

Carlisle Cleaning Services Holdings Limited

Report and financial statements for the year ended 31 March 2003

Registered No. 2767975



Carlisle Cleaning Services Holdings Limited

Report and financial statements for the year ended 31 March 2003

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Company information

Registered office

St Florian House
Milton Road
Wokingham
Berkshire
RG40 1EN

Directors

R J Bradford
S Lawrie
I G Robinson

Company secretary

I G Robinson

Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Report of the directors for the year ended 31 March 2003

The directors present their report and the audited financial statements of the company for the year ended 31 March 2003.

Review of the business

The principal activity of the company is that of an investment holding company.

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

On 20 May 2003, the name of the company was changed from LI Holdings Limited to Carlisle Cleaning Services Holdings Limited.

Results and dividends

The retained profit for the financial year amounted to £nil (2002: £1,617,000) which has been transferred to reserves. The directors recommend the payment of a dividend of £1,555,000 (2002: £3,293,000).

Directors

The following have served as directors during the year:

R J Bradford	(appointed 4 July 2002)
S Lawrie	(appointed 24 September 2002)
I G Robinson	(appointed 4 June 2002)
Southtown Limited	(resigned 28 February 2003)
J D Cholerton	(resigned 24 September 2002)
I R Pugh	(resigned 2 May 2002)

During the year under review no director had any beneficial interest in the share capital of the company.

Under Statutory Instrument No. 802 made under the authority of Section 324(3) of the Companies Act 1985, the directors' interests in the share capital of the ultimate parent undertaking need not be disclosed.

Report of the directors for the year ended 31 March 2003 (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 at the end of the financial year and of the profit or loss for that year. In preparing those financial statements, the directors are required to:

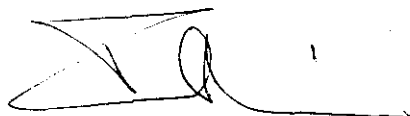
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements 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

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. PricewaterhouseCoopers LLP continue in office as, in accordance with Section 386 of the Companies Act 1985, the company has made an elective resolution to dispense holding an annual general meeting.

By order of the board



I G Robinson
Director

30 September 2003

Independent auditors' report to the members of Carlisle Cleaning Services Holdings Limited

We have audited the financial statements on pages 7 to 12, which comprise the profit and loss account, balance sheet and related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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.

**Independent auditors' report to the members of
Carlisle Cleaning Services Holdings Limited (continued)**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2003 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'PwC' followed by a stylized signature, with 'LLP' written at the end.

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
London

30 September 2003

Profit and loss account for the year ended 31 March 2003

	Notes	2003 £'000	2002 £'000
Operating loss	2 & 5	(10)	-
Dividends received from subsidiary undertaking	3	<u>1,565</u>	<u>4,910</u>
Profit on ordinary activities before taxation		1,555	4,910
Tax on profit on ordinary activities		<u>-</u>	<u>-</u>
Profit on ordinary activities after taxation		1,555	4,910
Equity dividends	4	<u>(1,555)</u>	<u>(3,293)</u>
Retained profit for the financial year	8	<u>-</u>	<u>1,617</u>

All amounts relate to continuing activities.

No statement of recognised gains and losses is required as there are no recognised gains or losses other than the results detailed above.

There is no difference between the results reported above and the equivalent results calculated on an unmodified historical cost basis.

Balance sheet as at 31 March 2003

	Notes	2003 £'000	2002 £'000
Fixed assets			
Investments	5	<u>550</u>	<u>587</u>
Current assets			
Debtors	6	<u>3,450</u>	<u>3,413</u>
Net current assets		<u>3,450</u>	<u>3,413</u>
Net assets		<u>4,000</u>	<u>4,000</u>
Capital and reserves			
Called up share capital	7	<u>4,000</u>	<u>4,000</u>
Equity shareholders' funds	9	<u>4,000</u>	<u>4,000</u>

The financial statements on pages 7 to 12 were approved by the board of directors on 30 September 2003 and were signed on its behalf by:



I G Robinson
Director

**Notes to the financial statements
for the year ended 31 March 2003****1 Principal accounting policies****Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

The company is exempt under Section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it is included in the consolidated financial statements of Carlisle Cleaning Services Holdings (UK) plc.

