

City Shields Incident Management Limited

**Report and Accounts for the 16 month period ended
31 March 2008**

Company Registration No: 3670549

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Directors' Report

The directors have pleasure in submitting the Report and Accounts for the 16 month period to 31 March 2008 (year ended 30 November 2006). A period greater than one year has been used to align the Company's accounting reference date with that of the immediate and ultimate parent companies. Comparative amounts for the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow statement and the related notes are for the year ended 30 November 2006.

Business Review and Principal Activities

On 12 April 2007 the Company was acquired by Chem-Dry UK Limited. City Shields Incident Management Limited is a wholly owned subsidiary of its ultimate parent company, Homeserve plc, and operates as part of its UK Emergency Services division.

On 30 June 2007, the trade and certain assets of the Company were transferred to Chem-Dry UK Limited, its immediate parent company and a fellow subsidiary undertaking of Homeserve plc. Prior to the transfer, the Company's principal activity was that of domestic cleaning and fire and flood restoration consultants. Following the transfer, the Company ceased to trade and, therefore, the financial statements have been prepared on a basis other than that of a going concern, as disclosed in note 2.

The directors do not expect that the Company will resume trading in the foreseeable future. There were no significant events since the balance sheet date.

Principal Risks and Uncertainties

There are a number of risks and uncertainties that could have a material impact on the Company's future performance. Group risks are discussed in the Group's Annual Report, which does not form part of this Report.

Financial Risk

As part of its ordinary activities, the Company was exposed to a number of financial risks, including liquidity risk, credit risk and interest rate risk. The Company has policies and procedures on how each of these risks will be monitored and managed.

Liquidity risk relates to the Company's ability to meet the cash flow requirements of the operations, while avoiding excessive levels of debt. Liquidity risk is monitored and managed through regular review of working capital.

Credit risk principally relates to trade receivables from customers. Detailed policies and procedures for the assessment of all customers are in place including reviewing credit history and setting appropriate credit limits before trading commences.

Interest rate risk is not considered to represent a significant risk at this time. However, this risk is kept under constant review and policies exist to mitigate it should it increase in significance.

Financial Reporting Policies

The Company has opted to present its financial statements in accordance with International Financial Reporting Standards. Accordingly, the accounts for the 16 month period ended 31 March 2008 have been prepared in accordance with IFRS and the comparatives have been restated.

Details of the impact of the transition to IFRS is included in Note 25 to these financial statements. Other than in respect of the transition to IFRS, no other accounting policies have been changed during the year.

Environment

The Company is committed to environmental sustainability. We recognise that the Company has a responsibility to act in a way that respects the environment and as such, all our employees are encouraged to incorporate an awareness of environmental issues into decision-making processes.

The Company operates in accordance with Group Policies, which are described in the Group's Annual Report, which does not form part of this Report.

Directors' Report

Financial Results

The Company's results are shown in the income statement on page 6. The Company paid a dividend to ordinary shareholders during the period of £27,000 (year ended 30 November 2006: £111,000). The loss for the period of £12,000 (year ended 30 November 2006: profit £106,000) has been deducted from reserves.

Directors

The directors who held office during the period, and subsequently, were as follows:

Iain Johnston (appointed 12 April 2007)
Mark Andrew Taylor (appointed 12 April 2007)
Caroline Emma Roberts Thomas (appointed 12 April 2007)
Simon Ford (appointed 12 April 2007, resigned 30 September 2007)
Michael David O'Callaghan (resigned 12 April 2007)
Helen O'Callaghan (resigned 12 April 2007)
Kevin Shields (resigned 12 April 2007)

Payment of Creditors

The Company's policy is to pay suppliers in line with the terms of payment agreed with each of them when contracting for their products or services.

Employment policies

It is the Company's policy that all persons should be considered for employment, training, career development and promotion on the basis of their abilities and aptitudes, regardless of physical ability, age, gender, sexual orientation, religion or ethnic origin.

