

Registration number 1888801

London Property Maintenance (Cleaning) Limited

Abbreviated accounts

for the year ended 31 December 2004



London Property Maintenance (Cleaning) Limited

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London Property Maintenance (Cleaning) Limited

**Directors' report
for the year ended 31 December 2004**

The directors present their report and the accounts for the year ended 31 December 2004.

Principal activity and review of the business

The principal activity of the company is that of commercial cleaning and supply of cleaning materials.

Results and dividends

The results for the year are set out on page 3.

The directors do not recommend payment of a final dividend.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

Ordinary shares	
31/12/04	01/01/04

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Directors' responsibilities

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

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

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

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Pritchard Fellows & Co Ltd be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

This report was approved by the Board on 20/4/05 and signed on its behalf by



Director

**Independent auditors' report to London Property Maintenance (Cleaning) Limited
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 3 to 13 together with the financial statements of London Property Maintenance (Cleaning) Limited for the year ended 31 December 2004 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 31 December 2004, and the abbreviated accounts on pages 3 to 13 are properly prepared in accordance with that provision.



Pritchard Fellows & Co Ltd
Registered Accountants and
Registered Auditor

Melbury House
34 Southborough Road
Bickley
Kent
BR1 2EB

21/4/05

London Property Maintenance (Cleaning) Limited

**Abbreviated profit and loss account
for the year ended 31 December 2004**

		Continuing operations	
		2004	2003
	Notes	£	£
Gross profit		3,371,058	2,702,151
Administrative expenses		(2,765,943)	(2,338,354)
Operating profit	2	<u>605,115</u>	<u>363,797</u>
Other interest receivable and similar income	3	17,714	13,935
Interest payable and similar charges	4	<u>(5,789)</u>	<u>(9,484)</u>
Profit on ordinary activities before taxation		617,040	368,248
Tax on profit on ordinary activities	7	<u>(189,908)</u>	<u>(117,327)</u>
Profit on ordinary activities after taxation		<u>427,132</u>	<u>250,921</u>
Retained profit for the year		427,132	250,921
Retained profit brought forward		1,366,582	1,115,661
Retained profit carried forward		<u><u>1,793,714</u></u>	<u><u>1,366,582</u></u>

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6 to 13 form an integral part of these financial statements.

London Property Maintenance (Cleaning) Limited

Abbreviated balance sheet as at 31 December 2004

		2004		2003	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	8		23,000		34,500
Tangible assets	9		663,445		557,100
Investments	10		700,000		575,000
			<u>1,386,445</u>		<u>1,166,600</u>
Current assets					
Stocks	11	104,793		82,721	
Debtors	12	2,979,769		2,362,639	
Cash at bank and in hand		21,876		29,956	
		<u>3,106,438</u>		<u>2,475,316</u>	
Creditors: amounts falling due within one year	13	(2,699,069)		(2,251,209)	
Net current assets			<u>407,369</u>		<u>224,107</u>
Total assets less current liabilities			1,793,814		1,390,707
Creditors: amounts falling due after more than one year	14		-		(24,025)
Net assets			<u>1,793,814</u>		<u>1,366,682</u>
Capital and reserves					
Called up share capital	15		100		100
Profit and loss account			1,793,714		1,366,582
Equity shareholders' funds	16		<u>1,793,814</u>		<u>1,366,682</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies .

The abbreviated accounts were approved by the Board on 24/4/05 and signed on its behalf by



Director

The notes on pages 6 to 13 form an integral part of these financial statements.

London Property Maintenance (Cleaning) Limited

**Cash flow statement
for the year ended 31 December 2004**

	Notes	2004 £	2003 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		605,115	363,797
Depreciation		182,814	175,975
(Increase) in stocks		(22,072)	(16,439)
(Increase) in debtors		(617,130)	185,756
Increase in creditors		241,632	458,685
Net cash inflow from operating activities		<u>390,359</u>	<u>1,167,774</u>
Cash flow statement			
Net cash inflow from operating activities		390,359	1,167,774
Returns on investments and servicing of finance	19	11,925	4,451
Taxation	19	(105,126)	(75,297)
Capital expenditure and financial investment	19	(426,802)	(762,755)
		<u>(129,644)</u>	<u>334,173</u>
Financing	19	(24,025)	(78,721)
Decrease in cash in the year		<u>(153,669)</u>	<u>255,452</u>
Reconciliation of net cash flow to movement in net debt (Note 20)			
Decrease in cash in the year		(153,669)	255,452
Cash outflow from increase in debts and lease financing		24,025	78,721
		<u>(129,644)</u>	<u>334,173</u>
Change in net debt resulting from cash flows		(129,644)	334,173
New finance leases and hire purchase contracts		24,143	(18,983)
Movement in net debt in the year		<u>(105,501)</u>	<u>315,190</u>
Net debt at 1 January 2004		<u>(42,237)</u>	<u>(357,427)</u>
Net debt at 31 December 2004		<u>(147,738)</u>	<u>(42,237)</u>

