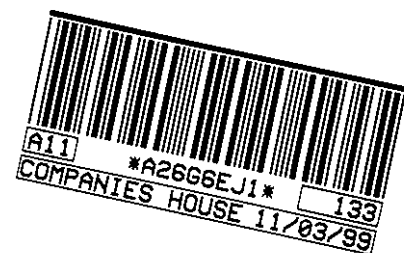


REGISTERED NUMBER: 01218204 (England and Wales)

ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1998

FOR

DOUGLAND HOLDINGS LIMITED



DOUGLAND HOLDINGS LIMITED

INDEX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 1998

	Page
Company Information	1
Report of the Directors	2
Report of the Auditors on the Abbreviated Financial Statements	4
Abbreviated Profit and Loss Account	5
Abbreviated Balance Sheet	7
Cash Flow Statement	8
Notes to the Cash Flow Statement	9
Notes to the Abbreviated Financial Statements	10

DOUGLAND HOLDINGS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 1998

DIRECTORS: T F Hoyland
M C Cook

SECRETARY: T F Hoyland

REGISTERED OFFICE: Little Park Farm, Little Park Farm Road,
Segensworth Industrial Estate,
Segensworth
Hampshire

REGISTERED NUMBER: 01218204 (England and Wales)

AUDITORS: Leonard Gold Chartered Accountants
Registered Auditors
24 Landport Terrace
Portsmouth
Hampshire
PO1 2RG

DOUGLAND HOLDINGS LIMITED

REPORT OF THE DIRECTORS **FOR THE YEAR ENDED 31 JULY 1998**

The directors present their report with the financial statements of the company for the year ended 31 July 1998.

PRINCIPAL ACTIVITY

Douglan Holdings Limited is the parent company of a group of companies engaged in the business of industrial and commercial cleaning contractors. The company's only income is derived from property ownership.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The profit for the year after taxation amounted to £86511.

DIVIDENDS

A dividend of £5 per share was declared and paid during the year.

FIXED ASSETS

The movements in fixed assets during the year are set out in notes 7 and 8 to the financial statements.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors during the year under review were:

T F Hoyland

M C Cook

The beneficial interests of the directors holding office on 31 July 1998 in the issued share capital of the company were as follows:

	31.7.98	1.8.97
Ordinary £1 shares		
T F Hoyland	9,999	9,999
M C Cook	-	-

TAXATION STATUS OF THE COMPANY

The company is a close company within the provisions of Section 414 Income and Corporation Taxes Act 1988.

STATEMENT OF 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.

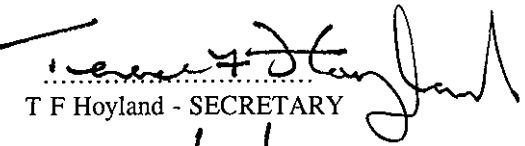
DOUGLAND HOLDINGS LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 1998

AUDITORS

The auditors, Leonard Gold Chartered Accountants, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:


T F Hoyland - SECRETARY

Dated: 8/3/99

DOUGLAND HOLDINGS LIMITED
REPORT OF THE AUDITORS TO
DOUGLAND HOLDINGS LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages five to fourteen, together with the full financial statements of the company for the year ended 31 July 1998 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors


The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages five to fourteen are properly prepared in accordance with that provision.

A handwritten signature in black ink, appearing to be 'L. Gold', written over a horizontal line.

Leonard Gold Chartered Accountants
Registered Auditors
24 Landport Terrace
Portsmouth
Hampshire
PO1 2RG

Dated: 10 MARCH 1999

DOUGLAND HOLDINGS LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 1998

		<u>1998</u>		<u>1997</u>	
	Notes	£	£	£	£
GROSS PROFIT			55,000		40,000
Administrative expenses			<u>(8,409)</u>		<u>(7,545)</u>
OPERATING PROFIT	3		46,591		32,455
Income from shares in group undertaking		50,000		50,000	
Interest receivable and similar income	4	<u>1,591</u>		<u>3,612</u>	
			<u>51,591</u>		<u>53,612</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			98,182		86,067
Tax on profit on ordinary activities	5		<u>(11,671)</u>		<u>(10,177)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			86,511		75,890
Dividends	6		<u>(50,000)</u>		<u>(52,000)</u>
			36,511		23,890
Retained profit brought forward			<u>244,477</u>		<u>220,587</u>
RETAINED PROFIT CARRIED FORWARD			<u>£280,988</u>		<u>£244,477</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

