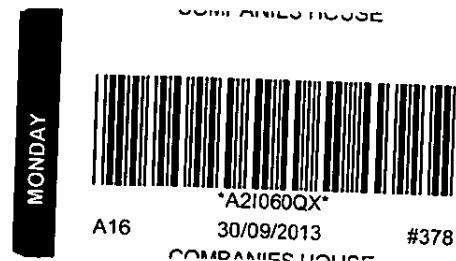


# Hi-spec Facilities Services plc

## FINANCIAL STATEMENTS

for the year ended

31 March 2013



*Company number 04373379*

# Hi-spec Facilities Services plc

## DIRECTORS AND OFFICERS

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DIRECTORS	C A Stirling I Stirling
SECRETARY	N W Stirling
COMPANY NUMBER	04373379 (England and Wales)
REGISTERED OFFICE	20 Schooner Park Crossways Business Park Dartford Kent DA2 6NW
AUDITOR	Baker Tilly UK Audit LLP Chartered Accountants Lancaster House 7 Elmfield Road Bromley Kent BR1 1LT

# Hi-spec Facilities Services plc

## DIRECTORS' REPORT

---

The directors submit their report and the financial statements of Hi-Spec Facilities Services plc for the year ended 31 March 2013

### PRINCIPAL ACTIVITY

The principal activity of the company during the year was that of commercial cleaning and grounds maintenance contractors

### REVIEW OF THE BUSINESS

Trading in the year has been very challenging. Public sector clients have reduced their portfolio of buildings or cleaning frequency which has resulted in reduced volume and tighter margins, which has resulted in a loss for the year. We will see the benefit of cost reductions in both our operational and overhead cost base impact positively next year results.

During the year we made a conscious effort to review our systems and decided to completely overhaul our quality, environmental and health and safety systems. This resulted in a more integrated approach and the award by a UKAS approved body of our ISO9001 Quality Systems Standard, ISO14001 Environmental Systems Standard and ISO18001 Health and Safety Management Systems Standard.

The company made some impact on diversifying the portfolio of contracts away from the public sector adding £250k of new business from commercial customers, an area which we will continue to develop.

### FUTURE DEVELOPMENTS

We expect workload from public sector customers to continue to reduce in the coming year. We have a strong pipeline of opportunities which we expect to convert but at reduced margins from those historically achieved. As a result of these factors we expect our trading volume to be at about the same level as the current year, but with improved profitability, from the reduction in managerial and overhead costs.

To improve our profile in the market place we will continue to develop our systems with the objective in the coming year of having our HR and Communication systems reviewed and accredited to the Investors in People Standard and to have our energy and sustainability plans and objectives assessed to ISO 50001 standard.

We will continue to sponsor community based projects and employment opportunities for the long term unemployed and for young people, through the support of schemes from central government and our public sector clients.

### EVENTS SINCE THE END OF THE YEAR

There have been no events since the year end which have had a significant impact on the current pattern of business activity.

### RESULTS AND DIVIDENDS

The profit and loss account is set out on page 6 and shows a (loss)/profit on ordinary activities after taxation of £(129,198) (2012 £327,200). The operating (loss)/profit for the year was £(45,481) (2012 £465,022).

The directors have not recommended the payment of a dividend to ordinary shareholders (2012 £Nil).

## PRINCIPAL RISKS AND UNCERTAINTIES

The main financial risks arising from the company's activities are credit risk, interest rate risk and liquidity risk. These are monitored by the board of directors.

The company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on new customers and by monitoring payments against contractual agreements.

The company's policy in respect of interest rate and liquidity risk is to maintain a mixture of fixed term finance and short term debt finance to ensure that the company has sufficient funds for operations.

The company monitors cash flow as part of its day to day control procedures. The Board considers cash flow projections on a regular basis and ensures that appropriate facilities are available to be drawn upon as necessary.