London Property Maintenance (Cleaning) Limited

Notes to the abbreviated financial statements for the year ended 31 December 2004

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention .

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 0 pence years.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings

and equipment

- 15% pa Reducing Balance

Motor vehicles

- 25% pa Reducing Balance

1.5. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.6. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7. Stock

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

1.8. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings.

London Property Maintenance (Cleaning) Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2004**

..... continued

2. Operating profit	2004	2003
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off intangible assets	11,500	11,500
Depreciation and other amounts written off tangible assets	164,900	155,772
Loss on disposal of tangible fixed assets	6,414	8,703
Auditors' remuneration	6,000	9,353
	<u> </u>	<u> </u>
 3. Interest receivable and similar income	 2004	 2003
	£	£
Other interest	17,714	13,935
	<u> </u>	<u> </u>
 4. Interest payable and similar charges	 2004	 2003
	£	£
Hire purchase interest	5,789	9,484
	<u> </u>	<u> </u>
 5. Employees		
Number of employees	2004	2003
The average monthly numbers of employees (including the directors) during the year were:		
Management Administration & Cleaning	1,702	882
	<u> </u>	<u> </u>
 Employment costs	 2004	 2003
	£	£
Wages and salaries	8,384,097	6,457,204
Social security costs	113,759	95,761
Other pension costs	12,000	12,000
	<u> </u>	<u> </u>
	<u>8,509,856</u>	<u>6,564,965</u>

London Property Maintenance (Cleaning) Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2004**

..... continued

5.1. Directors' emoluments	2004	2003
	£	£
Remuneration and other emoluments	37,000	27,769
Pension contributions	3,000	3,000
	<u>40,000</u>	<u>30,769</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>1</u>	<u>1</u>

6. Pension costs

The company operates a defined contribution pension scheme in respect of the directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £12,000 (2003 - £12,000).

7. Tax on profit on ordinary activities

Analysis of charge in period	2004	2003
	£	£
Current tax		
UK corporation tax	<u>189,908</u>	<u>117,327</u>

London Property Maintenance (Cleaning) Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2004**

..... continued

8. Intangible fixed assets

	Goodwill	Total
	£	£
Cost		
At 1 January 2004	57,500	57,500
At 31 December 2004	<u>57,500</u>	<u>57,500</u>
Provision for diminution in value		
At 1 January 2004	23,000	23,000
Charge for year	<u>11,500</u>	<u>11,500</u>
At 31 December 2004	<u>34,500</u>	<u>34,500</u>
Net book values		
At 31 December 2004	<u>23,000</u>	<u>23,000</u>
At 31 December 2003	<u>34,500</u>	<u>34,500</u>

9. Tangible fixed assets

	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£
Cost			
At 1 January 2004	351,504	631,702	983,206
Additions	199,414	85,385	284,799
Disposals	<u>-</u>	<u>(51,003)</u>	<u>(51,003)</u>
At 31 December 2004	<u>550,918</u>	<u>666,084</u>	<u>1,217,002</u>
Depreciation			
At 1 January 2004	116,726	309,380	426,106
On disposals	<u>-</u>	<u>(37,449)</u>	<u>(37,449)</u>
Charge for the year	<u>65,131</u>	<u>99,769</u>	<u>164,900</u>
At 31 December 2004	<u>181,857</u>	<u>371,700</u>	<u>553,557</u>
Net book values			
At 31 December 2004	<u>369,061</u>	<u>294,384</u>	<u>663,445</u>
At 31 December 2003	<u>234,778</u>	<u>322,322</u>	<u>557,100</u>

London Property Maintenance (Cleaning) Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2004**

..... continued

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2004		2003	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Equipment	-	-	22,987	8,830
Motor vehicles	60,750	76,533	112,394	99,304
	<u>60,750</u>	<u>76,533</u>	<u>135,381</u>	<u>108,134</u>

