

## Consolidated Cash Flow Statement

for the year ended 30 June 2007

	Note	2007 £000	2006 £000
<b>Cash flows from operating activities</b>			
Profit after taxation		2,598	2,977
Adjustments for:			
Depreciation of property, plant and equipment	4	896	951
Amortisation of purchased software		617	595
Amortisation of product development		2,443	2,517
Share option charge		11	193
EDSIP charge		734	1,184
Foreign exchange adjustment		6	(84)
Loss on sale of fixed assets		7	17
Interest receivable		(174)	(300)
Interest payable		38	180
Taxation charge		444	1,028
Cash generated from operations before changes in working capital		7,620	9,258
(Increase)/decrease in trade and other receivables		(139)	1,408
Increase/(decrease) in deferred income		368	(193)
(Decrease)/increase in trade and other payables		(862)	79
Cash generated from operations		6,987	10,552
Income tax paid		(571)	(1,231)
<b>Net cash generated from operating activities</b>		<b>6,416</b>	<b>9,321</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(564)	(466)
Proceeds from sale of property, plant and equipment		–	2
Purchase of intangible assets		(1,093)	(1,279)
Payment of deferred consideration on intangible assets		(1,542)	–
Capitalised product development costs		(2,739)	(2,350)
Interest received		174	300
<b>Net cash used in investing activities</b>		<b>(5,764)</b>	<b>(3,793)</b>
<b>Cash flows from financing activities</b>			
Repayment of term loan		–	(4,000)
Dividends paid		(1,669)	(1,437)
Purchase of own shares		(1,328)	(370)
Capital element of finance lease payment		–	(26)
Interest paid		(38)	(329)
Scrip dividend legal costs written off share premium account		(12)	–
Cash paid in lieu of unapproved share option schemes		(303)	–
Share option cash received		58	–
<b>Net cash used in financing activities</b>		<b>(3,292)</b>	<b>(6,162)</b>
Net decrease in cash and cash equivalents		(2,640)	(634)
Cash and cash equivalents at the beginning of period		9,453	10,067
Effect of exchange rate fluctuations in cash held		(253)	19
<b>Cash and cash equivalents at end of period</b>	20	<b>6,560</b>	<b>9,452</b>