

**GREEN VALET LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**28 FEBRUARY 2005**

**Company Registration Number 2794881**



**GREEN VALET LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**YEAR ENDED 28 FEBRUARY 2005**

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

**GREEN VALET LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

**The board of directors**

R A Pegna  
M J Bradshaw  
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

**Bankers**

Lloyds TSB  
95 - 97 Regent Street  
Gonville Place  
Cambridge  
CB2 1BQ

**GREEN VALET LIMITED**  
**THE DIRECTORS' REPORT**  
**YEAR ENDED 28 FEBRUARY 2005**

The directors present their report and the unaudited financial statements of the company for the year ended 28 February 2005.

**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 trading loss for the year of £8,492 compared with a loss in 2004 of £12,132. The results were adversely affected in the final quarter by an erosion of margins on the supply of plastic consumables to the NHS, caused by the increasing price of polymer. The underlying trading showed continued improvement in all divisions of the business.

**Clematis and Stores Management**

The development of software and consultancy services for the management of consumable stores in hospitals has continued with upgrades on our clematis stores system and the introduction of a new product, HPP, which enables hospitals to benchmark their performance accurately. The spotlight on Hospital Acquired Infections and general cleanliness has made Trust managements and contractors keen to develop improved ways of managing the cleaning operations.

**Supplies of Consumables**

*This division has continued to grow, accounting for over 70% of the business. The introduction during the year of biohazard spillage kits developed for one of our larger customers is expected to provide further growth in the future. Over the 12 year history of the business our operations have evolved as our customer demands have changed. The supply of large cleaning centres no longer dominates our business and they form part of our integrated stores control systems.*

We are part way through a review of all operations that may result in the merger of the business of G V Rentals Limited (which is partly owned by us) into our mainstream activities. We hope to have the results of our review available at the Annual General Meeting in January 2006. This should enable Green Valet Limited to ensure that it can exploit the opportunities presented for our new product range by the ongoing focus on hospital cleanliness.

**FINANCING**

In January 2005 400,000 Ordinary 'B' shares of 2.5p 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 unaudited 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 sales in the forthcoming year.

# GREEN VALET LIMITED

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 28 FEBRUARY 2005

### THE DIRECTORS AND THEIR INTERESTS IN THE 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 2005	At 1 March 2004
R A Pegna	Ordinary	184,998	184,998
	Ordinary 'A'	—	—
	Ordinary 'B'	600,000	400,000
M J Bradshaw	Ordinary	429,006	429,006
	Ordinary 'A'	40,000	40,000
	Ordinary 'B'	—	—
J F Layton	Ordinary	—	—
	Ordinary 'A'	350,000	350,000
	Ordinary 'B'	400,000	400,000
C N Pegna	Ordinary	—	—
	Ordinary 'A'	—	—
	Ordinary 'B'	—	—

M O Feilden retired as a director on 23 April 2004.


### 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



M J BRADSHAW  
Company Secretary

Approved by the directors on 17/12/2005

**GREEN VALET LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 28 FEBRUARY 2005**

	Note	2005 £	2004 £
<b>TURNOVER</b>	2	844,242	700,198
Cost of sales		489,815	368,927
<b>GROSS PROFIT</b>		354,427	331,271
Administrative expenses		353,340	339,813
<b>OPERATING PROFIT/(LOSS)</b>	3	1,087	(8,542)
Interest payable and similar charges	6	9,579	4,960
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(8,492)	(13,502)
Tax on loss on ordinary activities	7	—	(1,370)
<b>LOSS FOR THE FINANCIAL YEAR</b>		(8,492)	(12,132)
Balance brought forward		(1,509,185)	(1,497,053)
Balance carried forward		<u>(1,517,677)</u>	<u>(1,509,185)</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 unaudited financial statements.

# GREEN VALET LIMITED

## BALANCE SHEET

28 FEBRUARY 2005

	Note	2005 £	2004 £
<b>FIXED ASSETS</b>			
Intangible assets	9	20,902	17,497
Tangible assets	10	95,994	95,291
Investments	11	400	400
		<u>117,296</u>	<u>113,188</u>
<b>CURRENT ASSETS</b>			
Stocks	12	107,421	106,122
Debtors	13	309,922	248,615
Cash at bank		28	28
		<u>417,371</u>	<u>354,765</u>
<b>CREDITORS: Amounts falling due within one year</b>	14	<u>419,883</u>	<u>348,666</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(2,512)</u>	<u>6,099</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>114,784</u>	<u>119,287</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	15	<u>60,923</u>	<u>66,934</u>
		<u>53,861</u>	<u>52,353</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	19	1,571,538	1,561,538
Profit and loss account		<u>(1,517,677)</u>	<u>(1,509,185)</u>
<b>SHAREHOLDERS' FUNDS</b>	20	<u>53,861</u>	<u>52,353</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 unaudited 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 unaudited financial statements, so far as applicable to the company.

