

INTERCLEAN HOLDINGS LIMITED

Report and Financial Statements

31 March 2007

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INTERCLEAN HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

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INTERCLEAN HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P Ullmann
M Ullmann
D Liebert

SECRETARY

A Connor

REGISTERED OFFICE

Chevron House
346 Long Lane
Hillingdon
Middlesex
UB10 9PF

AUDITORS

Deloitte & Touche LLP
Reading

INTERCLEAN HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2007

PRINCIPAL ACTIVITIES AND FUTURE PROSPECTS

The principal activity of the company throughout the year was to provide management support to Interclean Support Services Limited and Interclean Bus Services Limited. The principal activity of the group is the provision of cleaning services.

On the 30 April 2007 and 30 May 2007 the trade and assets of Interclean Support Services and Interclean Bus Services Limited respectively were transferred to Dynamiq Cleaning Limited at which point the group ceased trading.

REVIEW OF THE BUSINESS

The results for the year and financial position of the company and the group are as shown in the annexed accounts.

On the 12 March 2007 the entire share capital of Interclean Holdings Limited was acquired by Dynamiq Cleaning Limited.

KEY PERFORMANCE INDICATORS

Turnover is considered a key performance indicator of the business. This has increased from £10,666,685 to £11,664,422 year on year.

Operating profit has increased in the year £467,897 (2006 £462,688).

The securing of new business is a critical area if the business is to continue to grow. During the period the general level of new business awarded was above target.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group utilises various financial instruments including loans, cash and various items, such as trade debtors and trade creditors, that arise directly from its operations. The main purpose of these is to raise finance for the group's operations.

The existence of these financial instruments exposes the group to a number of financial risks, which are described in more detail below.

The main risks arising from the group's financial instruments are market risk, interest rate risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Market risk

Market risk encompasses two types of risk, being interest rate and market price risk. Interest rate risk is considered further below under the heading of "Interest Rate Risk". Market price risks are constantly reviewed by management in each operation.

Interest Rate Risk

The group finances its operations through a mixture of retained profits and bank borrowings. The exposure to interest rate fluctuations on borrowings is managed by the use of both fixed and floating rate facilities.

Credit Risk

The group's principal financial assets are cash and trade debtors.

In order to manage credit risk the directors set credit limits for customers based on a combination of third party credit references and payment history. Credit limits are reviewed by the business credit controllers on a regular basis in conjunction with debt ageing and collection history.

INTERCLEAN HOLDINGS LIMITED

DIRECTORS' REPORT

Liquidity Risk

The group seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet the foreseeable cash needs of the business

DIVIDENDS

The total distribution of dividends for the year ended 31 March 2007 will be £nil (2006 £430,500)

DIRECTORS

The directors during the year under review and to the date of signing these financial statements were

T Hannan	(resigned 12 March 2007)
V Avis	(resigned 12 March 2007)
D Liebert	(appointed 12 March 2007)
M Ullmann	(appointed 12 March 2007)
P Ullmann	(appointed 12 March 2007)

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

EMPLOYEE CONSULTATION

The company places considerable value on the involvement of its employees in the business and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings and information bulletins. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

AUDITORS


Each of the persons who is a director at the date of approval of this 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/she ought to have taken as a director in order to make himself/herself 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.

Deloitte & Touche LLP were appointed as auditors during the year. Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By Order of the Board


D Liebert

Director

26 February 2008

INTERCLEAN HOLDINGS LIMITED

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTERCLEAN HOLDINGS LIMITED

We have audited the financial statements of Interclean Holdings Limited for the year ended 31 March 2007 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement the notes to the cash flow statement and the notes to the accounts 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 directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' 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 Directors' Report 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 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.

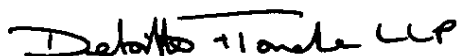
Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 March 2007 and of the group's profit for the year 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

Emphasis of matter – financial statements prepared other than on a going concern basis

Without qualifying our opinion, we draw attention to note 1 of the financial statements concerning the company's inability to continue as a going concern and the basis on which the financial statements are prepared. The company ceased trading post year end, and accordingly is not regarded as a going concern. The directors have not prepared the financial statements on a going concern basis. Details of the circumstances relating to this emphasis of matter are described in note 1.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Reading, UK
27 February 2008

INTERCLEAN HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT Year ended 31 March 2007

