

GREEN VALET LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
28 FEBRUARY 2003

Company Registration Number 2794881

BREBNER ALLEN TRAPP

Chartered Accountants
Royal Victoria House
51 - 55 The Pantiles
Tunbridge Wells
Kent
TN2 5TD



GREEN VALET LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2003

CONTENTS	PAGES
Officers and professional advisers	1
The directors' report	2 to 3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 to 13
The following pages do not form part of the financial statements	
Accountants' report to the directors	15
Detailed profit and loss account	16
Notes to the detailed profit and loss account	17

GREEN VALET LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	R A Pegna M J Bradshaw M O Feilden J F Layton C N Pegna
Company secretary	M J Bradshaw
Registered office	Royal Victoria House 51-55 The Pantiles Tunbridge Wells Kent TN2 5TD
Accountants	Brebner Allen Trapp Chartered Accountants Royal Victoria House 51-55 The Pantiles Tunbridge Wells Kent TN2 5TD
Bankers	Lloyds TSB 95-97 Regent Street Gonville Place Cambridge CB2 1BQ

GREEN VALET LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 28 FEBRUARY 2003

The directors present their report and the unaudited financial statements of the company for the year ended 28 February 2003.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company continued to be that of the development, production and sale of automated vending machines in the commercial cleaning market, together with ongoing servicing and product supply.

The directors are disappointed with the results for the year but are still confident that the financial situation of the company will improve.

FINANCING

In October 2002 800,000 Ordinary 'A' shares of 10p each and in February 2003 100,000 Ordinary 'A' shares of 10p each were issued at par to raise funds for working capital requirements.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

RESEARCH AND DEVELOPMENT

During the previous year the company commenced two development projects that will enable the company to expand into a new market for a software system and downloading unit. There has been additional expenditure on these projects in the current year. The projects have resulted in additional sales in the forthcoming year.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Class of share	At 28 February 2003	At 1 March 2002
R A Pegna	Ordinary	184,998	184,998
	Ordinary 'B'	400,000	-
M J Bradshaw	Ordinary	429,006	429,006
	Ordinary 'B'	40,000	40,000
M O Feilden	Ordinary	140,002	140,002
	Ordinary 'B'	128,000	128,000
J F Layton	Ordinary 'A'	100,000	100,000
	Ordinary 'B'	400,000	400,000

GREEN VALET LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 28 FEBRUARY 2003

DIRECTOR'S 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 year and of its profit and loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 6 to 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on a 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 enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

Signed by order of the directors

A handwritten signature in black ink, appearing to read 'M. J. Bradshaw', with a stylized flourish at the end.

M J BRADSHAW
Company Secretary

Approved by the directors on05.11.03

GREEN VALET LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 28 FEBRUARY 2003

	Note	2003 £	2002 £
TURNOVER	2	533,080	333,564
Cost of sales		<u>300,284</u>	<u>189,936</u>
GROSS PROFIT		232,796	143,628
Administrative expenses		<u>305,191</u>	<u>259,132</u>
OPERATING LOSS	3	(72,395)	(115,504)
Interest payable	6	<u>3,931</u>	<u>6,197</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(76,326)	(121,701)
Tax on loss on ordinary activities	7	<u>1,370</u>	<u>—</u>
LOSS FOR THE FINANCIAL YEAR		(77,696)	(121,701)
Balance brought forward		<u>(1,388,657)</u>	<u>(1,266,956)</u>
Balance carried forward		<u>(1,466,353)</u>	<u>(1,388,657)</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 6 to 13 form part of these financial statements.

GREEN VALET LIMITED

BALANCE SHEET

28 FEBRUARY 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Intangible assets	9	26,639	33,892
Tangible assets	10	110,290	6,581
Investments	11	400	400
		<u>137,329</u>	<u>40,873</u>
CURRENT ASSETS			
Stocks	12	101,004	153,059
Debtors	13	99,355	94,871
Cash at bank		28	29
		<u>200,387</u>	<u>247,959</u>
CREDITORS: Amounts falling due within one year	14	<u>300,052</u>	<u>249,842</u>
NET CURRENT LIABILITIES		<u>(99,665)</u>	<u>(1,883)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>37,664</u>	<u>38,990</u>
CREDITORS: Amounts falling due after more than one year	15	<u>4,859</u>	<u>19,859</u>
		<u>32,805</u>	<u>19,131</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	17	<u>1,370</u>	<u>-</u>
		<u>31,435</u>	<u>19,131</u>
CAPITAL AND RESERVES			
Called-up equity share capital	19	1,497,788	1,407,788
Profit and loss account		<u>(1,466,353)</u>	<u>(1,388,657)</u>
SHAREHOLDERS' FUNDS	20	<u>31,435</u>	<u>19,131</u>

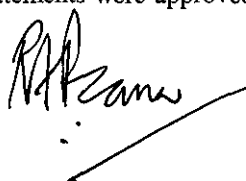
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements were approved by the directors on the 05.11.03 and are signed on their behalf by:

R A PEGNA



M J BRADSHAW



The notes on pages 6 to 13 form part of these financial statements.

