

REGISTERED NUMBER: 4373631

INTERCLEAN HOLDINGS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005



INTERCLEAN HOLDINGS LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
For The Year Ended 31 March 2005**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Consolidated Profit and Loss Account	5
Consolidated Balance Sheet	6
Company Balance Sheet	7
Notes to the Financial Statements	8
Consolidated Trading and Profit and Loss Account	16

INTERCLEAN HOLDINGS LIMITED

COMPANY INFORMATION
For The Year Ended 31 March 2005

DIRECTORS: T Hannan
V J Avis

SECRETARY: V J Avis

REGISTERED OFFICE: 3 Wesley Gate
Queens Road
Reading
Berkshire
RG1 4AP

REGISTERED NUMBER: 4373631

INTERCLEAN HOLDINGS LIMITED

REPORT OF THE DIRECTORS For The Year Ended 31 March 2005

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2005.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of cleaning services and consultancy.

DIRECTORS

The directors during the year under review were:

T Hannan

V J Avis

- appointed 1.12.04

The beneficial interests of the directors holding office on 31 March 2005 in the issued share capital of the company were as follows:

	31.3.05	1.4.04 or date of appointment if later
Ordinary £1 shares		
T Hannan	42,500	42,500
V J Avis	-	-
"A" Ordinary £1 shares		
T Hannan	-	-
V J Avis	-	-

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

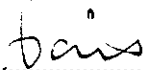
The auditors, James & Cowper, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

INTERCLEAN HOLDINGS LIMITED

**REPORT OF THE DIRECTORS
For The Year Ended 31 March 2005**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:


.....
V J Avis - Secretary

Date: 24.1.06

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INTERCLEAN HOLDINGS LIMITED**

We have audited the financial statements of Interclean Holdings Limited for the year ended 31 March 2005 on pages five to fifteen. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and 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

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Report of the Directors 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 with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

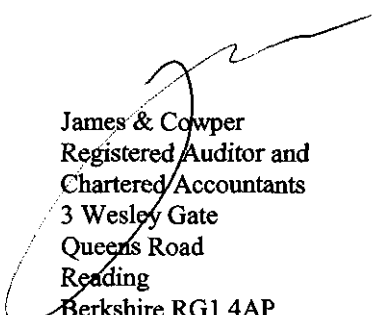
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 March 2005 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



James & Cowper
Registered Auditor and
Chartered Accountants
3 Wesley Gate
Queens Road
Reading
Berkshire RG1 4AP

Date:

30 January 2006

INTERCLEAN HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For The Year Ended 31 March 2005

	Notes	2005 £	2004 £
TURNOVER		8,896,482	6,462,166
Cost of sales		<u>7,267,184</u>	<u>5,630,398</u>
GROSS PROFIT		1,629,298	831,768
Administrative expenses		<u>1,407,751</u>	<u>1,235,679</u>
		221,547	(403,911)
Other operating income		<u>-</u>	<u>19,891</u>
OPERATING PROFIT/(LOSS)	2	221,547	(384,020)
Interest receivable and similar income		<u>-</u>	<u>133</u>
		221,547	(383,887)
Interest payable and similar charges		<u>26,504</u>	<u>39,089</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		195,043	(422,976)
Tax on profit/(loss) on ordinary activities	3	<u>43,776</u>	<u>317</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		151,267	(423,293)
RETAINED PROFIT/(DEFICIT) FOR THE YEAR FOR THE GROUP		151,267	(423,293)

The notes form part of these financial statements

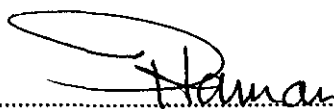
INTERCLEAN HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET
31 March 2005

	Notes	2005 £	2004 £
FIXED ASSETS			
Intangible assets	5	212,482	325,357
Tangible assets	6	226,729	238,008
Investments	7	-	-
		<u>439,211</u>	<u>563,365</u>
CURRENT ASSETS			
Stocks		16,989	13,305
Debtors	8	1,560,481	1,643,465
Cash in hand		212	214
		<u>1,577,682</u>	<u>1,656,984</u>
CREDITORS			
Amounts falling due within one year	9	<u>1,990,145</u>	<u>2,293,711</u>
NET CURRENT LIABILITIES		<u>(412,463)</u>	<u>(636,727)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>26,748</u>	<u>(73,362)</u>
CREDITORS			
Amounts falling due after more than one year	10	(113,529)	(164,686)
PROVISIONS FOR LIABILITIES AND CHARGES	13	(317)	(317)
		<u>(87,098)</u>	<u>(238,365)</u>
CAPITAL AND RESERVES			
Called up share capital	14	111,111	111,111
Share premium	15	138,889	138,889
Other reserves	15	120,000	120,000
Profit and loss account	15	(457,098)	(608,365)
SHAREHOLDERS' FUNDS		<u>(87,098)</u>	<u>(238,365)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:



T Hannan - Director

Approved by the Board on 24/1/06

The notes form part of these financial statements


INTERCLEAN HOLDINGS LIMITED

COMPANY BALANCE SHEET
31 March 2005

	Notes	2005 £	2004 £
FIXED ASSETS			
Intangible assets	5	-	-
Tangible assets	6	-	-
Investments	7	<u>100,502</u>	<u>100,502</u>
		100,502	100,502
CURRENT ASSETS			
Debtors	8	<u>264,055</u>	<u>201,969</u>
Cash at bank		<u>2,612</u>	<u>1,564</u>
		266,667	203,533
CREDITORS			
Amounts falling due within one year	9	<u>140,700</u>	<u>91,226</u>
NET CURRENT ASSETS		125,967	112,307
TOTAL ASSETS LESS CURRENT LIABILITIES		226,469	212,809
CAPITAL AND RESERVES			
Called up share capital	14	<u>111,111</u>	<u>111,111</u>
Share premium	15	<u>138,889</u>	<u>138,889</u>
Profit and loss account	15	<u>(23,531)</u>	<u>(37,191)</u>
SHAREHOLDERS' FUNDS		226,469	212,809

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:


.....
T Hannan - Director

Approved by the Board on 24/1/06

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 March 2005

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all of its subsidiaries.

On 22 April 2003 there was a group reconstruction whereby Interclean Holdings Limited became the new parent of the group by way of an exchange of shares on a 1 for 1 basis with the shareholders of Interclean Support Services Limited, the former parent of the group.

The consolidated financial statements have been prepared using the merger accounting method as permitted by Financial Reporting Standard 6 Acquisitions and Mergers and the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2003, is being amortised evenly over its estimated useful life of five years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold buildings	- 2% straight line
Plant and machinery	- 20% straight line and 20% on reducing balance
Fixtures and fittings	- 20% straight line and 20% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% straight line, 25% straight line and 20% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions

The group operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

INTERCLEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2005

2. OPERATING PROFIT/(LOSS)

The operating profit (2004 - operating loss) is stated after charging:

	2005	2004
	£	£
Depreciation - owned assets	19,982	20,249
Depreciation - assets on hire purchase contracts	9,039	16,925
Loss on disposal of fixed assets	1,386	23,976
Goodwill amortisation	112,875	133,480
Auditors remuneration	14,000	14,000
Pension costs	9,184	11,589
	<u>113,301</u>	<u>92,606</u>
Directors' emoluments and other benefits etc	<u>113,301</u>	<u>92,606</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	-----------------	----------

3. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2005	2004
	£	£
Current tax:		
UK corporation tax	43,776	-
Deferred tax	<u>-</u>	<u>317</u>
Tax on profit/(loss) on ordinary activities	<u>43,776</u>	<u>317</u>

The group has unrelieved trading losses of £104,284 carried forward. No deferred tax asset has been provided in respect of these losses due to the uncertainty over the recoverability of these amounts in the foreseeable future.

4. PROFIT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £13,660 (2004 - £(37,191) loss).

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2005

5. INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1 April 2004	
and 31 March 2005	<u>564,377</u>
AMORTISATION	
At 1 April 2004	239,020
Charge for year	<u>112,875</u>
At 31 March 2005	<u>351,895</u>
NET BOOK VALUE	
At 31 March 2005	<u>212,482</u>
At 31 March 2004	<u>325,357</u>

6. TANGIBLE FIXED ASSETS

Group

	Freehold buildings £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2004	130,413	118,826	17,503
Additions	-	1,250	7,783
At 31 March 2005	<u>130,413</u>	<u>120,076</u>	<u>25,286</u>
DEPRECIATION			
At 1 April 2004	8,274	36,468	6,628
Charge for year	2,608	17,744	3,185
At 31 March 2005	<u>10,882</u>	<u>54,212</u>	<u>9,813</u>
NET BOOK VALUE			
At 31 March 2005	<u>119,531</u>	<u>65,864</u>	<u>15,473</u>
At 31 March 2004	<u>122,139</u>	<u>82,358</u>	<u>10,875</u>

INTERCLEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2005

6. TANGIBLE FIXED ASSETS - continued

Group

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2004	14,000	47,476	328,218
Additions	1,550	12,987	23,570
Disposals	(11,000)	-	(11,000)
	<hr/>	<hr/>	<hr/>
At 31 March 2005	4,550	60,463	340,788
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 April 2004	6,424	32,414	90,208
Charge for year	870	4,614	29,021
Eliminated on disposal	(5,170)	-	(5,170)
	<hr/>	<hr/>	<hr/>
At 31 March 2005	2,124	37,028	114,059
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 March 2005	2,426	23,435	226,729
	<hr/>	<hr/>	<hr/>
At 31 March 2004	7,576	15,062	238,010
	<hr/>	<hr/>	<hr/>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery etc £
COST	
At 1 April 2004	77,909
Transfer to ownership	(8,950)
	<hr/>
At 31 March 2005	68,959
	<hr/>
DEPRECIATION	
At 1 April 2004	33,656
Charge for year	9,039
Transfer to ownership	(8,950)
	<hr/>
At 31 March 2005	33,745
	<hr/>
NET BOOK VALUE	
At 31 March 2005	35,214
	<hr/>
At 31 March 2004	44,253
	<hr/>

INTERCLEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2005

7. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 April 2004 and 31 March 2005	<u>100,502</u>
NET BOOK VALUE	
At 31 March 2005	<u>100,502</u>
At 31 March 2004	<u>100,502</u>

The group or the company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiaries

Interclean Support Services Limited

Nature of business: Cleaning services and consultancy

	%	2005	2004
	holding	£	£
Class of shares:			
Ordinary	100.00		
"A" Ordinary	100.00		
Aggregate capital and reserves		<u>(312,854)</u>	(204,654)
Loss for the year		<u>(108,200)</u>	<u>(213,743)</u>

Interclean Bus Services Limited

Nature of business: Bus cleaning services

	%	2005	2004
	holding	£	£
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		<u>100,976</u>	(146,849)
Profit/(Loss) for the year		<u>247,825</u>	<u>(169,298)</u>

Hi Tech Cleaning Services (UK) Limited

Nature of business: Non trading

	%	2005	2004
	holding	£	£
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		<u>(920)</u>	831
Loss for the year		<u>(1,751)</u>	<u>(2,562)</u>

INTERCLEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2005

7. FIXED ASSET INVESTMENTS - continued

The consolidated financial statements also include the assets and liabilities of Top Ten Services Limited (formerly Charles Airey Consultants Plc). This company is a dormant subsidiary of Interclean Support Services Limited.

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Trade debtors	1,377,128	1,095,628	-	-
Amounts owed by group undertakings	-	-	203,564	155,412
Other debtors	183,353	547,837	60,491	46,557
	<u>1,560,481</u>	<u>1,643,465</u>	<u>264,055</u>	<u>201,969</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Bank loans and overdrafts	100,585	555,027	-	-
Hire purchase contracts	17,901	32,481	-	-
Trade creditors	159,887	150,470	44,834	42,286
Amounts owed to group undertakings	-	-	64,876	1,120
Taxation and social security	687,795	418,615	26,845	13,207
Other creditors	1,023,977	1,137,118	4,145	34,613
	<u>1,990,145</u>	<u>2,293,711</u>	<u>140,700</u>	<u>91,226</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2005	2004
	£	£
Bank loans	107,679	141,576
Hire purchase contracts	5,850	23,110
	<u>113,529</u>	<u>164,686</u>

Amounts falling due in more than five years:

	Group	
	2005	2004
	£	£
Repayable by instalments		
Bank loans more than 5 years by instalments	<u>19,985</u>	<u>28,745</u>

11. OPERATING LEASE COMMITMENTS

INTERCLEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2005

11. OPERATING LEASE COMMITMENTS - continued

The following operating lease payments are committed to be paid within one year:

	Group	
	2005	2004
	£	£
Expiring:		
Within one year	8,960	-
Between one and five years	16,314	8,273
	<u>25,274</u>	<u>8,273</u>

12. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2005	2004
	£	£
Bank overdrafts	60,451	516,605
Bank loans	147,813	179,998
Hire purchase contracts	23,751	55,591
Factoring account	635,657	705,257
	<u>867,672</u>	<u>1,457,451</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

	Group	
	2005	2004
	£	£
Deferred tax	317	317
	<u>317</u>	<u>317</u>
Group		
		Deferred tax
		£
Balance at 1 April 2004		317
Balance at 31 March 2005		317

14. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2005	2004
			£	£
94,444	Ordinary	£1	94,444	94,444
16,667	"A" Ordinary	£1	16,667	16,667
			<u>111,111</u>	<u>111,111</u>

INTERCLEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2005

14. CALLED UP SHARE CAPITAL - continued

The "A" Ordinary shares do not entitle the holders to vote at any general meeting of the company.

In all other respects the two classes of shares rank pari passu.

15. RESERVES

Group

	Profit and loss account £	Share premium £	Other reserves £	Totals £
At 1 April 2004	(608,365)	138,889	-	(469,476)
Retained profit for the year	151,267	-	-	151,267
Transfer of share premium pre-reorganisation	-	-	120,000	120,000
At 31 March 2005	<u>(457,098)</u>	<u>138,889</u>	<u>120,000</u>	<u>(198,209)</u>

Company

	Profit and loss account £	Share premium £	Totals £
At 1 April 2004	(37,191)	138,889	101,698
Retained profit for the year	13,660	-	13,660
At 31 March 2005	<u>(23,531)</u>	<u>138,889</u>	<u>115,358</u>

16. CONTINGENT LIABILITIES

The company has given composite guarantees to the bank in respect of borrowings of Interclean Support Services Limited, a group company. The amount of such borrowings at the balance sheet date was £222,493 (2004 £341,118).

17. CAPITAL COMMITMENTS

	2005 £	2004 £
Contracted but not provided for in the financial statements	<u>58,000</u>	<u>-</u>

18. TRANSACTIONS WITH DIRECTORS

The following loan to directors subsisted during the year ended 31 March 2005:

	£
T Hannan	
Balance outstanding at start of year	13,710
Balance outstanding at end of year	46,664
Maximum balance outstanding during year	<u>46,664</u>