



**27 August 2008**

**Stadium Group plc ("Stadium")**

**Unaudited interim results for the six months ended 30 June 2008**

Stadium Group plc, the AIM listed provider of electronic manufacturing services (EMS), announces a 13% increase in profit before taxation to £1.40m (2007: £1.24m) for the six months ended 30 June 2008.

The principal activity of Stadium Group plc is the design and manufacture of electronic and power supply products for original equipment manufacturers from its manufacturing facilities in the UK and China. Stadium Group delivers high quality solutions to a diverse range of customers worldwide, primarily operating in the consumer, industrial, medical and personal care, and automotive sectors.

**Highlights**

- Sales growth in EMS and power supplies businesses of over 20%
- Total revenue increased 16% to £23.06m (2007: £19.88m)
- Profit before tax increased 12.9% to £1.40m (2007: £1.24m)
- Earnings per share up by 8.3% to 3.9p (2007: 3.6p)
- Operating cash flow conversion from trading activities of 134% (2007: 143%)
- Integration of recent acquisitions within Stadium Power almost complete and performing well
- Balance sheet virtually ungeared to finance further growth

**Nick Brayshaw OBE, Chairman of Stadium Group plc, said,**

"I am pleased to report further strong growth in sales and profits, especially from our activities in EMS and power supplies.

The business has stood up well to the commercial challenges presented by further significant increases in commodity and energy prices during the period, with any residual margin effect at manageable levels. Once again, excellent cash conversion has resulted in reduced borrowings and places the company in a strong position to take advantage of future opportunities.

Accordingly, we remain optimistic about the future outlook for the business."

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*Copies of the interim financial statements will be sent to all shareholders shortly*

**STADIUM GROUP PLC**  
**Chairman's statement**  
**For the six months ended 30 June 2008**

**Introduction**

I am pleased to report further strong growth in sales and profits, especially from our activities in electronic manufacturing services (EMS) and power supplies.

The business has stood up well to the commercial challenges presented by further significant increases in commodity and energy prices during the period, with any residual margin effect at manageable levels. Once again, excellent cash conversion has resulted in reduced borrowings and places the company in a strong position to take advantage of future opportunities.

**Financial results and dividend**

Revenues increased by 16.0% to £23.06m (2007: £19.88m) with particularly strong growth in both EMS and power supplies. The impact of currency movements on the result was neutral.

Gross margin eased very slightly to 22.7% (2007: 22.9%); a creditable result given the climate of continuing upward pressure on costs. Operating profits grew by 6.4% to £1.49m (2007: £1.40m), although the numbers are not strictly comparable as the 2007 profits include net rental income forgone in 2008 as a result of the sale of investment property in December 2007.

Profits before taxation of £1.40m was 12.9% ahead of the same period last year (£1.24m) and earnings per share rose by 8.3% to 3.9 pence (2007: 3.6 pence).

Cash flow from trading activities of £2.00m (representing 134% of operating profit) was comparable with the strong performance maintained throughout 2007, with a further reduction in net working capital achieved despite strong revenue growth. Net borrowings further reduced to £0.14m at 30 June 2008 (1 January 2008: £0.50m) with gearing of less than 2% (1 January 2008: 6%).

The board proposes an interim dividend of 1.25 pence (2007: 1.20 pence) per share to be paid on 3 October 2008 to shareholders on the register on 5 September 2008.

**Stadium Electronics**

	<u>2008</u> <u>£m</u>	<u>2007</u> <u>£m</u>
Revenue by source		
Asia	11.88	9.40
UK	<u>3.32</u>	<u>3.08</u>
Total	<u>15.20</u>	<u>12.48</u>
Operating profit	<u>1.16</u>	<u>0.82</u>
Operating margin	<u>7.6%</u>	<u>6.6%</u>

Healthy overall revenue growth of 21.8% reflected increases in volume demand and the effect of increased pricing to recover underlying cost inflation.

During the period capital expenditure of £0.14m was incurred on projects to expand and enhance surface mount capabilities in both our UK and China plants. A further £0.13m has been sanctioned for the second half of the year to complete this development, and we anticipate benefits in quality, service and cost efficiency as well as increased capacity.

Lean manufacturing techniques at our Hartlepool facility continued to present improvements in key performance metrics and the roll out of a similar programme in Asia is anticipated.