These unaudited financial statements were approved by the directors on the 17/12/2005 and are signed on their behalf by:

M J BRADSHAW



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

# GREEN VALET LIMITED

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2005

### 1. ACCOUNTING POLICIES

#### Basis of accounting

The unaudited 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 1996) from including a cash flow statement in the unaudited 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, exclusive of Value Added Tax.

#### 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. 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	- 20% to 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	- 12.50%/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 UNAUDITED FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2005

### 1. ACCOUNTING POLICIES *(continued)*

#### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### 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:

	2005	2004
	£	£
United Kingdom	<u>844,242</u>	<u>700,198</u>

### 3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting):

	2005	2004
	£	£
Amortisation	6,600	14,800
Depreciation of owned fixed assets	14,919	14,999
Depreciation of assets held under hire purchase agreements	188	—
Profit on disposal of fixed assets	(1,725)	—
Operating lease costs:		
Land and buildings	17,060	17,060
Vehicles	<u>6,309</u>	<u>7,950</u>

# GREEN VALET LIMITED

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

### YEAR ENDED 28 FEBRUARY 2005

#### 4. PARTICULARS OF EMPLOYEES

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

	2005	2004
	No	No
Number of administrative staff	<u>12</u>	<u>12</u>

The aggregate payroll costs of the above were:

	2005	2004
	£	£
Wages and salaries	198,922	176,904
Social security costs	18,004	15,141
Other pension costs	1,515	1,778
	<u>218,441</u>	<u>193,823</u>

#### 5. DIRECTORS' EMOLUMENTS

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

	2005	2004
	£	£
Emoluments receivable	69,321	44,482
Value of company pension contributions to money purchase schemes	249	512
	<u>69,570</u>	<u>44,994</u>

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

	2005	2004
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

#### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	2005	2004
	£	£
Interest payable on bank borrowing	9,441	4,257
Finance charges	138	703
	<u>9,579</u>	<u>4,960</u>

# GREEN VALET LIMITED

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2005

### 7. TAXATION ON ORDINARY ACTIVITIES

#### (a) Analysis of charge in the year

	2005 £	2004 £
Deferred tax:		
Origination and reversal of timing differences		
Capital allowances	<u>—</u>	<u>(1,370)</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 10% (2004 - 10%).

	2005 £	2004 £
Loss on ordinary activities before taxation	<u>(8,492)</u>	<u>(13,502)</u>
Profit/(loss) on ord actvs by rate of tax	(849)	(1,350)
Expenses not deductible	19	—
Capital allowances (in excess of)/less than depreciation	(703)	387
Utilisation of tax losses	<u>1,533</u>	<u>963</u>
Total current tax (note 7(a))	<u>—</u>	<u>—</u>

#### (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 the shareholders.

# GREEN VALET LIMITED

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

### YEAR ENDED 28 FEBRUARY 2005

#### 9. INTANGIBLE FIXED ASSETS

	Intellectual Property Rights £	Development Expenditure £	Total £
<b>COST</b>			
At 1 March 2004	50,000	27,547	77,547
Additions	—	10,005	10,005
<b>At 28 February 2005</b>	<u>50,000</u>	<u>37,552</u>	<u>87,552</u>
<b>AMORTISATION</b>			
At 1 March 2004	50,000	10,050	60,050
Charge for the year	—	6,600	6,600
<b>At 28 February 2005</b>	<u>50,000</u>	<u>16,650</u>	<u>66,650</u>
<b>NET BOOK VALUE</b>			
At 28 February 2005	—	20,902	20,902
At 29 February 2004	—	17,497	17,497

#### 10. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
<b>COST</b>				
At 1 March 2004	118,103	14,568	44,960	177,631
Additions	—	6,628	9,753	16,381
Disposals	—	(571)	(17,655)	(18,226)
<b>At 28 February 2005</b>	<u>118,103</u>	<u>20,625</u>	<u>37,058</u>	<u>175,786</u>
<b>DEPRECIATION</b>				
At 1 March 2004	23,603	13,777	44,960	82,340
Charge for the year	13,500	1,307	300	15,107
On disposals	—	—	(17,655)	(17,655)
<b>At 28 February 2005</b>	<u>37,103</u>	<u>15,084</u>	<u>27,605</u>	<u>79,792</u>
<b>NET BOOK VALUE</b>				
At 28 February 2005	<u>81,000</u>	<u>5,541</u>	<u>9,453</u>	<u>95,994</u>
At 29 February 2004	<u>94,500</u>	<u>791</u>	<u>—</u>	<u>95,291</u>

#### Hire purchase agreements

Included within the net book value of £95,994 is £8,664 (2004 - £Nil) relating to assets held under hire purchase agreements. The depreciation charged to the unaudited financial statements in the year in respect of such assets amounted to £188 (2004 - £Nil).

