

Registration Number: 1011956

NELSON GROUP SERVICES (MAINTENANCE) LIMITED  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 30 SEPTEMBER 1993



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NELSON GROUP SERVICES (MAINTENANCE) LIMITED

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NELSON GROUP SERVICES (MAINTENANCE) LIMITED

YEAR ENDED 30 SEPTEMBER 1993

DETAILS OF THE COMPANY

Directors:

J Nelson  
A A Draper  
M W Orme  
Q Harflett  
L Cuming

Registered Office:

Dixon Road  
Kirkby Industrial Estate  
Liverpool

Company Secretary:

M W Orme

Bankers:

National Westminster Bank PLC  
P O Box 138  
1st Floor  
22 Castle Street  
Liverpool  
L69 2BE

Solicitors:

Bremner Sons and Corlett  
1 Crosshall Street  
Liverpool

Auditors:

John Fairhurst & Co  
Douglas Bank House  
Wigan Lane  
Wigan  
WN1 2TB

NELSON GROUP SERVICES (MAINTENANCE) LIMITED  
DIRECTORS' REPORT

The Directors present their report with the audited financial statements of the Company for the year ended 30 September 1993.

**PRINCIPAL ACTIVITY**

The principal activity of the Company in the year under review was that of electrical and heating maintenance.

**REVIEW OF BUSINESS**

The Directors consider that the results of the year are encouraging showing a net profit before tax of £276,699 (1992-£170,899 profit) and hope for continuing profitability in the next 12 months.

**IMPORTANT EVENT OCCURRING AFTER THE END OF YEAR**

On 1 February 1994 the trade and certain assets of Nelson Group Services (Electrical) Limited, a fellow subsidiary of Nelson Group Services Limited, were sold to David Webster Group Limited.

**RESULTS AND DIVIDEND**

The results for the year and recommended transfer to reserves are set out on page 5.

The Directors do not recommend the payment of a dividend (1992-£NIL).

**DIRECTORS**

The Directors in office during the year were as follows:

J Nelson (Chairman)  
A A Draper  
P F Kershaw (Resigned 31 January 1994)  
Q Harflett (Appointed 1 March 1994)  
L Cuming (Appointed 1 March 1994)  
M W Orme (Appointed 1 March 1994)

None of the Directors has any beneficial interest in the Issued Share Capital of the Company. The interests of the Directors in the Issued Share Capital of the parent company are disclosed in the financial statements of that company.

**DIRECTORS' RESPONSIBILITIES**

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the results of the Company for that period. In preparing those 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;
- 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 which disclose with reasonable accuracy at any time the financial position of the Company and to 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.

NELSON GROUP SERVICES (MAINTENANCE) LIMITED

DIRECTORS REPORT (CONTINUED)

TANGIBLE FIXED ASSETS

The changes in tangible fixed assets, details of which are set out in note 7 to the annexed financial statements, arose from a review of the Company's policy in respect of the acquisition of motor vehicles and a decision to move from off balance sheet financing by way of operating leases to on balance sheet financing through finance leases and hire purchase contracts.

Also, due to the expansion of the Company, a commercial decision was taken to upgrade the computer system, resulting in additional fixed costs.

STAFF

It is the Company's policy to give full consideration to suitable applications for employment by disabled persons.

Disabled employees are eligible to participate in all career development opportunities available to staff. Opportunities also exist for employees of the Company who become disabled to continue in their employment or to be retrained for other positions in the Company.

The Company is committed to involve all employees in its performance and development. Employees are encouraged to discuss with management matters of interest to the employee and subjects affecting day-to-day operations of the Company.

Discussions take place regularly, on a wide range of issues, with the trade unions representing the Company's employees.

CLOSE COMPANY

In the opinion of the Directors the Company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors, John Fairhurst & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act, 1985.

BY ORDER OF THE BOARD



..... Secretary

Dated 10.5.92 .....

NELSON GROUP SERVICES (MAINTENANCE) LIMITED  
REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF  
NELSON GROUP SERVICES (MAINTENANCE) LIMITED

We have audited the financial statements on pages 5 to 16 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*John Fairhurst & Co.*