The Company applies employment policies that are fair and equitable for all employees and which ensure entry into and progression within the Company are determined solely by application of job criteria and personal ability and competency.

Full and fair consideration (having regard to the person's particular aptitudes and abilities) is given to applications for employment and the career development of disabled persons. The Company's training and development policies make it clear that it will take all steps practicable to ensure that employees who become disabled during the time they are employed by the Company are able to continue to perform their duties.

Auditors

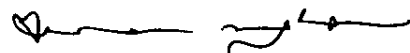
Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



Anna Maughan

Company Secretary

18 July 2008

Registered Office: Cable Drive, Walsall, West Midlands, WS2 7BN

Registered in England and Wales

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to be properly prepared in accordance with IFRSs as adopted by the European Union and the Companies Act 1985.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping proper accounting records that 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. 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.

Independent Auditors' Report

Independent auditors' report to the members of City Shields Incident Management Limited

We have audited the financial statements of City Shields Management Limited for the 16 month period ended 31 March 2008 which comprise the income statement, the statement of changes in equity, the balance sheet, the cash flow statement and the related notes 1 to 26. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The director's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Director's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with those IFRSs as adopted for use in the European Union, of the state of the company's affairs as at 31 March 2008 and of its loss for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Independent Auditors' Report

Emphasis of matter - Financial statements prepared on a basis other than that of a going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 2 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
Birmingham, UK
25 July 2008

Income Statement

16 months ended 31 March 2008 (year ended 30 November 2006)

		16 months ended 31 March 2008 £000	Year ended 30 November 2006 £000
Discontinuing operations	Note		
Revenue	3	658	1,434
Operating costs	5	(634)	(1,277)
Operating profit		24	157
Investment income	7	2	2
Finance costs	8	-	(5)
Profit before tax		26	154
Tax	9	(38)	(48)
(Loss)/profit for the period being attributable to equity holders of the parent	20	(12)	106

Statement of Changes in Equity

16 months ended 31 March 2008 (year ended 30 November 2006)

	Note	Total equity £000
At 1 December 2006		682
Dividends paid	10	(111)
Profit for the year		106
At 1 December 2007		677
Dividends	10	(27)
Loss for the period		(12)
At 31 March 2008	20	638

Balance Sheet

31 March 2008

	Note	31 March 2008 £000	30 November 2006 £000
Non-current assets			
Intangible assets	11	-	30
Property, plant and equipment	12	-	332
		-	362
Current assets			
Inventories	14	-	14
Trade and other receivables	15	638	421
Cash and cash equivalents	15	-	74
		638	509
Total assets		638	871
Current liabilities			
Trade and other payables	17	-	(85)
Obligations under finance leases	18	-	(17)
Current tax liabilities		-	(49)
		-	(151)
Net current assets		638	358
Non-current liabilities			
Deferred tax	16	-	(31)
Obligations under finance leases	18	-	(12)
		-	(43)
Total liabilities		-	(194)
Net assets		638	677
Equity			
Share capital	19	-	-
Retained earnings	20	638	677
Total equity		638	677

The financial statements were approved by the board of directors and authorised for issue on 18 July 2008. They were signed on its behalf by:



Iain Johnston
Director
18 July 2008

Cash Flow Statement

16 month period ended 31 March 2008 (year ended 30 November 2006)

	Note	16 months ended 31 March 2008 £000	Year ended 30 November 2006 £000
Net cash from discontinuing operating activities	21	258	51
Investing activities			
Investment income		2	2
Proceeds on disposal of property, plant and equipment		-	28
Purchase of intangible assets	11	-	(9)
Purchases of property, plant and equipment	12	(10)	(24)
Cash transferred to fellow group undertaking		(281)	-
Net cash used in investing activities		(289)	(3)
Financing activities			
Dividends paid		(27)	(111)
Repayments of obligations under finance leases		(16)	(35)
Net cash used in financing activities		(43)	(146)
Net decrease in cash and cash equivalents		(74)	(98)
Cash and cash equivalents at beginning of period		74	172
Cash and cash equivalents at end of period		-	74