	Note	2007 £	2006 £
TURNOVER	2	11,664,422	10,666,685
Cost of sales		<u>(9,267,584)</u>	<u>8,401,913</u>
Gross profit		2,396,838	2,264,772
Administrative expenses		<u>(1,928,941)</u>	<u>(1,802,084)</u>
OPERATING PROFIT	4	467,897	462,688
Interest payable and similar charges	5	<u>(39,111)</u>	<u>(32,257)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		428,786	430,431
Tax on profit on ordinary activities	6	<u>(82,913)</u>	<u>(168,389)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION	21, 25	<u>345,873</u>	<u>262,042</u>

All results derive from discontinued operations. There are no recognised gains and losses other than those passing through the consolidated profit and loss account. Accordingly, no consolidated statement of total recognised gains and losses has been presented.


INTERCLEAN HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET 31 March 2007

	Note	2007 £	2006 £
FIXED ASSETS			
Intangible assets	9	-	99,607
Tangible assets	10	515,294	629,890
		<u>515,294</u>	<u>729,497</u>
CURRENT ASSETS			
Stocks	12	18,101	16,989
Debtors	13	2,504,715	2,057,116
Cash at bank and in hand		110,649	472
		<u>2,633,465</u>	<u>2,074,577</u>
CREDITORS: amounts falling due within one year	14	<u>(2,854,092)</u>	<u>(2,792,434)</u>
NET CURRENT LIABILITIES		<u>(220,627)</u>	<u>(717,857)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		294,667	11,640
CREDITORS: amounts falling due after more than one year	15	(115,138)	(232,377)
PROVISIONS FOR LIABILITIES	19	<u>(4,382)</u>	<u>(34,819)</u>
NET ASSETS/(LIABILITIES)		<u>175,147</u>	<u>(255,556)</u>
CAPITAL AND RESERVES			
Called up share capital	20	116,111	111,111
Share premium	21	196,389	138,889
Other reserves	21	120,000	120,000
Profit and loss account	21	<u>(257,353)</u>	<u>(625,556)</u>
SHAREHOLDERS' FUNDS/(DEFICIT)	25	<u>175,147</u>	<u>(255,556)</u>

These financial statements were approved by the Board of Directors on 26 February 2008

Signed on behalf of the Board of Directors


D Liebert
Director

INTERCLEAN HOLDINGS LIMITED

COMPANY BALANCE SHEET 31 March 2007

	Note	2007 £	2006 £
FIXED ASSETS			
Tangible assets	10	1,972	364
Investments	11	100,501	100,502
		<u>102,473</u>	<u>100,866</u>
CURRENT ASSETS			
Debtors	13	458,905	380,033
Cash at bank and in hand		62,815	6,098
		<u>521,720</u>	<u>386,131</u>
CREDITORS: amounts falling due within one year	14	<u>(576,102)</u>	<u>(221,587)</u>
NET CURRENT LIABILITIES		<u>(54,382)</u>	<u>(164,544)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		48,091	265,410
PROVISIONS FOR LIABILITIES		<u>(70)</u>	<u>-</u>
NET ASSETS		<u>48,021</u>	<u>265,410</u>
CAPITAL AND RESERVES			
Called up share capital	20	116,111	111,111
Share premium	21	196,389	138,889
Profit and loss account	21	<u>(264,479)</u>	<u>15,410</u>
SHAREHOLDERS' FUNDS	25	<u>48,021</u>	<u>265,410</u>

These financial statements were approved by the Board of Directors on 26 February 2008

Signed on behalf of the Board of Directors



D Liebert

Director

INTERCLEAN HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT 31 March 2007

	Note	2007 £	2006 £
Net cash inflow from operating activities	1	461,789	753,588
Returns on investments and servicing of finance	2	(39,111)	(32,257)
Taxation		(225,563)	(19,972)
Capital expenditure	2	(11,885)	(464,828)
Equity dividends paid		-	(430,500)
		<u>185,231</u>	<u>(193,969)</u>
Financing	2	<u>17,629</u>	<u>158,538</u>
Increase/(decrease) in cash in the period		<u>202,860</u>	<u>(35,431)</u>
Reconciliation of net cash flow to movement in net debt	3		
Increase/(decrease) in cash in the period		202,860	(35,431)
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<u>217,162</u>	<u>(286,445)</u>
Change in net debt resulting from cash flows		<u>420,022</u>	<u>(321,876)</u>
Movement in net debt in the period		420,022	(321,876)
Net debt at 1 April 2006		<u>(553,679)</u>	<u>(231,803)</u>
Net debt at 31 March 2007		<u>(133,657)</u>	<u>(553,679)</u>