JOHN FAIRHURST & CO  
Chartered Accountants  
Registered Auditors

Douglas Bank House  
Wigan Lane  
WIGAN WN1 2TB

Date: 10 May 1994

NELSON GROUP SERVICES (MAINTENANCE) LIMITED  
 PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1993

	Notes	1993 £	1992 As restated £
Turnover	1(1)	17,369,294	14,516,397
Cost of Sales		(12,459,505)	(10,276,330)
Gross Profit		<u>4,909,789</u>	<u>4,240,067</u>
Administrative Expenses		(4,720,590)	(4,148,822)
Operating Profit	2	<u>189,199</u>	<u>91,245</u>
Profit on sale of lease		<u>87,500</u>	<u>79,654</u>
Profit on Ordinary Activities before Taxation		276,699	170,899
Tax on Profit on Ordinary Activities	5	(62,982)	(52,289)
Retained Profit for the Year	16	<u><u>213,717</u></u>	<u><u>118,610</u></u>

There were no recognised gains or losses other than those included  
 in the profit and loss account

The notes attached form part of these Financial Statements

NELSON GROUP SERVICES (MAINTENANCE) LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 1993

	Notes	1993 £	£	1992 £	£
<b>FIXED ASSETS</b>					
Intangible Assets	6	35,600		42,800	
Tangible Assets	7	1,874,150		1,382,038	
Investments	8	396		396	
		<u>1,910,146</u>		<u>1,425,234</u>	
<b>CURRENT ASSETS</b>					
Stocks and Work in Progress	9	430,670		505,868	
Debtors	10	3,595,844		3,257,393	
Cash at Bank and in Hand		<u>1,701,377</u>		<u>1,093,904</u>	
		5,727,891		4,857,165	
CREDITORS: Amounts Falling Due Within One Year	11	<u>(5,996,671)</u>		<u>(4,994,936)</u>	
NET CURRENT LIABILITIES			<u>(268,780)</u>		<u>(137,771)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,641,366		1,287,463
<b>CREDITORS: Amounts Falling Due After More Than One Year</b>					
Hire Purchase and Finance Leases	13		(461,514)		(352,495)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>					
Deferred Taxation	14		<u>(86,459)</u>		<u>(55,292)</u>
			<u>1,093,393</u>		<u>879,676</u>
<b>CAPITAL AND RESERVES</b>					
Called Up Share Capital	15		100		100
Capital Reserve	16		16,050		16,050
Profit and Loss Account	16		<u>1,077,243</u>		<u>863,526</u>
Shareholders' Funds	17		<u>1,093,393</u>		<u>879,676</u>

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

..... *[Signature]* ..... DIRECTOR

..... 10. 1. 94 ..... DATE

The notes attached form part of these Financial Statements



NELSON GROUP SERVICES (MAINTENANCE) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 1993

	1993 £	£	1992 £	£
Net Cash Inflow/(Outflow) from Operating Activities		736,042		(1,886,747)
Taxation				
Corporation Tax Received	-		39,186	
Tax Received		-		39,186
Investing Activities				
Purchase of Tangible Fixed Assets	(79,439)		(210,563)	
Disposal of Tangible Fixed Assets	96,019		79,654	
Net Cash Inflow/(Outflow) from Investing Activities		16,580		(130,909)
Net Cash Inflow/(Outflow) before Financing		752,622		(1,978,470)
Financing				
Capital Element of Finance Lease and Hire Purchase Payments	449,374		75,805	
Net Cash Outflow from Financing		449,374		75,805
Increase/(Decrease) in Cash and Cash Equivalents		303,248		(2,054,275)
		752,622		(1,978,470)

Notes to the Cash Flow Statement are contained in note 24

NELSON GROUP SERVICES (MAINTENANCE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1993

1. ACCOUNTING POLICIES

(a) Accounting Convention

The financial statements have been prepared under the Historical Cost Convention and in accordance with applicable Accounting Standards.

The financial statements include the results of the Company's activities described in the Directors Report, all of which are continuing.

The profit and loss account for the prior year has been restated in accordance with FRS-3 Reporting Financial Performance.

(b) Stocks and Work-in-Progress

Stocks are valued at the lower of cost and net realisable value.

Work in Progress has been valued by the Directors at the lower of net realisable value and cost plus attributable overheads.

(c) Depreciation

No depreciation is provided on the Company's freehold property because, in view of the type and expected life of the property concerned, any charge required by standard accounting practice would not materially affect the financial statements.

Depreciation is calculated on other tangible fixed assets to write off the cost of the assets over their estimated useful lives, as follows:

Long Leasehold Property	-	1.67% Reducing Balance
Short Leasehold Property	-	12.5% Reducing Balance
Fixtures and Equipment	-	15% Reducing Balance
Motor Vehicles	-	25% Reducing Balance

(d) Goodwill

Goodwill acquired is capitalised and amortised over a period of ten years.

(e) Leases

Hire purchase and finance lease commitments are provided for in the Balance Sheet at the time the rentals fall due. Operating lease rental costs are charged to the Profit and Loss Account as incurred. Details of future obligations under operating leases are set out in Note 18.

