

**DAVIS NOMINEES LIMITED**

(Registered No 235790)

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**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006**

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# DAVIS NOMINEES LIMITED

## DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

The directors present their report and audited financial statements for the year ended 31 December 2006

### The State of the Company's Affairs

During the year the company lent £29,760 to its ultimate parent company, The Davis Service Group Plc on which loan interest of £883 has been charged. The company also held shares as a nominee for the ultimate parent company during the year.

The state of the company's affairs is set out on pages 7 to 11. The directors do not recommend the payment of a dividend (2005 nil).

### Directors

The directors of the company who served during the year ended 31 December 2006 and up to the date of signing the accounts were as follows:

D A Lawler  
K Quinn

### Directors' interests in shares

The directors have no beneficial interest in the shares of the company. The interests of K Quinn in the ordinary share capital of The Davis Service Group Plc is disclosed in the annual report of that company, with the interests of D A Lawler as follows:

	Ordinary shares of 30p each					
	Shareholdings		Executive options		Sharesave options	
	2006	2005	2006	2005	2006	2005
D A Lawler	14,107	14,107	70,000	70,000	6,416	6,416

### Share option schemes (note 1)

	During the year				Market price at date of exercise	Exercise period
	1 January 2006 Number	Granted Number	Exercised Number	31 December 2006 Number	Exercise price Pence	
D A Lawler	15,000	-	-	15,000	291.00	-
	15,000	-	-	15,000	367.00	-
	40,000	-	-	40,000	445.75	-

### Sharesave schemes

D A Lawler	6,416	-	-	6,416	256.00	-	Dec 2007 - May 2008
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### Performance share plan

D A Lawler	-	16,898	-	16,898	-	-	May 2009
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## DAVIS NOMINEES LIMITED

- (i) All of these options are exercisable subject to the Davis Service Group Plc's normalised earnings per share growth, over any three-year period during the life of the option, exceeding the growth in the UK Retail Prices Index by an average of at least 3% per annum

### Auditors

PricewaterhouseCoopers LLP have been newly appointed during the year as auditors to the company

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the Annual General Meeting on 18 May 2007

By Order of the Board



D A Lawler  
Secretary

17 May 2007

## DAVIS NOMINEES LIMITED

### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgment 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, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

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.

The directors are confident that, as far as they are aware, there is no relevant audit information of which the company's auditors are unaware. The directors have taken all steps that ought to have been taken in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By Order of the Board



D A Lawler  
Company secretary

17 May 2007

## **DAVIS NOMINEES LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DAVIS NOMINEES LIMITED**

We have audited the financial statements of Davis Nominees Ltd for the year ended 31 December 2006 which comprise the Profit and Loss Account, Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### **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.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

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

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our 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.

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.

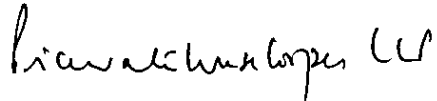
## DAVIS NOMINEES LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DAVIS NOMINEES LIMITED CONTINUED

#### Opinion

In our 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 2006 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



*PricewaterhouseCoopers LLP*

*Chartered Accountants and Registered Auditors*

London

17 May 2007

## DAVIS NOMINEES LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

		2006	2005
		£	£
Other operating income	3	6,897	-
Interest receivable	4	1,309	-
<b>Profit on ordinary activities before taxation</b>		<b>8,206</b>	<b>-</b>
Tax on profit on ordinary activities	10	(2,462)	-
<b>Retained profit for the year</b>		<b>5,744</b>	<b>-</b>
Retained profits brought forward		(40,561)	(40,561)
<b>Retained profits carried forward</b>		<b>(34,817)</b>	<b>(40,561)</b>

The company has no recognised gains and losses other than those included in the profits above, and therefore no separate statement of total recognised gains and losses has been presented


There is no difference between the profit on ordinary activities before taxation as stated above and their historical cost equivalents

# DAVIS NOMINEES LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2006

	Notes	2006 £	2005 £
<b>Fixed assets</b>			
Investments	5	25,959	25,959
<b>Current assets</b>			
Amount due from ultimate parent company	7	1,462,714	1,431,645
Cash at bank	7	382	28,983
		<u>1,463,096</u>	<u>1,460,628</u>
<b>Creditors: amounts falling due within one year</b>	9	(51,678)	(54,954)
<b>Net current assets</b>		<u>1,411,418</u>	<u>1,405,674</u>
<b>Net assets</b>		<u>1,437,377</u>	<u>1,431,633</u>
<b>Capital and reserves</b>			
Called up share capital	11	533,369	533,369
Other reserves		938,825	938,825
Profit and loss account	12	(34,817)	(40,561)
<b>Shareholders' funds</b>		<u>1,437,377</u>	<u>1,431,633</u>