Notes to the Accounts

16 month period ended 31 March 2008 (year ended 30 November 2006)

1. General information

City Shields Incident Management Limited is a company incorporated in England and Wales under the Companies Act 1985. The address of the registered office is given in note 24.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

2. Significant accounting policies

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) for the first time. The disclosures required by IFRS 1 concerning the transition from UK GAAP to IFRSs are given in note 25.

The financial statements have also been prepared in accordance with IFRSs, adopted for use in the European Union. At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

IFRS 7	Financial Instruments: Disclosures (and capital maintenance disclosures)
IFRS 8	Operating Segments
IAS 1	Presentation of Financial Statements (September 2007)
IAS 23	Borrowing costs (March 2007)
IFRS 2	Share-Based Payment: Vesting Conditions and Cancellations (January 2008)
IAS 32 and IAS 1	Puttable financial instruments and obligations arising on liquidation (February 2008)
IFRS 3	Business Combinations (January 2008)
IAS 27	Consolidated and Separate Financial Statements (January 2008)
IFRIC 12	Service Concession Arrangements
IFRIC 13	Customer Loyalty Programmes
IFRIC 14	IAS 19 – The limit on a Defined benefit Asset, Minimum Funding Requirements and their Interaction

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Company.

The Company transferred its trade and certain assets to its immediate parent company on 30 June 2007 and ceased trading. In the current year, as required by IAS 1, the directors have prepared the financial statements on the basis that the Company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All assets and liabilities were transferred to the parent company at their book value.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

Revenue recognition

Revenue represents amount receivable, excluding VAT, from the sales of goods and services and is recognised on completion of the obligations relating to work.

Investment income is recognised in the Income Statement in the period in which it is earned.

Operating profit

Operating profit is stated after charging all operating costs but before investment income and finance costs.

Notes to the Accounts

16 month period ended 31 March 2008 (year ended 30 November 2006)

2. Significant accounting policies (continued)

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Company at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and then they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any provision of impairment.

Depreciation is charged so as to write off the cost of assets, other than land, over their estimated useful lives, using the reducing balance method, on the following bases:

Furniture, fixtures and equipment	15%
Motor vehicles	25%

Notes to the Accounts

16 month period ended 31 March 2008 (year ended 30 November 2006)

2. Significant accounting policies (continued)

Intangible assets

Franchise licences are stated at cost and amortised over their useful lives of 5 years.

Impairment of tangible and intangible assets

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash generating unit in prior years. A reversal of an impairment loss is recognised as income immediately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises of direct materials and, where applicable, those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Provision is made for obsolete, slow moving or defective items where appropriate.

Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

Notes to the Accounts

16 month period ended 31 March 2008 (year ended 30 November 2006)

2. Significant accounting policies (continued)

Equity instruments

Equity instruments issued by the Company are recorded at proceeds received net of direct issue costs.

Judgements and Estimation Uncertainty

Provision for doubtful debts

Trade receivables are stated after the inclusion of an allowance for irrecoverable or doubtful debts. This provision is estimated by the directors by reference to past default experience.

3. Revenue

An analysis of the Company's revenue is as follows:

	16 months ended 31 March 2008 £000	Year ended 30 November 2006 £000
Provision of services	658	1,434
Investment income (note 7)	2	2
	660	1,436

4. Business and geographical segments

The Company operates in one business segment and operates solely within the United Kingdom.