10. Fixed asset investments	Other unlisted investments £	Total £
Cost		
At 1 January 2004	575,000	575,000
Additions	125,000	125,000
At 31 December 2004	<u>700,000</u>	<u>700,000</u>
Net book values		
At 31 December 2004	<u>700,000</u>	<u>700,000</u>
At 31 December 2003	<u>575,000</u>	<u>575,000</u>

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves £	Profit for the year £
Axis Security Services Limited	310,543	136,855

On the 12th December 2003 the company acquired 20,100 Ordinary shares of £1 each in Axis Security Services Limited. This represents the whole of the company's issued share capital. The final consideration of £125,000 was paid during the year.

11. Stocks	2004 £	2003 £
Finished goods and goods for resale	<u>104,793</u>	<u>82,721</u>

London Property Maintenance (Cleaning) Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2004**

..... continued

12. Debtors	2004 £	2003 £
Trade debtors	2,444,188	1,977,431
Amounts owed by group undertakings	27,965	-
Loans (see note 18)	240,000	240,000
Other debtors	18,404	16,734
Prepayments and accrued income	249,212	128,474
	<u>2,979,769</u>	<u>2,362,639</u>
13. Creditors: amounts falling due within one year	2004 £	2003 £
Bank overdraft	145,589	-
Debt factoring	1,189,749	1,108,400
Net obligations under finance leases and hire purchase contracts	24,025	48,168
Trade creditors	248,218	340,836
Amounts owed to group undertaking	245,000	200,000
Corporation tax	194,058	109,276
Other taxes and social security costs	418,661	298,693
Other creditors	16,623	42,150
Accruals and deferred income	217,146	103,686
	<u>2,699,069</u>	<u>2,251,209</u>
14. Creditors: amounts falling due after more than one year	2004 £	2003 £
Net obligations under finance leases and hire purchase contracts	-	24,025

London Property Maintenance (Cleaning) Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2004**

..... continued

15. Share capital	2004	2003
	£	£
Authorised		
100 Ordinary shares of 1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 Ordinary shares of 1 each	<u>100</u>	<u>100</u>
16. Reconciliation of movements in shareholders' funds	2004	2003
	£	£
Profit for the year	427,132	250,921
Opening shareholders' funds	<u>1,366,682</u>	<u>1,115,761</u>
Closing shareholders' funds	<u>1,793,814</u>	<u>1,366,682</u>

17. Related party transactions

During the year the company paid Mr Baldwin consultancy fees of £179,588 (2003 - 183,000) through an unincorporated business - Town & Country Services - of which he is a sole proprietor. During the year ended 31 December 2003, Mr Baldwin was advanced £240,000 repayable over 5 years with interest chargeable at 5.25% per annum (see note 13). Mr I Perfect and Mr Baldwin who both have an equal share of interest in the premises of the business were paid a total of £33,000 in respect of rent for the year (2003 - £33,000).

18. Ultimate parent undertaking

The company regards Meredith Corporation Limited, incorporated in England as its ultimate holding company.

London Property Maintenance (Cleaning) Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2004**

..... continued

19. Gross cash flows

	2004	2003
	£	£
Returns on investments and servicing of finance		
Interest received	17,714	13,935
Interest paid	(5,789)	(9,484)
	<u>11,925</u>	<u>4,451</u>
Taxation		
Corporation tax paid	(117,327)	(75,297)
Corporation tax repaid	12,201	-
	<u>(105,126)</u>	<u>(75,297)</u>
Capital expenditure and financial investment		
Payments to acquire tangible assets	(308,942)	(257,317)
Payments to acquire investments	(125,000)	(575,000)
Receipts from sales of tangible assets	7,140	19,562
	<u>(426,802)</u>	<u>(812,755)</u>
Financing		
Capital element of finance leases and hire purchase contracts	<u>(24,025)</u>	<u>(53,969)</u>

20. Analysis of changes in net funds

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	29,956	(8,080)		21,876
Overdrafts	-	(145,589)		(145,589)
	<u>29,956</u>	<u>(153,669)</u>		<u>(123,713)</u>
Finance leases and hire purchase contracts	(72,193)	24,025	24,143	(24,025)
Net funds	<u>(42,237)</u>	<u>(129,644)</u>	<u>24,143</u>	<u>(147,738)</u>