

Registration number 1888801

LONDON PROPERTY MAINTENANCE (CLEANING) LIMITED

Abbreviated accounts

for the year ended 31 December 2002



LONDON PROPERTY MAINTENANCE (CLEANING) LIMITED

Contents

	Page
Directors' report	1
Auditors' report	2
Abbreviated profit and loss account	3
Abbreviated balance sheet	4
Cash flow statement	5
Notes to the financial statements	6 - 12

LONDON PROPERTY MAINTENANCE (CLEANING) LIMITED

Directors' report for the year ended 31 December 2002

The directors present their report and the accounts for the year ended 31 December 2002.

Principal activity and review of the business

The principal activity of the company is that of commercial cleaning and supply of cleaning materials.
The directors are satisfied with the results for the year.

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	
		31/12/02	01/01/02
		or date of	
		appointment	
I Perfect		-	-
S T Trott	Resigned 28-10-02	-	-

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 was approved by the Board on 30 October 2003 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 12 together with the financial statements of LONDON PROPERTY MAINTENANCE (CLEANING) LIMITED for the year ended 31 December 2002 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

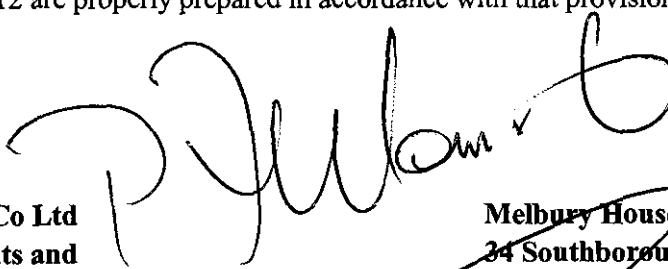
We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining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

Opinion

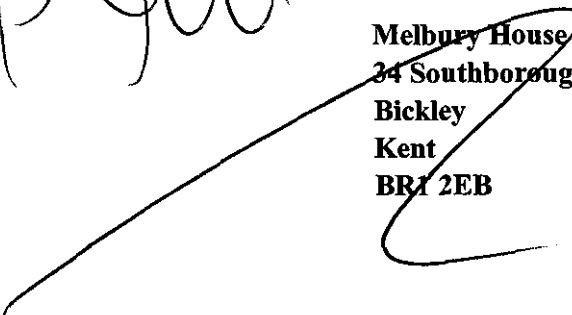
In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 31 December 2002, and the abbreviated accounts on pages 3 to 12 are properly prepared in accordance with that provision.

Pritchard Fellows & Co Ltd
Registered Accountants and
Registered Auditor

30 October 2003



Melbury House
34 Southborough Road
Bickley
Kent
BR1 2EB



LONDON PROPERTY MAINTENANCE (CLEANING) LIMITED

Abbreviated profit and loss account for the year ended 31 December 2002

		2002	2001
	Notes	£	£
Gross profit		2,237,312	1,735,946
Administrative expenses		(1,923,899)	(1,471,615)
Operating profit	2	313,413	264,331
Other interest receivable and similar income	3	13,935	12,384
Interest payable and similar charges	4	(9,160)	(6,543)
Profit on ordinary activities before taxation		318,188	270,172
Tax on profit on ordinary activities	7	(67,232)	(70,553)
Profit on ordinary activities after taxation		250,956	199,619
Retained profit for the year		250,956	199,619
Retained profit brought forward		864,705	665,086
Retained profit carried forward		1,115,661	864,705

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 12 form an integral part of these financial statements.

LONDON PROPERTY MAINTENANCE (CLEANING) LIMITED

Abbreviated balance sheet as at 31 December 2002

		2002		2001	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	8		46,000		-
Tangible assets	9		486,890		444,053
			<u>532,890</u>		<u>444,053</u>
Current assets					
Stocks	10	66,282		43,516	
Debtors	11	1,439,995		1,065,785	
Cash at bank and in hand		13,320		8,454	
		<u>1,519,597</u>		<u>1,117,755</u>	
Creditors: amounts falling due within one year	12	(877,716)		(650,025)	
Net current assets			<u>641,881</u>		<u>467,730</u>
Total assets less current liabilities			1,174,771		911,783
Creditors: amounts falling due after more than one year	13		(59,010)		(46,978)
Net assets			<u>1,115,761</u>		<u>864,805</u>
Capital and reserves					
Called up share capital	14		100		100
Profit and loss account			1,115,661		864,705
Shareholders' funds	15		<u>1,115,761</u>		<u>864,805</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 30 October 2003 and signed on its behalf by

Director



The notes on pages 6 to 12 form an integral part of these financial statements.

