

Fishers Services Group Holdings Limited
Directors' report &
consolidated financial statements
for the year ended 31 December 2007

Registered number : SC263302



Fishers Services Group Holdings Limited
Directors' report and consolidated financial statements
for the year ended 31 December 2007

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Fishers Services Group Holdings Limited

Directors' report for the year ended 31 December 2007

The directors present their report and the audited financial statements of the company and the group for the year ended 31 December 2007.

Business review and principal activities

The company acts as a holding company providing managerial and administrative services to its subsidiaries which are engaged in the provision of laundry and linen services.

On 30 November 2007, the entire issued share capital of the company was acquired by Fishers Group Limited, a company registered in Scotland. Fishers Group Limited funded the acquisition through shareholder and bank loans amounting to £42,221,000. Although this will result in the enlarged group incurring higher finance and goodwill amortisation charges in future periods, the directors are confident that the group will generate sufficient cashflow in order to meet the finance charges as they fall due. The Goodwill amortisation, while charged to the profit and loss account will not result in a future cash outflow.

The results for the group show turnover of £25,412,949 (2006 : £23,568,848) and a pre-tax profit of £1,434,149 (2006 : £1,285,364).

The directors are satisfied with the trading results for the year and are confident that the group will continue to trade profitably.

Principal risks and uncertainties

The key business risk facing the group is considered to be pressure on margin from increasing energy and fuel costs.

Future outlook

The group remains committed to providing a quality service to its customer base. Continuing investment in new equipment and facilities will enable the group to increase its market share in core business activities. Consolidation within the sector presents the group with new opportunities for growth.

Key performance indicators ("KPIs")

Operating costs are controlled by the extensive use of key performance indicators over a range of expense centres. The KPI monitors also extend to key service delivery aspects of the business.

Disabled employees

The group gives every consideration to applications for employment from disabled persons where the requirements of the job may be adequately covered by a handicapped or disabled person. With regard to existing employees and those who have become disabled during the period, the group will continue to examine ways and means of providing continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

Employee involvement

Regular meetings are held between local management and employees to allow a free flow of information and ideas and so that the views of employees can be taken into account in making decisions which are likely to affect their interests.

Directors and their interests

The directors who held office during the year were as follows:-

J Fisher (resigned 30 November 2007)
T Hilditch
A Lochery (resigned 30 November 2007)
R MacKay
B McHardy
D V Ward (resigned 30 November 2007)

Fishers Services Group Holdings Limited

Directors' report for the year ended 31 December 2007 (continued)

Directors and their interests (continued)

The interests of the directors in the share capital of the company at the beginning and end of the period were as follows:

	2007 No	2006 No
Ordinary shares of £0.01 each		
J Fisher (resigned 30 November 2007)	-	-
T Hilditch	-	17,000
A Lochery (resigned 30 November 2007)	-	10,101
R MacKay	-	50,000
B McHardy	-	100,000
D V Ward (resigned 30 November 2007)	-	100,000

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

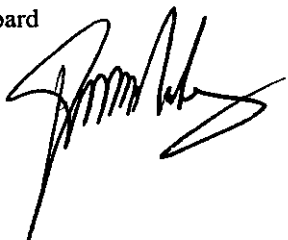
Auditors and disclosure of information to auditors

Each director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the group's auditors in connection with preparing their report) of which the group's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information.

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

On behalf of the Board

R MacKay
Director



Fishers Services Group Holdings Limited

Independent auditors' report to the members' of Fishers Services Group Holdings Limited

We have audited the group and parent company financial statements (the "financial statements") of Fishers Services Group Holdings Limited for the year ended 31 December 2007 which comprise the group profit and loss account, the group and company balance sheets, the group cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the directors' report. 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 other information.