GREEN VALET LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2003

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Research and development

Development costs incurred on specific projects are capitalised when recoverability can be assessed with reasonable certainty and amortised in line with expected sales arising from the projects. The development costs on specific projects are to be written off over 3 years. All other development costs are written off in the year of expenditure.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Intellectual Property Rights	- 20% straight line
Development Expenditure	- 33% straight line

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & machinery	- 25% straight line
Fixtures, fittings and equipment	- 25% straight line
Motor vehicles	- 25/30% straight line

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is computed on a first in first out basis. The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

GREEN VALET LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2003

1. ACCOUNTING POLICIES *(continued)*

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

The accounting policy in respect of deferred tax reflects the requirements of FRS 19 "Deferred Tax". Deferred tax is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred is accounted for in respect of all material timing differences. The company has not adopted a policy of discounting deferred tax assets and liabilities.

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2003	2002
	£	£
United Kingdom	<u>533,080</u>	<u>333,564</u>

3. OPERATING LOSS

Operating loss is stated after charging:

	2003	2002
	£	£
Amortisation	14,771	10,479
Depreciation of owned fixed assets	5,689	5,249
Depreciation of assets held under hire purchase agreements	<u>-</u>	<u>952</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2003	2002
	No	No
Number of administrative staff	<u>11</u>	<u>9</u>

The aggregate payroll costs of the above were:

	2003	2002
	£	£
Wages and salaries	158,381	133,389
Social security costs	13,467	11,046
Other pension costs	1,762	9,258
	<u>173,610</u>	<u>153,693</u>

GREEN VALET LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2003

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2003	2002
	£	£
Emoluments receivable	45,658	46,917
Value of company pension contributions to money purchase schemes	496	570
	<u>46,154</u>	<u>47,487</u>

The number of directors who are accruing benefits under company pension schemes was as follows:

	2003	2002
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

6. INTEREST PAYABLE

	2003	2002
	£	£
Interest payable on bank borrowing	3,896	5,770
Finance charges	35	427
	<u>3,931</u>	<u>6,197</u>

7. TAX ON LOSS ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2003	2002
	£	£
Deferred tax:		
Increase in deferred tax provision (note 17)		
Capital allowances	<u>1,370</u>	<u>-</u>

There is no liability to taxation due to the losses for the year and past taxation losses.

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2002 - 20%).

	2003	2002
	£	£
Loss on ordinary activities before taxation	<u>(76,326)</u>	<u>(121,701)</u>
Profit/(loss) on ord actvs by rate of tax	(15,265)	(24,340)
Expenses not deductible	74	2
Capital allowances (in excess of)/less than depreciation	(3,083)	1,341
Utilisation of tax losses	<u>18,274</u>	<u>22,997</u>
Total current tax (note 7(a))	<u>-</u>	<u>-</u>

GREEN VALET LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2003

7. TAX ON LOSS ON ORDINARY ACTIVITIES *(continued)*

(c) Factors that may affect future tax charges

The company has significant accumulated tax losses, which will continue to reduce the company's corporation tax liability in the future.

8. GOING CONCERN

The financial statements have been prepared on the going concern basis which is dependent upon the continued support of the bank and in addition the shareholders have already agreed to convert loans and share holdings in GV Rentals Limited, which is 40% owned by this company, into shares in Green Valet Limited.

9. INTANGIBLE FIXED ASSETS

	Intellectual Property Rights £	Development Expenditure £	Total £
COST			
At 1 March 2002	50,000	14,371	64,371
Additions	—	7,518	7,518
At 28 February 2003	50,000	21,889	71,889
AMORTISATION			
At 1 March 2002	30,000	479	30,479
Charge for the year	10,000	4,771	14,771
At 28 February 2003	40,000	5,250	45,250
NET BOOK VALUE			
At 28 February 2003	10,000	16,639	26,639
At 28 February 2002	20,000	13,892	33,892

10. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST				
At 1 March 2002	10,103	13,170	44,960	68,233
Additions	108,000	1,398	—	109,398
At 28 February 2003	118,103	14,568	44,960	177,631
DEPRECIATION				
At 1 March 2002	10,103	10,951	40,598	61,652
Charge for the year	—	1,509	4,180	5,689
At 28 February 2003	10,103	12,460	44,778	67,341
NET BOOK VALUE				
At 28 February 2003	108,000	2,108	182	110,290
At 28 February 2002	—	2,219	4,362	6,581

GREEN VALET LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2003

10. TANGIBLE FIXED ASSETS *(continued)*

Hire purchase agreements

Included within the net book value of £110,290 is £Nil (2002 - £2,855) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £Nil (2002 - £952).