5. Result for the period

(Loss)/profit for the period has been arrived at after charging:

	16 months ended 31 March 2008 £000	Year ended 30 November 2006 £000
Included in operating costs:		
Amortisation of intangible assets	-	2
Depreciation of property, plant and equipment	14	70
Cost of inventories recognised as expense	22	66
Staff costs (note 6)	304	624
Auditors' remuneration for audit services	2	3
Loss on disposal of property, plant and equipment	-	3
Other operating costs	292	509
	634	1,277

The fee payable to the Company's auditors for the audit of the Company's annual accounts was £2,000 (year ended 30 November 2006: £3,000). The fee payable to the Company's auditors for non-audit services was £nil (year ended 30 November 2006: £nil).

Notes to the Accounts

16 month period ended 31 March 2008 (year ended 30 November 2006)

6. Staff costs

The average monthly number of employees (including directors) was:

	2008 Number	2006 Number
Average number of employees	17	26
	16 months ended 31 March 2008 £000	Year ended 30 November 2006 £000
Their aggregate remuneration comprised:		
Wages and salaries	272	554
Social security costs	24	50
Other pension costs (note 23)	8	20
	304	624

Directors remuneration is disclosed in note 24.

7. Investment income

	16 months ended 31 March 2008 £000	Year ended 30 November 2006 £000
Interest on bank deposits	2	2

8. Finance costs

	16 months ended 31 March 2008 £000	Year ended 30 November 2006 £000
Finance lease costs	-	5

9. Tax

	16 months ended 31 March 2008 £000	Year ended 30 November 2006 £000
Current tax	12	49
Deferred tax	26	(1)
	38	48

Notes to the Accounts

16 month period ended 31 March 2008 (year ended 30 November 2006)

9. Tax (continued)

UK corporation tax is calculated at 30% (year ended 31 December 2006: 30%) of the estimated assessable (loss)/profit for the period. In March 2007 the UK government announced that they would introduce legislation that would reduce corporation tax rate to 28% with effect from 1 April 2008. This legislation was substantively enacted in July 2007. As a result of this change, deferred tax assets and liabilities have been restated in the period to 28% of all temporary differences. The charge for the period can be reconciled to the profit before tax per the Income Statement as follows:

	16 months ended 31 March 2008 £000	Year ended 30 November 2006 £000
Profit before tax	26	154
Tax at the UK corporation rate of 30% (2006: 30%)	8	46
Tax effect of expenses that are not deductible in determining taxable profit	16	2
Adjustments in respect of prior years – deferred tax	14	-
Tax expense for the year	38	48

10. Dividends

	16 months ended 31 March 2008 £000	Year ended 30 November 2006 £000
Amounts recognised as distributions to equity holders in the year:		
Dividend for the period ended 31 March 2008 of £6,682 (year ended 30 November 2006: £27,838) per share	27	111

Notes to the Accounts

16 month period ended 31 March 2008 (year ended 30 November 2006)

11. Intangible assets

	Franchise assets £000
Cost	
At 1 December 2005	121
Additions	9
At 1 December 2006	130
Transfer to fellow group undertaking	(130)
At 31 March 2008	-
Accumulated depreciation	
At 1 December 2005	98
Charge for the year	2
At 1 December 2006	100
Charge for the period	-
Transfer to fellow group undertaking	(100)
At 31 March 2008	-
Carrying amount	
At 31 March 2008	-
At 30 November 2006	30

Notes to the Accounts

16 month period ended 31 March 2008 (year ended 30 November 2006)

12. Property, plant and equipment

	Furniture, fixtures and fittings £000	Plant and machinery £000	Motor vehicles £000	Total £000
Cost				
At 1 December 2005	56	464	148	668
Additions	2	2	58	62
Disposals	-	(1)	(80)	(81)
At 1 December 2006	58	465	126	649
Additions	-	1	9	10
Transfer to fellow group undertaking	(58)	(466)	(135)	(659)
At 31 March 2008	-	-	-	-
Accumulated depreciation				
At 1 December 2005	24	184	89	297
Charge for the year	5	42	23	70
Disposals	-	-	(50)	(50)
At 1 December 2006	29	226	62	317
Charge for the period	2	10	2	14
Transfer to fellow group undertaking	(31)	(236)	(64)	(331)
At 31 March 2008	-	-	-	-
Carrying amount				
At 31 March 2008	-	-	-	-
At 30 November 2006	29	239	64	332

In the prior year, the carrying amount of the Company's assets includes £38,000 in respect of assets held under finance lease.

