

REGISTRAR

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ARUNDEL OFFICE CLEANING SERVICES LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1995



ARUNDEL OFFICE CLEANING SERVICES LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1995

DIRECTORS:

R Newell
A A I MacLeod

SECRETARY:

A A I MacLeod

REGISTERED OFFICE:

Unit 2, Graffix House
Newton Road
Henley-On-Thames
Oxfordshire

REGISTERED NUMBER:

1290711

AUDITORS:

Lyon Pilcher
Park House
102-108 Above Bar
Southampton
SO14 7NH

ARUNDEL OFFICE CLEANING SERVICES LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1995

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ARUNDEL OFFICE CLEANING SERVICES LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 March 1995.

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;
- state whether applicable 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 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.

REVIEW OF THE BUSINESS

The principal activity of the company continued to be the provision of office cleaning services.

Both the level of business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

RESULTS

The profit for the year after taxation was £18,399.

The directors do not recommend the payment of any dividend.

Retained profits of £18,399 have been transferred to reserves.

FIXED ASSETS

Details of changes in fixed assets are given in notes 8 and 9 to the financial statements.

ARUNDEL OFFICE CLEANING SERVICES LIMITED

DIRECTORS' REPORT

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 April 1994 to the date of this report unless otherwise stated.

The interests of the directors holding office on 31 March 1995 in the shares of the company, according to the register of directors' interests, were as shown below:


Ordinary shares of £1 each

Director's name	Date of appointment	31 March 1995 Beneficial interests	1 April 1994 or date of appointment if later Beneficial interests
R Newell		-	-
A A I MacLeod		-	-

AUDITORS

The auditors, Lyon Pilcher, are deemed to be reappointed in accordance with Section 386 of the Companies Act 1985.

Approved by the board on 27 July 1995
and signed on its behalf by


.....
Director

AUDITORS' REPORT TO THE SHAREHOLDERS OF ARUNDEL OFFICE CLEANING SERVICES LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared following the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 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.

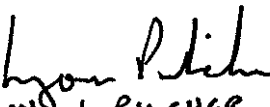
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 March 1995 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


LYON PILCHER
CHARTERED ACCOUNTANTS
and Registered Auditors
Southampton

28 July 1995

ARUNDEL OFFICE CLEANING SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1995

	Notes	1995 £	1994 £
TURNOVER		385,502	335,993
Cost of sales		<u>(291,011)</u>	<u>(256,405)</u>
GROSS PROFIT		94,491	79,588
Administration expenses		<u>(63,993)</u>	<u>(61,358)</u>
OPERATING PROFIT		30,498	18,230
Interest receivable and similar income		<u>506</u>	<u>122</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		31,004	18,352
Interest payable and similar charges	4	<u>(4,698)</u>	<u>(4,443)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	26,306	13,909
Taxation on profit on ordinary activities	7	<u>(7,907)</u>	<u>(5,128)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	15	<u><u>18,399</u></u>	<u><u>8,781</u></u>

The company's turnover and expenses all relate to continuing operations.

The company has no recognised gains or losses other than the profit for the year.

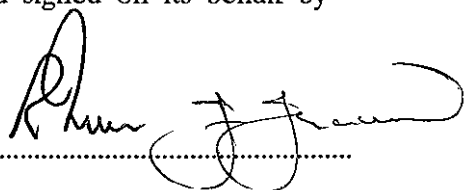
The profit for the year has been calculated on the historical cost basis.

ARUNDEL OFFICE CLEANING SERVICES LIMITED

BALANCE SHEET AT 31 MARCH 1995

	Notes	1995 £	1994 £
FIXED ASSETS			
Intangible assets	8	19,328	25,771
Tangible assets	9	15,935	11,879
		<u>35,263</u>	<u>37,650</u>
CURRENT ASSETS			
Stocks	10	454	747
Debtors	11	49,742	47,971
Cash at bank and in hand		38,664	25,131
		<u>88,860</u>	<u>73,849</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	<u>(60,046)</u>	<u>(56,421)</u>
NET CURRENT ASSETS		<u>28,814</u>	<u>17,428</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		64,077	55,078
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13	<u>(29,151)</u>	<u>(38,553)</u>
		<u>34,926</u>	<u>16,525</u>
CAPITAL AND RESERVES			
Called up share capital	14	100	100
Profit and loss account	15	34,826	16,425
SHAREHOLDERS' FUNDS	15	<u>34,926</u>	<u>16,525</u>

Approved by the board on 27 July 1995
and signed on its behalf by



R Newell, Director

ARUNDEL OFFICE CLEANING SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 31 March 1995

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards.

(a) **Accounting convention**

The financial statements are prepared under the historical cost convention.

(b) **Turnover**

Turnover represents the amounts invoiced, excluding value added tax, in respect of the sale of goods and services to customers.

(c) **Depreciation**

Depreciation is calculated to write off the cost or revalued amount less estimated residual value of fixed assets on a reducing balance basis over their estimated useful lives.

(d) **Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is calculated using the first-in-first-out method.

(e) **Deferred taxation**

Deferred tax is provided in respect of the tax effect of all timing differences, to the extent that it is probable that a liability or asset will crystallise in the foreseeable future, at the rates of tax expected to apply when the timing differences reverse.

(f) **Goodwill**

Goodwill represents the excess of cost of acquisition over the fair value of separable net assets acquired. Goodwill is amortised through the profit and loss account in equal instalments over its estimated useful life.

(g) **Pension costs**

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

2. SEGMENTAL INFORMATION

The turnover, profit before taxation and net assets are attributable to the principal activity, the provision of office cleaning services. The company operates in the UK and the whole of the turnover is to the UK market.