(f) Pension Costs

The Company's contributions to its pension schemes are expensed in order to allocate the cost of providing the pensions over the working lives of the relevant employees.

(g) Holiday Pay

Holiday pay is charged to the Profit and Loss Account as incurred.

# NELSON GROUP SERVICES (MAINTENANCE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1993

### 1. ACCOUNTING POLICIES (Continued)

#### (h) Taxation

Corporation Tax is provided on taxable profits at the current rate.

Deferred Taxation (which arises from differences in the timing of the recognition of items, principally depreciation, in the financial statements and by the tax authorities) has been calculated using the liability method. Deferred Tax is provided on timing differences which will probably reverse, at the rate of tax likely to be in force at the time of reversal. Deferred Tax is not provided on timing differences which, in the opinion of the Directors, will probably not reverse. Details of Deferred Tax are given in Note 14 to the financial statements.

#### (i) Turnover

Turnover represents the net invoiced value of goods and services provided excluding Value Added Tax.

All the Company's turnover was derived in the United Kingdom from the provision of heating maintenance services.

### 2. OPERATING PROFIT

	1993 £	1992 £
Operating Profit is stated after charging/(crediting):-		
Depreciation of Tangible Fixed Assets		
- Owned Assets	68,859	40,705
- Leased Assets	284,134	80,970
Amortisation of Goodwill	7,200	7,400
Profit on Disposal of Motor Vehicles	( 917)	-
Hire of Plant and Equipment	681,752	776,466
Management Charge	800,000	700,000
Auditors' Remuneration		
- Audit Work	10,000	10,000
- Non-Audit Work	2,250	2,250
	<u>          </u>	<u>          </u>

### 3. STAFF COSTS

	1993 £	1992 £
Employee costs during the year (including Directors) amounted to:		
Wages and Salaries	6,583,661	5,629,285
Social Security Costs	648,568	528,295
Other Pension Costs	59,238	40,811
	<u>7,291,467</u>	<u>6,198,391</u>

The average number of persons (including Directors) employed by the Company during the year was:

	1993 Number	1992 Number
Management and Administration	61	70
Operatives	380	330
	<u>441</u>	<u>400</u>

# NELSON GROUP SERVICES (MAINTENANCE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1993

4.	DIRECTORS' REMUNERATION	1993	1992
		£	£
	Management Remuneration	48,192	46,395
	Pension Costs	<u>5,290</u>	<u>4,057</u>
		<u>53,482</u>	<u>50,452</u>
	The Directors' emoluments shown above (excluding pension contributions) included:		
	Chairman	<u>Nil</u>	<u>Nil</u>
	Highest Paid Director	<u>48,192</u>	<u>46,395</u>
	Other Directors received emoluments (excluding pension contributions) in the following ranges:		
	Nil - £5,000	<u>2</u>	<u>2</u>
5.	TAX ON PROFIT ON ORDINARY ACTIVITIES	1993	1992
		£	£
	U K Corporation Tax at 25%	31,250	30,086
	Deferred Tax	31,167	30,035
	Adjustments relating to prior years: Corporation Tax	<u>565</u>	<u>(7,832)</u>
		<u>62,982</u>	<u>52,289</u>
6.	INTANGIBLE FIXED ASSETS		£
	GOODWILL		
	COST		
	At 1 October 1992 & 30 September 1993		<u>75,000</u>
	AMORTISATION		
	At 1 October 1992		32,200
	Charge for the Year		<u>7,200</u>
	At 30 September 1993		<u>39,400</u>
	NET BOOK VALUE		
	At 30 September 1993		<u>35,600</u>
	At 30 September 1992		<u>42,800</u>

NELSON GROUP SERVICES (MAINTENANCE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1993

7. TANGIBLE FIXED ASSETS	Freehold Land & Buildings £	Leasehold Property £	Pictures and Fittings £	Motor Vehicles £	Total £
<b>COST</b>					
At 1 October 1992	90,988	376,533	471,920	774,063	1,713,504
Additions	-	3,960	75,479	773,268	852,707
Disposals	-	-	-	( 11,180)	( 11,180)
At 30 September 1993	<u>90,988</u>	<u>380,493</u>	<u>547,399</u>	<u>1,536,151</u>	<u>2,555,031</u>
<b>DEPRECIATION</b>					
At 1 October 1992	-	72,709	149,624	109,133	331,466
Charge for the Year	-	15,135	53,724	384,134	352,993
Eliminated on Disposals	-	-	-	( 3,578)	( 3,578)
At 30 September 1993	<u>-</u>	<u>87,844</u>	<u>203,348</u>	<u>389,689</u>	<u>680,881</u>
<b>NET BOOK VALUE</b>					
At 30 September 1993	<u>90,988</u>	<u>292,649</u>	<u>344,051</u>	<u>1,146,462</u>	<u>1,874,150</u>
At 30 September 1992	<u>90,988</u>	<u>303,824</u>	<u>322,296</u>	<u>664,930</u>	<u>1,382,038</u>
<b>NET BOOK VALUE OF ASSETS UNDER HIRE PURCHASE CONTRACTS</b>					
At 30 September 1993				<u>1,146,462</u>	<u>1,146,462</u>
			1993 £	1992 £	

