

Reg. No. 1

EXCLUSIVE CLEANSING SERVICES LIMITED

BALANCE SHEET

and

ACCOUNTS

31ST MARCH 1984

REGISTERED NUMBER 800206

/80



EXCLUSIVE CLEANSING SERVICES LIMITED

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EXCLUSIVE CLEANSING SERVICES LIMITED

DIRECTORS, OFFICERS AND ADVISERS

Directors:

D.J. Evans
P.J. Jackson
A.C. Neal
C.J. Parsons
R.T. Cresswell
P.W. Cooper
R. Mellor
M.J. Banagan

Secretary:

Brengreen Management
Services Limited

Registered Office:

Brengreen House,
61 Cheapside,
London, EC2V 6AX.

Bankers:

Barclays Bank PLC,
P.O. Box 48,
28 George Street,
Luton, LU1 2AE.

Auditors:

Longcrofts,
Chartered Accountants,
Capel House,
New Broad Street,
London, EC2M 1JS.

EXCLUSIVE CLEANSING SERVICES LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their annual report and audited accounts for the financial year ended 31st March, 1984.

Results and dividends

The results for the year can be seen in the profit and loss account on page 3 and the accompanying notes.

The directors recommend the payment of a dividend of £118,000 (1983 - £306,000)

Principal activities and business review

During the financial year the principal activity of the company was the provision of refuse collection and cleansing services. During the year, a further four contracts commenced and another two were awarded to start in 1984/5.

Fixed assets

Details of the changes that have occurred in fixed assets during the year are shown in note 8. Included under additions to vehicles are commercial vehicles acquired for the new contracts.

Directors and their interests

The names of the directors of the company during the year were as follows :-

A.A. Holder (resigned 06/04/83)	P.W. Cooper
C.J. Parsons (appointed 15/03/84)	F.R. Agar (appointed 15/11/83)
D.J. Evans	M.J. Banagan (appointed 01/01/84)
A.C. Neal	R. Mellor (appointed 01/11/83)
R.T. Cresswell	

F.R. Agar resigned on 23rd April, 1984, P.J. Jackson was appointed on 8th May, 1984.

No director had any interest in the shares of the company nor any material interest in any contract to which the company was party, during the year.

As at 31st March, 1984 D.J. Evans, C.J. Parsons and F.R. Agar were directors of the ultimate holding company, Brengreen (Holdings) plc, and their interests in the shares of that company are disclosed in its accounts.

Employment of disabled persons

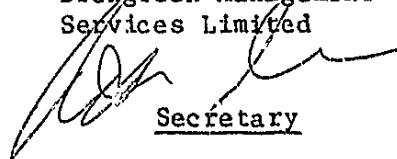
It is the company's policy to give full and fair consideration to every application for employment from disabled persons, the abilities and aptitudes of each disabled applicant being examined in relation to the vacancies available.

Auditors

The auditors, Longcrofts, have expressed their willingness to continue in office and a resolution will be proposed at the Annual General Meeting for their re-appointment.