In May it was announced that the China plant had achieved approval for the production of medical devices under the internationally recognised ISO 13485 certification. This accolade is also indicative of the high standards of production quality brought to customers across all sectors of the business, and is a credit to the dedication and hard work of staff at all levels.

### Stadium Power

	<u>2008</u> <u>£m</u>	<u>2007</u> <u>£m</u>
Revenue by source		
UK	1.62	1.01
Asia	0.55	0.39
Total	<u>2.17</u>	<u>1.40</u>
Operating profit	<u>0.36</u>	<u>0.22</u>
Operating margin	<u>16.6%</u>	<u>15.7%</u>

This is the first reporting period in respect of which the results of Stadium Power have been identified as a business segment. This reflects the growing significance of this activity for Stadium Group in both scale and strategic focus.

Revenue increased by 54.8% overall, or 12.7% on a pro-forma basis adjusted for the acquisition of Ferrus Power in June 2007.

The integration of KRP Power Source and Ferrus Power will be completed during the second half of the year, and this has delivered revenue growth through new brand identity and a co-ordinated marketing approach, together with cost savings in management and facilities.

Development of custom solutions on behalf of key customers promises good opportunities in the pipeline, and the launch of additional standard products in the fourth quarter is expected to stimulate further demand.

We continue to focus acquisition search activity towards businesses in this sector, where we consider there will be opportunities for further consolidation.

### Branded Plastics

	<u>2008</u> <u>£m</u>	<u>2007</u> <u>£m</u>
Revenue		
Babycare	2.49	2.53
Building Products	3.20	3.47
Total	<u>5.69</u>	<u>6.00</u>
Operating profit	<u>0.25</u>	<u>0.44</u>
Operating margin	<u>4.4%</u>	<u>7.3%</u>

Difficult trading conditions were more evident resulting from geographic and sector exposure, and the rapid escalation in the cost of plastics and energy.

Revenues fell by 5% to £5.69m, although this modest reduction gives credibility to the assertion that our market share increased. We continue to build on strong relationships with key customers across both sectors, and believe we can continue to outperform less substantial competitors.

Our balanced commercial response to sharp increases in input costs during the period will be more evident in the second half of the year, following an inevitable time lag of implementation with customers.

### **Balance sheet and cash flow**

Net cash inflow from trading activities (before taxation and pension contributions) amounted to £2.00m and represented 134% of operating profit.

Net bank debt at the end of the period reduced by £0.36m to £0.14m, providing exit gearing of less than 2%, and headroom on existing facilities of £3.1m.

The net pension deficit (after associated deferred tax asset) stood at £3.55m (1 January 2008: £4.13m) reflecting ongoing funding at the rate of approximately £1.05m per annum. Preliminary results from the actuarial review at 1 April 2008 show that this level of ongoing funding will be sufficient to meet the more stringent requirements of the Pension Protection Fund.

### **Corporate identity**

During the period work was undertaken to enhance the corporate identity and develop further brand recognition in our key markets through targeted marketing activity and promotional materials.

This programme is now virtually complete, and includes improved investor relations and customer access to company information at [www.stadium-plc.com](http://www.stadium-plc.com).

### **Outlook**

Although we anticipate entering a period of more challenging economic conditions, the trading outlook continues to be satisfactory. Our broad sector and geographical spread of sales provides balance, and the actions we continue to take to counter inflationary pressures are expected to preserve margins.

Close attention to cost control and working capital has resulted in very low gearing, and places the company in a strong position to take advantage of opportunities for further business development and acquisition.

Accordingly, we remain optimistic about the future outlook for the business.