LONDON PROPERTY MAINTENANCE (CLEANING) LIMITED

Cash flow statement for the year ended 31 December 2002

	Notes	2002 £	2001 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		313,413	264,331
Depreciation		162,922	116,622
(Increase) in stocks		(22,766)	(9,083)
(Increase) in debtors		(374,210)	(347,603)
Increase in creditors		24,918	144,592
Net cash inflow from operating activities		<u>104,277</u>	<u>168,859</u>
Cash flow statement			
Net cash inflow from operating activities		104,277	168,859
Returns on investments and servicing of finance	18	4,775	5,841
Taxation	18	(70,541)	(40,735)
Capital expenditure	18	(149,829)	(121,137)
		(111,318)	12,828
Financing	18	(70,237)	(76,632)
Decrease in cash in the year		<u>(181,555)</u>	<u>(63,804)</u>
Reconciliation of net cash flow to movement in net debt (Note 19)			
Decrease in cash in the year		(181,555)	(63,804)
Cash outflow from increase in debts and lease financing		70,237	76,632
Change in net debt resulting from cash flows		(111,318)	12,828
New finance leases and hire purchase contracts		(101,929)	(127,270)
Movement in net debt in the year		(213,247)	(114,442)
Net debt at 1 January 2002		(144,180)	(29,738)
Net debt at 31 December 2002		<u>(357,427)</u>	<u>(144,180)</u>

LONDON PROPERTY MAINTENANCE (CLEANING) LIMITED

Notes to the abbreviated financial statements for the year ended 31 December 2002

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 5 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. Stock

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

1.7. 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.

2. Operating profit

	2002	2001
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off intangible assets	11,500	-
Depreciation and other amounts written off tangible assets	132,301	116,705
Loss on disposal of tangible fixed assets	19,121	(83)
Auditors' remuneration	9,300	8,200
	<u> </u>	<u> </u>

LONDON PROPERTY MAINTENANCE (CLEANING) LIMITED

Notes to the abbreviated financial statements for the year ended 31 December 2002

..... continued

3. Interest receivable and similar income	2002	2001
	£	£
Other interest	<u>13,935</u>	<u>12,384</u>
4. Interest payable and similar charges	2002	2001
	£	£
Hire purchase interest	9,115	6,543
On overdue tax	45	-
	<u>9,160</u>	<u>6,543</u>
5. Employees		
Number of employees	2002	2001
The average monthly numbers of employees (including the directors) during the year were:		
	<u>835</u>	<u>760</u>
Employment costs	2002	2001
	£	£
Wages and salaries	4,869,397	3,686,065
Social security costs	228,669	174,201
Other pension costs	12,000	3,000
	<u>5,110,066</u>	<u>3,863,266</u>
5.1. Directors' emoluments	2002	2001
	£	£
Remuneration and other emoluments	40,515	59,310
Pension contributions	7,500	2,100
	<u>48,015</u>	<u>61,410</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>2</u>	<u>2</u>

LONDON PROPERTY MAINTENANCE (CLEANING) LIMITED

Notes to the abbreviated financial statements for the year ended 31 December 2002

..... continued

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 (2001 - £3,000).

7. Tax on profit on ordinary activities

Analysis of charge in period	2002 £	2001 £
Current tax		
UK corporation tax	76,837	70,553
Adjustments in respect of previous periods	(9,605)	-
	<u>67,232</u>	<u>70,553</u>

8. Intangible fixed assets

	Goodwill £	Total £
Cost		
Additions	57,500	57,500
At 31 December 2002	<u>57,500</u>	<u>57,500</u>
Provision for diminution in value		
Charge for year	11,500	11,500
At 31 December 2002	<u>11,500</u>	<u>11,500</u>
Net book values		
At 31 December 2002	<u>46,000</u>	<u>46,000</u>

Goodwill is capitalised and amortised over its estimated useful life of 5 years.