The Net Book Value of Leasehold Property comprises:

Leases with 50 years or more unexpired	212,220	212,094
Leases with less than 50 years unexpired	80,429	91,730
	<u>292,649</u>	<u>303,824</u>

POST BALANCE SHEET EVENT

On 31 January 1994 the Long Leasehold property at Unit 3 Dakota Park, Dakota Avenue, Salford was transferred to Nelson Group Services (Electrical) Limited at a value of £220,000.

# NELSON GROUP SERVICES (MAN: FINANCE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1993

### 8. INVESTMENTS IN SUBSIDIARIES

The Company has the following wholly owned dormant subsidiaries, all of which are unlisted and registered in England and Wales:

Name of Company	Cost of Shares £
J & F Nelson (Surrey) Limited (formerly Carshalton Boiler Services Limited)	99
J & F Nelson (South West) Limited (formerly R & R Rutland Limited)	99
Combustion Services Limited	99
Wood and Rutland Limited	99
	<u>396</u>

The Company itself is a wholly owned subsidiary of Nelson Group Services Limited and therefore, under the provisions of S229 (2) of the Companies Act 1985, group accounts are not required.

9. STOCKS	1993 £	1992 £
Raw materials, goods for resale and general stores	256,475	287,235
Work in Progress	174,195	218,633
	<u>430,670</u>	<u>505,868</u>

The net replacement value of stock is not considered to be materially different from that as stated in the Balance Sheet.

10. DEBTORS	1993 £	1992 £
Trade Debtors	3,441,520	3,072,287
Other Debtors	120,947	158,493
Prepayments and Accrued Income	33,377	26,613
	<u>3,595,844</u>	<u>3,257,393</u>

# NELSON GROUP SERVICES (MAINTENANCE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1993

### 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1993 £	1992 £
Bank Overdrafts	1,611,443	1,307,218
Trade Creditors	1,099,696	1,051,281
Amounts due to Group Undertakings	1,660,874	1,655,237
Corporation Tax	64,227	32,412
Other Taxation and Social Security	708,329	354,532
Hire Purchase and Finance Leases	501,613	286,738
Other Creditors	289,818	250,150
Accruals and Deferred Income	60,671	57,368
	<u>5,996,671</u>	<u>9,994,936</u>

### 12. SECURITY

An invoice discounting facility exists provided by TSB Commercial Finance. Under this facility, funds are advanced based on a percentage of the trade debtors of the Company. Advances are subject to an agreed maximum figure.

The Company receives the whole of the funds advanced, and monies are then distributed to fellow group companies as appropriate. The interest rate charged is 2 1/2% above base rate.

The facility is secured by fixed and floating charges over all the assets of the Company. These rank after the fixed charge held by the Company's bankers. The remaining charges held by the Company's bankers rank after those of TSB Commercial Finance.

The Company is also party to a second unlimited multilateral guarantee in favour of TSB Commercial Finance for all monies due from members of the group.

From 1 December 1993 the Company's financing arrangements have been restructured. National Westminster Bank PLC now provides overdraft and medium term loan facilities in place of the existing Bank Overdraft provided by Midland Bank PLC. These are secured as follows:

- a) a floating charge over the assets of the Company;
- b) fixed charges on the freehold and leasehold property of the Company;
- c) a fixed charge on the books of the Company.