## DIRECTORS

The following directors have held office since 1 April 2012

C A Stirling  
I Stirling

## EMPLOYMENT OF DISABLED PERSONS

The company is committed to a policy of recruitment and promotion on the basis of the aptitude and ability without discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retraining of employees who become disabled whilst employed by the company. Particular attention is given to the training, career development and promotion of disabled employees with a view to encouraging them to play an active role in the development of the company.

## EMPLOYEE INVOLVEMENT

Members of the management team regularly visit sites under the care of the company and discuss matters of current interest and concern to the business with members of staff.

## POLICY ON PAYMENT OF CREDITORS

The company's policy for the year to 31 March 2013 for all suppliers is to fix terms of payment when agreeing the terms of each business transaction, to ensure the supplier is aware of those terms and to abide by the agreed terms of payment. At 31 March 2013, the average number of days purchases included within trade creditors was 63 (2012 - 59).

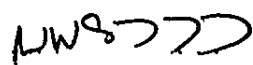
## STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

## AUDITOR

The auditor, Baker Tilly UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

By order of the board



SECRETARY

NW STIRLING

# Hi-spec Facilities Services plc

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The directors are responsible for preparing the Directors' 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).

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

# Hi-spec Facilities Services plc

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

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We have audited the financial statements on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As more fully explained in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web site at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

### **Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Neil Thomas (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants  
Lancaster House  
7 Elmfield Road  
Bromley  
Kent BR1 1LT

30 September 2013

# Hi-spec Facilities Services plc

## PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2013

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	<i>Notes</i>	2013 £	2012 £
TURNOVER	1	9,149,326	11,204,620
Cost of sales		7,944,339	9,322,265
Gross profit		<u>1,204,987</u>	<u>1,882,355</u>
Other operating expenses	2	1,250,468	1,417,333
OPERATING (LOSS)/PROFIT	4	<u>(45,481)</u>	<u>465,022</u>
Interest receivable		248	144
Interest payable	3	(72,594)	(27,467)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(117,827)</u>	<u>437,699</u>
Taxation	6	(11,371)	(110,499)
(LOSS)/PROFIT FOR THE YEAR	12	<u><u>(129,198)</u></u>	<u><u>327,200</u></u>

Turnover and operating (loss)/profit are derived from the company's continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

# Hi-spec Facilities Services plc

## BALANCE SHEET

31 March 2013

Company number 04373379

	Notes	2013 £	2012 £
<b>FIXED ASSETS</b>			
Tangible assets	7	1,355,236	1,526,146
<b>CURRENT ASSETS</b>			
Debtors	8	1,539,338	1,502,609
Cash at bank and in hand		32,792	696,474
		<u>1,572,130</u>	<u>2,199,083</u>
<b>CREDITORS</b> Amounts falling due within one year	9	1,596,149	2,232,433
<b>NET CURRENT LIABILITIES</b>		<u>(24,019)</u>	<u>(33,350)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,331,217</u>	<u>1,492,796</u>
<b>CREDITORS</b> Amounts falling due after more than one year	10	447,673	567,804
<b>NET ASSETS</b>		<u>883,544</u>	<u>924,992</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	732,895	732,895
Share premium account	12	112,105	112,105
Profit and loss account	12	38,544	79,992
<b>SHAREHOLDERS' FUNDS</b>	13	<u>883,544</u>	<u>924,992</u>

The financial statements on pages 6 to 17 were approved by the board, authorised for issue on 30<sup>th</sup> September 2013

and signed on its behalf by



C A Stirling

Director



# Hi-spec Facilities Services plc

## CASH FLOW STATEMENT

for the year ended 31 March 2013

---

	<i>Notes</i>	2013 £	2012 £
Cash flow from operating activities	18	115,827	730,786
Returns on investments and servicing of finance	18	(72,346)	(27,323)
Taxation		(110,499)	(41,875)
Capital expenditure and financial investment	18	(132,511)	(928,996)
CASH OUTFLOW BEFORE FINANCING		<u>(199,529)</u>	<u>(267,408)</u>
Financing	18	(340,888)	249,557
DECREASE IN CASH IN THE PERIOD		<u><u>(660,417)</u></u>	<u><u>(17,851)</u></u>

# Hi-spec Facilities Services plc

## ACCOUNTING POLICIES

---

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

### *Turnover*

Turnover represents the sale value of work carried out for customers net of value added tax. Contract income is recognised as contract activity progresses and the right to consideration is earned. If a loss-making contract is entered into, the loss for this contract is recognised in full at the start of the contract.

