

**SPEEDCLEAN CLEANING SYSTEMS (UK) LIMITED**

**Company Registration Number 2312855**

**REPORT AND ACCOUNTS**

**For the year ended 31 December 1998**



**HOWSONS**

**Chartered Accountants**

**Registered Auditors**

# **SPEEDCLEAN CLEANING SYSTEMS (UK) LIMITED**

**For the year ended 31 December 1998**

## **DIRECTORS**

Mr J T W Booth  
Mrs M M Booth  
Mrs M Walsh

## **SECRETARY**

Mrs M M Booth

## **REGISTERED OFFICE**

Fenton Industrial Estate  
Unit 12  
Spedding Road  
Fenton  
Stoke-on-Trent  
Staffordshire  
ST4 2ST

## **BANKERS**

National Westminster Bank PLC  
Derby Street  
Leek  
Staffordshire  
ST13 5AF

## **REGISTERED AUDITORS**

**Howsons**  
**Chartered Accountants**  
**Registered Auditors**

Winton House  
Stoke Road  
Stoke-on-Trent  
Staffordshire  
ST4 2RW

# **SPEEDCLEAN CLEANING SYSTEMS (UK) LIMITED**

## **REPORT OF THE DIRECTORS**

The directors have pleasure in presenting their annual report together with the audited accounts for the year ended 31 December 1998.

### **PRINCIPAL ACTIVITY**

The principal activity of the company during the year has been the retailing and hire of cleaning equipment.

### **BUSINESS REVIEW**

The company traded profitably during the year and the directors expect that it will continue to do so for the foreseeable future. The directors do not recommend the payment of a dividend for the year.

### **DIRECTORS AND SHAREHOLDINGS**

The directors who served during the year and subsequently, and their interests in the share capital of the company were as follows:

|                | Ordinary Shares |      |
|----------------|-----------------|------|
|                | 1998            | 1997 |
| Mr J T W Booth | 1               | 1    |
| Mrs M M Booth  | 1               | 1    |
| Mrs M Walsh    | -               | -    |

### **YEAR 2000**

Systems critical to the company's ongoing operations and preparation of financial information, including application systems, operating systems and hardware, as well as other non-financial computing and date-dependent systems on which the company relies, are being reviewed to establish the impact, if any, which the Year 2000 will have on the accuracy of calculation, processing, reporting and operations being performed.

Plans are being developed, designed to ensure that prior to, and entering into the new millennium, the impact of the Year 2000 will not create significant errors in accounting records, or in the operation of other computerised and date-dependent systems. The company is aware of the risks and uncertainties that customers and suppliers may experience with regard to the Year 2000 issue, and is taking such steps as can reasonably be expected of it in order to mitigate any adverse effects that could jeopardise the continued operations of the company.

### **EURO DISCLOSURES**

The company trades with a number of suppliers who are resident in those European countries that have entered into the first phase of the introduction of the single currency, the Euro, with effect from 1 January 1999. The company has reviewed its financial accounting systems to ensure that those suppliers who specifically request settlement in Euros can be accommodated.

### **CLOSE COMPANY STATUS**

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

### **AUDITORS**

The auditors, Howsons, have expressed their willingness to continue in office and a resolution to re-appoint them will be put to the members at the Annual General Meeting.

Signed on behalf of the Board



**MRS M M BOOTH**

**DIRECTOR**

# **SPEEDCLEAN CLEANING SYSTEMS (UK) LIMITED**

## **DIRECTORS' RESPONSIBILITIES**

**For the year ended 31 December 1998**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable;
- prepare the financial statements on the going concern basis unless it is not appropriate 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 accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS' REPORT TO THE MEMBERS  
OF SPEEDCLEAN CLEANING SYSTEMS (UK) LIMITED**

We have audited the financial statements on pages 4 to 11, which have been prepared under the historical cost convention, and the accounting policies set out on page 6.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**BASIS OF OPINION**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes the 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 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 of the state of the company's affairs at 31 December 1998 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Howsons  
Chartered Accountants  
Registered Auditors**

Winton House  
Stoke Road  
Stoke-on-Trent  
Staffordshire  
ST4 2RW

Date 29 September 1999.

