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1290711

Arundel Office Cleaning Services Limited

Report and Financial Statements

Year Ended

31 March 2001



Arundel Office Cleaning Services Limited

Annual report and financial statements for the year ended 31 March 2001

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Directors

R Newell
L J Austen

Secretary and registered office

D Pennington, St Florian House, Milton Road, Wokingham, Berkshire, RG40 1EN

Company number

1290711

Auditors

BDO Stoy Hayward, Park House, 102-108 Above Bar, Southampton, SO14 7NH

Arundel Office Cleaning Services Limited

Report of the directors for the year ended 31 March 2001

The directors present their report together with the audited financial statements for the year ended 31 March 2001.

Results

The profit and loss account is set out on page 6 and shows the profit for the year.

Principal activities

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

Directors

The directors of the company during the year were:

R Newell
L J Austen

No director had any beneficial interest in the share capital of the company. L J Austen has an interest in 25,002 ordinary shares in the ultimate holding company.

Arundel Office Cleaning Services Limited

Report of the directors for the year ended 31 March 2001 (*Continued*)

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 year. 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 and;
- 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.

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



D Pennington

Secretary

Arundel Office Cleaning Services Limited

Report of the independent auditors

To the shareholders of Arundel Office Cleaning Services Limited

We have audited the financial statements of Arundel Office Cleaning Services Limited for the year ended 31 March 2001 on pages 6 to 14 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) and under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 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.

Arundel Office Cleaning Services Limited

Report of the independent auditors (*Continued*)

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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward.

BDO STOY HAYWARD

Registered Auditors

Southampton

25 October 2001.

Arundel Office Cleaning Services Limited

Profit and loss account for the year ended 31 March 2001

| | Note | 2001 £ | 2000 £ |
|---|------|-----------|-----------|
| Turnover | 2 | 871,154 | 860,318 |
| Cost of sales | | 686,605 | 657,188 |
| | | <hr/> | <hr/> |
| Gross profit | | 184,549 | 203,130 |
| Administrative expenses | | 114,912 | 105,486 |
| | | <hr/> | <hr/> |
| Operating profit | 3 | 69,637 | 97,644 |
| Other interest receivable and similar income | | 4,887 | 3,944 |
| Interest payable and similar charges | | (670) | (1,037) |
| | | <hr/> | <hr/> |
| Profit on ordinary activities before taxation | | 73,854 | 100,551 |
| Taxation on profit on ordinary activities | 5 | 14,325 | 18,554 |
| | | <hr/> | <hr/> |
| Profit on ordinary activities after taxation for the year | | 59,529 | 81,997 |
| Dividends | | 10,000 | 16,603 |
| | | <hr/> | <hr/> |
| Retained profit for the financial year | | 49,529 | 65,394 |
| Retained profit brought forward | | 176,927 | 111,533 |
| | | <hr/> | <hr/> |
| Retained profit carried forward | | 226,456 | 176,927 |
| | | <hr/> | <hr/> |

All recognised gains and losses in the current and prior year are included in the profit and loss account.

The notes on pages 8 to 14 form part of these financial statements.

Arundel Office Cleaning Services Limited

Balance sheet at 31 March 2001

| | Note | 2001 £ | 2001 £ | 2000 £ | 2000 £ |
|--|------|----------------|----------------|----------------|----------------|
| Fixed assets | | | | | |
| Tangible assets | 7 | | 41,298 | | 32,848 |
| Current assets | | | | | |
| Stocks | | 2,774 | | 4,070 | |
| Debtors | 8 | 120,501 | | 123,258 | |
| Cash at bank and in hand | | 131,484 | | 207,592 | |
| | | <u>254,759</u> | | <u>334,920</u> | |
| Creditors: amounts falling due within one year | 9 | 68,618 | | 188,519 | |
| Net current assets | | | <u>186,141</u> | | <u>146,401</u> |
| Total assets less current liabilities | | | <u>227,439</u> | | <u>179,249</u> |
| Creditors: amounts falling due after more than one year | 10 | - | | 2,222 | |
| Provision for liabilities and charges | 11 | 883 | | - | |
| | | | <u>883</u> | | <u>2,222</u> |
| | | | <u>226,556</u> | | <u>177,027</u> |
| Capital and reserves | | | | | |
| Called up share capital | 12 | | 100 | | 100 |
| Profit and loss account | | | 226,456 | | 176,927 |
| Shareholders' funds | | | <u>226,556</u> | | <u>177,027</u> |

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved by the Board on 18/5/01

R Newell

Director

The notes on pages 8 to 14 form part of these financial statements.

Arundel Office Cleaning Services Limited

Notes forming part of the financial statements for the year ended 31 March 2001

1 Accounting policies

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) and under the historical cost convention. The following principal accounting policies have been applied:

Cash flow statement

The company has taken advantage of the exemption conferred by the Financial Reporting Standard for Smaller Entities (effective March 2000) not to prepare a cash flow statement.

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.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

Depreciation

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

| | |
|-----------------------------|-------------------------------------|
| Other tangible fixed assets | - 15 % - 25 % on written down value |
|-----------------------------|-------------------------------------|

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes to the extent that it is probable that a liability or asset will crystallise.

Arundel Office Cleaning Services Limited

Notes forming part of the financial statements for the year ended 31 March 2001 (Continued)

1 Accounting policies (continued)

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 fair value of the asset. 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.

Pensions

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.

2 Turnover

None of the company's turnover in the current and prior year is attributable to markets outside the United Kingdom.