INTERCLEAN HOLDINGS LIMITED

NOTES TO THE CASH FLOW STATEMENT

31 March 2007

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2007 £	2006 £
Operating profit	467,897	462,688
Depreciation charges	239,586	173,931
Loss on disposal of fixed assets	-	612
Increase in stocks	(1,112)	-
Increase in debtors	(633,390)	(368,728)
Increase in creditors	366,478	485,085
Share-based payment expense	22,330	-
Net cash inflow from operating activities	<u>461,789</u>	<u>753,588</u>

2. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2007 £	2006 £
Returns on investments and servicing of finance		
Interest paid	(19,386)	(17,012)
Interest element of hire purchase payments	(19,731)	(6,473)
Finance costs	-	(8,772)
Net cash outflow for returns on investments and servicing of finance	<u>(39,117)</u>	<u>(32,257)</u>
Capital expenditure		
Purchase of tangible fixed assets	(11,885)	(465,878)
Sale of tangible fixed assets	-	1,050
Net cash outflow for capital expenditure	<u>(11,885)</u>	<u>(464,828)</u>
Financing		
New loans in year	-	434,887
Capital repayments in year	(230,662)	(148,442)
Amount withdrawn by directors	185,791	(127,907)
Share issue	62,500	-
Net cash inflow from financing	<u>17,629</u>	<u>158,538</u>

INTERCLEAN HOLDINGS LIMITED

NOTES TO THE CASH FLOW STATEMENT 31 March 2007

3. ANALYSIS OF CHANGES IN NET DEBT

	At 31 March 2006	Cash flow	At 31 March 2007
Net cash			
Cash at bank and in hand	472	110,177	110,649
Bank overdraft	(96,142)	92,683	(3,459)
	<u>(95,670)</u>	<u>202,860</u>	<u>107,190</u>
Debt			
Hire purchase	(360,611)	119,764	(240,847)
Debts falling due within one year	(97,398)	97,398	-
	<u>(458,009)</u>	<u>217,162</u>	<u>(240,847)</u>
Total	<u>(553,679)</u>	<u>420,022</u>	<u>(133,657)</u>

INTERCLEAN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2007

1 TURNOVER

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the year and the preceding year, with the exception of the adoption of FRS 20 "Share-based payments" – refer to Note 26

Basis of preparation

The financial statements have been prepared under the historical cost convention

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. The current year result of Hi Tech Cleaning limited has been excluded from consolidation on the basis of materiality

The company has ceased trading post year end. The financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's assets to net realisable value. The financial statements do not include any costs incurred since the balance sheet date or any provision for the future costs of terminating the business of the company

Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2001, 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 straight line over 7 years
Fixtures and fittings	-	20% straight line
Motor vehicles	-	25% on reducing balance
Computer equipment	-	33% straight line and 25% straight line

Residual value is calculated on prices prevailing at the date of acquisition

Stocks

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

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

INTERCLEAN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2007

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

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

Pension costs

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

Investments

Fixed asset investments are shown at cost less provision for impairment. In the company balance sheet, for investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value only of the shares issued. Any premium is ignored

Share-based payments

The Group has applied the requirements of FRS20 *Share-based payments*. The Group operated an equity-settled, share based compensation plan. The fair values of the share-based payments under the scheme are expensed on a straight-line basis over the vesting period. Fair value is determined by the use of the Black Scholes Model at the date of grant, as adjusted based on management's best estimate for the effects of share liquidity and behavioural considerations

The Group has applied FRS20 for the first time this year. This change in accounting policy has no material effect on the prior year

INTERCLEAN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2007

2. TURNOVER

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3. STAFF COSTS

	2007 £	2006 £
Wages and salaries	8,796,028	8,098,277
Social security costs	878,395	580,784
Other pension costs	14,839	16,404
	<u>9,689,262</u>	<u>8,695,465</u>

The average monthly number of employees during the year was as follows

	2007	2006
Direct	735	793
Administration	15	20
Directors	2	2
	<u>752</u>	<u>815</u>