The financial statements on pages 7 to 11 were approved by the board of directors on 17 May 2007 and were signed on its behalf by

K Quinn 

D A Lawler 

Directors



# DAVIS NOMINEES LIMITED

## NOTES ON STATEMENT OF ACCOUNTS 31 DECEMBER 2006

### 1 ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention and are in accordance with applicable accounting standards

#### Financial instruments

Financial instruments comprise non-derivative financial assets and liabilities, including cash, deposits and borrowings

In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. Non-derivative financial assets are classified as either debtors or cash. Financial assets are stated at the lower of their initial cost and their estimated recoverable amount. Cash includes cash in hand and deposits held on call with banks. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

### 2 CASH FLOW STATEMENT

The company is a wholly owned subsidiary of The Davis Service Group Plc and the cash flows of the company are included in the consolidated group cash flow statement of The Davis Service Group Plc. Consequently the company is exempt under the terms of FRS 1 'Cash flow statements' from publishing a cash flow statement.

### 3. OTHER OPERATING INCOME

The company holds unclaimed dividends on behalf of the ultimate parent company, The Davis Service Group Plc.

Other operating income relates to the release of unclaimed dividends which exceed the maximum statutory period of twelve years.

### 4. INTEREST RECEIVABLE

	2006 £	2005 £
Amount due from ultimate parent company	883	-
Bank Interest	426	-
	<u>1,309</u>	<u>-</u>

On 22 June 2006 Davis Nominees lent £29,760 to its ultimate parent company, The Davis Service Group Plc.

Intercompany interest has been calculated as £883 during the year, at an interest rate of 5.5%.

Of the amount due from the ultimate parent company of £1,462,714 (note 7), £1,431,645 is non-interest bearing and £29,760 is interest bearing.

## DAVIS NOMINEES LIMITED

### 5 FIXED ASSET - INVESTMENTS AT COST

The company owns the whole of the issued capital of West Kent Laundry Limited, which is incorporated in England. The company did not trade in the year ended 31 December 2006 or in the prior year.

Group accounts have not been prepared as the company is exempt from preparing and delivering group accounts under section 228 Companies Act 1985.

The company also holds certain shares as a nominee for its ultimate parent company. The cost of these shares amounts to £ nil.

### 6. AUDITOR'S REMUNERATION

The remuneration of the auditors has been borne by the ultimate parent company, as in the prior year.

### 7. CURRENT ASSETS

	2006 £	2005 £
Amount due from ultimate parent company	1,462,714	1,431,645
Cash at Bank	382	28,983
	<u>1,463,096</u>	<u>1,460,628</u>

### 8. DIRECTORS' EMOLUMENTS AND EMPLOYEES

As in the prior year, the directors received no emoluments in respect of their services to the Company during the period, which were of negligible value. They are directors or employees of The Davis Service Group Plc and are remunerated by that company for their services to the group as a whole.

The company had no employees during the year (2005 nil).

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

	2006 £	2005 £
UK corporation tax	2,462	-
Other creditors	23,258	28,996
Amounts owed to subsidiary undertakings	25,958	25,958
	<u>51,678</u>	<u>54,954</u>

Other creditors represent the shares held on behalf of the ultimate parent company.

## DAVIS NOMINEES LIMITED

### 10. TAXATION

#### Analysis of charge for the year

	2006 £	2005 £
United Kingdom corporation tax at 30% (2005 30%)	2,462	-
	<u>2,462</u>	<u>-</u>

### 11. CALLED UP SHARE CAPITAL

The authorised, called up and fully paid share capital has remained throughout the year as follows

	Authorised £	Fully paid up £
4 9% Cumulative First Preference Shares of 25p each (394,925 issued)	100,000	98,731
Ordinary shares of 25p each (1,738,550 issued)	1,000,000	434,638
	<u>1,100,000</u>	<u>533,369</u>

The preference shares continue to be shown in equity, as The Davis Service Group Plc has waived the right to redeem the preference shares and the rights to preference share dividends

### 12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	2006 £	2005 £
Profit for the financial year	5,744	-
Opening shareholders' funds	(40,561)	(40,561)
Closing shareholders' funds	<u>(34,817)</u>	<u>(40,561)</u>

### 13. ULTIMATE PARENT COMPANY

The ultimate parent company is The Davis Service Group Plc, incorporated in Great Britain  
Copies of the group accounts can be obtained from the registered office of this company