

FORWARD AEGIS LIMITED

Report and Financial Statements

31 March 2005

**Deloitte & Touche LLP
Manchester**



FORWARD AEGIS LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

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FORWARD AEGIS LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

Mr. O. W. Weisflog
Mr. C. W. Lowton
Mr. S. G. Bonner

SECRETARY

Mr. M. Clark

REGISTERED OFFICE

79 Limpsfield Road
Sanderstead
Surrey
CR2 9LB

AUDITORS

Deloitte & Touche LLP
Manchester

FORWARD AEGIS LIMITED

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the nine month period ended 31 March 2005.

The accounting reference date of the Company was changed on 24 June 2005, shortening the current period to end on 31 March 2005 and future periods to end 31 March.

PRINCIPAL ACTIVITIES

The Company's principal activity was that of pest control services and supply of pest control equipment.

On 31 December 2004 the trade, assets and undertakings of the Company were transferred to Cannon Hygiene Limited at net book value.

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The Company had a successful period of trading up to 31 December 2004, after which date the company ceased to trade. The Directors do not anticipate that the Company will recommence trading in the foreseeable future.

RESULTS AND DIVIDENDS

Details of the results for the period are set out in the profit and loss account on page 5.

The financial position at the period end is set out in the balance sheet on page 6.

The Directors recommend the payment of a final dividend of £0.73 per share totalling £178,000 (2004 - £Nil).

DIRECTORS

The Directors who served throughout the period, unless otherwise stated, were as follows:

Mr C.W. Lowton

Mr S. G. Bonner

Mr R. P. Thomas (resigned 18 February 2005)

Mr. O. W. Weisflog

None of the Directors at 31 March 2005 had any interest in the shares of the Company or any other UK Group company at 31 March 2005 or 1 July 2004 except as noted below.

Messrs. S.G. Bonner and O.W. Weisflog are directors of the ultimate parent company O.C.S. Group Limited and accordingly, their interest in the share capital of that company is shown in the report of its directors. There were no changes to these interests during the period.

AUDITORS

The Company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte & Touche LLP will be the auditors of the Company for the forthcoming financial year under the provisions of section 386(2) of the Companies Act 1985.

79 Limpsfield Road
Sanderstead
Surrey CR2 9LB

Approved by the Board
of Directors and signed
on behalf of the Board



M. Clark
Secretary

25 November 2005

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the Company 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; and
- prepare the financial statements on a 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 the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FORWARD AEGIS LIMITED

We have audited the financial statements of Forward Aegis Limited for the nine month period ended 31 March 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 18. 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

As described in the statement of Directors' responsibilities, the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 if, in our opinion, the Directors' report is not consistent with the financial statements, if 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 transactions with the Company is not disclosed.

We read the Directors' report for the above period and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards 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 judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company, 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 of the state of the Company's affairs as at 31 March 2005 and of its profit for the nine month period then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

Manchester

6 December 2005

FORWARD AEGIS LIMITED

PROFIT AND LOSS ACCOUNT

Nine month period ended 31 March 2005

	Note	9 months ended 31 March 2005 £'000	Year ended 30 June 2004 £'000
TURNOVER	2	885	2,145
Cost of sales		(87)	(335)
GROSS PROFIT		798	1,810
Distribution costs		(412)	(1,017)
Administrative expenses		(210)	(746)
OPERATING PROFIT	3	176	47
Interest receivable and similar income	5	4	1
Interest payable and similar charges	6	(3)	(16)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		177	32
Tax on profit on ordinary activities	7	(65)	(99)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		112	(67)
Equity dividends	8	(178)	-
RETAINED LOSS FOR THE FINANCIAL PERIOD/YEAR TRANSFERRED TO RESERVES	16	(66)	(67)

All the activities derive from operations that discontinued on 31 December 2004, when the trade, assets and undertakings of the Company were transferred to Cannon Hygiene Limited at net book value.

There are no recognised gains or losses nor movements in shareholders' funds for the current financial period and preceding financial year other than as stated above. Consequently, neither a statement of total recognised gains and losses nor a reconciliation of movements in shareholders' funds is presented.