11. INVESTMENTS

Fixed Asset Investments

	£
COST	
At 1 March 2002 and 28 February 2003	<u>400</u>
NET BOOK VALUE	
At 28 February 2003	<u>400</u>
At 28 February 2002	<u>400</u>

The investment is in GV Rentals Limited, a company registered in England and Wales. Green Valet Limited holds 40% of the issued ordinary share capital of GV Rentals Limited. The principal activity of GV Rentals Limited is that of renting industrial machinery. For the year ended 31st October 2002 GV Rentals Limited sustained a loss of £16,546 and at 31st October 2002 its net assets were £110,321.

12. STOCKS

	2003	2002
	£	£
Finished goods	<u>101,004</u>	<u>153,059</u>

13. DEBTORS

	2003	2002
	£	£
Trade debtors	68,262	51,105
Other debtors	3,355	640
Called up share capital not paid	15,448	25,448
Prepayments and accrued income	<u>12,290</u>	<u>17,678</u>
	<u>99,355</u>	<u>94,871</u>

GREEN VALET LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2003

14. CREDITORS: Amounts falling due within one year

	2003	2002
	£	£
Bank loans and overdrafts	48,989	49,867
Trade creditors	121,846	72,545
Amounts owed to undertakings in which the company has a participating interest	116,956	111,781
PAYE and social security	6,980	3,806
Hire purchase agreements	—	198
Directors current accounts	1,781	1,780
Accruals and deferred income	3,500	9,865
	<u>300,052</u>	<u>249,842</u>

Obligations under hire purchase and finance lease contracts are secured on the assets concerned.

The bank loans and overdraft are secured by a mortgage debenture dated 31st March 1995 over the business assets of the company.

15. CREDITORS: Amounts falling due after more than one year

	2003	2002
	£	£
Bank loans and overdrafts	<u>4,859</u>	<u>19,859</u>

The bank loans are secured by a mortgage debenture dated 31st March 1995 over the business assets of the company.

Obligations under hire purchase and finance lease contracts are secured on the assets concerned.

16. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2003	2002
	£	£
Amounts payable within 1 year	—	198
	<u>—</u>	<u>198</u>

17. DEFERRED TAXATION

	2003	2002
	£	£
The movement in the deferred taxation provision during the year was:		
Profit and loss account movement arising during the year	1,370	—
Provision carried forward	<u>1,370</u>	<u>—</u>

GREEN VALET LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2003

17. DEFERRED TAXATION *(continued)*

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2003 £	2002 £
Excess of taxation allowances over depreciation on fixed assets	1,370	—
	<u>1,370</u>	<u>—</u>

18. RELATED PARTY TRANSACTIONS

During the year the company sold goods for £10,000 (2002:£104,500) to GV Rentals Limited, a company which has mutual directors and is 40% owned by the company. At the balance sheet date £Nil was owed by GV Rentals Limited.

Creditors includes £1475 and £305 due to the directors, M J Bradshaw and R A Pegna respectively.

Control

No one person has control of the company.

19. SHARE CAPITAL

Authorised share capital:

	2003 £	2002 £
10,520,000 Ordinary shares of £0.25 each	2,630,000	2,630,000
5,000,000 Ordinary 'A' shares of £0.10 each	500,000	500,000
4,000,000 Ordinary 'B' shares of £0.025 each	100,000	100,000
	<u>3,230,000</u>	<u>3,230,000</u>

Allotted and called up:

	2003		2002	
	No	£	No	£
Ordinary shares of £0.25 each	4,527,412	1,131,853	4,527,412	1,131,853
Ordinary 'A' shares of £0.10 each	2,659,350	265,935	1,759,350	175,935
Ordinary 'B' shares of £0.025 each	4,000,000	100,000	4,000,000	100,000
	<u>11,186,762</u>	<u>1,497,788</u>	<u>10,286,762</u>	<u>1,407,788</u>

The amounts of paid-up share capital for the following category of shares differed from the called-up share capital stated above due to unpaid calls and were as follows:

	2003 £	2002 £
Ordinary shares	<u>15,448</u>	<u>25,448</u>

GREEN VALET LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2003

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003	2002
	£	£
Loss for the financial year	(77,696)	(121,701)
New equity share capital subscribed	<u>90,000</u>	<u>92,500</u>
Net addition/(reduction) to funds	12,304	(29,201)
Opening shareholders' equity funds	<u>19,131</u>	<u>48,332</u>
Closing shareholders' equity funds	<u>31,435</u>	<u>19,131</u>

In October 2002 800,000 Ordinary 'A' shares of 10p each and in February 2003 100,000 Ordinary 'A' shares of 10p each were issued at par to raise funds for working capital requirements.