4 OPERATING PROFIT

	2007 £	2006 £
The operating profit is stated after charging		
Depreciation - owned assets	29,030	27,557
Depreciation – assets on hire purchase contracts	110,849	33,499
Loss on disposal of fixed assets	-	612
Goodwill amortisation	99,607	112,875
Auditors remuneration	21,000	15,000
	<u>202,115</u>	<u>242,169</u>
Directors' emoluments	3,025	2,450
Directors' pension contributions to money purchase schemes		

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

	2007	2006
Money purchase schemes	<u>1</u>	<u>1</u>

Information regarding the highest paid director for the year ended 31 March 2007 is as follows

	2007 £	2006 £
Emoluments	<u>142,115</u>	<u>151,363</u>

INTERCLEAN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2007

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £	2006 £
Bank interest	6,491	12,822
Bank loan interest	12,889	4,190
Hire purchase	19,731	6,473
Other interest	-	8,772
	<u>39,111</u>	<u>32,257</u>

6. TAXATION

Analysis of the tax charge

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

	2007 £	2006 £
Current tax		
UK corporation tax	113,350	133,887
Deferred tax	(30,437)	34,502
Tax on profit on ordinary activities	<u>82,913</u>	<u>168,389</u>

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2007 £	2006 £
Profit on ordinary activities before tax	<u>428,786</u>	<u>430,431</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	<u>128,636</u>	129,129
Effects of		
Expenses disallowed for tax purposes	42,444	26,012
Statutory deduction for tax purposes	(70,845)	-
Differences between capital allowances and depreciation	14,703	(894)
Small companies relief	-	(3,161)
Unrelieved trading losses	-	513
Short term timing differences	1,009	-
Loss relief	-	(17,712)
Adjustments in respect of prior periods	(2,598)	-
Current tax charge	<u>113,349</u>	<u>133,887</u>

INTERCLEAN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2007

7. 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 loss for the financial year was £302,219 (2006 profit £469,441)

8. DIVIDENDS

	2007 £	2006 £
Equity shares		
Ordinary shares of £1 each		
Interim (£4.30 per share)	-	406,583
"A" Ordinary shares of £1 each		
Interim (£1.43 per share)	-	23,917
	<u>-</u>	<u>430,500</u>

9. INTANGIBLE FIXED ASSETS

Group	Goodwill £
Cost	
At 1 April 2006	
And 31 March 2007	<u>564,377</u>
Amortisation	
At 1 April 2006	464,770
Amortisation for year	<u>99,607</u>
At 31 March 2007	<u>564,377</u>
Net book value	
At 31 March 2007	<u>-</u>
At 31 March 2006	<u>99,607</u>

INTERCLEAN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2007

10 TANGIBLE FIXED ASSETS

Group	Freehold buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Cost						
At 1 April 2006	130,413	455,740	28,935	126,197	61,431	802,716
Additions	-	8,762	490	13,500	2,632	25,385
	<u>130,413</u>	<u>464,502</u>	<u>29,425</u>	<u>139,697</u>	<u>64,063</u>	<u>828,100</u>
At 31 March 2007	130,413	464,502	29,425	139,697	64,063	828,100
Depreciation						
At 1 April 2006	13,490	84,897	14,456	16,548	43,435	172,826
Charge for year	-	98,794	4,739	29,543	6,903	139,979
	<u>13,490</u>	<u>183,691</u>	<u>19,195</u>	<u>46,092</u>	<u>50,338</u>	<u>312,808</u>
At 31 March 2007	13,490	183,691	19,195	46,092	50,338	312,808
Net book value						
At 31 March 2007	<u>116,923</u>	<u>280,811</u>	<u>10,230</u>	<u>93,605</u>	<u>13,725</u>	<u>515,294</u>
At 31 March 2006	<u>116,923</u>	<u>370,843</u>	<u>14,479</u>	<u>109,649</u>	<u>17,996</u>	<u>629,890</u>

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

Group	Plant and machinery £	Motor vehicles £	Totals £
Cost			
At 1 April 2006	367,069	105,077	472,146
Additions	-	13,500	13,500
	<u>367,069</u>	<u>118,577</u>	<u>485,646</u>
At 31 March 2007	367,069	118,577	485,646
Depreciation			
At 1 April 2006	29,850	14,269	44,119
Charge for year	86,178	24,671	110,849
	<u>116,028</u>	<u>38,940</u>	<u>154,968</u>
At 31 March 2007	116,028	38,940	154,968
Net book value			
At 31 March 2007	<u>251,041</u>	<u>79,637</u>	<u>330,678</u>
At 31 March 2006	<u>337,219</u>	<u>90,808</u>	<u>428,027</u>