**SPEEDCLEAN CLEANING SYSTEMS (UK) LIMITED****PROFIT AND LOSS ACCOUNT****For the year ended 31 December 1998**

|  | Note | 1998<br>£ | 1997<br>£ |
|--|------|-----------|-----------|
| TURNOVER - continuing operations   | 1    | 403,001   | 368,257   |
| Cost of sales  |      | 208,397   | 191,276   |
| GROSS PROFIT   |      | 194,604   | 176,981   |
| Administrative expenses  |      | 188,522   | 171,997   |
| OPERATING PROFIT - continuing operations   | 2    | 6,082     | 4,984     |
| Interest payable   | 4    | 1,958     | 1,038     |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION                                      |      | 4,124     | 3,946     |
| Taxation on profit on ordinary activities  | 5    | (700)     | 909       |
| PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION<br>BEING RETAINED PROFIT FOR THE YEAR | 14   | 4,824     | 3,037     |

**TOTAL RECOGNISED GAINS AND LOSSES**

There are no recognised gains or losses other than the retained profit for the year ends as stated.


**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

The accounts are prepared under the historical cost convention and thus the reported profit on ordinary activities before taxation is the historical cost profit.

**SPEEDCLEAN CLEANING SYSTEMS (UK) LIMITED****BALANCE SHEET****As at 31 December 1998**

|  | Note | £ | 1998   | £       | £ | 1997    | £      |
|--|------|---|--------|---------|---|---------|--------|
| <b>FIXED ASSETS</b>  |      |   |        |         |   |         |        |
| Tangible assets  | 6    |   |        | 41,678  |   |         | 33,478 |
| <b>CURRENT ASSETS</b>  |      |   |        |         |   |         |        |
| Stocks   | 7    |   | 69,367 |         |   | 61,001  |        |
| Debtors  | 8    |   | 57,272 |         |   | 57,012  |        |
| Cash at bank and in hand                                       |      |   | 67     |         |   | -       |        |
|  |      |   |        |         |   |         |        |
|  |      |   |        | 126,706 |   | 118,013 |        |
| <b>CREDITORS: Amounts falling due within one year</b>          |      |   |        |         |   |         |        |
|  | 9    |   | 85,484 |         |   | 73,641  |        |
| <b>NET CURRENT ASSETS</b>                                      |      |   |        |         |   |         |        |
|  |      |   |        | 41,222  |   | 44,372  |        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      |   |        |         |   |         |        |
|  |      |   |        | 82,900  |   | 77,850  |        |
| <b>CREDITORS: Amounts falling due after more than one year</b> |      |   |        |         |   |         |        |
|  | 10   |   |        | 42,744  |   | 42,518  |        |
| <b>NET ASSETS</b>  |      |   |        |         |   |         |        |
|  |      |   |        | 40,156  |   | 35,332  |        |
| <b>CAPITAL AND RESERVES</b>                                    |      |   |        |         |   |         |        |
| Called up share capital  | 13   |   |        | 2       |   | 2       |        |
| Profit and loss account  | 14   |   |        | 40,154  |   | 35,330  |        |
| <b>SHAREHOLDERS' FUNDS</b>                                     |      |   |        |         |   |         |        |
|  | 15   |   |        | 40,156  |   | 35,332  |        |

The accounts were approved by the Board of Directors on 29 September 1999.

  
**MRS M M BOOTH**

# **SPEEDCLEAN CLEANING SYSTEMS (UK) LIMITED**

## **NOTES TO THE ACCOUNTS**

**For the year ended 31 December 1998**

### **1. ACCOUNTING POLICIES**

#### **a) Accounting Convention**

The accounts are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

#### **b) Turnover**

Turnover represents the invoice value of goods sold and services provided in the year, exclusive of VAT. All turnover is achieved within the United Kingdom.

#### **c) Tangible Fixed Assets**

Depreciation is calculated so as to write-off the original cost, by the reducing balance method, over the expected useful lives of the assets concerned. Depreciation is charged in full on all assets purchased during the year, but is not charged on assets disposed of during the year.

The principal rates used are:

|                | %  |
|----------------|----|
| Machines       | 20 |
| Equipment      | 15 |
| Motor Vehicles | 25 |

#### **d) Stock**

Stock is valued at the lower of cost and net realisable value, with due allowance being made for any obsolete or slow moving items.

#### **e) Deferred Taxation**

Provision is only made for deferred taxation, using the liability method, in respect of timing differences arising from the difference in treatment of certain items for accounting and taxation purposes, where it is considered that the deferral is unlikely to continue for the foreseeable future, and where the consequent liability is expected to be material.

#### **f) Assets Acquired Under Hire Purchase and Similar Contracts**

Assets acquired under hire purchase and similar contracts are capitalised as tangible fixed assets and depreciated accordingly. Obligations in respect of these assets are included in creditors. Interest is charged to the profit and loss account over the period of the contract. (Note 11).