# GREEN VALET LIMITED

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

### YEAR ENDED 28 FEBRUARY 2005

#### 11. INVESTMENTS

##### Fixed Asset Investments

	£
<b>COST</b>	
At 1 March 2004 and 28 February 2005	<u>400</u>
<b>NET BOOK VALUE</b>	
At 28 February 2005	<u>400</u>
At 29 February 2004	<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 2004 GV Rentals Limited achieved a profit of £1,232 and at 31st October 2004 its net assets were £73,156.

#### 12. STOCKS

	2005 £	2004 £
Finished goods	<u>107,421</u>	<u>106,122</u>

#### 13. DEBTORS

	2005 £	2004 £
Trade debtors	284,937	159,816
Other debtors	4,176	2,926
Called up share capital not paid	9,198	69,198
Prepayments and accrued income	<u>11,611</u>	<u>16,675</u>
	<u>309,922</u>	<u>248,615</u>

#### 14. CREDITORS: Amounts falling due within one year

	2005 £	2004 £
Bank loans and overdrafts	87,302	67,436
Trade creditors	161,291	129,189
Amounts owed to undertakings in which the company has a participating interest	138,164	119,883
PAYE and social security	4,460	6,877
VAT	11,209	—
Hire purchase agreements	1,717	—
Other creditors	10,000	—
Directors current accounts	1,891	21,781
Accruals and deferred income	<u>3,849</u>	<u>3,500</u>
	<u>419,883</u>	<u>348,666</u>

The bank loans and overdraft 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.

# GREEN VALET LIMITED

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2005

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

	2005	2004
	£	£
Bank loans and overdrafts	54,483	66,934
Hire purchase agreements	<u>6,440</u>	<u>—</u>
	<u>60,923</u>	<u>66,934</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:

	2005	2004
	£	£
Amounts payable within 1 year	1,717	—
Amounts payable between 1 and 2 years	1,717	—
Amounts payable between 3 and 5 years	<u>4,723</u>	<u>—</u>
	<u>8,157</u>	<u>—</u>

### 17. COMMITMENTS UNDER OPERATING LEASES

At 28 February 2005 the company had annual commitments under non-cancellable operating leases as set out below.

	2005		2004	
	Land & Buildings	Other Items	Land & Buildings	Other Items
	£	£	£	£
Operating leases which expire:				
Within 1 year	4,265	—	4,265	—
Within 2 to 5 years	<u>—</u>	<u>7,176</u>	<u>—</u>	<u>7,176</u>
	<u>4,265</u>	<u>7,176</u>	<u>4,265</u>	<u>7,176</u>

### 18. RELATED PARTY TRANSACTIONS

The following disclosures are given in accordance with Financial Reporting Standard 8 (FRS 8) "Related Party Disclosures".

#### Control

No one person has control of the company.

During the year the company sold goods and services for £66,035 (2004:£69,920) to GV Rentals Limited, a company which has mutual directors and is 40% owned by the company. At the balance sheet date £91,728 was owed to GV Rentals Limited.

Creditors includes £1475 and £416 due to the directors, M J Bradshaw and R A Pegna respectively.

# GREEN VALET LIMITED

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

### YEAR ENDED 28 FEBRUARY 2005

#### 19. SHARE CAPITAL

##### Authorised share capital:

	2005	2004
	£	£
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
5,000,000 Ordinary 'B' shares of £0.025 each	125,000	125,000
	<u>3,255,000</u>	<u>3,255,000</u>

##### Allotted and called up:

	2005		2004	
	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	3,296,850	329,685	3,296,850	329,685
Ordinary 'B' shares of £0.025 each	4,400,000	110,000	4,000,000	100,000
	<u>12,224,262</u>	<u>1,571,538</u>	<u>11,824,262</u>	<u>1,561,538</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:

	2005	2004
	£	£
Ordinary shares	<u>9,198</u>	<u>69,198</u>

#### 20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005	2004
	£	£
Loss for the financial year	(8,492)	(12,132)
New equity share capital subscribed	10,000	63,750
	<u>1,508</u>	<u>51,618</u>
Net addition to shareholders' equity funds	52,353	735
Opening shareholders' equity funds	<u>53,861</u>	<u>52,353</u>
Closing shareholders' equity funds		

In January 2005 400,000 Ordinary 'B' shares of 2.5p each were issued at par to raise funds for working capital requirements.