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**.A SPACE STATION PLC**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**for the year ended 31 December 2007**



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**.A SPACE STATION PLC**

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**COMPANY INFORMATION**

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**DIRECTORS**

A S Caldwell  
J E Caldwell  
E M Nelmes  
R D Stebbings

**SECRETARY**

R D Stebbings

**COMPANY NUMBER**

1693618

**REGISTERED OFFICE**

Westway House  
Transport Avenue  
Brentford  
Middlesex  
TW8 9HF

**AUDITORS**

Deacons  
Chartered Accountants & Registered Auditors  
The Stables, Shipton Bridge Farm  
Widdington  
Saffron Walden  
Essex  
CB11 3SU

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## A SPACE STATION PLC

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### DIRECTORS' REPORT for the year ended 31 December 2007

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The directors present their report and the financial statements for the year ended 31 December 2007

#### STATEMENT OF 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

#### PRINCIPAL ACTIVITIES

The principal activity of the company continued to be the provision of direct access storage.

#### BUSINESS REVIEW

The company had a successful year. Turnover increased in line with expectations now that the new depot was fully operational. The risk of rising interest rates will erode profits, but not sufficient to affect the company's performance.

#### RESULTS

The profit for the year, after taxation, amounted to £244,734 (2006 - £230,689)

#### DIRECTORS

The directors who served during the year were

A S Caldwell  
J E Caldwell  
E M Nelmes  
R D Stebbings

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**.A SPACE STATION PLC**

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**DIRECTORS' REPORT**  
**for the year ended 31 December 2007**

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**PROVISION OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

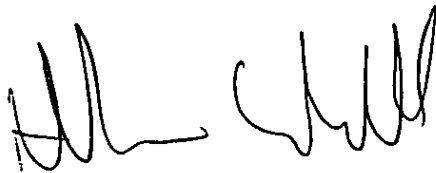
- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing their report and to establish that the company's auditor is aware of that information

**AUDITORS**

The auditor, Deacons, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985

This report was approved by the board on *29 May 2008* and signed on its behalf

Director



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**A SPACE STATION PLC**

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF A SPACE STATION PLC**

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I have audited the financial statements of A Space Station plc for the year ended 31 December 2007, set out on pages 5 to 18. These financial statements have been prepared in accordance with 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. My audit work has been undertaken so that I might state to the company's members those matters I am required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's members as a body, for my audit work, for this report, or for the opinions I have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

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.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. I also report to you whether in my opinion the information given in the Directors' report is consistent with the financial statements.

In addition I report to you if, in my opinion, the company has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

I read the Directors' report and consider the implications for my report if I become aware of any apparent misstatements within it.

**BASIS OF AUDIT OPINION**

I conducted my 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 judgments 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

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**.A SPACE STATION PLC**

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF .A SPACE STATION PLC**

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**OPINION**

In my 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 31 December 2007 and of its profit for the year 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



**DEACONS**

Chartered Accountants  
Registered Auditors

The Stables, Shipton Bridge Farm  
Widdington  
Saffron Walden  
Essex  
CB11 3SU

Date 30 May 2008

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**A SPACE STATION PLC**

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**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 2007

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	Note	2007 £	2006 £
<b>TURNOVER</b>	1,2	<b>2,930,824</b>	<b>2,534,695</b>
Cost of sales		<u>(31,447)</u>	<u>(28,480)</u>
<b>GROSS PROFIT</b>		<b>2,899,377</b>	<b>2,506,215</b>
Administrative expenses		<b>(2,239,490)</b>	<b>(1,994,670)</b>
Other operating income	3	<u>9,600</u>	<u>9,600</u>
<b>OPERATING PROFIT</b>	4	<b>669,487</b>	<b>521,145</b>
Interest receivable		<b>2,977</b>	<b>2,831</b>
Interest payable	8	<u>(374,462)</u>	<u>(247,468)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>298,002</b>	<b>276,508</b>
Tax on profit on ordinary activities	9	<u>(53,268)</u>	<u>(45,819)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	17	<u>£ 244,734</u>	<u>£ 230,689</u>

All amounts relate to continuing operations

The notes on pages 9 to 18 form part of these financial statements



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**A SPACE STATION PLC**

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**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
for the year ended 31 December 2007

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	2007 £	2006 £
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<u>244,734</u>	<u>230,689</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<u>£ 244,734</u>	<u>£ 230,689</u>

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**NOTE OF HISTORICAL COST PROFITS AND LOSSES**  
for the year ended 31 December 2007

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	2007 £	2006 £
<b>REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>298,002</b>	<b>276,508</b>
Realisation of valuation gains of previous periods	<b>(117,378)</b>	<b>(45,819)</b>
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	<u>117,378</u>	<u>45,819</u>
<b>HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<u>£ 298,002</u>	<u>£ 276,508</u>
<b>HISTORICAL PROFIT FOR THE YEAR AFTER TAXATION</b>	<u>£ 244,734</u>	<u>£ 230,689</u>