**Nick Brayshaw OBE**  
**Chairman**  
**27 August 2008**

**STADIUM GROUP PLC**  
**Consolidated income statement (unaudited)**  
**for the six months ended 30 June 2008**

		<b>30 June 2008</b>	30 June 2007	31 December 2007
	Note	£000's	£000's	£000's
<b>Revenue</b>	2	<b>23,057</b>	<b>19,875</b>	<b>40,756</b>
Cost of sales		<u>(17,829)</u>	<u>(15,327)</u>	<u>(31,145)</u>
<b>Gross profit</b>		<b>5,228</b>	<b>4,548</b>	<b>9,611</b>
Other income		-	219	436
Operating expenses		<u>(3,741)</u>	<u>(3,370)</u>	<u>(7,093)</u>
<b>Operating profit</b>	2	<b>1,487</b>	<b>1,397</b>	<b>2,957</b>
Finance costs	3	<u>(92)</u>	<u>(155)</u>	<u>(294)</u>
<b>Profit before sale of property and tax</b>		<b>1,395</b>	<b>1,242</b>	<b>2,663</b>
Profit on sale of property		-	-	97
<b>Profit before tax</b>		<b>1,395</b>	<b>1,242</b>	<b>2,760</b>
Taxation		<u>(275)</u>	<u>(237)</u>	<u>(521)</u>
<b>Profit for the period</b>	2	<b>1,120</b>	<b>1,005</b>	<b>2,239</b>
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Basic earnings per share	5	<b>3.9p</b>	3.6p	7.8p
Diluted earnings per share	5	<b>3.8p</b>	3.6p	7.8p
<b>Consolidated statement of recognised income and expense</b>				
Actuarial loss in pension scheme net of deferred tax		-	-	<u>(444)</u>
Net income/(expense) recognised directly in equity		-	-	<u>(444)</u>
Profit for the period		<u>1,120</u>	<u>1,005</u>	<u>2,239</u>
<b>Total recognised income and expense for the period</b>	7	<b>1,120</b>	<b>1,005</b>	<b>1,795</b>
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**STADIUM GROUP PLC**  
**Consolidated balance sheet (unaudited)**  
**at 30 June 2008**

	Note	30 June 2008 £000's	30 June 2007 £000's	31 December 2007 £000's
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		6,483	6,704	6,654
Goodwill		1,524	1,524	1,524
Deferred tax assets		1,769	1,907	1,769
Other receivables		511	-	524
		<u>10,287</u>	<u>10,135</u>	<u>10,471</u>
<b>Current assets</b>				
Inventories		5,430	5,234	5,176
Trade and other receivables		8,577	8,142	8,271
Cash and cash equivalents		805	1,007	862
		<u>14,812</u>	<u>14,383</u>	<u>14,309</u>
Non-current assets classified as held for sale	10	-	3,247	-
		<u>14,812</u>	<u>17,630</u>	<u>14,309</u>
<b>Total assets</b>		<u><b>25,099</b></u>	<u><b>27,765</b></u>	<u><b>24,780</b></u>
<b>Equity</b>				
Equity share capital	11	1,440	1,440	1,440
Share premium	11	4,237	4,233	4,233
Capital redemption reserve	11	88	88	88
Translation reserve	11	(920)	(998)	(928)
Retained earnings	7, 11	4,259	3,380	3,859
<b>Total equity</b>	<b>11</b>	<u><b>9,104</b></u>	<u><b>8,143</b></u>	<u><b>8,692</b></u>
<b>Non-current liabilities</b>				
Long-term borrowings	6	703	3,815	720
Net pension liability		5,316	5,824	5,896
<b>Total non-current liabilities</b>		<u><b>6,019</b></u>	<u><b>9,639</b></u>	<u><b>6,616</b></u>
<b>Current liabilities</b>				
Bank overdrafts		-	1,881	401
Current portion of long-term borrowings		239	32	239
Trade payables		6,063	4,817	5,563
Current tax payable		557	432	318
Other payables		3,117	2,821	2,951
<b>Total current liabilities</b>		<u><b>9,976</b></u>	<u><b>9,983</b></u>	<u><b>9,472</b></u>
<b>Total liabilities</b>		<u><b>15,995</b></u>	<u><b>19,622</b></u>	<u><b>16,088</b></u>
<b>Total equity and liabilities</b>		<u><b>25,099</b></u>	<u><b>27,765</b></u>	<u><b>24,780</b></u>