BY ORDER OF THE BOARD

Brengreen Management
Services Limited


Secretary

6th July, 1984

EXCLUSIVE CLEANSING SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1984

	<u>Notes</u>	<u>1984</u> <u>£</u>	<u>1983</u> <u>£</u>
<u>Turnover</u>	1 (b)	6,977,421	3,457,904
Cost of sales		<u>6,486,954</u>	<u>2,881,839</u>
Gross profit		490,467	576,065
Administrative expenses		<u>501,516</u>	<u>403,821</u>
<u>Operating (loss)/profit</u>		(11,049)	172,244
Interest payable and similar charges	2	<u>178,253</u>	<u>82,457</u>
<u>(Loss)/profit on ordinary activities</u> <u>before taxation</u>	3	(189,302)	89,787
Tax on ordinary activities	5	<u>(293,874)</u>	<u>(553,939)</u>
<u>Profit on ordinary activities</u> <u>after taxation</u>		104,572	643,726
Extraordinary charge	6	<u>256,000</u>	<u>-</u>
<u>(Loss)/profit for the financial year</u>		(151,428)	643,726
Transferred from reserves	16	<u>269,428</u>	<u>-</u>
		118,000	643,726
Dividends		<u>118,000</u>	<u>306,000</u>
<u>Retained profit</u>		<u>-</u>	<u>337,726</u>
<u>Statement of retained profits</u> <u>for the period ended 31st March, 1984</u>			
Retained profits at 3rd April, 1983:			
As previously reported		372,294	53,369
Prior year adjustments	7	<u>(102,704)</u>	<u>(121,505)</u>
As restated		269,590	(68,136)
Retained profit for the period		-	337,726
Transfer to profit and loss account		<u>(269,428)</u>	<u>-</u>
Retained profits at 31st March, 1984		<u>162</u>	<u>269,590</u>

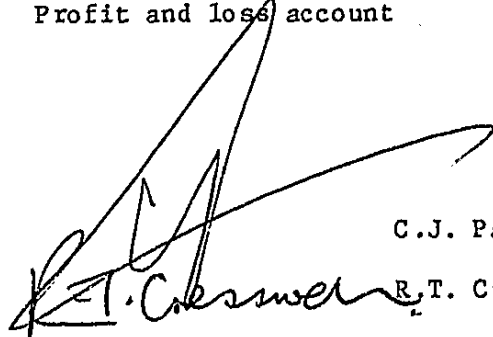
The notes on pages 6 to 10 form an integral part of these accounts.

EXCLUSIVE CLEANSING SERVICES LIMITED

BALANCE SHEET

AS AT 31ST MARCH 1984

	<u>Notes</u>	<u>1984</u> <u>£</u>	<u>1983</u> <u>£</u>
<u>Fixed assets</u>			
Tangible assets	8	<u>2,603,208</u>	<u>1,946,577</u>
<u>Current assets</u>			
Stocks	10	164,489	101,142
Debtors	11	1,963,278	1,111,044
Cash at bank and in hand		<u>1,299</u>	<u>1,181</u>
		<u>2,129,066</u>	<u>1,213,367</u>
<u>Creditors: amounts falling due within one year</u>	12	<u>3,085,919</u>	<u>1,679,735</u>
<u>Net current (liabilities)</u>		<u>(956,853)</u>	<u>(466,368)</u>
<u>Total assets less current liabilities</u>		1,646,355	1,480,209
<u>Creditors: amounts falling due after more than one year</u>	12	1,359,614	1,180,040
<u>Provisions for liabilities and charges</u>			
<u>Deferred taxation</u>	14	<u>256,000</u>	<u>-</u>
		<u>30,741</u>	<u>300,169</u>
<u>Capital and reserves</u>			
Called-up share capital	15	5,416	5,416
Share premium account	16	25,163	25,163
Profit and loss account	16	<u>162</u>	<u>269,590</u>
		<u>30,741</u>	<u>300,169</u>

 C.J. Parsons)
R.T. Cresswell) Directors

Approved at a meeting of the board of Directors held on 6th July, 1984.
The notes on pages 6 to 10 form an integral part of these accounts.