Notes to the Accounts

16 month period ended 31 March 2008 (year ended 30 November 2006)

13. Business transfer

On 30 June 2007, a business transfer agreement was entered into, which transferred the trade and assets of the Company to Chem-Dry UK Limited, a fellow subsidiary undertaking of Homeserve plc. Details of the fair value of the assets and liabilities transferred are set out below. The fair values are equal to the book values at the date of transfer.

	Chem-Dry UK Limited £000
Net assets transferred:	
Other intangible assets	30
Property, plant and equipment	328
Inventories	122
Trade and other receivables	182
Cash and cash equivalents	281
Trade and other payables	(174)
Current tax liabilities	(61)
Finance leases	(13)
Deferred tax liabilities	(57)
	638

14. Inventories

	2008 £000	2006 £000
Raw materials	-	14

15. Other financial assets

Trade and other receivables

	2008 £000	2006 £000
Trade debtors	-	396
Prepayments and accrued income	-	25
Amounts receivable from Group companies	638	-
	638	421

Of the trade receivables balance at the end of the year, there is no significant concentration of credit risk, with all receivables being due from Group companies.

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. In the current year, the concentration of credit risk is limited due to the receivables being due from Group companies. Accordingly, the directors believe that no doubtful debt provision is required.

Notes to the Accounts

16 month period ended 31 March 2008 (year ended 30 November 2006)

15. Other financial assets (continued)

Customers with an outstanding balance of 5% or more of the total trade receivables balance in the prior year were:

Customer	2006	
	£000	%
Chem-Dry UK Limited	241	61
Assured Roofing and Building Limited	55	14
Exact Property Services Limited	29	7

Included in the Company's trade receivable balance in the prior year were debtors with a carrying amount of £188,000 which were past due at the reporting date for which the Company had not provided as there had not been a significant change in credit quality and the amounts were still considered recoverable. The Company did not hold any collateral over these balances. The average age of receivables not impaired in the prior year was 43 days.

Ageing of past due but not impaired receivables:

	2006 £000
1 – 30 days	140
30 – 60 days	-
60 – 90 days	12
90 days +	36
Balance at 31 March past due but not impaired	188
Current	208
Balance at 31 March	396

In the current and prior year, the age of amounts receivable from Group companies is current. As disclosed in note 26, no provisions are necessary in respect of amounts owed by related parties, as none of these balances are considered doubtful.

The directors consider that the carrying amount of trade and other receivables approximates their fair

Cash balances and cash equivalents

In the prior year, cash balances and cash equivalents of £74,000 comprised of cash held by the Company and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximated their fair value.

16. Deferred tax

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior year.

	Accelerated tax depreciation £000
At 1 December 2005	32
Credit to income	(1)
At 1 December 2006	31
Charge to income	26
Transfer to fellow group undertaking	(57)
At 31 March 2008	-

Notes to the Accounts

16 month period ended 31 March 2008 (year ended 30 November 2006)

17. Current liabilities – Trade and other payables

	2008 £000	2006 £000
Trade creditors and accruals	-	51
Taxes and social security, excluding current tax	-	25
Other creditors and accruals	-	9
	-	85

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

The directors consider that the carrying amount of trade payables approximates their fair value.

18. Obligations under finance leases

	Minimum lease payments		Present value of minimum lease payments	
	2008 £000	2006 £000	2008 £000	2006 £000
Amounts payable under finance leases:				
Within one year	-	16	-	17
Within two to five	-	11	-	12
		27	-	29
Less future finance charges	-	2		
Present value of lease obligations	-	29		

It is the Company's policy to lease certain of its motor vehicles under finance leases. The average lease term was 2 years. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

All leases are denominated in sterling.