Basis of audit opinion

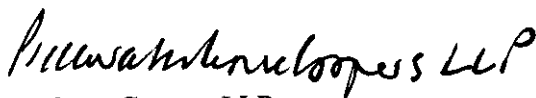

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 group's and 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 December 2007 and of the group's profit and cash flows 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.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Aberdeen
 2008

Fishers Services Group Holdings Limited

Consolidated profit and loss account for the year ended 31 December 2007

	Notes	2007 £	2006 £
Turnover	3	25,412,949	23,568,848
Cost of sales		(14,507,057)	(12,970,653)
Gross profit		10,905,892	10,598,195
Distribution costs		(4,012,378)	(3,416,260)
Administrative expenses		(3,601,633)	(3,905,801)
Administrative expenses – exceptional item	4	89,362	(387,656)
Operating profit	5	3,381,243	2,888,478
Profit on sale of fixed assets	4	60,000	407,568
Interest receivable – bank interest		110,447	103,476
Interest payable and similar charges	6	(2,117,541)	(2,114,158)
Profit on ordinary activities before taxation		1,434,149	1,285,364
Taxation	7	(393,954)	(598,764)
Profit for the financial year	21	1,040,195	686,600

All operations are continuing.

There are no recognised gains or losses other than the profits for the year shown above and, therefore, no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the profits for the years stated above and their historical cost equivalents.

Fishers Services Group Holdings Limited

Consolidated balance sheet as at 31 December 2007

	Notes	2007 £	2006 £
Fixed assets			
Intangible assets	11	12,500,650	13,270,679
Tangible assets	12	7,516,267	7,712,101
		20,016,917	20,982,780
Current assets			
Stocks – raw materials and consumables		82,299	82,379
Debtors	14	3,857,560	4,190,608
Cash at bank and in hand		2,564,094	3,175,742
		6,503,953	7,448,729
Creditors: amounts falling due within one year	15	(22,183,901)	(4,533,534)
Net current (liabilities) / assets	1	(15,679,948)	2,915,195
Total assets less current liabilities		4,336,969	23,897,975
Creditors: amounts falling due after more than one year	16	(61,734)	(20,491,415)
Deferred income	17	(134,750)	(138,250)
Provisions for liabilities and charges	8	(390,285)	(588,821)
Net assets		3,750,200	2,679,489
Capital and reserves			
Called up share capital	18	10,101	10,101
Share premium account	20	1,030,516	1,000,000
Profit and loss account	19	2,709,583	1,669,388
Shareholders' funds	21	3,750,200	2,679,489

The financial statements on pages 4 to 22 were approved by the board of directors on 27 November 2008 and were signed on its behalf by:

Director



Fishers Services Group Holdings Limited

Balance sheet as at 31 December 2007

	Notes	2007 £	2006 £
Fixed assets			
Investments	13	31,595,622	31,595,622
Current assets			
Debtors	14	6,058,587	5,208,387
Creditors: amounts falling due within one year	15	(38,184,158)	(15,464,312)
Net current liabilities	1	(32,125,571)	(10,255,925)
Total assets less current liabilities	1	(529,949)	21,339,697
Creditors: amounts falling due after more than one year	16	-	(20,433,206)
Net (liabilities) / assets	1	(529,949)	906,491
Capital and reserves			
Called up share capital	18	10,101	10,101
Share premium account	20	1,030,516	1,000,000
Profit and loss account - deficit	19	(1,570,566)	(103,610)
(Deficit) / surplus of shareholder's funds	21	(529,949)	906,491

The financial statements on pages 4 to 22 were approved by the board of directors on 27 November 2008 and were signed on its behalf by:

Director



Fishers Services Group Holdings Limited

Consolidated cash flow statement for the year ended 31 December 2007

	Notes	2007 £	2006 £
Net cash inflow from operating activities	22	24,325,589	3,747,656
Returns on investments and servicing of finance			
Interest received		110,447	103,476
Interest paid		(1,729,965)	(1,319,761)
Interest element of finance lease payments		(4,037)	(3,244)
Net cash outflow from returns on investments and servicing of finance		(1,623,555)	(1,219,529)
Taxation		(513,505)	(530,218)
Capital expenditure and financial investment			
Purchase of intangible fixed assets		-	(88,330)
Purchase of tangible fixed assets		(793,289)	(941,050)
Sale of tangible fixed assets		99,755	644,277
Net cash outflow from capital expenditure		(693,534)	(385,103)
Finance			
Capital element of finance lease payments		(22,492)	(17,305)
Repayment of loans		(22,114,667)	(1,250,000)
Shares acquired by Employee Benefit Trust		(19,314)	-
Shares disposed of by Employee Benefit Trust		49,830	-
Net cash outflow from financing		(22,106,643)	(1,267,305)
Net cash (outflow) / inflow	23	(611,648)	345,501

Fishers Services Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

1 Basis of preparation of consolidated financial statements

The consolidated financial statements of the group include the financial statements of the company and its subsidiaries, all of which have coterminous year ends.

The financial statements of the parent company indicate that the company has net liabilities at 31 December 2007 of £529,949. The parent company and the group also have net current liabilities amounting to £32,125,571 and £15,679,948 respectively due to liabilities with fellow group companies which are classified as due within one year. The group's overdraft facility of £1,500,000 is also due for renewal on 30 November 2008. The financial statements of the parent company and the group have been prepared under the going concern concept as projections prepared by the directors indicate that the enlarged group and company expect to continue to generate sufficient cashflow to allow settlement of all amounts falling due for at least the next 12 months from the date of approval of these financial statements. The bank has also confirmed that it is their current intention to extend the overdraft facility currently available for a period not less than 12 months.

Subsequent to the year end, Fishers Holdings Limited paid a dividend of £600,000 to the company, which if it had been paid by 31 December 2007, would have eliminated the deficit on shareholder's funds.

2 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

A summary of the principal accounting policies is given below.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided to write off the cost of each asset over its estimated useful life at the following rates:

	%	
Buildings	2	straight line
Plant and machinery	10 - 20	reducing balance
Motor vehicles	10 - 25	straight line
Fixtures, fittings, tools and equipment	20	reducing balance

Goodwill

Goodwill arising on the acquisition of companies and businesses is capitalised and amortised over its useful life not exceeding 20 years.

Investments

Fixed asset investments are stated at cost unless, in the opinion of the directors, there has been a permanent diminution in value, in which case an appropriate adjustment is made.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Linen and garments

Linen and garments for rental are expensed on purchase.

Leases

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding. Operating lease rentals are charged to income in equal annual amounts over the lease term.

Fishers Services Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

2 Accounting policies (continued)

Deferred tax

Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in future. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

Pensions

The group operates the Fishers Group pension scheme which is a defined contribution scheme. Contributions to the scheme are charged against profits in respect of the accounting period in which they fall due.

Grants

Revenue grants are credited to the profit and loss account in the same period as the related expense is incurred. Grants relating to purchases of fixed assets are credited to deferred income and amortised to the profit and loss account over the estimated useful life of the related assets.

Employee Benefit Trust

The Company is deemed to have control of the assets, liabilities, income and costs of its Employee Benefit Trust. The transactions of the trust have therefore been included in the financial statements of the Company.

3 Turnover

Turnover represents the amount invoiced in the ordinary course of business, excluding VAT, for linen hire and laundry services provided during the period. All turnover arose in the United Kingdom.

4 Exceptional items

Administrative expenses

The 2006 exceptional administrative expense of £387,656 was in respect of a trade debtor balance fully provided against following the liquidation of a customer during that year. During 2007, £89,362 of the provision for bad debts was released to the profit and loss account following partial recovery of the debtor.

Property fire and related profit on sale of fixed assets

The group suffered a major fire at one of its plants during 2006. The amount of insurance recovered by the group exceeded the net book value of the assets destroyed and accordingly a profit on sale of fixed assets destroyed in the fire amounting to £319,586 was recorded. The remaining element of the profit on sale of fixed assets of £87,982 related to the sale of a building no longer required by the group.