FORWARD AEGIS LIMITED

BALANCE SHEET 31 March 2005

	Note	31 March 2005 £'000	30 June 2004 £'000
FIXED ASSETS			
Tangible assets	9	-	163
CURRENT ASSETS			
Stocks	10	-	39
Debtors	11	447	719
Cash at bank and in hand		-	202
		447	960
CREDITORS: amounts falling due within one year	13	(178)	(775)
NET CURRENT ASSETS		269	185
TOTAL ASSETS LESS CURRENT LIABILITIES		269	348
CREDITORS: amounts falling due after more than one year	14	-	(13)
NET ASSETS		269	335
CAPITAL AND RESERVES			
Called up share capital	15	244	244
Share premium account		25	25
Profit and loss account	16	-	66
EQUITY SHAREHOLDERS' FUNDS		269	335

These financial statements were approved by the Board of Directors on 25 November 2005.

Signed on behalf of the Board of Directors



O. W. Weisflog
Director



C. W. Lowton
Director

FORWARD AEGIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 MARCH 2005

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted by the Directors are described below. They have been applied consistently throughout the current period and prior year.

Accounting convention

The financial statements are prepared under the historical cost convention.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided to write down cost to estimated residual value by equal annual instalments over the period of estimated useful economic lives. The rates of depreciation are as follows:

Short leasehold property	Over the term of the lease
Motor vehicles	20 - 33 $\frac{1}{3}$ % per annum
Plant, equipment, fixtures and fittings	20 - 33 $\frac{1}{3}$ % per annum
Service equipment	15% per annum
Leased assets	Over the term of the lease

Stocks

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

Leases

Assets held under finance leases and hire purchase contracts are capitalised and depreciated over their estimated useful lives or lease term if shorter. The capital element of the future obligations is included in creditors and the finance charges are allocated to the profit and loss account in proportion to the capital amount outstanding. Rentals under operating leases are charged to profit and loss in equal annual amounts over the lease term.

Taxation

Current taxation 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.

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 not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

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.

FORWARD AEGIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 MARCH 2005

1. ACCOUNTING POLICIES (continued)

Deferred income

Amounts received and receivable under service contracts relating to services not yet performed are carried forward as deferred income.

Pensions

The Company operated a funded defined contribution pension scheme. The pension cost is charged to the profit and loss account in line with contributions payable.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of services provided and the value of work executed on contract business. Turnover is recognised once contractual obligations have been performed.

Cash flow statement

The Company is a wholly owned subsidiary of O.C.S. Group Limited and the cash flows of the Company are included in the consolidated group cash flow statement. Accordingly, the Company has taken advantage of the exemption under the terms of FRS 1 not to publish a cash flow statement.

2. TURNOVER

All turnover is attributable to the Company's principal activity which is carried out wholly in the United Kingdom.

3. OPERATING PROFIT

	9 months ended 31 March 2005 £'000	Year ended 30 June 2004 £'000
Operating profit is after charging:		
Depreciation of tangible assets		
Owned assets	10	56
Leased assets	19	39
Auditors' remuneration		
Audit fees	8	8
Loss on sale of fixed assets	5	10
Write off inter company balance, no longer recoverable following transfer of assets from subsidiaries	-	124

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	9 months ended 31 March 2005 £'000	Year ended 30 June 2004 £'000
Directors' emoluments		
Management remuneration	-	117

Other Directors' remuneration in the current period was borne by O.C.S. Group Limited.

Two Directors (2004 - three) were members of a defined benefit pension scheme and no Directors (2004 - one) were members of a defined contribution pension scheme.

FORWARD AEGIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 MARCH 2005

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (CONTINUED)

	9 months ended 31 March 2005 No.	Year ended 30 June 2004 No.
Employees:		
The average number of employees, excluding Directors, employed by the Company was:		
Operations	26	25
Sales	3	3
Administration	4	7
	<u>33</u>	<u>35</u>
	£'000	£'000
Staff costs, excluding Directors, incurred during the period in respect of these employees were:		
Wages and salaries	323	716
Social security costs	31	71
Other pension costs	19	46
	<u>373</u>	<u>833</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	9 months ended 31 March 2005 £'000	Year ended 30 June 2004 £'000
Bank interest	<u>4</u>	<u>1</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	9 months ended 31 March 2005 £'000	Year ended 30 June 2004 £'000
Interest payable under finance leases and hire purchase contracts	2	11
Bank interest	1	5
	<u>3</u>	<u>16</u>