Fixed asset investments

Fixed asset investments are stated at cost less any provision required for any impairment in value.

Cashflow statement

In accordance with FRS 1 (Revised) the company has not prepared a statement of cash flows for the current year as it is a wholly owned subsidiary of Carlisle Holdings Limited, who publishes consolidated financial statements which include a consolidated cash flow statement.

2 Operating loss

Auditors' remuneration for the current year and prior year was borne by Carlisle Cleaning Services Limited. No director received any remuneration from the company during the period.

3 Dividends received

	2003 £'000	2002 £'000
Dividends received from subsidiary undertaking	<u>1,565</u>	<u>4,910</u>

UK dividends received are not subject to corporation tax.

4 Equity dividends

	2003 £'000	2002 £'000
Interim dividend paid	-	1,883
Final dividend proposed	<u>1,555</u>	<u>1,410</u>
	<u>1,555</u>	<u>3,293</u>

**Notes to the financial statements
for the year ended 31 March 2003 (continued)**

5 Fixed asset investments

	Unlisted investments £'000	Interest in group undertakings £'000	Total £'000
At 1 April 2002	37	550	587
Disposal	(37)	-	(37)
At 31 March 2003	<u>-</u>	<u>550</u>	<u>550</u>

During the year, the company disposed of its unlisted investments for an aggregate cash consideration of £27,000, resulting in a net loss on disposal (not subject to UK corporation tax) of £10,000.

The following was a subsidiary undertaking at the end of the year:

Name of subsidiary	Country of incorporation or registration	Principal activity
Carlisle Cleaning Services Limited	England & Wales	Contract cleaning services

The company holds 100 percent of the issued share capital, comprising ordinary shares of £1 each and non-participating redeemable shares of £1 each.

6 Debtors

	2003 £'000	2002 £'000
Amounts falling due within one year		
Amounts owed by group undertakings	<u>3,450</u>	<u>3,413</u>

**Notes to the financial statements
for the year ended 31 March 2003 (continued)**

7 Called up share capital

	2003 £'000	2002 £'000
Authorised		
4,000,000 ordinary shares of £1 each	<u>4,000</u>	<u>4,000</u>
Allotted, called up and fully paid		
4,000,000 ordinary shares of £1 each	<u>4,000</u>	<u>4,000</u>

8 Reconciliation of movements in equity shareholders' funds

	2003 £'000	2002 £'000
Profit for the financial year	1,555	4,910
Dividends	<u>(1,555)</u>	<u>(3,293)</u>
Net movement in shareholders' funds	-	1,617
Shareholders' funds at beginning of year	4,000	2,383
Shareholders' funds at end of year	<u>4,000</u>	<u>4,000</u>

9 Related party transactions

The company has taken advantage of the exemption within Financial Reporting Standard 8 not to disclose transactions with other group companies.

10 Contingencies

An unlimited composite banking guarantee exists between the company and certain subsidiary companies and various fellow group undertakings in respect of banking facilities provided to the group in the UK.

The company, together with certain subsidiary undertakings and various fellow group undertakings, has provided a UK guarantee for the financing obligations of Carlisle Finance (Iceland) Ltd., a fellow group undertaking incorporated in Iceland. The guarantee provides a first priority lien on the share capital of each guarantor and on certain other property and assets, including receivables, of each guarantor.

**Notes to the financial statements
for the year ended 31 March 2003 (continued)**

11 Ultimate parent undertaking

The company's immediate parent undertaking is Carlisle Cleaning Services Holdings (UK) plc.

As at 31 March 2003, the smallest group in which the company is consolidated was Carlisle Cleaning Services Holdings (UK) plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the consolidated financial statements of Carlisle Cleaning Services Holdings (UK) plc can be obtained from its registered office at St Florian House, Milton Road, Wokingham, Berkshire RG40 1EN.

As at 31 March 2003, the company's ultimate parent undertaking was Carlisle Holdings Limited, a company registered in Belize. Lord Ashcroft, KCMG beneficially owned and controlled 70.6 percent of Carlisle Holdings Limited. Copies of the consolidated financial statements of Carlisle Holdings Limited can be obtained from its registered office at 60 Market Square, Belize City, Belize, Central America.