Turnover which has been recognised but not invoiced by the balance sheet date is included in debtors in accrued income.

### *Depreciation*

Depreciation is provided to write off the cost less estimated residual values, of all tangible fixed assets, except for freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Freehold building	-	2% on cost
Plant and machinery	-	33% - 100% per annum straight line
Office equipment	-	33% - 100% per annum straight line
Fixtures and fittings	-	20% per annum straight line
Motor vehicles	-	25% - 33% per annum straight line

### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

### *Pension costs*

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

### *Leased assets*

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

### *Liquid resources*

For the purposes of the cash flow statement, liquid resources are defined as current asset investments and short term deposits.

# Hi-spec Facilities Services plc

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

---

### 1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity. Sales were made solely within the United Kingdom.

	2013 £	2012 £
2 OTHER OPERATING EXPENSES		
Selling and distribution costs	180,239	126,242
Administration expenses	1,070,229	1,291,091
	<u>1,250,468</u>	<u>1,417,333</u>
3 INTEREST PAYABLE		
Bank loan	20,974	9,467
Finance leases and hire purchase contracts	25,147	18,000
Other Interest	26,473	-
	<u>72,594</u>	<u>27,467</u>
4 OPERATING (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
(Loss)/Profit on ordinary activities before taxation is stated after charging/(crediting)		
Depreciation	419,964	363,900
Profit on disposal of assets	(6,640)	(14,276)
Auditor's remuneration -		
- audit services	14,000	14,000
- taxation services	2,000	2,000
Operating leases – hire of other assets	21,500	5,500
	<u></u>	<u></u>

**Hi-spec Facilities Services plc**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2013

5	EMPLOYEES	2013	2012
		No	No
	The average monthly number of persons (including directors) employed by the company during the year was		
	Cleaning	689	1,012
	Administration	36	38
		<u>725</u>	<u>1,050</u>
		£	£
	Staff costs for the above persons		
	Wages and salaries	6,545,356	7,831,251
	Social security costs	361,520	391,626
	Other pension costs	49,287	84,358
		<u>6,956,163</u>	<u>8,307,235</u>
	<b>DIRECTORS' REMUNERATION</b>		
	Other emoluments (excluding pension contributions but including benefits in kind)	150,000	153,465
	Pensions	15,000	15,000
		<u>165,000</u>	<u>168,465</u>
	There was 1 director in the company's defined contribution pension scheme during the year (2012 – 1)		
6	TAXATION	2013	2012
		£	£
	Based on the profit for the year		
	UK corporation tax on profits of the year	11,371	110,499
	<b>DEFERRED TAX</b>		
	Origination and reversal of timing differences	-	-
	Tax on (loss)/profit on ordinary activities	<u>11,371</u>	<u>110,499</u>
	<b>FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR</b>		
	The tax assessed for the year is at the small rate of corporation tax in the UK as explained below		
	(Loss)/Profit on ordinary activities before tax	(117,827)	437,699
	Profit on ordinary activities multiplied by the small companies rate of UK corporation tax UK of 20% (2012 Standard rate 26%)	<u>(23,565)</u>	<u>113,802</u>
	Effects of		
	Expenses not deductible for tax purposes	1,062	3,880
	Differences between capital allowances and depreciation in the year	33,874	(170)
	Utilisation of tax losses	-	(37)
	Marginal relief	-	(15,245)
		<u>11,371</u>	<u>110,499</u>