The fair value of the Company's leases obligations approximates their carrying amount.

The Company's obligation under finance leases are secured by the lessors' rights over the leased assets.

19. Share Capital

	2008 £	2006 £
Authorised:		
10,000 ordinary shares of £1 each	10,000	10,000
Issued and fully paid:		
4 ordinary shares of £1 each	4	4

The Company has one class of ordinary shares, which carry no right to fixed income. Share capital represents consideration received for the nominal value per share on all issued and fully paid shares.

Notes to the Accounts

16 month period ended 31 March 2008 (year ended 30 November 2006)

20. Reconciliation of movements in equity

	Share capital £000	Retained earnings £000	Total equity £000
At 1 December 2005	-	682	682
Dividends	-	(111)	(111)
Profit for the year	-	106	106
At 1 December 2006	-	677	677
Dividends	-	(27)	(27)
Loss for the period	-	(12)	(12)
At 31 March 2008	-	638	638

21. Notes to the cash flow statement

	16 months ended 31 March 2008 £000	Year ended 30 November 2006 £000
Operating profit	24	157
Adjustments for:		
Loss on disposal of property, plant and equipment	-	3
Amortisation of intangible assets	-	2
Depreciation of property, plant and equipment	14	70
Operating cash flows before movements in working capital	38	232
Increase in inventories	(108)	(1)
Decrease/(increase) in receivables	239	(134)
Increase/(decrease) in payables	89	(16)
Cash generated by operations	258	81
Income taxes paid	-	(25)
Interest payable and similar charges	-	(5)
Net cash from discontinuing operating activities	258	51

Cash and cash equivalents comprise cash at bank and other short term highly liquid investments with a maturity of three months or less.

22. Operating lease arrangements

The Company as lessee

	16 months ended 31 March 2008 £000	Year ended 30 November 2006 £000
Minimum lease payments under operating leases recognised in income for the period	28	82

Notes to the Accounts

16 month period ended 31 March 2008 (year ended 30 November 2006)

22. Operating lease arrangements (continued)

At the balance sheet date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2008 £000	2006 £000
Within one year	-	54
In the second to fifth years inclusive	-	216
After five years	-	342
	-	612

Operating lease payments principally represent rentals payable by the Company for leasehold premises.

23. Retirement benefit scheme

Defined contribution schemes

The Company operates a defined contribution retirement benefit scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in funds under the control of trustees. Where there are employees who leave the scheme prior to vesting fully in the contributions, the contributions paid by the Company are forfeited by the employee.

The total cost charged to income of £8,000 (year ended 30 November 2006: £20,000) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans. At 31 March 2008, contributions of £nil (year ended 30 November 2006: £nil) due in respect of the current reporting period had not been paid over to the schemes.

24. Related party transactions

Ultimate Parent Company

The immediate parent company is Chem-Dry UK Limited. The ultimate parent and controlling party is Homeserve plc registered England and Wales. The only group in which the results of City Shields Incident Management Limited are consolidated is that headed by Homeserve plc. The consolidated accounts of the Group are available to the public and maybe obtained from Cable Drive, Walsall, West Midlands, WS2 7BN.

Trading transactions

	Amounts owed by related parties	
	2008 £000	2006 £000
Chem-Dry UK Limited	731	-

The amounts outstanding are unsecured and will be settled in cash.

Notes to the Accounts

16 month period ended 31 March 2008 (year ended 30 November 2006)

24. Related party transactions (continued)

Remuneration of key management personnel

The remuneration of the directors, who are the key management personnel of the Company, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures

	16 months ended 31 March 2008 £000	Year ended 30 November 2006 £000
Short-term employee benefits	65	138
Post-employment benefits	8	20
	73	158

Director's transactions

At 30 November 2006, the Company operated from premises in which H O'Callaghan, M D O'Callaghan and K B Shields had a 75% interest in the freehold title. Rent charged for the year ended 30 November 2006 was £54,000 which the directors had been advised was the market rent for the property.