EXCLUSIVE CLEANSING SERVICES LIMITED

SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 31ST MARCH 1984

	<u>1984</u> <u>£</u>	<u>1983</u> <u>£</u>
<u>(Loss)/profit on ordinary activities</u> <u>before taxation</u>	(189,302)	89,787
Items not involving the movement of funds		
Depreciation	585,713	274,999
Loss on disposal of tangible fixed assets	<u>1,258</u>	<u>-</u>
<u>Total generated from operations</u>	397,669	364,786
Funds from other sources		
Proceeds from disposal of tangible fixed assets	6,822	-
Deferred hire purchase and finance leases	712,752	1,030,367
Subvention payment received	<u>-</u>	<u>28,939</u>
<u>Total source</u>	<u>1,117,243</u>	<u>2,024,092</u>
Application of funds		
Purchase of tangible fixed assets	1,250,424	1,656,126
Deferred hire purchase and finance leases	533,178	688,121
Dividend paid	<u>-</u>	<u>426,000</u>
<u>Total application</u>	<u>1,783,602</u>	<u>2,690,247</u>
<u>Net movement in funds</u>	<u>(666,359)</u>	<u>(666,155)</u>
<u>Movements in working capital</u>		
Stocks	63,347	87,845
Debtors	554,096	121,460
Creditors	(749,797)	(387,584)
Group balances	(535,386)	(478,159)
Cash balances and short term borrowings	<u>1,381</u>	<u>(9,717)</u>
	<u>(666,359)</u>	<u>(666,155)</u>

EXCLUSIVE CLEANSING SERVICES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1984

1. Principal accounting policies

a) Basis of accounts preparation

The accounts have been prepared under the historical cost convention and are for the 52 week period ended on 31st March, 1984, compared with the 53 week period ended 2nd April, 1983.

b) Turnover

Turnover represents the invoice value of services supplied to customers net of credits and taxes levied on sales.

c) Depreciation of tangible fixed assets

Short leasehold properties are amortised over the period of the lease. All other assets are depreciated over their anticipated useful lives in equal annual instalments at rates varying between 15% and 33 $\frac{1}{3}$ %.

d) Stock

Stock is stated at the lower of cost and net realisable value.

e) Deferred taxation

Deferred taxation is provided on material timing differences when, in the opinion of the directors, there is a reasonable probability of a liability arising in the foreseeable future. The liability arising from changes in relief available on capital expenditure has been shown as an extraordinary item (see note 6).

f) Development expenditure

Pre-contract development costs in respect of major contracts are written off to the profit and loss account as incurred. In prior years these costs were written off over the period of the contract in equal annual instalments. The effect of this change in accounting policy for development costs has been accounted for by restating the results of the preceding year and adjusting the opening balance of the profit and loss account accordingly (see note 7).

g) Finance lease obligations

Assets which are held under finance lease and hire purchase contracts have been capitalised and are being depreciated over their anticipated useful lives. The obligations relating to these assets have been separately disclosed from other liabilities (see note 13). The effect of this change in accounting policy for finance leases has been accounted for by restating the results of the preceding year and adjusting the opening balance of the profit and loss account accordingly (see note 7).

2. Interest payable and similar charges

	<u>1984</u> <u>£</u>	<u>1983</u> <u>£</u>
Hire purchase and finance leases	171,327	78,427
Other	<u>6,926</u>	<u>4,030</u>
	<u>178,253</u>	<u>82,457</u>

EXCLUSIVE CLEANSING SERVICES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1984 (CONTINUED)

<u>3. (Loss)/profit on ordinary activities before taxation</u>	<u>1984</u> <u>£</u>	<u>1983</u> <u>£</u>
Is after charging:		
Depreciation on tangible fixed assets:-		
on owned assets	427,611	125,371
on leased assets under finance leases	158,102	149,628
Hire of plant, machinery and vehicles	121,451	40,331
Remuneration of auditors	6,240	4,240
Loss on sale of tangible assets	<u>1,258</u>	<u>-</u>
<u>4. Employees</u>		
Staff costs during the year:		
Wages and salaries	3,879,937	1,877,622
Social security costs	380,375	195,250
Other pension costs	<u>107,591</u>	<u>51,927</u>
Average number of persons employed:	<u>NO.</u>	<u>NO.</u>
Production	692	302
Administration	<u>15</u>	<u>10</u>
	<u>707</u>	<u>312</u>
Staff costs include:	<u>£</u>	<u>£</u>
Directors emoluments (including pension contributions)	75,250	42,149
Compensation for loss of office	<u>8,340</u>	<u>-</u>
	<u>83,590</u>	<u>42,149</u>
Emoluments (excluding pension contributions) of:		
Chairman	NIL	NIL
Highest paid director	<u>23,095</u>	<u>19,672</u>
The emoluments (excluding pension contributions) of other directors fell within the following ranges:	<u>NO.</u>	<u>NO.</u>
£ 0 to £ 5,000	4	3
£10,001 to £15,000	1	1
£15,001 to £20,000	2	-
<u>5. Tax on ordinary activities</u>	<u>£</u>	<u>£</u>
Comprises group relief on adjusted tax losses calculated at 50% (1983 - 52%)	(293,980)	(525,000)
Adjustment to prior years' tax provision	<u>106</u>	<u>(28,939)</u>
	<u>293,874</u>	<u>(553,939)</u>