LONDON PROPERTY MAINTENANCE (CLEANING) LIMITED

Notes to the abbreviated financial statements for the year ended 31 December 2002

..... continued

9. Tangible fixed assets	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost			
At 1 January 2002	237,907	486,695	724,602
Additions	73,858	125,780	199,638
Disposals	(45,239)	(35,647)	(80,886)
At 31 December 2002	<u>266,526</u>	<u>576,828</u>	<u>843,354</u>
Depreciation			
At 1 January 2002	69,690	210,859	280,549
On disposals	(28,143)	(28,242)	(56,385)
Charge for the year	33,747	98,553	132,300
At 31 December 2002	<u>75,294</u>	<u>281,170</u>	<u>356,464</u>
Net book values			
At 31 December 2002	<u>191,232</u>	<u>295,658</u>	<u>486,890</u>
At 31 December 2001	<u>168,217</u>	<u>275,836</u>	<u>444,053</u>

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

Asset description	2002		2001	
	Net	Depreciation	Net	Depreciation
	book value £	charge £	book value £	charge £
Equipment	27,044	4,773	31,817	5,615
Motor vehicles	166,552	53,476	101,875	33,692
	<u>193,596</u>	<u>58,249</u>	<u>133,692</u>	<u>39,307</u>
10. Stocks			2002	2001
			£	£
Materials and consumables			<u>66,282</u>	<u>43,516</u>

LONDON PROPERTY MAINTENANCE (CLEANING) LIMITED

Notes to the abbreviated financial statements for the year ended 31 December 2002

..... continued

11. Debtors	2002 £	2001 £
Trade debtors	1,071,608	717,572
Amount owed by connected companies	192,203	192,203
Other debtors	12,859	7,382
Prepayments and accrued income	163,325	148,628
	<u>1,439,995</u>	<u>1,065,785</u>
12. Creditors: amounts falling due within one year	2002 £	2001 £
Bank overdraft	238,816	52,395
Net obligations under finance leases and hire purchase contracts	72,921	53,261
Trade creditors	205,823	119,523
Corporation tax	67,245	70,553
Other taxes and social security costs	247,036	192,643
Other creditors	1,278	6,169
Accruals and deferred income	44,597	155,481
	<u>877,716</u>	<u>650,025</u>
13. Creditors: amounts falling due after more than one year	2002 £	2001 £
Net obligations under finance leases and hire purchase contracts	<u>59,010</u>	<u>46,978</u>
14. Share capital	2002 £	2001 £
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>

LONDON PROPERTY MAINTENANCE (CLEANING) LIMITED

Notes to the abbreviated financial statements for the year ended 31 December 2002

..... continued

15. Reconciliation of movements in shareholders' funds	2002	2001
	£	£
Profit for the year	250,956	199,619
Opening shareholders' funds	864,805	665,186
Closing shareholders' funds	<u>1,115,761</u>	<u>864,805</u>

16. Related party transactions

During the year the company paid Mr Baldwin consultancy fees of £135,000 (2001 -£120,840) through an unincorporated business Town and Country Services which is wholly owned by him. In December 1999, he was advanced a loan of £133,281 repayable over 5 years at 7.25% per annum. The balance outstanding at 31 December 2002 amounted to £79,968 (2001 - £79,968). In March 2001 he was advanced a further loan of £129,995 repayable over 5 years at 7.25%. The balance outstanding at 31 December 2002 amounted to £112,235 (2001 - £112,235).

Mr I Perfect and Mr Baldwin who both have an equal share of interest in the place of business were paid a total of £24,750 in rent in the year (2001 - £nil).

17. 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 2002

..... continued

18. Gross cash flows

	2002 £	2001 £
Returns on investments and servicing of finance		
Interest received	13,935	12,384
Interest paid	(9,160)	(6,543)
	<u>4,775</u>	<u>5,841</u>
Taxation		
Corporation tax paid	<u>(70,541)</u>	<u>(40,735)</u>
Capital expenditure		
Payments to acquire intangible assets	(57,500)	-
Payments to acquire tangible assets	(97,709)	(121,587)
Receipts from sales of tangible assets	5,380	450
	<u>(149,829)</u>	<u>(121,137)</u>
Financing		
Capital element of finance leases and hire purchase contracts	<u>(70,237)</u>	<u>(76,632)</u>

19. Analysis of changes in net funds

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	8,454	4,866		13,320
Overdrafts	(52,395)	(186,421)		(238,816)
	<u>(43,941)</u>	<u>(181,555)</u>		<u>(225,496)</u>
Finance leases and hire purchase contracts	(100,239)	70,237	(101,929)	(131,931)
Net funds	<u>(144,180)</u>	<u>(111,318)</u>	<u>(101,929)</u>	<u>(357,427)</u>