,899	-	449,917

	2002	2001
	£	As restated (note 1) £
iii) RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/(DEBT)		
Increase/(decrease) in cash in the period	549,240	(24,494)
Cash outflow from decrease in debt	554,203	10,083
Cash inflow/(outflow) from decrease/(increase) in liquid resources	(370,544)	413,468
Change in net debt resulting from cash flows	732,899	399,057
Net debt at 1 October	(282,982)	(682,039)
Net funds at 30 September	449,917	(282,982)