DOUGLAND HOLDINGS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 1998

NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 JULY 1998

	<u>1998</u>	<u>1997</u>
	£	£
REPORTED PROFIT		
ON ORDINARY ACTIVITIES BEFORE TAXATION	98,182	86,067
Difference between historical cost depreciation charge and actual depreciation charge for the year calculated on revalued amount	<u>3,936</u>	<u>3,936</u>
HISTORICAL COST PROFIT		
ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>£102,118</u>	<u>£90,003</u>
 Historical cost profit for the year retained after taxation and dividends	 <u>£40,447</u>	 <u>£27,826</u>

The notes form part of these financial statements

DOUGLAND HOLDINGS LIMITED

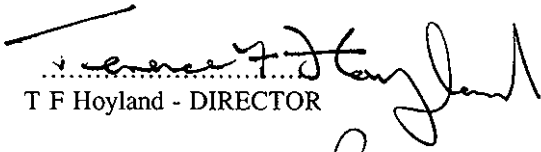
ABBREVIATED BALANCE SHEET

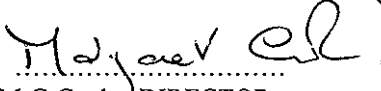
31 JULY 1998

		<u>1998</u>		<u>1997</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		441,032		315,000
Investments	8		<u>100</u>		<u>100</u>
			441,132		315,100
CURRENT ASSETS:					
Debtors	9	39,950		82,862	
Cash at bank		<u>48,917</u>		<u>91,382</u>	
		88,867		174,244	
CREDITORS: Amounts falling due within one year	10	<u>(24,462)</u>		<u>(20,318)</u>	
NET CURRENT ASSETS:			<u>64,405</u>		<u>153,926</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£505,537</u>		<u>£469,026</u>
CAPITAL AND RESERVES:					
Called up share capital	12		10,000		10,000
Revaluation reserve	13		214,549		214,549
Profit and loss account			<u>280,988</u>		<u>244,477</u>
Shareholders' funds	15		<u>£505,537</u>		<u>£469,026</u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:


T F Hoyland - DIRECTOR


M C Cook - DIRECTOR

Approved by the Board on 8/3/99

The notes form part of these financial statements

DOUGLAND HOLDINGS LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 1998

		<u>1998</u>	<u>1997</u>
	Notes	£	£
Net cash inflow/(outflow) from operating activities	1	97,874	(11,239)
Returns on investments and servicing of finance	2	51,591	53,612
Taxation		(7,527)	(10,340)
Capital expenditure	2	(134,403)	-
Equity dividends paid		<u>(50,000)</u>	<u>(52,000)</u>
Decrease in cash in the period		<u>£(42,465)</u>	<u>£(19,967)</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Decrease in cash in the period		<u>(42,465)</u>	<u>(19,967)</u>
Change in net funds resulting from cash flows		<u>(42,465)</u>	<u>(19,967)</u>
Movement in net funds in the period		(42,465)	(19,967)
Net funds at 1 August 1997		<u>91,382</u>	<u>111,349</u>
Net funds at 31 July 1998		<u>£48,917</u>	<u>£91,382</u>

The notes form part of these financial statements

DOUGLAND HOLDINGS LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 1998

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	1998 £	1997 £
Operating profit	46,591	32,455
Depreciation charges	8,371	7,500
(Increase)/Decrease in Debtors	<u>42,912</u>	<u>(51,194)</u>
Net cash inflow/(outflow) from operating activities	<u><u>97,874</u></u>	<u><u>(11,239)</u></u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	1998 £	1997 £
Returns on investments and servicing of finance		
Interest received	1,591	3,612
Dividends received	<u>50,000</u>	<u>50,000</u>
Net cash inflow for returns on investments and servicing of finance	<u><u>51,591</u></u>	<u><u>53,612</u></u>
Capital expenditure		
Purchase of tangible fixed assets	<u>(134,403)</u>	<u>-</u>
Net cash outflow for capital expenditure	<u><u>(134,403)</u></u>	<u><u>-</u></u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.8.97 £	Cash flow £	At 31.7.98 £
Net cash:			
Cash at bank	<u>91,382</u>	<u>(42,465)</u>	<u>48,917</u>
	<u>91,382</u>	<u>(42,465)</u>	<u>48,917</u>
Total	<u><u>91,382</u></u>	<u><u>(42,465)</u></u>	<u><u>48,917</u></u>
Analysed in Balance Sheet			
Cash at bank	<u>91,382</u>		<u>48,917</u>
	<u><u>91,382</u></u>		<u><u>48,917</u></u>

The notes form part of these financial statements

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 1998

DOUGLAND HOLDINGS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 1998

5. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	1998 £	1997 £
UK Corporation Tax	11,962	10,318
Over provision re prior years	<u>(291)</u>	<u>(141)</u>
	<u>11,671</u>	<u>10,177</u>

UK Corporation Tax has been charged at 21 % (1997 - 23 %).

