

Company Registration No. 0764324 (England and Wales)

CLIENTCARE CLEANING LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2003



CLIENTCARE CLEANING LIMITED

COMPANY INFORMATION

Directors	R C Brooks J B Brooks
Secretary	J B Brooks
Company number	0764324
Registered office	243 Whitehorse Road Croydon Surrey CR0 2HQ
Auditors	Bryden Johnson & Co Kings Parade, Lower Coombe Street Croydon Surrey CR0 1AA

CLIENTCARE CLEANING LIMITED

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CLIENTCARE CLEANING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2003

The directors present their report and financial statements for the year ended 31 August 2003.

Principal activities and review of the business

The principal activity of the company continued to be that of providing cleaning services.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Results and dividends

The results for the year are set out on page 4.

An interim ordinary dividend was paid amounting to £210,000 . The directors do not recommend payment of a final dividend.

Directors

The following directors have held office since 1 September 2002:

R C Brooks

J B Brooks

Directors' interests

The directors did not have any beneficial interests in the shares of the company during the year. The directors' beneficial interests in the shares of the holding company were as stated below:

	Ordinary shares of £ 1 each	
	31 August 2003	1 September 2002
R C Brooks	2,942	2,942
J B Brooks	2,942	2,942

Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

Auditors

Bryden Johnson & Co were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

CLIENTCARE CLEANING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2003

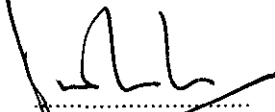
Directors' responsibilities

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 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 judgements 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.

On behalf of the board



J B Brooks

Director

14/1/2004

CLIENTCARE CLEANING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CLIENTCARE CLEANING LIMITED

We have audited the financial statements of Clientcare Cleaning Limited on pages 5 to 14 for the year ended 31 August 2003. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company 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.

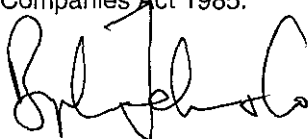
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 judgements 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 31 August 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Bryden Johnson & Co

22 January 2004

Chartered Accountants
Registered Auditor

Kings Parade, Lower Coombe Street
Croydon
Surrey

CLIENTCARE CLEANING LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2003

	Notes	2003 £	2002 £
Turnover	2	3,132,369	2,989,734
Cost of sales		(2,058,416)	(1,971,983)
Gross profit		1,073,953	1,017,751
Distribution costs		(40,134)	(36,231)
Administrative expenses		(758,659)	(695,347)
Operating profit	3	275,160	286,173
Other interest receivable and similar income		11,642	13,171
Profit on ordinary activities before taxation		286,802	299,344
Tax on profit on ordinary activities	4	(53,680)	(56,547)
Profit on ordinary activities after taxation		233,122	242,797
Dividends	5	(210,000)	(234,080)
Retained profit for the year	11	23,122	8,717

The profit and loss account has been prepared on the basis that all operations are continuing operations.

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

CLIENTCARE CLEANING LIMITED

BALANCE SHEET AS AT 31 AUGUST 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	6		23,840		13,525
Current assets					
Debtors	7	377,233		338,644	
Cash at bank and in hand		203,994		270,552	
		<u>581,227</u>		<u>609,196</u>	
Creditors: amounts falling due within one year	8	<u>(240,371)</u>		<u>(281,147)</u>	
Net current assets			340,856		328,049
Total assets less current liabilities			<u>364,696</u>		<u>341,574</u>
Capital and reserves					
Called up share capital	10		100		100
Profit and loss account	11		364,596		341,474
Shareholders' funds - equity interests	12		<u>364,696</u>		<u>341,574</u>

The financial statements were approved by the Board on 14/1/04


J B Brooks
Director


R C Brooks
Director

CLIENTCARE CLEANING LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2003

	2003		2002	
	£	£	£	£
Net cash inflow from operating activities		255,607		116,875
Returns on investments and servicing of finance				
Interest received	11,642		13,171	
Net cash inflow for returns on investments and servicing of finance		11,642		13,171
Taxation		(56,547)		(56,512)
Capital expenditure				
Payments to acquire tangible assets	(18,483)		(8,800)	
Receipts from sales of tangible assets	1,000		1,900	
Net cash outflow for capital expenditure		(17,483)		(6,900)
Equity dividends paid		(210,000)		(234,080)
Net cash outflow before management of liquid resources and financing		(16,781)		(167,446)
Decrease in cash in the year		(16,781)		(167,446)