The 2007 profit on sale of fixed assets relates to the sale of land no longer required by the group.

Fishers Services Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

5 Operating profit

The consolidated operating profit is stated after charging/(crediting):	2007 £	2006 £
Wages and salaries	10,373,007	9,633,466
Social security costs	832,801	779,558
Other pension costs	84,462	93,521
Depreciation – owned assets	966,113	967,883
Depreciation – leased assets	21,439	15,730
Profit on sale of fixed assets	(3,492)	(45,158)
Amortisation of goodwill (note 11)	770,029	779,065
Release of grant (note 17)	(3,500)	(3,500)
Operating lease rentals	120,161	70,534

The 2007 operating profit is stated net of £343,175 (2006 : £1,321,208) received from the group's insurers as compensation for additional costs incurred by the group following a fire at one of its plants during 2006. The amount received was netted off against the relevant expenses in the financial statements.

Services provided by the group's auditors

During the year the group obtained the following services from its auditor at costs as detailed below:

	2007 £	2006 £
Audit services:		
- Fees payable for audit of parent company and consolidated accounts	5,000	5,000
Other services:		
Fees payable to the company's auditor for other services:		
- Audit of subsidiary companies pursuant to legislation	16,500	15,500
- Tax services	13,650	11,350
	35,150	31,850

6 Interest payable and similar charges

	2007 £	2006 £
On bank loans	1,188,585	985,374
On loan stock	541,380	1,076,246
Amortisation of loan arrangement fees	279,605	48,144
Finance lease interest	4,037	3,244
Group interest payable	103,934	-
Other interest	-	1,150
	2,117,541	2,114,158

Fishers Services Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

7 Taxation

(a) Analysis of tax charge for the year

	2007 £	2006 £
Current tax		
UK corporation tax at 30%	624,092	473,555
Prior year adjustment	(31,602)	1,005
	592,490	474,560
Deferred tax:		
Charge for the year	5,606	125,864
UK corporation tax rate change to 28%	(39,255)	-
Withdrawal of balancing adjustments to Industrial Buildings Allowances	(180,333)	-
Prior year adjustment	15,446	(1,660)
	(198,536)	124,204
Total tax charge for the year	393,954	598,764

The deferred tax movement includes amounts relating to the restatement of the closing deferred tax balances of the Group from 30% to 28% in line with the substantively enacted rate applicable from April 2008. The Deferred tax charge is also impacted by the withdrawal of Industrial Buildings Allowances which has resulted in the release of the associated deferred tax liability.

(b) Factors affecting tax charge for the period

The tax assessed for the year is higher (2006 : higher) than the standard rate of corporation tax in the UK of 30%. The differences are explained below :-

	2007 £	2006 £
Profit on ordinary activities before tax	1,434,149	1,285,364
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 : 30%)	430,245	385,609
Effects of:		
Expenses not deductible for tax purposes	(7,120)	23,935
Accelerated capital allowances	(6,008)	(125,864)
Capital transactions	(8,845)	(39,809)
Prior period adjustment	(31,602)	1,005
Goodwill amortisation not deductible for tax purposes	215,820	229,684
Current tax charge for the year	592,490	474,560

Fishers Services Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

8 Deferred taxation

Group	2007 £	2006 £
Deferred taxation provided in the financial statements comprises:-		
Tax effect of timing differences because of:		
Accelerated capital allowances	374,839	588,821
Capital gains	15,446	-
Deferred tax liability	390,285	588,821
At beginning of year	588,821	464,617
Deferred tax (credit) / charge for the year (note 7a)	(198,536)	124,204
Provision at end of year	390,285	588,821

The deferred tax balances are based on a corporation tax rate of 28% (2006 : 30%), the rate applicable to Companies from April 2008.

There are no deferred tax balances in respect of the company.

9 Employees

The average number of persons employed by the group during the year was 658 (2006: 624) all of whom were employed in the United Kingdom.

