

Arundel Office Cleaning Services Limited

Report and Financial Statements

Year Ended

31 March 1999



Arundel Office Cleaning Services Limited

Annual report and financial statements for the year ended 31 March 1999

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Directors

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Directors

R Newall
T W Godfray (resigned 30 October 1998)
L J Austen (appointed 30 October 1998)

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 1999

The directors present their report together with the audited financial statements for the year ended 31 March 1999.

Results

The profit and loss account is set out on page 4 and shows the profit for the year.

Principal activities

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

Directors

The directors of the company during the year were:

R Newall
T W Godfray (resigned 30 October 1998)
L J Austen (appointed 30 October 1998)

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

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.

Arundel Office Cleaning Services Limited

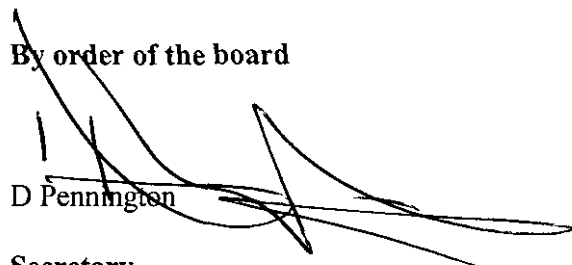
Report of the directors for the year ended 31 March 1999 (*Continued*)

Auditors

The auditors, Lyon Pilcher, changed their name to BDO Stoy Hayward on 1 January 1999. BDO Stoy Hayward, are deemed to be reappointed in accordance with S.386 of the Companies Act 1985 by virtue of an elective resolution passed by the members .

This directors' 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

21/10/99

Arundel Office Cleaning Services Limited

Report of the auditors

To the shareholders of Arundel Office Cleaning Services Limited

We have audited the financial statements on pages 4 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities and the accounting policies set out on pages 6 to 7.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the 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 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 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO STOY HAYWARD

Registered Auditors

Southampton

2 November 1999

Arundel Office Cleaning Services Limited**Profit and loss account for the year ended 31 March 1999**

	Note	1999 £	1998 £
Turnover	2	777,936	652,624
Cost of sales		604,536	504,102
		<hr/>	<hr/>
Gross profit		173,400	148,522
Administrative expenses		98,082	89,255
		<hr/>	<hr/>
Operating profit	4	75,318	59,267
Interest receivable	5	3,544	2,097
Interest payable and similar charges		(921)	(818)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		77,941	60,546
Taxation on profit on ordinary activities	6	16,293	13,053
		<hr/>	<hr/>
Profit on ordinary activities after taxation		61,648	47,493
Dividends		20,000	15,000
		<hr/>	<hr/>
Retained profit for the year		41,648	32,493
Retained profit brought forward		69,885	37,392
		<hr/>	<hr/>
Retained profit carried forward		111,533	69,885
		<hr/>	<hr/>

The notes on pages 6 to 11 form part of these financial statements.

Arundel Office Cleaning Services Limited

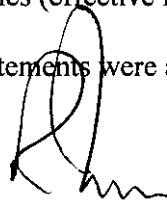
Balance sheet at 31 March 1999

	Note	1999 £	1998 £
Fixed assets			
Tangible assets	8	41,203	26,637
Current assets			
Stocks		3,195	2,723
Debtors	9	132,020	109,816
Cash at bank and in hand		137,591	88,272
		<u>272,806</u>	<u>200,811</u>
Creditors: amounts falling due within one year	10	<u>196,820</u>	<u>155,576</u>
Net current assets		<u>75,986</u>	<u>45,235</u>
Total assets less current assets		<u>117,189</u>	<u>71,872</u>
Creditors: amounts falling due after more than one year	11	5,556	1,497
Provisions for liabilities and charges	12	-	390
Net assets		<u><u>111,633</u></u>	<u><u>69,985</u></u>
Capital and reserves			
Called up share capital	13	100	100
Profit and loss account		111,533	69,885
		<u>111,633</u>	<u>69,985</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 in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999).

The financial statements were approved by the Board on

R Newall
Director



21/10/99

The notes on pages 6 to 11 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999). The following principal accounting policies have been applied:

Turnover

Turnover represents sales to customers at invoiced amounts less value added tax.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets 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.