6. DIVIDENDS

	1998 £	1997 £
Equity shares:		
Ordinary - paid	<u>50,000</u>	<u>52,000</u>

7. TANGIBLE FIXED ASSETS

	Long leasehold property £
COST OR VALUATION:	
At 1 August 1997	375,000
Additions	<u>134,403</u>
At 31 July 1998	<u>509,403</u>
DEPRECIATION:	
At 1 August 1997	60,000
Charge for year	<u>8,371</u>
At 31 July 1998	<u>68,371</u>
NET BOOK VALUE:	
At 31 July 1998	<u>441,032</u>
At 31 July 1997	<u>315,000</u>

Cost or valuation at 31 July 1998 is represented by:

	Long leasehold property £
Valuation in 1989	196,789
Cost	<u>312,614</u>
	<u>509,403</u>

DOUGLAND HOLDINGS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 1998

7. TANGIBLE FIXED ASSETS - continued

If long leasehold property had not been revalued it would have been included at the following historical cost:

	1998 £	1997 £
Cost	<u>312,614</u>	<u>178,211</u>
Aggregate depreciation	<u>50,707</u>	<u>46,272</u>

At 31 July 1989 the long leasehold property was restated at its open market value of £375000 as determined by professional valuers. In the directors' opinion the current market value is not significantly different from the book value.

8. FIXED ASSET INVESTMENTS

	£
COST:	
At 1 August 1997 and 31 July 1998	<u>100</u>
NET BOOK VALUE:	
At 31 July 1998	<u>100</u>
At 31 July 1997	<u>100</u>
	1998 £
Unlisted investments	<u>100</u>
	1997 £
	<u>100</u>

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

Dougland Support Services Limited
Nature of business: industrial cleaning

	%		
Class of shares:	holding		
Ordinary	100.00		
		1998 £	1997 £
Aggregate capital and reserves		626,658	482,795
Profit for the year		<u>193,863</u>	<u>225,060</u>

DOUGLAND HOLDINGS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 1998

**9. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	1998 £	1997 £
Prepayments and accrued income	226	408
Due from subsidiary undertaking	<u>39,724</u>	<u>82,454</u>
	<u>39,950</u>	<u>82,862</u>

There were no amounts falling due after more than one year.

**10. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	1998 £	1997 £
Corporation tax	11,962	10,318
Advance corporation tax	<u>12,500</u>	<u>10,000</u>
	<u>24,462</u>	<u>20,318</u>

There were no amounts falling due after more than one year.

11. PROVISIONS FOR LIABILITIES AND CHARGES

The amount for which no provision has been made in respect of deferred taxation, is as follows:

	1998 £	1997 £
Deferred chargeable gains	<u>1,365</u>	<u>14,200</u>

12. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	1998 £	1997 £
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

13. REVALUATION RESERVE

	1998 £	1997 £
Brought forward	<u>214,549</u>	<u>214,549</u>

14. POST BALANCE SHEET EVENTS

The financial statements take into consideration events occurring between 31 July 1998 and the date of their approval by the board of directors.

DOUGLAND HOLDINGS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 1998

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998 £	1997 £
Profit for the financial year	86,511	75,890
Dividends	<u>(50,000)</u>	<u>(52,000)</u>
NET ADDITION TO SHAREHOLDERS' FUNDS	36,511	23,890
Opening shareholders' funds	<u>469,026</u>	<u>445,136</u>
CLOSING SHAREHOLDERS' FUNDS	<u>505,537</u>	<u>469,026</u>
Equity interests	<u>505,537</u>	<u>469,026</u>

16. CONTROLLING PARTY

T F Hoyland, a director of the company, as disclosed in the Directors' Report, is the controlling party of Dougland Holdings Limited, by virtue of his 99.99% holding in the equity share capital of the company.