ARUNDEL OFFICE CLEANING SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 31 March 1995

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging:

	1995 £	1994 £
Staff costs (note 5)	258,859	235,200
Depreciation of owned tangible fixed assets	3,225	2,993
Loss on sale of tangible fixed assets	309	-
Amortisation of goodwill	6,443	6,564
Auditors' remuneration - audit fee	1,495	1,350
	<u>258,859</u>	<u>235,200</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	1995 £	1994 £
Bank loans and overdrafts and other loans wholly repayable within 5 years	4,698	2,516
Other loans	-	1,547
Finance charges payable - hire purchase contracts	-	380
	<u>4,698</u>	<u>4,443</u>

5. STAFF COSTS

	1995 £	1994 £
Wages and salaries	252,972	229,322
Social security costs	3,487	3,478
Other pension costs	2,400	2,400
	<u>258,859</u>	<u>235,200</u>

	1995 Number	1994 Number
Average number of persons, including executive directors, employed by the company during the year:		
Management	2	2
Cleaning staff	125	110
	<u>127</u>	<u>112</u>

ARUNDEL OFFICE CLEANING SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 31 March 1995

6. DIRECTORS

	1995 £	1994 £
Emoluments:		
Management services	20,390	20,592
Pension contributions	2,400	2,400
Total emoluments	<u>22,790</u>	<u>22,992</u>

7. TAXATION

	1995 £	1994 £
Based on the profit for the year:		
Corporation tax at 25% (1994 25%)	8,007	5,131
Over provision in respect of prior years	(100)	(3)
	<u>7,907</u>	<u>5,128</u>

8. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 April 1994 and At 31 March 1995	<u>32,335</u>
AMORTISATION	
At 1 April 1994	6,564
Charge for the year	6,443
At 31 March 1995	<u>13,007</u>
NET BOOK VALUE	
At 31 March 1995	<u>19,328</u>
At 31 March 1994	<u>25,771</u>

Goodwill arose on the purchase of the business of Claremont Office Cleaning Services Limited and A T Minder Office Cleaning Limited. Goodwill is amortised over 5 years which in the opinion of the directors represents a prudent estimate of the period over which the company will derive direct economic benefit from the goodwill acquired.

ARUNDEL OFFICE CLEANING SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 31 March 1995

9. TANGIBLE FIXED ASSETS

	Plant and Machinery £	Fixtures and Fittings £	Motor Vehicles £	Total £
COST				
At 1 April 1994	23,550	7,901	21,775	53,226
Additions	1,268	-	7,472	8,740
Disposals	-	-	(5,850)	(5,850)
At 31 March 1995	<u>24,818</u>	<u>7,901</u>	<u>23,397</u>	<u>56,116</u>
ACCUMULATED DEPRECIATION				
At 1 April 1994	19,195	5,153	16,999	41,347
Charge for the year	1,066	412	1,747	3,225
Eliminated on disposals	-	-	(4,391)	(4,391)
At 31 March 1995	<u>20,261</u>	<u>5,565</u>	<u>14,355</u>	<u>40,181</u>
NET BOOK VALUES				
At 31 March 1995	<u>4,557</u>	<u>2,336</u>	<u>9,042</u>	<u>15,935</u>
At 31 March 1994	<u>4,355</u>	<u>2,748</u>	<u>4,776</u>	<u>11,879</u>
Depreciation rates	20%	15%	25%	

10. STOCKS

	1995 £	1994 £
Raw materials and consumables	<u>454</u>	<u>747</u>

11. DEBTORS

	1995 £	1994 £
DUE WITHIN ONE YEAR		
Trade debtors	<u>49,742</u>	<u>47,971</u>
	<u>49,742</u>	<u>47,971</u>

ARUNDEL OFFICE CLEANING SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 31 March 1995

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1995 £	1994 £
Bank loans and overdrafts	7,709	6,128
Trade creditors	3,366	6,243
Corporation tax	8,007	3,825
Other taxation	20,446	19,815
Other creditors	18,523	14,560
Directors' loan accounts	-	4,500
Accruals and deferred income	1,995	1,350
	<u>60,046</u>	<u>56,421</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1995 £	1994 £
Bank loans	<u>29,151</u>	<u>38,553</u>
Included above are the following:		
Amounts repayable by instalments:		
Not wholly repayable within five years:		
Bank loans	29,151	36,165
Repayable after five years:		
Bank loans	-	2,388
	<u>29,151</u>	<u>38,553</u>

The bank loans are secured by a personal guarantee of one of the directors.

One bank loan is repayable in equal instalments, over 10 years, commencing in March 1988. Interest on the loan is charged at a fixed rate of 11.9% per annum.

The second bank loan is repayable in equal instalments, over 6 years, commencing in August 1993. Interest on the loan is charged at a fixed rate of 11.5% per annum.

14. SHARE CAPITAL

	Authorised		Allotted, Issued and Fully Paid	
	1995 £	1994 £	1995 £	1994 £
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

ARUNDEL OFFICE CLEANING SERVICES LIMITED

Notes to the Financial Statements for the Year Ended 31 March 1995

15. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

	Share Capital £	Profit and Loss Account £	Total Shareholders' Funds £
Balance at 1 April 1993	100	7,644	7,744
Profit for the financial year	-	8,781	8,781
Balance at 31 March 1994	100	16,425	16,525
Profit for the financial year	-	18,399	18,399
Balance at 31 March 1995	100	34,826	34,926

16. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £2,400 (1994 £2,400).

17. PARENT UNDERTAKINGS

The ultimate parent company is Juana Limited, a company registered in England and Wales.

The immediate parent company is The Ambassador Catering Company Limited, a company registered in England and Wales.