**STADIUM GROUP PLC**  
**Consolidated cash flow statement (unaudited)**  
**for the six months ended 30 June 2008**

	<b>Note</b>	<b>30 June 2008 £000's</b>	30 June 2007 £000's	31 December 2007 £000's
Net cash flow from operating activities	8	<b>1,388</b>	1,434	3,684
<b>Investing activities</b>				
Purchase of property, plant and equipment		<b>(213)</b>	(265)	(589)
Sale of property, plant and equipment		<b>9</b>	12	2,846
Acquisition of subsidiary net of cash acquired		<b>-</b>	(666)	(667)
<b>Cash flows from investing activities</b>		<b>(204)</b>	<b>(919)</b>	<b>1,590</b>
<b>Financing activities</b>				
Equity share capital subscribed		<b>4</b>	-	-
Interest paid		<b>(92)</b>	(155)	(337)
(Decrease)/increase in bank loans		<b>(17)</b>	610	(2,286)
Dividends paid on ordinary shares	4	<b>(735)</b>	(706)	(1,052)
<b>Cash flows from financing activities</b>		<b>(840)</b>	<b>(251)</b>	<b>(3,675)</b>
Net increase in cash and cash equivalents		<b>344</b>	264	1,599
Cash and cash equivalents at start of period		<b>461</b>	(1,138)	(1,138)
<b>Cash and cash equivalents at end of period</b>		<b>805</b>	<b>(874)</b>	<b>461</b>

## **STADIUM GROUP PLC**

### **NOTES:**

#### **1. Basis of preparation**

The annual financial statements of Stadium Group plc for the year ending 31 December 2008 will be prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted for use in the EU. Accordingly, the interim financial report has been prepared using accounting policies consistent with those which will be adopted by the Group in the financial statements.

The Group's IFRS accounting policies, set out below, have been consistently applied to all the periods presented. The information has been prepared under the historical cost basis.

The comparative figures for the year ended 31 December 2007 do not constitute statutory accounts for the purposes of s240 of the Companies Act 1985. A copy of the statutory accounts for the year ended 31 December 2007 has been delivered to the Registrar of Companies and contained an unqualified auditors' report in accordance with s235 of the Companies Act 1985.

#### **Basis of consolidation**

The Group financial information consolidates that of the company and its subsidiaries. Businesses acquired or disposed of during the period are consolidated from the effective date of acquisition or until the effective date of disposal.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

#### **Goodwill**

Goodwill arising on consolidation consists of the excess of the fair value of the consideration over the fair value of the Group's interest in the identifiable tangible and intangible assets net of liabilities including contingencies of the business acquired at the date of acquisition.

Goodwill is recognised as an asset at cost less any recognised impairment losses. It is reviewed for impairment at least annually and any impairment is recognised immediately in the Income Statement.

#### **Revenue recognition**

Revenue is measured at the fair value of goods and services provided to customers net of returns, discounts, value added tax and other sales taxes. Revenue is recognised when goods are despatched and title has passed to the customer and the collectability of the revenue is reasonably assured.

#### **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment losses.

Depreciation is charged at rates calculated to write down the cost of assets (excluding freehold land) over their estimated useful lives by equal instalments at the following rates:

Freehold buildings	2%
Plant and machinery	10% - 25%
Fixtures and equipment	10% - 25%

The gain or loss arising on disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in income.

## **Inventories**

Inventories are stated at the lower of cost and estimated net realisable value. Cost is determined on a first-in-first-out basis including transport and handling costs and, in the case of manufactured products, includes all direct expenditure and production overheads based on normal levels of activity.

## **Deferred taxation**

Deferred taxation is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying temporary differences can be deducted.

## **Pension costs**

### *Defined benefit scheme*

Assets and liabilities arising from retirement benefit obligations and the related funding are reflected at fair value in the financial statements, and operating and finance costs are recognised in the financial periods in which they arise. Gains and losses arising from actuarial experience during the accounting period are recognised in the statement of total recognised gains and losses.

### *Defined contribution schemes*

Contributions payable are charged to the Income Statement in the accounting period in which they are incurred.

## **Foreign currencies**

Transactions denominated in foreign currencies are recorded at the prevailing rate on the date of the transaction.

Trading assets and liabilities denominated in foreign currencies are translated into sterling at the rate prevailing at the period end. Gains and losses arising on the translation of foreign currencies are dealt with as part of operating profit.

The assets and liabilities of foreign subsidiary undertakings are translated into sterling at the period end exchange rate. The income and expenditure of foreign subsidiary undertakings are translated into sterling at the average exchange rate prevailing during the period. Exchange differences arising on retranslation of opening assets and liabilities, long term financing denominated in foreign currency and the trading of foreign subsidiary undertakings are taken directly to the translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. The Group has elected to treat goodwill and fair value adjustments arising on acquisitions before than date of transition to IFRS as sterling denominated assets and liabilities.

## **Financial Instruments**

The Group's financial instruments comprise borrowings, some cash and liquid resources and items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to manage the finance of the Group's operations.