There has been a taxation benefit during the period due to accelerated capital allowances, amounting to £298,000 (1983 - £567,000)

EXCLUSIVE CLEANSING SERVICES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1984 (CONTINUED)

6. <u>Extraordinary charge</u>	<u>1984</u> <u>£</u>	<u>1983</u> <u>£</u>
Deferred taxation arising from changes in relief available on capital expenditure	256,000	NIL

7. Prior year adjustments

The policy followed in accounting for pre-contract development costs incurred in respect of major contracts, which in prior years was written off over the period of the contract in equal annual instalments, was changed during the year and such expenditure is now written off in the year incurred. Development expenditure carried forward at 2nd April, 1983 amounted to £118,355. In restating the results of 1983 on the basis of the new policy, the profit on ordinary activities before taxation has been reduced by £6,379. The remainder, £111,976 relating to prior years, has been charged against retained profits at the beginning of 1983.

The effect of capitalising assets held under finance leases has been to increase the retained profits brought forward at 3rd April, 1983 by £15,651 and to increase the profit on ordinary activities before taxation by £25,180 for that year.

8. Tangible fixed assets

	<u>Owned</u>				<u>Leased</u>	<u>Total</u>
	<u>Short Leasehold Property £</u>	<u>Plant £</u>	<u>Fixtures & Fittings £</u>	<u>Motor Vehicles £</u>	<u>Motor Vehicles £</u>	<u>£</u>
Cost						
At 3rd April, 1983	89,386	126,009	24,792	1,353,420	761,642	2,355,249
Additions	79,007	122,722	10,518	907,927	130,250	1,250,424
Disposals	-	-	-	(18,652)	-	(18,652)
At 31st March, 1984	<u>168,393</u>	<u>248,731</u>	<u>35,310</u>	<u>2,242,695</u>	<u>891,892</u>	<u>3,587,021</u>
Aggregate depreciation						
At 3rd April, 1983	17,709	23,215	4,793	138,637	224,318	408,672
Disposals	-	-	-	(10,572)	-	(10,572)
Charge for the year	<u>23,600</u>	<u>36,251</u>	<u>5,384</u>	<u>362,376</u>	<u>158,102</u>	<u>585,713</u>
At 31st March, 1984	<u>41,309</u>	<u>59,466</u>	<u>10,177</u>	<u>490,441</u>	<u>382,420</u>	<u>983,813</u>
Net book value at 31st March, 1984	<u>127,084</u>	<u>189,265</u>	<u>25,133</u>	<u>1,752,254</u>	<u>509,472</u>	<u>2,603,208</u>
2nd April, 1983	<u>71,677</u>	<u>102,794</u>	<u>19,999</u>	<u>1,214,783</u>	<u>537,324</u>	<u>1,946,577</u>

9. Capital commitments

	<u>1984</u> <u>£</u>	<u>1983</u> <u>£</u>
Amounts contracted and authorised but not provided for in the accounts, amounted to	127,000	97,323

EXCLUSIVE CLEANSING SERVICES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1984 (CONTINUED)