10 Directors' emoluments

	2007 £	2006 £
Directors' emoluments	578,218	568,190
Pension contribution	65,777	60,614

The remuneration of the highest paid director was £176,916 (2006 : £189,464) plus pension contributions of £30,449 (2006: £27,086).

Pension benefits are accruing to 4 (2006 : 4) directors under defined contribution pension schemes.

Fishers Services Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

11 Intangible assets

Group	Goodwill
	£
<hr/>	
Cost	
At 1 January and 31 December 2007	15,400,578
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Amortisation	
At 1 January 2007	2,129,899
Charge for the year	770,029
At 31 December 2007	2,899,928
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Net book value	
At 31 December 2007	12,500,650
At 31 December 2006	13,270,679
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Goodwill arising on the purchase of Fishers Holdings Limited and subsidiary companies is being amortised on a straight-line basis over 20 years. The directors estimate that the value of the underlying businesses acquired is expected to exceed the value of the underlying assets for this period.

Fishers Services Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

12 Tangible assets

Group	Heritable land & buildings £	Plant & machinery £	Motor vehicles £	Office equipment £	Total £
Cost					
At 1 January 2007	4,140,165	4,541,348	1,464,686	219,871	10,366,070
Additions	61,171	691,017	62,428	13,365	827,981
Disposals	-	-	(150,200)	-	(150,200)
At 31 December 2007	4,201,336	5,232,365	1,376,914	233,236	11,043,851
Depreciation					
At 1 January 2007	224,634	1,523,475	809,669	96,191	2,653,969
Charge for the year	84,467	614,918	260,757	27,410	987,552
Disposals	-	-	(113,937)	-	(113,937)
At 31 December 2007	309,101	2,138,393	956,489	123,601	3,527,584
Net book value					
At 31 December 2007	3,892,235	3,093,972	420,425	109,635	7,516,267
At 31 December 2006	3,915,531	3,017,873	655,017	123,680	7,712,101

As at the balance sheet date there were assets held under hire purchase agreements as follows:-

	2007 £	2006 £
Cost	128,631	94,390
Accumulated depreciation	(37,169)	(15,730)
Net book value	91,462	78,660

Fishers Services Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

13 Investments – cost

Company – shares in subsidiary undertakings	£
At 1 January and 31 December 2007	31,595,622

The shareholdings in subsidiary undertakings are as follows:

	Class of share	Percentage holding	Nature of business
Fishers Holdings Limited	Ordinary	100	Holding company
	Preference	100	
Fishers Services Limited	Ordinary	*100	Laundry and linen services
Fishers Services EBT Limited	Ordinary	**100	Employee benefit trust
Fishers Services (Cupar) Limited	Ordinary	**100	Dormant
Fishers Services (Aberfeldy) Limited	Ordinary	**100	Dormant
Fishers Services (Greenock) Limited	Ordinary	**100	Dormant
	Preference	**100	

* Held by Fishers Holdings Limited

** Held by Fishers Services Limited

14 Debtors

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Trade debtors	3,723,127	3,512,119	-	-
Prepayments and accrued income	134,433	678,489	30,886	-
Amounts owed by group undertakings	-	-	6,027,701	5,208,387
	3,857,560	4,190,608	6,058,587	5,208,387

Fishers Services Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

15 Creditors: amounts falling due within one year

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Bank loans	-	1,401,856	-	1,401,856
Trade creditors	1,048,935	1,283,263	-	-
Amount owed to parent undertaking	19,362,519	-	3,746,911	-
Amounts owed to group undertakings	-	-	34,155,566	13,717,442
Hire purchase creditor (note 16)	27,551	18,876	-	-
Accruals and deferred income	804,382	1,051,644	281,681	345,014
Other taxes and social security	820,507	666,105	-	-
Corporation tax	120,007	111,790	-	-
	22,183,901	4,533,534	38,184,158	15,464,312

Following a group reconstruction during the year, the group and company were acquired by Fishers Group Limited and the whole group was refinanced resulting in the debt of the group and company being repaid in full (note 16 and note 24).