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

*Trade receivables:*

Trade receivables do not carry any interest and are stated at their nominal value less appropriate allowances for estimated irrecoverable amounts.

*Bank borrowings:*

Interest bearing bank loans and overdrafts are recorded at the proceeds received net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis to the Income Statement and are added to the carrying amount of the instruments to the extent that they are not settled in the period in which they arise.

*Trade payables:*

Trade payables do not carry any interest and are stated at their nominal value.

*Equity instruments:*

Equity instruments issued by the Group are recorded at the proceeds received net of direct issue costs.

It has been, throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. The Group does not consider that it has any obligations or rights under derivative financial instruments.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The Board reviews and agrees policies for managing each of these risks and these policies are summarised below.

*Interest rate risk:*

The Group finances its operations through a mixture of retained profits and bank borrowings. The Group holds cash and borrowings in various currencies at floating rates of interest.

*Liquidity risk:*

As regards liquidity, the Group's policy is to maintain undrawn overdraft borrowing facilities in order to provide flexibility in the management of the Group's liquidity.

*Foreign currency risk:*

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than Sterling, being the Group's functional currency. The Group matches payments and receipts to minimise exposure, and buys the currency when the liability falls due.

## 2. Segmental analysis

### By operation

	<b>June 2008</b>				Consolidated £000's
	Electronics £000's	Power £000's	Branded Plastics £000's	Unallocated & Adjustments £000's	
Revenue - external customers	<u>15,200</u>	<u>2,169</u>	<u>5,688</u>	<u>-</u>	<u>23,057</u>
Operating profit	<u>1,162</u>	<u>363</u>	<u>253</u>	<u>(291)</u>	1,487
Interest payable					(92)
Interest receivable					-
Taxation					(275)
Profit for the period					<u>1,120</u>

	<b>June 2007 (Restated)</b>				Consolidated £000's
	Electronics £000's	Power £000's	Branded Plastics £000's	Unallocated & Adjustments £000's	
Revenue - external customers	<u>12,476</u>	<u>1,401</u>	<u>5,998</u>	<u>-</u>	<u>19,875</u>
Operating profit	<u>821</u>	<u>219</u>	<u>441</u>	<u>(84)</u>	1,397
Interest payable					(156)
Interest receivable					1
Taxation					(237)
Profit for the period					<u>1,005</u>



**By geographic location**

	<b>June 2008</b>		
	Revenue - external customers by location of customer £000's	Net assets by location of assets £000's	Capital expenditure by location of assets £000's
UK	13,113	5,509	187
Europe	4,308	-	-
Asia	1,281	3,595	26
Americas	2,822	-	-
Other	1,533	-	-
	<u>23,057</u>	<u>9,104</u>	<u>213</u>

	<b>June 2007</b>		
	Revenue - external customers by location of customer £000's	Net assets by location of assets £000's	Capital expenditure by location of assets £000's
UK	13,851	3,882	208
Europe	2,010	-	-
Asia	1,376	4,261	57
Americas	1,430	-	-
Other	1,208	-	-
	<u>19,875</u>	<u>8,143</u>	<u>265</u>

### 3. Finance costs comprises:

	Six months 30 June 2008	Six months 30 June 2007	Year ended 31 December 2007
	£000's	£000's	£000's
Interest receivable	4	1	2
Interest payable on bank loan and overdrafts	(46)	(156)	(339)
Other finance costs	(50)	-	43
	<b>(92)</b>	<b>(155)</b>	<b>(294)</b>

### 4. Dividends

	Six months 30 June 2008 £000's	Six months 30 June 2007 £000's	Year ended 31 December 2007 £000's
Ordinary dividends:			
Final dividend 2007 of 2.55p (2006 : 2.45p)	(735)	(706)	(706)
Interim dividend 2007 of 1.20p	-	-	(346)
	<b>(735)</b>	<b>(706)</b>	<b>(1,052)</b>

An interim dividend of 1.25 pence per share amounting to £360,000 will be paid on 3 October 2008, to shareholders on the register on 5 September 2008.

### 5. Earnings per share

	Six months ended 30 June			
	2008 Earnings	2008 EPS	2007 Earnings	2007 EPS
	£000's	Pence	£000's	Pence
Basic earnings per share	1,120	3.9	1,005	3.6
Share option costs	15	(0.1)	35	-
Fully diluted earnings per share	<b>1,135</b>	<b>3.8</b>	1,040	3.6

The calculation of basic earnings per share is based on the profit for the financial period and the weighted average number of ordinary shares in issue (June 2008: 28,808,366 shares, June 2007: 28,804,698 shares, December 2007: 28,804,698 shares).