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.

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.

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.

Arundel Office Cleaning Services Limited

Notes forming part of the financial statements for the year ended 31 March 1999 (*Continued*)

1 Accounting policies (*continued*)

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

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Directors

	1999 £	1998 £
Directors' remuneration including pension contributions	33,300	26,206

One of the directors was a member of the company's defined contribution pension scheme (1998: 1).

4 Operating profit

This is arrived at after charging:

	1999 £	1998 £
Depreciation of tangible fixed assets	9,568	6,611
Loss on sale of fixed assets	1,565	-
Pension costs	3,300	2,400
Amortisation of intangible assets	-	6,442
Auditors' remuneration	2,200	2,000

5 Interest receivable

	1999 £	1998 £
Bank interest receivable	3,544	2,097

Arundel Office Cleaning Services Limited

Notes forming part of the financial statements for the year ended 31 March 1999 (*Continued*)

6 Taxation

	1999 £	1998 £
<i>Current Year</i>		
UK corporation tax	17,250	14,266
Transfer from deferred taxation	(390)	(729)
	<u>16,860</u>	<u>13,537</u>
<i>Prior years</i>		
UK corporation tax	(567)	(484)
	<u>16,293</u>	<u>13,053</u>

7 Intangible assets

	Goodwill £
<i>Cost</i>	
At 1 April 1998	32,335
	<u>32,335</u>
At 31 March 1999	32,335
	<u>32,335</u>
<i>Amortisation</i>	
At 1 April 1998	32,335
	<u>32,335</u>
At 31 March 1999	32,335
	<u>32,335</u>
<i>Net Book Value</i>	
At 31 March 1999	-
	<u>-</u>
At 31 March 1998	-
	<u>-</u>

Arundel Office Cleaning Services Limited

Notes forming part of the financial statements for the year ended 31 March 1999 (*Continued*)

8 Tangible assets

	Other Tangible Fixed Assets £
<i>Cost</i>	
At 1 April 1998	71,210
Additions	31,639
Disposals	(19,278)
	<hr/>
At 31 March 1999	83,571
	<hr/>
<i>Depreciation</i>	
At 1 April 1998	44,573
Provided for the year	9,568
Disposals	(11,773)
	<hr/>
At 31 March 1999	42,368
	<hr/>
<i>Net Book Value</i>	
At 31 March 1999	41,203
	<hr/>
At 31 March 1998	26,637
	<hr/>

Included above are assets held under finance leases or hire purchase contracts with net book values as follows:

	1999 £	1998 £
Other tangible fixed assets	19,975	10,554
	<hr/>	<hr/>

The depreciation charge in respect of assets held under finance leases or hire purchase contracts was £2,761 (1998: £3,518).

Arundel Office Cleaning Services LimitedNotes forming part of the financial statements for the year ended 31 March 1999 *(Continued)***9 Debtors**

	1999 £	1998 £
Trade debtors	130,895	108,691
Other debtors	1,125	1,125
	<u>132,020</u>	<u>109,816</u>

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

10 Creditors: amounts falling due within one year

	1999 £	1998 £
Trade creditors	11,810	4,012
Amounts owed to group undertakings	44,592	27,500
Taxation and social security	41,417	36,176
Net obligations under finance lease and hire purchase contracts	4,831	2,633
Other creditors	94,170	85,255
	<u>196,820</u>	<u>155,576</u>

The obligations under finance leases and hire purchase contracts are secured.

11 Creditors: amounts falling due after more than one year

	1999 £	1998 £
Net obligations under finance lease and hire purchase contracts	5,556	1,497

The 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 1999 (*Continued*)

12 Provisions for liabilities and charges

Deferred Taxation

	£
Deferred taxation movements:	
Balance at 1 April 1998	390
Transfer from profit and loss account	(390)
	—
Balance at 31 March 1999	-
	==

	1999 £	1998 £
Total provisions for liabilities and charges	-	390
	==	==

13 Called up share capital

	Authorised		Allotted, called up and fully paid	
	1999 £	1998 £	1999 £	1998 £
100 Ordinary shares of £1 each	100	100	100	100
	==	==	==	==

14 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 cost charge represents contributions payable by the company to the fund.

15 Ultimate parent company

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.

16 Controlling Party

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