FORWARD AEGIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 MARCH 2005

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	9 months ended 31 March 2005 £'000	Year ended 30 June 2004 £'000
Current tax		
United Kingdom corporation tax	62	77
Adjustment to prior years' tax provisions	-	43
	<u>62</u>	<u>120</u>
Deferred tax		
Timing differences, origination and reversal	3	(31)
Adjustment to prior years' tax provisions	-	(1)
Effect of tax rate change on opening balance	-	11
	<u>3</u>	<u>(21)</u>
Tax on profit on ordinary activities	<u>65</u>	<u>99</u>
Reconciliation of current tax charge	£'000	£'000
Profit on ordinary activities before tax	<u>177</u>	<u>32</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2004 - 30%)	53	9
Factors affecting charge for the period:		
Expenses not deductible for tax purposes	4	37
Depreciation in excess of capital allowances	5	30
Adjustments in respect of prior years	-	43
Short term timing differences	-	1
Current tax charge for the period	<u>62</u>	<u>120</u>

8. EQUITY DIVIDENDS

	9 months ended 31 March 2005 £'000	Year ended 30 June 2004 £'000
Final proposed dividend - £0.73 (2004 - £Nil) per share	<u>178</u>	<u>-</u>

FORWARD AEGIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 MARCH 2005

9. TANGIBLE FIXED ASSETS

	Short term leasehold property £'000	Motor vehicles £'000	Plant, equipment, fixtures and fittings £'000	Service equipment £'000	Total £'000
Cost					
At 1 July 2004	12	252	32	23	319
Disposals - third party	(12)	(26)	(8)	-	(46)
- group	-	(226)	(24)	(23)	(273)
At 31 March 2005	-	-	-	-	-
Accumulated depreciation					
At 1 July 2004	5	111	20	20	156
Charge for the year	-	25	4	-	29
Disposals - third party	(5)	(21)	(8)	-	(34)
- group	-	(115)	(16)	(20)	(151)
At 31 March 2005	-	-	-	-	-
Net book value					
At 31 March 2005	-	-	-	-	-
At 30 June 2004	7	141	12	3	163

Service equipment is held for customer hire.

The net book value of the Company's fixed assets included £Nil (2004 - £118,000) in respect of motor vehicles held under finance leases and hire purchase contracts.

10. STOCKS

	31 March 2005 £'000	30 June 2004 £'000
Raw materials and consumables	-	39

11. DEBTORS

	31 March 2005 £'000	30 June 2004 £'000
Trade debtors	-	271
Amounts owed by ultimate parent company	-	386
Amounts owed by fellow subsidiary undertakings	447	-
Other debtors	-	1
Deferred tax (note 12)	-	3
Prepayments and accrued income	-	58
	447	719

FORWARD AEGIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 MARCH 2005

12. DEFERRED TAX

Deferred tax asset	£'000
Balance at 1 July 2004	3
Charged to profit and loss account	(3)
Balance at 31 March 2005	-

The amount of deferred tax recognised in the financial statements is as follows:

	31 March 2005 £'000	30 June 2004 £'000
Depreciation in excess of capital allowances	-	2
Short term timing differences	-	1
	-	3

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2005 £'000	30 June 2004 £'000
Obligations under finance leases and hire purchase contracts	-	46
Trade creditors	-	78
Other taxation and social security	-	122
Accruals and deferred income	-	529
Proposed dividends	178	-
	178	775

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 March 2005 £'000	30 June 2004 £'000
Obligations under finance leases and hire purchase contracts falling due between one and two years	-	13

15. CALLED UP SHARE CAPITAL

	31 March 2005 £'000	30 June 2004 £'000
Authorised 250,000 (2004 - 250,000) ordinary shares of £1 each	250	250
Allotted, called up and fully paid 244,447 (2004 - 244,447) ordinary shares of £1 each	244	244

FORWARD AEGIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31 MARCH 2005

16. PROFIT AND LOSS ACCOUNT

	£'000
Balance at 1 July 2004	66
Retained loss for the period	(66)
	<hr/>
Balance at 31 March 2005	-
	<hr/> <hr/>

17. RELATED PARTIES

In accordance with FRS 8, "Related Party Disclosures", transactions with other undertakings within, and investee related parties of, O.C.S. Group Limited have not been disclosed in these financial statements.

18. ULTIMATE PARENT COMPANY

The ultimate controlling party and ultimate parent company, immediate parent company and parent company of the smallest and largest group for which group accounts are prepared, is O.C.S. Group Limited, a company incorporated in Great Britain. Copies of the financial statements of O.C.S. Group Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.