Fully diluted earnings per share reflect dilutive options granted resulting in weighted average number of shares of 29,868,644 ordinary shares (June 2007: 29,671,473 shares, December 2007: 28,890,270 shares).

## 6. Long term borrowings

	<b>30 June 2008</b>	30 June 2007	31 December 2007
	<b>£000's</b>	£000's	£000's
Bank loans (secured)	<b>703</b>	3,815	720
	<b>703</b>	3,815	720

## 7. Retained earnings

The movement on profit and loss account for the financial period is as follows:

	<b>Six months 30 June 2008</b>	Six months 30 June 2007	Year ended 31 December 2007
	<b>£000's</b>	£000's	£000's
Balance at beginning of period	<b>3,859</b>	3,046	3,046
Total net gains recognised	<b>1,120</b>	1,005	1,795
Share option costs recognised	<b>15</b>	35	70
Dividends paid (Note 4)	<b>(735)</b>	(706)	(1,052)
Balance at end of period	<b>4,259</b>	3,380	3,859

## 8. Net cash inflow from operating activities

	<b>Six months 30 June 2008</b>	Six Months 30 June 2007	Year ended 31 December 2007
	<b>£000's</b>	£000's	£000's
Operating profit	<b>1,487</b>	1,397	2,957
Share option costs	<b>15</b>	35	70
Depreciation	<b>379</b>	395	780
Loss on sale of plant and equipment	<b>-</b>	3	-
(Increase)/decrease in inventories	<b>(254)</b>	803	843
(Increase) in trade and other receivables	<b>(293)</b>	(365)	(489)
Increase/(decrease) in trade and other payables	<b>670</b>	(265)	686
Net cash inflow from trading activities	<b>2,004</b>	2,003	4,847
Difference between pension charge and cash contributions	<b>(580)</b>	(533)	(1,050)
Tax paid	<b>(36)</b>	(36)	(113)
<b>Net cash inflow from operating activities</b>	<b>1,388</b>	1,434	<b>3,684</b>

## 9. Analysis of changes in net debt

	31 Dec 2007	Cash flow	30 June 2008
	£000's	£000's	£000's
Cash	862	(57)	<b>805</b>
Overdrafts	(401)	401	-
Loans due within one year	(239)	-	<b>(239)</b>
Loans due after one year	(720)	17	<b>(703)</b>
Net debt	<b>(498)</b>	361	<b>(137)</b>

## 10. Non-current assets classified as held for sale

The company marketed property which was let to third party tenants on commercial terms at June 2007. The property comprises factory, warehouse and office space located adjacent to the Electronics division's Hartlepool facility. The sale was completed in December 2007 with net proceeds of £3.40 million, of which £0.5 million was deferred for up to three years. The property, which had a carrying value of £3.25 million, was reported in the unallocated classification of the segment analysis in 2007.

## 11. Statement of changes in equity

	Share capital	Share premium	Capital redemption reserve	Translation reserve	P&L account	Total
	£000's	£000's	£000's	£000's	£000's	£000's
At 31 December 2006	1,440	4,233	88	(885)	3,046	7,922
Exchange differences on overseas subsidiary	-	-	-	(113)	-	(113)
Retained profit to 30 June 2007	-	-	-	-	334	334
<b>At 30 June 2007</b>	<b>1,440</b>	<b>4,233</b>	<b>88</b>	<b>(998)</b>	<b>3,380</b>	<b>8,143</b>
Exchange differences on overseas subsidiary	-	-	-	70	-	70
Retained profit to 31 December 2007	-	-	-	-	479	479
<b>At 31 December 2007</b>	<b>1,440</b>	<b>4,233</b>	<b>88</b>	<b>(928)</b>	<b>3,859</b>	<b>8,692</b>
Shares issued to satisfy options exercised	-	4	-	-	-	4
Exchange differences on overseas subsidiary	-	-	-	8	-	8
Retained profit to 30 June 2008	-	-	-	-	400	400
<b>At 30 June 2008</b>	<b>1,440</b>	<b>4,237</b>	<b>88</b>	<b>(920)</b>	<b>4,259</b>	<b>9,104</b>