# NELSON GROUP SERVICES (MAINTENANCE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1993

13.	OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND FINANCE LEASES	1993	1992
		£	£
	Year ending 30 September 1994	631,820	349,936
	Year ending 30 September 1995	429,952	331,142
	Year ending 30 September 1996	112,642	136,863
	Year ending 30 September 1997	<u>28,820</u>	<u>-</u>
		1,203,234	817,941
	Less: Finance charges allocated to future periods	(240,107)	(178,708)
		<u>963,127</u>	<u>639,233</u>
	Analysed as:	1993	1992
		£	£
	Current Obligations	501,613	286,738
	Non-Current Obligations	<u>461,514</u>	<u>352,495</u>
		<u>963,127</u>	<u>639,233</u>
	The finance leases and hire purchase contracts are secured on the assets concerned.		
14.	DEFERRED TAXATION		
		Provided	Potential
		1993	1992
		£	£
	Accelerated Capital Allowances	<u>86,459</u>	<u>55,292</u>
			£
	At 1 October 1992		55,292
	Charge for the Year		<u>31,167</u>
	At 30 September 1993		<u>86,459</u>
15.	CALLED UP SHARE CAPITAL	1993	1992
		£	£
	Authorised, issued and fully paid 100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
16.	RESERVES	Profit and Loss Account	Capital Reserve
	The movement for the year comprised:	£	£
	At 1 October 1992	863,526	16,050
	Retained Profit for the Year	<u>213,717</u>	<u>-</u>
	At 30 September 1993	<u>1,077,243</u>	<u>16,050</u>
17.	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	1993	1992
		£	£
	Retained Profit for the Year	213,717	118,610
	Retained Profit from Group Companies	-	33,119
	Shareholders' Funds at 1 October 1992	<u>879,676</u>	<u>727,947</u>
	Shareholders' Funds at 30 September 1993	<u>1,093,393</u>	<u>879,676</u>



# NELSON GROUP SERVICES (MAINTENANCE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1993

### 18. OBLIGATIONS UNDER OPERATING LEASES

	1993		1992	
	Land & Buildings £	Other £	Land & Buildings £	Other £
Minimum payments due during the year ended 30 September 1994 under operating leases expiring:				
- within one year	-	48,020	-	43,019
- within two to five years	-	362,124	-	353,784
- after five years	83,600	-	90,225	-
	<u>83,600</u>	<u>410,144</u>	<u>90,225</u>	<u>396,803</u>

### 19. PENSION FUND COMMITMENTS

The Nelson Group Services Limited Pension Scheme provides defined benefits for specific employees based on final pensionable pay. The assets of the scheme are held separately from those of the Company.

Contributions are charged to the Profit and Loss Account as incurred and are determined by a qualified actuary using the projected unit method.

The most recent formal actuarial valuation of the pension scheme was undertaken at 1 January 1991. The most significant assumptions were those relating to the rate of return on investments and the rate of increase in salaries. It was assumed that the investment return would be 9% per annum and that salary increases would average 7% per year.

At the date of the latest actuarial valuation the market value of the assets in the scheme was £319,000 and the actuarial value of the assets was sufficient to cover 70% of the benefits which had accrued to members, after allowance for expected future increases in earnings.

### 20. CONTINGENT LIABILITIES

There is an unlimited multilateral guarantee in respect of counter indemnities for the bank overdraft and bank indemnities on due performance bonds of the Nelson Group Services Limited group of companies.

### 21. ULTIMATE HOLDING COMPANY

The ultimate holding company is Nelson Group Services Limited, a company registered in England and Wales.

### 22. CAPITAL COMMITMENTS

The Company had no capital commitments at the year end (1992 - £NIL).

# NELSON GROUP SERVICES (MAINTENANCE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1993

24.	CASH FLOW STATEMENT	1993	1992
(a)	Net Cash Inflow/(Outflow) From Operating Activities	£	£
	Operating Profit	189,199	91,245
	Depreciation	352,993	121,675
	Profit on Disposal of Motor Vehicle	( 917)	-
	Amortisation	7,200	7,400
	Decrease/(Increase) in Stocks	75,198	(141,797)
	(Increase)/Decrease in Debtors	(338,451)	1,598,875
	Increase/(Decrease) in Creditors	450,820	(3,564,145)
	Net Cash Inflow/(Outflow)	<u>736,042</u>	<u>(1,886,747)</u>
(b)	Cash and Cash Equivalents	1993	1992
		£	£
	At 1 October 1992	(213,314)	1,840,961
	Net Cash Inflow/(Outflow)	<u>303,248</u>	<u>(2,054,275)</u>
	At 30 September 1993	<u>89,934</u>	<u>(213,314)</u>
(c)	Cash and Cash Equivalents as shown in the Balance Sheet	1993	1992
		1993	1992
		£	£
		Change	Change
		£	£
	Cash at Bank and in Hand	1,701,377	1,093,904
	Bank Overdrafts	<u>(1,611,443)</u>	<u>(1,307,218)</u>
		<u>89,934</u>	<u>(213,314)</u>
(d)	Financing		

During the year the Company entered into hire purchase and finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £773,268.