#### **g) Operating Leases**

Expenditure incurred in respect of operating leases is charged to the profit and loss account for the year in which the assets are utilised. Obligations in respect of these assets are included in either debtors or creditors as appropriate.

#### **h) Repairs and Renewals**

Expenditure on repairs and renewals is charged to the profit and loss account in the year in which it is incurred.



**SPEEDCLEAN CLEANING SYSTEMS (UK) LIMITED****NOTES TO THE ACCOUNTS****For the year ended 31 December 1998****2. OPERATING PROFIT**

Operating profit is stated after the following:

|  | 1998<br>£ | 1997<br>£ |
|--|-----------|-----------|
| Directors' remuneration - aggregate emoluments | 35,100    | 26,475    |
| Auditors' remuneration                         | 2,450     | 2,050     |
| Depreciation of tangible fixed assets          | 12,340    | 9,591     |
| Operating leases - property rental             | 11,000    | 11,000    |

**3. STAFF NUMBERS AND COSTS**

The average number of persons employed by the company (including directors) during the year was as follows:

|                | 1998<br>£ | 1997<br>£ |
|----------------|-----------|-----------|
| Distribution   | 5         | 5         |
| Administration | 3         | 3         |
|                | <hr/> 8   | <hr/> 8   |

The aggregate payroll costs of these employees were:

|                       | 1998<br>£     | 1997<br>£    |
|-----------------------|---------------|--------------|
| Wages and salaries    | 95,333        | 79,033       |
| Social security costs | 7,644         | 6,287        |
|                       | <hr/> 102,977 | <hr/> 85,320 |

**4. INTEREST PAYABLE**

|                                     | 1998<br>£   | 1997<br>£   |
|-------------------------------------|-------------|-------------|
| Bank overdraft                      | 203         | 31          |
| Hire purchase and similar contracts | 1,755       | 989         |
| Other interest                      | -           | 18          |
|                                     | <hr/> 1,958 | <hr/> 1,038 |

**SPEEDCLEAN CLEANING SYSTEMS (UK) LIMITED**

**NOTES TO THE ACCOUNTS**

**For the year ended 31 December 1998**

**5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

|  | 1998<br>£ | 1997<br>£ |
|--|-----------|-----------|
| Corporation tax at 21% (1997: 21.74%)  |           |           |
| On the profit for the year             | 118       | 909       |
| Adjustment in respect of previous year | (818)     | -         |
|  | <hr/>     | <hr/>     |
|  | (700)     | 909       |
|  | <hr/>     | <hr/>     |

**6. TANGIBLE FIXED ASSETS**

| COST                | Machines<br>£ | Equipment<br>£ | Motor<br>Vehicles<br>£ | Total<br>£ |
|---------------------|---------------|----------------|------------------------|------------|
| At 31 December 1997 | 18,099        | 22,104         | 40,310                 | 80,513     |
| Additions           | -             | 2,941          | 20,028                 | 22,969     |
| Transfers to stock  | (18,099)      | -              | -                      | (18,099)   |
|                     | <hr/>         | <hr/>          | <hr/>                  | <hr/>      |
| At 31 December 1998 | -             | 25,045         | 60,338                 | 85,383     |
|                     | <hr/>         | <hr/>          | <hr/>                  | <hr/>      |
| DEPRECIATION        |               |                |                        |            |
| At 31 December 1997 | 15,670        | 13,398         | 17,967                 | 47,035     |
| Charge for the year | -             | 1,747          | 10,593                 | 12,340     |
| Transfers to stock  | (15,670)      | -              | -                      | (15,670)   |
|                     | <hr/>         | <hr/>          | <hr/>                  | <hr/>      |
| At 31 December 1998 | -             | 15,145         | 28,560                 | 43,705     |
|                     | <hr/>         | <hr/>          | <hr/>                  | <hr/>      |
| NET BOOK VALUE      |               |                |                        |            |
| At 31 December 1998 | -             | 9,900          | 31,778                 | 41,678     |
|                     | <hr/>         | <hr/>          | <hr/>                  | <hr/>      |
| At 31 December 1997 | 2,429         | 8,706          | 22,343                 | 33,478     |
|                     | <hr/>         | <hr/>          | <hr/>                  | <hr/>      |

Included within motor vehicles are assets acquired under hire purchase and similar contracts. The cost of those assets was £59,026 (1997: £39,628) on which accumulated depreciation was £28,089 (1997: £17,777). The depreciation charge for the year on those assets was £10,312 (1997: £ 7,284).