INTERCLEAN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2007

10 TANGIBLE FIXED ASSETS (CONTINUED)

Company	Computer equipment £
Cost	
At 1 April 2006	436
Additions	1,944
	<hr/>
At 31 March 2007	2,380
	<hr/>
Depreciation	
At 1 April 2006	72
Charge for year	336
	<hr/>
At 31 March 2007	408
	<hr/>
Net book value	
At 31 March 2007	1,972
	<hr/>
At 31 March 2006	364
	<hr/>

11 FIXED ASSET INVESTMENTS

Company	Shares in group under- takings £
Cost	
At 1 April 2006	100,502
Disposals	(1)
	<hr/>
At 31 March 2007	100,501
	<hr/>
Net book value	
At 31 March 2007	100,501
	<hr/>
At 31 March 2006	100,502
	<hr/>

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

INTERCLEAN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2007

11. FIXED ASSET INVESTMENTS (CONTINUED)

Subsidiaries

Interclean Support Services Limited

Nature of business Cleaning services and consultancy

	%
Class of shares	holding
Ordinary	100 00
"A" Ordinary	100 00

	2007 £	2006 £
Aggregate capital and reserves	173,754	(392,741)
(Profit)/loss for the year	566,495	(79,887)

Interclean Bus Services Limited

Nature of business Bus cleaning services

	%
Class of shares	holding
Ordinary	100 00

	2007 £	2006 £
Aggregate capital and reserves	137,212	(25,095)
Profit for the year	162,307	331,928

On 12 March 2007 the group sold its 100 per cent interest in the ordinary share capital of Hi Tech Cleaning Services (UK) Limited. The company was non trading in the year of sale and the preceding year.

12. STOCKS

	Group 2007 £	2006 £
Stocks	18,101	16,989

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2007 £	2006 £	2007 £	2006 £
Trade debtors	1,737,908	1,669,996	-	-
Amounts owed by group undertakings	618,948	-	389,074	191,537
Other debtors	88,595	54,916	801	23,484
Directors' current accounts	-	185,791	-	90,401
Prepayments	59,263	146,413	46,684	74,611
Deferred tax debtor	-	-	22,346	-
	2,504,715	2,057,116	458,905	380,033

INTERCLEAN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2007

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Bank loans and overdrafts (see note 15)	3,459	193,540	-	-
Hire purchase contracts (see note 16)	125,709	128,234	-	-
Trade creditors	133,152	159,784	30,358	57,271
Amounts owed to group undertakings	-	-	379,941	78,744
Tax	71,287	183,500	-	29,164
Social security and other taxes	764,848	593,973	144,228	51,751
Other creditors	854,472	953,326	574	-
Accrued expenses	901,165	580,077	21,000	4,657
	<u>2,854,092</u>	<u>2,792,434</u>	<u>576,102</u>	<u>221,587</u>

15 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2007	2006
	£	£
Hire purchase contracts (see note 16)	<u>115,138</u>	<u>232,377</u>

16. LOANS

An analysis of the maturity of loans is given below

	Group	
	2007	2006
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	3,459	96,142
Bank loans	-	97,398
	<u>3,459</u>	<u>193,540</u>

INTERCLEAN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2007

17 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND OPERATING LEASES

	Hire purchase contracts	
	2007 £	2006 £
Gross obligations repayable		
Within one year	140,172	142,666
Between one and five years	129,451	259,995
	<u>269,623</u>	<u>402,661</u>
Finance charges repayable		
Within one year	14,463	14,432
Between one and five years	14,313	27,618
	<u>28,776</u>	<u>42,050</u>
Net obligations repayable		
Within one year	125,709	128,234
Between one and five years	115,138	232,377
	<u>240,847</u>	<u>360,611</u>

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

Group	Buildings		Other operating leases	
	2007 £	2006 £	2007 £	2006 £
Expiring				
Within one year	18,333	-	3,207	2,146
Between one and five years	-	-	-	8,094
	<u>18,333</u>	<u>-</u>	<u>3,207</u>	<u>10,240</u>

18. SECURED DEBTS

The following secured debts are included within creditors

	2007 £	2006 £
Bank overdrafts	3,459	96,142
Bank loans	-	97,398
Hire purchase contracts	240,847	360,611
Invoice discounting account	846,049	928,968
	<u>1,090,355</u>	<u>1,483,119</u>