The notes on pages 9 to 18 form part of these financial statements

**.A SPACE STATION PLC**

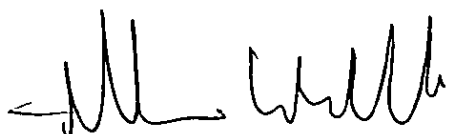
**BALANCE SHEET  
as at 31 December 2007**

	Note	£	2007 £	£	2006 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	10		13,413,558		13,350,197
<b>CURRENT ASSETS</b>					
Stocks	11	7,695		9,485	
Debtors	12	291,523		265,244	
Cash at bank and in hand		133,526		2,187	
			<u>432,744</u>		<u>276,916</u>
<b>CREDITORS:</b> amounts falling due within one year	13	<u>(1,558,963)</u>		<u>(1,329,177)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(1,126,219)</u>		<u>(1,052,261)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>12,287,339</u>		<u>12,297,936</u>
<b>CREDITORS:</b> amounts falling due after more than one year	14		(5,472,295)		(5,471,634)
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	15		<u>(46,623)</u>		<u>(52,615)</u>
<b>NET ASSETS</b>			<u>£ 6,768,421</u>		<u>£ 6,773,687</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		18,500		18,500
Revaluation reserve	17		5,540,370		5,540,370
Profit and loss account	17		<u>1,209,551</u>		<u>1,214,817</u>
<b>SHAREHOLDERS' FUNDS</b>	18		<u>£ 6,768,421</u>		<u>£ 6,773,687</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

29 May 2008

Director



The notes on pages 9 to 18 form part of these financial statements

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**.A SPACE STATION PLC**

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**CASH FLOW STATEMENT**  
for the year ended 31 December 2007

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	Note	2007 £	2006 £
Net cash flow from operating activities	20	711,542	(134,390)
Returns on investments and servicing of finance	21	(371,485)	(244,637)
Taxation		(51,453)	(57,058)
Capital expenditure and financial investment	21	(161,410)	(3,034,560)
Equity dividends paid		-	(180,000)
<b>CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		<u>127,194</u>	<u>(3,650,645)</u>
Financing	21	88,141	3,390,042
<b>INCREASE/(DECREASE) IN CASH IN THE YEAR</b>		<u>£ 215,335</u>	<u>£ (260,603)</u>

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**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT**  
for the year ended 31 December 2007

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	2007 £	2006 £
Increase/(Decrease) in cash in the year	215,335	(260,603)
Cash inflow from increase in debt and lease financing	(88,141)	(3,390,042)
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<u>127,194</u>	<u>(3,650,645)</u>
Net debt at 1 January 2007	(5,589,587)	(1,938,942)
<b>NET DEBT AT 31 DECEMBER 2007</b>	<u>£ (5,462,393)</u>	<u>£ (5,589,587)</u>

The notes on pages 9 to 18 form part of these financial statements

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## A SPACE STATION PLC

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### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

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#### 1. ACCOUNTING POLICIES

##### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold property and in accordance with applicable accounting standards

##### 1.2 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

##### 1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold property	-	2%	straight line
Plant & machinery	-	10-33%	reducing balance
Motor vehicles	-	25%	reducing balance
Other fixed assets	-	10%	reducing balance

##### 1.4 REVALUATION OF TANGIBLE FIXED ASSETS

As permitted by the transitional provisions of FRS 15 Tangible Fixed Assets the company has elected not to adopt a policy of revaluation of tangible fixed assets. The company will retain the book value of land and buildings, previously revalued at 7 September 2005 and will not update that valuation

##### 1.5 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

##### 1.6 OPERATING LEASES

Rentals under operating leases are charged on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

##### 1.7 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

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**A SPACE STATION PLC**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2007**

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**1. ACCOUNTING POLICIES (continued)**

**1.8 DEFERRED TAXATION**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

**1.9 PENSIONS**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

**2. TURNOVER**

The whole of the turnover is attributed to the principal activity

All turnover arose within the United Kingdom

**3. OTHER OPERATING INCOME**

	2007 £	2006 £
Net rents receivable	9,600	9,600

**4. OPERATING PROFIT**

The operating profit is stated after charging

	2007 £	2006 £
Depreciation of tangible fixed assets		
- owned by the company	88,504	94,754
Operating lease rentals		
- plant and machinery	458	4,930

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.A SPACE STATION PLC

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NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2007

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5. AUDITORS' REMUNERATION

	2007 £	2006 £
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>8,500</u>	<u>8,578</u>

6. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2007 £	2006 £
Wages and salaries	1,059,592	794,125
Social security costs	115,347	81,210
Other pension costs	28,489	26,144
	<u>£ 1,203,428</u>	<u>£ 901,479</u>

The average monthly number of employees, including the directors, during the year was as follows

	2007 No.	2006 No
	<u>30</u>	<u>26</u>

7. DIRECTORS' REMUNERATION

	2007 £	2006 £
Emoluments	<u>£ 488,370</u>	<u>£ 203,627</u>
Company pension contributions to money purchase pension schemes	<u>£ 10,207</u>	<u>£ 9,967</u>

During the year retirement benefits were accruing to 3 directors (2006 - 3) in respect of money purchase pension schemes

The highest paid director received remuneration of £333,211 (2006 - £62,709)

**.A SPACE STATION PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2007**

**8. INTEREST PAYABLE**

	2007 £	2006 £
On bank loans and overdrafts	364,871	219,600
On other loans	8,427	27,868
On finance leases and hire purchase contracts	1,164	-
	£ 374,462	£ 247,468

**9. TAXATION**

	2007 £	2006 £
<b>ANALYSIS OF TAX CHARGE IN THE YEAR</b>		
<b>CURRENT TAX</b> (see note below)		
UK corporation tax charge on profit for the year	59,260	51,454
Adjustments in respect of prior periods	-	58
	59,260	51,512
<b>DEFERRED TAX</b> (see note 15)		
Origination and reversal of timing differences	(5,992)	(5,693)
	£ 53,268	£ 45,819

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is the same as (2006 - the same as) the standard rate of corporation tax in the UK (19 753%) as set out below

	2007 £	2006 £
Profit on ordinary activities before tax	£ 298,002	£ 276,508
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19 753% (2006 - 19%)	58,864	52,537
<b>EFFECTS OF:</b>		
Capital allowances for year in excess of depreciation	396	(1,083)
Adjustments to tax charge in respect of prior periods	-	58
	£ 59,260	£ 51,512

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges

**.A SPACE STATION PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2007**

**10. TANGIBLE FIXED ASSETS**

	Land and buildings £	Plant and machinery £	Motor vehicles £	Other fixed assets £	Total £
<b>COST OR VALUATION</b>					
At 1 January 2007	12,786,387	511,935	150,027	1,009,035	14,457,384
Additions	113,951	12,838	50,653	3,718	181,160
Disposals	-	(36,264)	(45,525)	(17,995)	(99,784)
At 31 December 2007	<u>12,900,338</u>	<u>488,509</u>	<u>155,155</u>	<u>994,758</u>	<u>14,538,760</u>
<b>DEPRECIATION</b>					
At 1 January 2007	-	278,146	106,580	722,461	1,107,187
Charge for the year	-	24,663	19,170	44,671	88,504
On disposals	-	(25,398)	(28,105)	(16,986)	(70,489)
At 31 December 2007	<u>-</u>	<u>277,411</u>	<u>97,645</u>	<u>750,146</u>	<u>1,125,202</u>
<b>NET BOOK VALUE</b>					
At 31 December 2007	<u>£12,900,338</u>	<u>£ 211,098</u>	<u>£ 57,510</u>	<u>£ 244,612</u>	<u>£13,413,558</u>
At 31 December 2006	<u>£12,786,387</u>	<u>£ 233,789</u>	<u>£ 43,447</u>	<u>£ 286,574</u>	<u>£13,350,197</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2007 £	2006 £
Motor vehicles	£ 9,739	£ -

Cost or valuation at 31 December 2007 is as follows

	Land and buildings £
<b>AT COST</b>	<b>7,666,401</b>
<b>AT VALUATION</b>	
7 September 2005 at open market value	<u>5,233,937</u>
	<u>£12,900,338</u>

The land and buildings were revalued on 7 September 2005 by DTZ Debenham Tie Leung Limited on an open market existing use basis



**.A SPACE STATION PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2007**

**10. TANGIBLE FIXED ASSETS (continued)**

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows

	2007 £	2006 £
Cost	7,666,401	7,552,450
Accumulated depreciation	(636,923)	(519,545)
Net book value	£ 7,029,478	£ 7,032,905

**11. STOCKS**

	2007 £	2006 £
Finished goods and goods for resale	£ 7,695	£ 9,485

**12. DEBTORS**

	2007 £	2006 £
Trade debtors	130,909	137,137
Other debtors	-	541
Prepayments and accrued income	160,614	127,566
	£ 291,523	£ 265,244

**13. CREDITORS:  
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007 £	2006 £
Bank loans and overdrafts	114,100	120,140
Payments received on account	222,989	197,941
Net obligations under finance leases and hire purchase contracts	9,524	-
Trade creditors	112,243	202,262
Corporation tax	59,260	51,454
Social security and other taxes	201,239	24,789
Other creditors	535,430	441,658
Accruals and deferred income	304,178	290,933
	£ 1,558,963	£ 1,329,177