The amount owed to the ultimate parent undertaking consists primarily of amounts due under the Inter-Company Funding Agreement dated 30 November 2007. The facility is in place until 2013 and carries interest at a rate of one percent per annum above the base rate.

Amounts owed to group undertakings consist primarily of amounts due to Fishers Services Limited under the Inter Company Funding Agreement dated 26 March 2004. The facility is in place until 2012 and carries interest at a rate of one percent per annum above the base rate.

The company has entered into a guarantee arrangement with HM Revenue & Customs confirming that it is responsible for any of the group's corporation tax liabilities.

Fishers Services Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

16 Creditors: amounts falling due after more than one year

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Bank loans	-	10,943,539	-	10,943,539
Loan stock	-	9,489,667	-	9,489,667
Hire purchase creditor	61,734	58,209	-	-
	61,734	20,491,415	-	20,433,206

Maturity of debt

The maturity profile of the bank borrowings and loan stock is as follows:-

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Repayable by instalments				
- Bank loan				
Within one year	-	1,401,856	-	1,401,856
Between one and two years	-	1,501,856	-	1,501,856
Between two and five years	-	4,241,683	-	4,241,683
After five years	-	-	-	-
	-	7,145,395	-	7,145,395
Repayable other than by instalments				
Between two and five years				
- Bank loan	-	5,200,000	-	5,200,000
After five years				
- Bank loan	-	-	-	-
- Loan stock	-	9,489,667	-	9,489,667
Total debt	-	21,835,062	-	21,835,062

The bank loans, both of which were repaid in full following a group reconstruction during the year, attracted interest at LIBOR plus 2.25% to 2.75%. The bank loans were secured by a first floating charge and standard security over the assets of the group.

The loan stock, which was repaid in full following a group reconstruction during the year, represented 8,400,000 secured loan notes of £1 each. The loan stock attracted interest at 12.5% per annum.

Fishers Services Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

16 Creditors: amounts falling due after more than one year (continued)

The hire purchase creditor is repayable as follows:-

	2007	2006
	£	£
Within one year	27,551	18,876
Between one and two years	27,551	18,876
Between two and five years	34,183	39,333
	89,285	77,085

The hire purchase creditor is secured over certain assets of the company (note 12).

17 Deferred income

	Group £
At 1 January 2007	138,250
Released to profit and loss account	(3,500)
At 31 December 2007	134,750

Deferred income relates to grants received in respect of the purchase of fixed assets.

18 Called up share capital

Group and company	2007 No	2007 £	2006 No	2006 £
Authorised				
Ordinary shares of £0.01 each	310,101	3,101	310,101	3,101
A ordinary shares of £0.01 each	700,000	7,000	700,000	7,000
	1,010,101	10,101	1,010,101	10,101
Allotted, called up and fully paid				
Ordinary shares of £0.01 each	310,101	3,101	310,101	3,101
A ordinary shares of £0.01 each	700,000	7,000	700,000	7,000
	1,010,101	10,101	1,010,101	10,101

Fishers Services Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

19 Profit and loss account

Group	£
At 1 January 2007	1,669,388
Profit for the year	1,040,195
Shares acquired by EBT	(19,314)
Shares disposed of by EBT	19,314
At 31 December 2007	2,709,583

Company	£
At 1 January 2007	(103,610)
Loss for the year	(1,466,956)
Shares acquired by EBT	(19,314)
Shares disposed of by EBT	19,314
At 31 December 2007	(1,570,566)

The company funds its Employee Benefit Trust (EBT) with cash to acquire shares which will be offered to certain employees. The cost of shares acquired by the EBT is recorded in the profit and loss reserve. Gains on the disposal of such shares are credited to the share premium account.

During the year, the EBT acquired 11,000 ordinary shares from departing employees and sold 11,000 shares to employees at a premium of £30,516. At 31 December 2007, the EBT held no ordinary shares.