INTERCLEAN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2007

19 PROVISION FOR LIABILITIES

Deferred tax	Group	
	2007	2006
	£	£
Capital allowances in excess of depreciation	(17,781)	34,819
Short term timing differences	2,250	-
Losses	11,149	-
	<u>4,382</u>	<u>34,819</u>

Group	Deferred tax £
Balance at 1 April 2006	34,819
Movement	(30,437)
Balance at 31 March 2007	<u>4,382</u>

20 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value.	2007 £	2006 £
94,444	Ordinary	£1	94,444	94,444
21,667	"A" Ordinary	£1	21,667	21,667
			<u>116,111</u>	<u>116,111</u>
Allotted, issued and fully paid up				
Number	Class			
94,444	Ordinary	£1	94,444	94,444
16,667	"A" Ordinary	£1	21,667	16,667
			<u>116,111</u>	<u>111,111</u>

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

On 12 March 2007, V J Avis, a director of the company, exercised an option to purchase 5,000 "A" ordinary £1 shares in the company at an exercise price of £12.50 per share

INTERCLEAN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2007

21. RESERVES

Group	Profit and loss account £	Share premium £	Other reserves £	Totals £
At 1 April 2006	(625,556)	138,889	120,000	(366,667)
Profit for the year	345,873	-	-	274,927
Share exercise	-	57,500	-	57,500
Share-based payment expense	22,330	-	-	22,330
At 31 March 2007	<u>(257,353)</u>	<u>196,389</u>	<u>120,000</u>	<u>(11,910)</u>

Company	Profit and loss account £	Share premium £	Totals £
At 1 April 2006	15,410	138,889	154,299
Loss for the year	(302,219)	-	(334,652)
Share exercise	-	57,500	57,500
Share-based payment expense	22,330	-	22,330
At 31 March 2007	<u>(264,479)</u>	<u>196,389</u>	<u>(100,523)</u>

22. 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 £3,459 (2006 £199,898).

The company is party to cross guarantees in respect of bank loans and overdrafts and factored debts of the parent company and fellow subsidiaries. As at 31st March 2007 the amount outstanding under the cross guarantees was £41,110,925. Detail of the Cordant Group Plc borrowings and contingent liabilities are set out as in the financial statements of that company.

23. TRANSACTIONS WITH DIRECTORS

The following loan to directors existed during the years ended 31 March 2007 and 31 March 2006

	2007 £	2006 £
T Hannan		
Balance outstanding at start of year	177,334	46,664
Balance outstanding at end of year	-	174,834
Maximum balance outstanding during year	<u>177,334</u>	<u>177,334</u>

INTERCLEAN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2007

24. ULTIMATE CONTROLLING PARTY

The directors regard Cordant Group plc, a company incorporated in England and Wales, as the ultimate parent company and ultimate controlling party

Dynamiq Cleaning Limited is the parent of the smallest group of which the company is a member and Cordant Group plc is the parent company of the largest group of which the company is a member

Copies of financial statements of both these companies are available from Chevron House, 346 Long Lane, Hillingdon, Middlesex, UB10 9PF

25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS/(DEFICIT)

Group	2007 £	2006 £
Profit for the financial year	345,873	262,042
Dividends	-	(430,500)
Share issue	62,500	-
Share-based payment expense	22,330	-
Net addition/(reduction) to shareholders funds/(deficit)	430,703	(168,458)
Opening shareholders' deficit	(255,556)	(87,098)
Closing shareholders' funds/(deficit)	175,147	(255,556)
Company	2007 £	2006 £
(Loss)/profit for the financial year	(302,219)	469,441
Dividends	-	(430,500)
Share issue	62,500	-
Share-based payment expense	22,330	-
Net (reduction)/addition to shareholders funds	(217,389)	38,941
Opening shareholders funds	265,410	226,469
Closing shareholders funds	48,021	265,410

26. SHARE-BASED PAYMENTS

During the year there was one share-based payment arrangement 5000 options were granted on 13 December 2005 at an exercise price of £12.50 per share. These options were all exercised on 12 March 2007

These share options have been fair valued using the Black-Scholes model. The model inputs were the expected volatility of 32 per cent, no expected dividends, contractual life of five years, and a risk-free interest rate of 4.25 per cent