**A SPACE STATION PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2007**

**14. CREDITORS:  
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2007 £	2006 £
Bank loans	£ 5,472,295	£ 5,471,634

Creditors include amounts not wholly repayable within 5 years as follows

	2007 £	2006 £
Repayable by instalments	£ 4,504,018	£ 4,448,649

The bank loans are payable over a 20 year term interest is charged between 1% and 1 25% per annum

The bank loans are secured on all freehold property except Orchard Road

**15. DEFERRED TAXATION**

	2007 £	2006 £
At 1 January 2007	52,615	58,308
Released during the year	(5,992)	(5,693)
At 31 December 2007	£ 46,623	£ 52,615

The provision for deferred taxation is made up as follows

	2007 £	2006 £
Accelerated capital allowances	£ 46,623	£ (52,615)

**16. SHARE CAPITAL**

	2007 £	2006 £
<b>AUTHORISED</b>		
50,000 Ordinary shares of £1 each	£ 50,000	£ 50,000
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
8,000 Ordinary shares of £1 each	£ 8,000	£ 8,000
<b>ALLOTTED, CALLED UP AND PARTLY PAID</b>		
42,000 Ordinary shares of £1 each	£ 10,500	£ 10,500

**.A SPACE STATION PLC**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2007

**17. RESERVES**

	Revaluation reserve £	Profit and loss account £
At 1 January 2007	5,540,370	1,214,817
Profit for the year		244,734
Dividends Equity capital		(250,000)
At 31 December 2007	£ 5,540,370	£ 1,209,551

**18 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2007 £	2006 £
Opening shareholders' funds	6,773,687	6,722,998
Profit for the year	244,734	230,689
Dividends (Note 19)	(250,000)	(180,000)
Closing shareholders' funds	£ 6,768,421	£ 6,773,687

**19 DIVIDENDS**

	2007 £	2006 £
Dividends paid on equity capital	£ 250,000	£ 180,000

**20. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2007 £	2006 £
Operating profit	669,487	521,145
Depreciation of tangible fixed assets	88,504	94,754
Loss on disposal of tangible fixed assets	9,545	-
Decrease/(increase) in stocks	1,790	(3,595)
Increase in debtors	(26,279)	(33,671)
Decrease in creditors	(31,505)	(713,023)
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATIONS</b>	<b>£ 711,542</b>	<b>£ (134,390)</b>

.A SPACE STATION PLC

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2007

**21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2007 £	2006 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	2,977	2,831
Interest paid	(373,298)	(247,468)
Hire purchase interest	(1,164)	-
	£ (371,485)	£ (244,637)
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
	2007 £	2006 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	(181,160)	(3,034,560)
Sale of tangible fixed assets	19,750	-
	£ (161,410)	£ (3,034,560)
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>		
	2007 £	2006 £
<b>FINANCING</b>		
New secured loans	78,617	3,390,042
New finance leases	9,524	-
	£ 88,141	£ 3,390,042
<b>NET CASH INFLOW FROM FINANCING</b>		

**22. ANALYSIS OF CHANGES IN NET DEBT**

	1 January 2007 £	Cash flow £	Other non-cash changes £	31 December 2007 £
Cash at bank and in hand	2,187	131,339	-	133,526
Bank overdraft	(88,596)	83,996	-	(4,600)
	(86,409)	215,335	-	128,926
<b>DEBT:</b>				
Debts due within one year	(31,544)	(88,141)	661	(119,024)
Debts falling due after more than one year	(5,471,634)	-	(661)	(5,472,295)
<b>NET DEBT</b>	£ (5,589,587)	£ 127,194	£ -	£ (5,462,393)

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**.A SPACE STATION PLC**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2007**

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**23. CAPITAL COMMITMENTS**

At 31 December 2007 the Company had capital commitments as follows

	2007 £	2006 £
Contracted for but not provided in these financial statements	£ -	£ 15,087

**24. PENSION COMMITMENTS**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £28,409 (2006 - £26,144). Contributions totalling £2,488 (2006 - £2,202) were payable to the fund at the balance sheet date and are included in creditors.

**25. OPERATING LEASE COMMITMENTS**

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as follows

	2007 £	2006 £
<b>EXPIRY DATE.</b>		
Within 1 year	-	636

**26. TRANSACTIONS WITH DIRECTORS**

During the year, interest was paid to a director, A Caldwell, of £8,427 (2006 - £27,640) on the balance of his loan to the company.

**27. DIRECTORS' PERSONAL GUARANTEES**

The bank loan of £400,000 is guaranteed personally by two of the directors, A Caldwell and J Caldwell.