# Hi-spec Facilities Services plc

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 March 2013

7	TANGIBLE FIXED ASSETS	Land and Buildings £	Plant and machinery £	Office Equipment £	Fixtures and fittings £	Motor vehicles £	Total £
	<b>COST</b>						
	1 April 2012	638,860	366,831	161,742	185,267	1,682,014	3,034,714
	Additions	-	110,361	14,997	22,330	101,366	249,054
	Disposals	-	-	-	-	(105,465)	(105,465)
	31 March 2013	638,860	477,192	176,739	207,597	1,677,915	3,178,303
	<b>DEPRECIATION</b>						
	1 April 2012	7,550	279,984	110,967	107,936	1,002,131	1,508,568
	Charged in the year	9,808	56,617	31,543	25,492	296,504	419,964
	Disposals	-	-	-	-	(105,465)	(105,465)
	31 March 2013	17,358	336,601	142,510	133,428	1,193,170	1,823,067
	<b>NET BOOK VALUE</b>						
	31 March 2013	621,502	140,591	34,229	74,169	484,745	1,355,236
	31 March 2012	631,310	86,847	50,775	77,331	679,883	1,526,146

The net book value of motor vehicles includes £ 310,670 (2012 £561,329) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge for the year was £240,121 (2012 £179,589).

8	DEBTORS	2013 £	2012 £
	Due within one year		
	Trade debtors	1,145,724	1,288,388
	Other debtors	184,768	30,037
	Prepayments and accrued income	208,846	184,184
		1,539,338	1,502,609

**Hi-spec Facilities Services plc**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2013

9	CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	2013 £	2012 £
	Bank overdraft	-	3,265
	Bank loan (secured)	35,787	33,902
	Trade creditors	355,110	424,836
	Corporation tax	11,568	110,696
	Other taxation and social security costs	567,479	696,876
	Obligations under finance lease and hire purchase contracts	151,366	229,338
	Dividends payable	-	87,785
	Other creditors	13,719	26,171
	Accruals and deferred income	461,120	619,564
		<u>1,596,149</u>	<u>2,232,433</u>

The bank loan is secured by a legal charge over a freehold property owned by the company. The loan is repayable by equal monthly instalments payable over a 10 year period. The interest rate on the loan is fixed at 5.3%.

Other banking facilities available from National Westminster Bank Plc are secured by a debenture charge over the assets of the company.

Amounts that could be due to Zurich Insurance Plc under the terms of a Trust Deposit Deed are secured against certain cash balances held by the company.

10	CREDITORS AMOUNTS FALLING DUE IN MORE THAN ONE YEAR	2013 £	2012 £
	Bank loan (secured)	341,444	378,032
	Obligations under finance leases and hire purchase contracts	106,229	189,772
		<u>447,673</u>	<u>567,804</u>
	<b>ANALYSIS OF LOANS</b>		
	In one year or less, or on demand	35,787	37,167
	In more than one year but not more than two years	35,730	35,743
	In more than two years but not more than five years	125,937	119,304
	In more than five years	179,777	222,985
		<u>377,231</u>	<u>415,199</u>
	<b>NET OBLIGATIONS UNDER FINANCE LEASES</b>		
	In one year or less, or on demand	151,366	229,338
	In more than one year but not more than two years	100,995	115,236
	In more than two years but not more than five years	5,234	74,536
		<u>257,595</u>	<u>419,110</u>

Amounts of £257,595 (2012: £419,110) due in respect of net obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

**Hi-spec Facilities Services plc**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2013**

11	SHARE CAPITAL	2013 £	2012 £
	ALLOTTED, CALLED UP AND FULLY PAID		
	Ordinary shares of £1 each	732,895	482,895
	10% cumulative preference shares of £1 each	-	250,000
		<u>732,895</u>	<u>732,895</u>

The preference shares were redeemed in the year by the company and converted into Ordinary shares  
The accrued dividends were waived by the shareholders

12	RESERVES	Share premium account £	Profit and Loss account £
	Balance at 1 April 2012	112,105	79,992
	Loss for the year	-	(129,198)
	Preference share dividends waived	-	87,750
	Balance at 31 March 2013	<u>112,105</u>	<u>38,544</u>