CLIENTCARE CLEANING LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2003

1	Reconciliation of operating profit to net cash inflow from operating activities		2003	2002	
			£	£	
	Operating profit		275,160	286,173	
	Depreciation of tangible assets		8,168	9,190	
	Profit on disposal of tangible assets		(1,000)	(1,900)	
	Increase in debtors		(38,589)	(14,523)	
	Increase/(decrease) in creditors within one year		11,868	(162,065)	
	Net cash inflow from operating activities		255,607	116,875	
2	Analysis of net funds	1 September 2002	Cash flow	Other non-cash changes	31 August 2003
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	270,552	(66,558)	-	203,994
	Bank overdrafts	(49,777)	49,777	-	-
		220,775	(16,781)	-	203,994
	Net funds	220,775	(16,781)	-	203,994
3	Reconciliation of net cash flow to movement in net funds		2003	2002	
			£	£	
	Decrease in cash in the year		(16,781)	(167,446)	
	Movement in net funds in the year		(16,781)	(167,446)	
	Opening net funds		220,775	388,221	
	Closing net funds		203,994	220,775	

CLIENTCARE CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	3 years straight line
Fixtures, fittings & equipment	3 years straight line
Motor vehicles	25% straight line basis

1.5 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.6 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit	2003	2002
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	8,168	9,190
Auditors' remuneration	4,500	4,375
and after crediting:		
Profit on disposal of tangible assets	(1,000)	(1,900)

CLIENTCARE CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2003

4	Taxation	2003 £	2002 £
	Domestic current year tax		
	U.K. corporation tax	53,680	56,547
	Current tax charge	<u>53,680</u>	<u>56,547</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	286,802	299,344
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00 % (2002 : 19.60 %)	<u>54,492</u>	<u>58,671</u>
	Effects of:		
	Non deductible expenses	211	173
	Depreciation add back	1,363	1,429
	Capital allowances	(2,386)	(3,494)
	Other tax adjustments	-	(232)
		<u>(812)</u>	<u>(2,124)</u>
	Current tax charge	<u>53,680</u>	<u>56,547</u>
5	Dividends	2003 £	2002 £
	Ordinary interim paid 27 August 2003	<u>210,000</u>	<u>234,080</u>

CLIENTCARE CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2003

6 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 September 2002	9,570	6,658	73,022	89,250
Additions	7,802	-	10,681	18,483
Disposals	-	-	(11,362)	(11,362)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2003	17,372	6,658	72,341	96,371
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 September 2002	9,570	6,658	59,497	75,725
On disposals	-	-	(11,362)	(11,362)
Charge for the year	486	-	7,682	8,168
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2003	10,056	6,658	55,817	72,531
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 August 2003	7,316	-	16,524	23,840
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2002	-	-	13,525	13,525
	<hr/>	<hr/>	<hr/>	<hr/>

7 Debtors

	2003 £	2002 £
Trade debtors	359,593	330,024
Prepayments and accrued income	17,640	8,620
	<hr/>	<hr/>
	377,233	338,644
	<hr/>	<hr/>

CLIENTCARE CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2003

8	Creditors: amounts falling due within one year	2003	2002
		£	£
	Bank loans and overdrafts	-	49,777
	Trade creditors	18,098	19,410
	Amounts owed to parent and fellow subsidiary undertakings	5,967	5,967
	Corporation tax	53,680	56,547
	Other taxes and social security costs	52,556	50,160
	Other creditors	30,816	30,232
	Accruals and deferred income	79,254	69,054
		<u>240,371</u>	<u>281,147</u>
9	Pension costs		
	Defined contribution		
		2003	2002
		£	£
	Contributions payable by the company for the year	<u>51,420</u>	<u>49,180</u>
10	Share capital	2003	2002
		£	£
	Authorised		
	100 Ordinary shares of £ 1 each	<u>100</u>	<u>100</u>
	Allotted, called up and fully paid		
	100 Ordinary shares of £ 1 each	<u>100</u>	<u>100</u>
11	Statement of movements on profit and loss account		Profit and loss account
			£
	Balance at 1 September 2002		341,474
	Retained profit for the year		<u>23,122</u>
	Balance at 31 August 2003		<u>364,596</u>

CLIENTCARE CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2003

12 Reconciliation of movements in shareholders' funds	2003 £	2002 £
Profit for the financial year	233,122	242,797
Dividends	(210,000)	(234,080)
Net addition to shareholders' funds	23,122	8,717
Opening shareholders' funds	341,574	332,857
Closing shareholders' funds	364,696	341,574

13 Directors' emoluments	2003 £	2002 £
Emoluments for qualifying services	299,994	293,380
Company pension contributions to money purchase schemes	39,600	38,160
	339,594	331,540

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2002 - 2).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	150,002	140,467
Company pension contributions to money purchase schemes	19,800	19,080

CLIENTCARE CLEANING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2003

14 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2003 Number	2002 Number
Cleaning services	122	122
Administration	8	8
	<u>130</u>	<u>130</u>

Employment costs

	£	£
Wages and salaries	2,137,505	2,006,398
Social security costs	75,529	68,058
Other pension costs	51,420	49,180
	<u>2,264,454</u>	<u>2,123,636</u>

15 Control

The ultimate parent company and controlling entity is Clientcare Group Limited, a company incorporated in England and Wales. The holding company has taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts. The ultimate controlling parties of the parent company is R C Brooks and J B Brooks directors of Clientcare Cleaning Limited.