20 Share premium account

	Group	Company
	£	£
At 1 January	1,000,000	1,000,000
Shares disposed of by EBT at premium	30,516	30,516
	1,030,516	1,030,516

Fishers Services Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

21 Reconciliation of movements in shareholder's funds

Group	2007 £	2006 £
Profit for the year	1,040,195	686,600
Shares acquired by EBT	(19,314)	-
Shares disposed of by EBT	49,830	-
Opening shareholders' funds	2,679,489	1,992,889
Closing shareholder's funds	3,750,200	2,679,489
Company	2007 £	2006 £
(Loss) / profit for the year	(1,466,956)	2,465,225
Shares acquired by EBT	(19,314)	-
Shares disposed of by EBT	49,830	-
Opening shareholders' funds	906,491	(1,558,734)
Closing shareholder's funds – (deficit)	(529,949)	906,491

22 Reconciliation of operating profit to net cash inflow from operating activities

	2007 £	2006 £
Operating profit	3,381,243	2,888,478
Profit on sale of fixed assets	(3,492)	(45,158)
Depreciation	987,552	983,613
Amortisation of goodwill	770,029	779,065
Release of deferred grant income	(3,500)	(3,500)
Decrease / (increase) in stocks	80	(7,704)
Decrease / (increase) in debtors	333,048	(953,172)
(Decrease) / increase in creditors	(327,188)	106,034
Inter-company loan advance	19,187,817	-
Net cash inflow from operating activities	24,325,589	3,747,656

Fishers Services Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

23 Reconciliation of net cash flow to movement in net debt

	2007 £	2006 £
(Decrease) / increase in cash in the year	(611,648)	345,501
Cash outflow from decrease in debt	22,137,159	1,267,305
Other non-cash movements	(314,297)	(546,781)
Movement in net debt in the period	21,211,214	1,066,025
Opening net debt	(18,736,405)	(19,802,430)
Closing net debt	2,474,809	(18,736,405)

The non-cash movements comprise amortisation of issue costs relating to debt issues, accrued interest charges being rolled up into debt balances and transfers between categories of debt.

24 Analysis of net debt

	2006 £	Cash flow £	Non-cash movements £	2007 £
Cash at bank and in hand	3,175,742	(611,648)	-	2,564,094
Debt due within 1 year	(1,401,856)	1,401,856	-	-
Debt due after 1 year	(20,433,206)	20,712,811	(279,605)	-
Finance leases due within 1 year	(18,876)	22,492	(31,167)	(27,551)
Finance leases due after 1 year	(58,209)	-	(3,525)	(61,734)
	(18,736,405)	21,525,511	(314,297)	2,474,809

25 Contingent liabilities

The company has entered into cross guarantees with other members of the Fishers Group Limited group of companies in respect of its own borrowings and those of other members of the group.

26 Financial commitments

At 31 December 2007 the group had annual commitments under non-cancellable operating leases expiring as follows:-

	2007 £	2006 £
Within one year	2,388	7,770
Between one and two years	36,766	21,689
Between two and five years	4,025	35,702
Expires thereafter	138,867	-
	182,046	65,161

Fishers Services Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

27 Related party transactions

The group has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related Party Disclosures" from the need to disclose transactions between group entities which have been eliminated on consolidation in these financial statements.

During the year the group incurred interest costs of £541,380 (2006 : £1,076,246) in respect of loan stock issued to Close Brothers Equity Limited. Details of the balances outstanding at the year end are given in note 16.

In addition, fees of £22,917 (2006:£25,000) were paid to Close Brothers Equity Limited during the year.

28 Parent undertaking and controlling party

Following a group reconstruction during the year, the share capital of the company was acquired by Fishers Group Limited, a company incorporated in Scotland. The parent undertaking and controlling party is Fishers Group Limited.

Prior to the group reconstruction, Close Brothers had significant influence as a result of the equity interests held by Close Brothers Private Equity (UK) Fund 6 and Close Brothers Private Equity (US) Fund 6. Close Brothers no longer have an interest in the group and company.