25. Explanation of transition to IFRSs

This is the first period that the Company has presented its financial statements under IFRS. The following disclosures are required in the period of transition. The last financial statements under UK GAAP were for the year ended 30 November 2006 and the date of transition to IFRSs was therefore 1 December 2005.

IFRS 1 'First-time Adoption of International Financial Reporting Standards'

IFRS 1 establishes the transitional requirements for the preparation of financial statements in accordance with IFRS for the first time. The general principle is that the IFRS effective at the first-time adoption reporting date (31 March 2008 for the Company) are to be applied retrospectively to the opening IFRS balance sheet (1 December 2005), the comparative period (year ended 30 November 2006) and the reporting period (16 month period 31 March 2008).

Other than presentational changes, there have been no material adjustments to the Balance Sheet, Income Statement or Cash Flows of the Company as a result of the implementation of IFRS.

26. Financial instruments

Principal financial instruments

The principal financial instruments used by the Company from which financial instrument risk arises are as follows:

- cash and cash equivalents
- trade receivables
- trade payables
- inter-company receivables and payables

All principal financial instruments are stated at amortised cost.

Notes to the Accounts

16 month period ended 31 March 2008 (year ended 30 November 2006)

26. Financial instruments (continued)

Capital risk management

The Company manages its capital to ensure that it is able to continue as a going concern while maximising the return to stakeholders through the appropriate balance of debt and equity. The capital structure of the Company consists of debt, which includes the cash and cash equivalents and equity attributable to equity holders of the parent comprising issued capital, reserves and retained earnings and disclosed in notes 19 to 20.

The table below presents quantitative data for the components the Company manages as capital:

	2008 £000	2007 £000
Shareholders' funds	638	358

Financial risk management objectives

The Company has various other financial instruments such as trade receivables and trade payables which arise directly from its operations.

The main risks arising from the Company's financial instruments are interest rate risk, credit risk and liquidity risk.

Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt requirements with floating interest rates. The Company's policy is to manage its interest cost using a mix of fixed and variable rate debts. To manage this, the ultimate parent, Homeserve plc, enters into interest rate swaps in which the parent company agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon notional principal amount. These swaps are designated to hedge underlying debt obligations.

The maturity profile of the Company's financial liabilities is provided in the table below.

	Trade payables £000
2008	
Under 2 months	-
Total	-

	Trade payables £000
2007	
Under 2 months	85
Total	85

Notes to the Accounts

16 month period ended 31 March 2008 (year ended 30 November 2006)

26. Financial instruments (continued)

In the current and prior year, the age of amounts payable to Group companies is under 2 months.

The ultimate parent company has entered into an interest rate swap in order to manage the interest rate risks arising from the Company's operations and its sources of finance. It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken.

The following table demonstrates the sensitivity to a reasonably possible change of 10% increase in interest rates, with all other variables held constant, of the Company's profit before tax (through the impact on floating rate borrowings):

	2008	2007
Increase in interest rate	10%	10%
Effect on profit before tax (£000)	-	-

Credit risk

The Company trades only with creditworthy third parties and fellow subsidiary undertakings. It is the Company's policy that customers who wish to trade on credit terms are reviewed for financial stability.

The directors consider there to be no further credit risk arising from other financial assets of the Company.

The Company has a maximum exposure equal to the carrying amount of the above receivables and instruments.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Company's Board which sets the framework for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company, which is a member of the Homeserve plc group banking arrangement, manages liquidity risk by Homeserve plc maintaining adequate reserves and banking facilities and the Company continuously monitoring forecast and actual cash flows.