**SPEEDCLEAN CLEANING SYSTEMS (UK) LIMITED**

**NOTES TO THE ACCOUNTS**

**For the year ended 31 December 1998**

**7. STOCKS**

|                   | 1998<br>£ | 1997<br>£ |
|-------------------|-----------|-----------|
| Goods for re-sale | 69,367    | 61,001    |

**8. DEBTORS**

|               | 1998<br>£     | 1997<br>£     |
|---------------|---------------|---------------|
| Trade debtors | 56,191        | 55,783        |
| Prepayments   | 1,081         | 1,229         |
|               | <u>57,272</u> | <u>57,012</u> |

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|   | 1998<br>£     | 1997<br>£     |
|---|---------------|---------------|
| Bank overdraft                                | 11,648        | 849           |
| Trade creditors                               | 24,977        | 31,479        |
| Other creditors                               | 29,736        | 27,567        |
| Hire purchase and similar contracts (Note 11) | 10,323        | 6,051         |
| Corporation tax                               | 117           | 1,049         |
| Accruals                                      | 8,683         | 6,646         |
|   | <u>85,484</u> | <u>73,641</u> |

Included in other creditors are the following amounts:

|                              |        |        |
|------------------------------|--------|--------|
| Taxation and social security | 29,736 | 26,650 |
|------------------------------|--------|--------|

**10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|   | 1998<br>£     | 1997<br>£     |
|---|---------------|---------------|
| Hire purchase and similar contracts (Note 11) | 12,180        | 6,659         |
| Directors' loans                              | 30,564        | 35,859        |
|   | <u>42,744</u> | <u>42,518</u> |

Directors' loans are interest free and no repayment date has been fixed. They are postponed in favour of the National Westminster Bank PLC in the event of a winding-up.

**SPEEDCLEAN CLEANING SYSTEMS (UK) LIMITED****NOTES TO THE ACCOUNTS**

For the year ended 31 December 1998

**11. OBLIGATIONS UNDER HIRE PURCHASE AND SIMILAR CONTRACTS**

|                              | 1998<br>£ | 1997<br>£ |
|------------------------------|-----------|-----------|
| Payable:                     |           |           |
| Within one year              | 12,320    | 7,263     |
| In two to five years         | 14,511    | 7,837     |
|                              | <hr/>     | <hr/>     |
|                              | 26,831    | 15,100    |
| Less: Future finance charges | 4,328     | 2,390     |
|                              | <hr/>     | <hr/>     |
|                              | 22,503    | 12,710    |
|                              | <hr/>     | <hr/>     |

The obligations under these contracts are secured on the tangible fixed assets acquired.

**12. OBLIGATIONS UNDER OPERATING LEASES**

The company has a commitment under an operating lease in respect of property rental, to pay £11,000 during 1999 (1997: £11,000 during 1998), the informal commitment extending beyond 31 December 1998.

**13. SHARE CAPITAL**

|                            | 1998<br>£ | 1997<br>£ |
|----------------------------|-----------|-----------|
| Ordinary shares of £1 each |           |           |
| Authorised                 | 100       | 100       |
|                            | <hr/>     | <hr/>     |
| Issued and fully paid      | 2         | 2         |
|                            | <hr/>     | <hr/>     |

**14. PROFIT AND LOSS ACCOUNT**

|                              | 1998<br>£ | 1997<br>£ |
|------------------------------|-----------|-----------|
| At 31 December 1997          | 35,330    | 32,293    |
| Retained profit for the year | 4,824     | 3,037     |
|                              | <hr/>     | <hr/>     |
| At 31 December 1998          | 40,154    | 35,330    |
|                              | <hr/>     | <hr/>     |

**15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

|  | 1998<br>£ | 1997<br>£ |
|--|-----------|-----------|
| Profit for the year after taxation being net increase in shareholders' funds | 4,824     | 3,037     |
| Shareholders' funds at 31 December 1997                                      | 35,332    | 32,295    |
|  | <hr/>     | <hr/>     |
| Shareholders' funds at 31 December 1998                                      | 40,156    | 35,332    |
|  | <hr/>     | <hr/>     |

Shareholders' funds are wholly attributable to equity interests.

**SPEEDCLEAN CLEANING SYSTEMS (UK) LIMITED**

**NOTES TO THE ACCOUNTS**

**For the year ended 31 December 1998**

**16. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is Mr J T W Booth, a director and shareholder of the company.