3 Operating profit

This is arrived at after charging:

| | 2001 £ | 2000 £ |
|---|-------------------|-------------------|
| Depreciation of tangible fixed assets | 10,112 | 9,931 |
| Auditors' remuneration - audit services | 2,400 | 2,300 |
| Loss on sale of fixed assets | 124 | - |
| Pension costs | 4,650 | 3,930 |
| | <u> </u> | <u> </u> |

4 Directors' remuneration

| | 2001 £ | 2000 £ |
|--|-------------------|-------------------|
| Aggregate emoluments and pension contributions | 43,996 | 35,430 |
| | <u> </u> | <u> </u> |

There was 1 director in the company's defined contribution pension scheme during the year (2000: 1).

Arundel Office Cleaning Services Limited

Notes forming part of the financial statements for the year ended 31 March 2001 (Continued)

5 Taxation on profit on ordinary activities

| | 2001 £ | 2000 £ |
|---------------------------------------|--------------|--------------|
| <i>Current year</i> | | |
| UK corporation tax | 13,442 | 19,537 |
| Transfer to deferred taxation account | 883 | - |
| | <hr/> 14,325 | <hr/> 19,537 |
| <i>Prior years</i> | | |
| UK corporation tax | - | (983) |
| | <hr/> 14,325 | <hr/> 18,554 |
| | <hr/> <hr/> | <hr/> <hr/> |

6 Intangible assets

| | Purchased goodwill £ |
|------------------------------------|----------------------------|
| <i>Cost or valuation</i> | |
| At 1 April 2000 and 31 March 2001 | 32,335 |
| <i>Amortisation</i> | |
| At 1 April 2000 and 31 March 2001 | 32,335 |
| <i>Net book value</i> | |
| At 31 March 2000 and 31 March 2001 | - |
| | <hr/> <hr/> |

Arundel Office Cleaning Services Limited

Notes forming part of the financial statements for the year ended 31 March 2001 (Continued)

7 Tangible fixed assets

| | Other tangible fixed assets £ |
|-----------------------|--|
| <i>Cost</i> | |
| At 1 April 2000 | 85,147 |
| Additions | 18,786 |
| Disposals | (3,425) |
| | <hr/> |
| At 31 March 2001 | 100,508 |
| | <hr/> |
| <i>Depreciation</i> | |
| At 1 April 2000 | 52,299 |
| Provided for the year | 10,112 |
| Disposals | (3,201) |
| | <hr/> |
| At 31 March 2001 | 59,210 |
| | <hr/> |
| <i>Net book value</i> | |
| At 31 March 2001 | 41,298 |
| | <hr/> |
| At 31 March 2000 | 32,848 |
| | <hr/> |

The net book value of tangible fixed assets includes an amount of £9,658 (2000 - £17,169) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £3,219 (2000 - £4,292).

8 Debtors

| | 2001 £ | 2000 £ |
|---------------|-------------------|-------------------|
| Trade debtors | 114,210 | 99,989 |
| Other debtors | 6,291 | 23,269 |
| | <hr/> | <hr/> |
| | 120,501 | 123,258 |
| | <hr/> | <hr/> |

All amounts shown under debtors fall due for payment within one year.

Arundel Office Cleaning Services Limited

Notes forming part of the financial statements for the year ended 31 March 2001 (Continued)

9 Creditors: amounts falling due within one year

| | 2001 | 2000 |
|---|---------------|-------------|
| | £ | £ |
| Trade creditors | 11,300 | 5,800 |
| Amounts owed to group undertakings | 4,603 | 44,592 |
| Taxation and social security | 15,608 | 13,682 |
| Obligations under finance lease and hire purchase contracts | 2,222 | 3,334 |
| Other creditors | 34,885 | 121,111 |
| | <hr/> | <hr/> |
| | 68,618 | 188,519 |
| | <hr/> | <hr/> |

10 Creditors: amounts falling due after more than one year

| | 2001 | 2000 |
|---|-------------|-------------|
| | £ | £ |
| Obligations under finance lease and hire purchase contracts | - | 2,222 |
| | <hr/> | <hr/> |

Obligations under finance lease and hire purchase contracts are secured.

Arundel Office Cleaning Services Limited

Notes forming part of the financial statements for the year ended 31 March 2001 (*Continued*)

11 Provision for liabilities and charges

| | Deferred taxation |
|------------------------------------|----------------------|
| | £ |
| At 1 April 2000 | - |
| Charged to profit and loss account | 883 |
| | <u> </u> |
| At 31 March 2001 | 883 |
| | <u> </u> |

Deferred taxation

| | 2001 £ | Provided 2000 £ |
|--|-------------------|-----------------------|
| The amount of deferred tax provided for is as follows: | | |
| Accelerated capital allowances | 883 | - |
| | <u> </u> | <u> </u> |

There is no unprovided deferred tax.

12 Share capital

| | Authorised | | Allotted, called up and fully paid | |
|----------------------------|-------------------|-------------------|---------------------------------------|-------------------|
| | 2001 £ | 2000 £ | 2001 £ | 2000 £ |
| Ordinary shares of £1 each | 100 | 100 | 100 | 100 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

13 Pensions

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 charge represents contributions payable by the company to the fund.

Arundel Office Cleaning Services Limited

Notes forming part of the financial statements for the year ended 31 March 2001 (*Continued*)

14 Related party disclosures

Controlling parties

The company is controlled by A A I Myers-MacLeod, who owns a majority of the ultimate holding company's shares.

Related party transactions and balances

During the year, the company repaid a loan owing to Courtyard Services Limited (its parent company). The balance owed at 31 March 2000 was £44,592.

15 Ultimate parent company and parent undertaking of larger group

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