	<u>1984</u> <u>£</u>	<u>1983</u> <u>£</u>
10. <u>Stocks</u>		
Raw materials and consumables	<u>164,489</u>	<u>101,142</u>
11. <u>Debtors</u>		
Amounts falling due within one year:		
Trade debtors	914,289	437,222
Amounts owed from group companies	49,291	45,027
Taxation	818,874	525,000
Other debtors	61,229	18,327
Prepayments and accrued income	<u>119,595</u>	<u>85,468</u>
	<u>1,963,278</u>	<u>1,111,044</u>
12. <u>Creditors</u>		
Amounts falling due within one year:		
Current instalments due on hire purchase and finance lease obligations (note 13)	579,317	445,177
Bank overdrafts (secured)	14,602	15,865
Trade creditors	420,471	164,382
Amounts owed to group companies	1,312,797	773,147
Other taxes and social security	492,907	227,816
Accruals and other creditors	147,825	53,348
Proposed dividends	<u>118,000</u>	<u>-</u>
	<u>3,085,919</u>	<u>1,679,735</u>
Amounts falling due after more than one year:		
Hire purchase and finance lease obligations (note 13)	<u>1,359,614</u>	<u>1,180,040</u>
13. <u>Hire purchase and finance lease obligations</u>		
The future minimum lease payments to which the company is committed as at 31st March, 1984 are as follows:-		
Within one year	814,595	638,803
Between one and two years	690,094	543,071
Between two and three years	525,855	452,294
Between three and four years	359,719	312,895
Between four and five years	<u>102,407</u>	<u>183,745</u>
	<u>2,492,670</u>	<u>2,130,808</u>
Less: finance charges allocated to future periods	<u>(553,739)</u>	<u>(505,591)</u>
	<u>1,938,931</u>	<u>1,625,217</u>
Current obligations	579,317	445,177
Non current obligations	<u>1,359,614</u>	<u>1,180,040</u>
	<u>1,938,931</u>	<u>1,625,217</u>

EXCLUSIVE CLEANSING SERVICES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1984 (CONTINUED)

14. Deferred taxation

Deferred taxation provided in the accounts and the total potential liability including the amounts for which provision has been made, are as follows:-

	<u>Amount provided</u>		<u>Potential liability</u>	
	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Accelerated capital allowances	256,000	-	762,051	697,000
Losses	-	-	87,430	-
	<u>256,000</u>	<u>-</u>	<u>674,621</u>	<u>697,000</u>

15. Share capital

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
Authorised		
536,200 Deferred shares of 1p each	5,362	5,362
63,800 Ordinary shares of 1p each	638	638
	<u>6,000</u>	<u>6,000</u>
Allotted, called-up and fully paid		
536,200 Deferred shares of 1p each	5,362	5,362
5,362 Ordinary shares of 1p each	54	54
	<u>5,416</u>	<u>5,416</u>

16. Reserves

	<u>Share Premium</u>	<u>Profit and Loss Account</u>	<u>Total</u>
At 3rd April, 1983 as previously reported	25,163	372,294	397,457
Prior year adjustments	-	(102,704)	(102,704)
Transfer to profit and loss account	-	(269,428)	(269,428)
At 31st March, 1984	<u>25,163</u>	<u>162</u>	<u>25,325</u>

17. Contingent liabilities

The company has entered into guarantees in respect of performance bonds given in the normal course of business amounting to £1,175,953 (1983 - £285,585), and has given an unlimited guarantee in respect of facilities provided by the company's bankers to fellow group companies.

18. Ultimate holding company

The ultimate holding company is Brengreen (Holdings) plc, a company registered in England.

REPORT OF THE AUDITORS TO THE MEMBERS OF

EXCLUSIVE CLEANSING SERVICES LIMITED

We have audited the financial statements on pages 3 to 10 in accordance with approved auditing standards.

In our opinion the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs at 31st March, 1984 and of its result and source and application of funds for the 52 week period ended on that date and comply with the Companies Acts 1948 to 1981.

Capel House,
New Broad Street,
London, EC2M 1JS

6th July 1984

Longcroft's

LONGCROFTS

Chartered Accountants