13	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2013 £	2012 £
	(Loss)/Profit after taxation	(129,198)	327,200
	Preference share dividends waived/(accrued)	87,750	(25,000)
	Net (reduction)/addition to shareholders' funds	<u>(41,448)</u>	<u>302,200</u>
	Opening shareholders' funds	924,992	622,792
	Closing shareholders' funds	<u>883,554</u>	<u>924,992</u>

**14 CAPITAL COMMITMENTS**

At 31 March 2013 the company had capital commitments for vehicles and equipment totalling £nil  
(2012 £122,435)

# Hi-spec Facilities Services plc

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 March 2013

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#### 15 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2013	2012
	£	£
Operating leases which expire		
Within one year	21,500	5,500

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#### 16 RELATED PARTY TRANSACTIONS

Rent of £25,362 (2012 £18,800) was paid during the year to a SIPP in respect of three properties rented by the company and used for trading purposes Mr C A Stirling is a beneficiary of the SIPP At the year end there was an outstanding Directors loan relating to Mr C A Stirling of £154,732 (2012 nil) this was the highest balance during the year

#### 17 ULTIMATE CONTROLLING PARTY

At 31 March 2013 the company's ultimate controlling party was Mr C A Stirling



**Hi-spec Facilities Services plc**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2013

18	CASH FLOWS	2013 £	2012 £
	<b>RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		
	Operating (loss)/profit	(45,481)	465,022
	Profit on sale of fixed assets	(6,640)	(14,276)
	Depreciation of tangible fixed assets	419,964	363,900
	Decrease/(Increase) in debtors	118,003	(226,475)
	(Decrease)/Increase in creditors	(370,019)	142,615
	<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>115,827</b>	<b>730,786</b>
	<b>Analysis of cash flows for headings netted in the cash flow</b>		
	<b>Returns on investments and servicing of finance:</b>		
	Interest received	248	144
	Finance lease and hire purchase interest	(25,147)	(18,000)
	Interest paid	(20,974)	(9,467)
	Other Interest	(26,473)	-
	Net cash outflow from returns on investments and servicing of finance	(72,346)	(27,323)
	<b>Capital expenditure and financial investment:</b>		
	Purchase of tangible fixed assets	(139,151)	(939,623)
	Sale of tangible fixed assets	6,640	10,627
	Net cash outflow from capital expenditure and financial investment	(132,511)	(928,996)
	<b>Financing:</b>		
	Capital element of finance and hire purchases	(272,218)	(162,377)
	New loans	-	430,000
	Directors loans	(154,732)	-
	Repayment of loans	(33,938)	(18,066)
	<b>Net cash flow from financing</b>	<b>(460,888)</b>	<b>249,557</b>
		2013 £	2012 £
	<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT</b>		
	Decrease in cash	(660,417)	(17,851)
	Cash movements relating to debt and lease financing	306,121	(249,557)
	Movement in net debt resulting from cash flows	(354,296)	(267,408)
	Inception of finance leases	(109,938)	(220,407)
	Movement in net debt	(464,234)	(487,815)
	Opening net (debt)/cash	(137,835)	349,980
	Closing net debt	(602,069)	(137,835)

**Hi-spec Facilities Services plc**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2013**

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**18 CASH FLOWS** *(continued)*

**ANALYSIS OF NET DEBT**

	At 1 April 2012 £	Cash flow £	Other non- cash changes £	At 31 March 2013 £
Net cash				
Cash at bank and in hand	696,474	(663,682)	-	32,792
Bank overdraft	(3,265)	3,265	-	-
	<u>693,209</u>	<u>(660,417)</u>	<u>-</u>	<u>32,792</u>
Debt due within one year	(33,902)	33,902	(35,787)	(35,787)
Debt due after one year	(378,032)	-	35,787	(342,245)
Hire purchase contracts	(419,110)	271,219	(109,938)	(256,829)
	<u>(137,835)</u>	<u>(354,296)</u>	<u>(109,938)</u>	<u>(602,069)</u>
<b>NET DEBT</b>	<u>(137,835)</u>	<u>(354,296)</u>	<u>(109,938)</u>	<u>(602,069)</u>