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EXECUTIVE HOLDINGS LIMITED
372 WANDSWORTH ROAD
LONDON, SW8 4TE

CONSOLIDATED ACCOUNTS FOR THE PERIOD
9TH JANUARY 1995 TO 7TH JANUARY 1996
AND BALANCE SHEET AS AT
7TH JANUARY 1996



GANSON MORRIS & CO
CHARTERED ACCOUNTANTS
415 LIMPSFIELD ROAD
WARLINGHAM, CR6 9HA

DIRECTORS REPORT FOR THE PERIOD 9TH JANUARY 1995 TO 7TH JANUARY 1996PRINCIPAL ACTIVITY

The main activity of the Group during the period has been that of Industrial and Office Cleaning Contractors and there has been no change during the period, nor are any anticipated in the immediate future.

CONSOLIDATED FINANCIAL STATEMENTS

The attached financial statements have been prepared from the audited accounts of the Group Companies, and are in accordance with approved Accounting Standards and the Companies Act 1985.

GROUP COMPANIES

The attached financial statements have been prepared using acquisition accounting and are consolidated figures for Executive Holdings Limited and the following subsidiary Companies.

	<u>Executive Cleaning Services Plc.</u>	<u>Galtair Investments Ltd.</u>
Owned	100%	100%
Fair Value of Assets	£100,000	£1,992,258
Consideration	£100,000	£100,000
Premium on Acquisition	-	£1,892,258
<u>DIRECTORS AND SHAREHOLDINGS</u>	<u>7.1.1996</u>	<u>8.1.1995</u>
D.M. Chisholm	75,999	75,999
J.M. Chisholm	1	1

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 affairs of the company 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, subject to any material departures disclosed and explained in the financial statements;
- 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.

DIVIDEND

The Directors do not propose the payment of a dividend, (£350,000 1995).

CLOSE COMPANY

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

AUDITORS

Messrs. Ganson Morris & Co. have indicated their willingness to continue to act and offer themselves for re-election as auditors of the Company in accordance with Section 385 of the Companies Act 1985. The report by the directors was approved by the Board on 27th September 1996 and signed on its behalf by:



AUDITORS' REPORT TO THE SHAREHOLDERS OF
EXECUTIVE HOLDINGS LIMITED CONSOLIDATED

We have audited the financial statements numbered 3 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective Responsibilities of Directors and Auditors

As described on page 1 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.

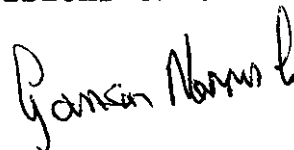
Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes 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 as at 7th January 1996 and of its profit for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



GANSON MORRIS & CO
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS

415 LIMPSFIELD ROAD
WARLINGHAM, CR6 9HA

27TH SEPTEMBER 1996

EXECUTIVE HOLDINGS LIMITED
CONSOLIDATED ACCOUNTS

BALANCE SHEET
AS AT 7TH JANUARY 1996

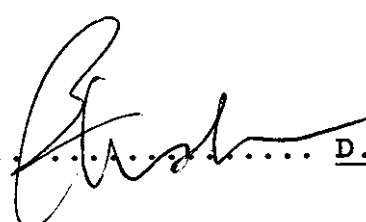
			<u>7.1.1996</u>	<u>8.1.1995</u>
	<u>Notes</u>	£	£	£
<u>FIXED ASSETS</u>				
Tangible assets	2		931,941	894,502
Investments	4		144,857	129,484
			<u>1,076,798</u>	<u>1,023,986</u>
<u>CURRENT ASSETS</u>				
Work in Progress	1c	190,863	186,102	
Debtors		1,559,167	1,897,159	
Investments	4	7,870	7,870	
Cash at bank and in hand		3,549,345	3,138,064	
		<u>5,307,245</u>	<u>5,229,195</u>	
CREDITORS - amounts falling due within one year		(2,902,997)	(3,273,509)	
<u>NET CURRENT ASSETS</u>			<u>2,404,248</u>	<u>1,955,686</u>
<u>ASSETS LESS CURRENT LIABILITIES</u>			<u>3,481,046</u>	<u>2,979,672</u>
CREDITORS - amounts falling due after more than one year			(71,428)	(62,633)
<u>NET ASSETS</u>			<u>£ 3,409,618</u>	<u>£ 2,917,039</u>

Financed by:

CAPITAL AND RESERVES

Called up Share Capital	3	76,000	76,000
Premium on Acquisition		1,892,258	1,892,258
Profit and Loss Account		1,441,360	948,781
		<u>£ 3,409,618</u>	<u>£ 2,917,039</u>

The Financial Statements were approved by the Board on 27th September 1996 and signed on its behalf by:

.....  D.M. CHISHOLM

EXECUTIVE HOLDINGS LIMITED
CONSOLIDATED ACCOUNTS

SCHEDULES TO BALANCE SHEET as at 7TH JANUARY 1996

	<u>7.1.1996</u>	<u>8.1 1995</u>
	£	£
1. <u>CREDITORS</u> - Amounts falling due within one year		
Trade Creditors	51,432	190,498
Corporation Tax	303,154	403,543
Other Taxes and Social Security	817,539	831,281
Proposed Dividend	-	350,000
Obligations under Hire Purchase Contracts and Finance Leases	55,153	50,401
Amounts owed to Related Companies	194,873	-
Accruals and Other Creditors	1,480,846	1,447,786
	<u>£ 2,902,997</u>	<u>£ 3,273,509</u>
2. <u>CREDITORS</u> - Amounts falling due after more than one year		
Obligations under Hire Purchase Contracts and Finance Leases	71,428	62,633
	<u>£ 71,428</u>	<u>£ 62,633</u>
3. <u>DEBTORS</u>		
Trade Debtors	1,520,418	1,714,673
Amounts owed by Related Companies	-	125,270
Prepayments and Other Debtors	38,749	57,216
	<u>£ 1,559,167</u>	<u>£ 1,897,159</u>
4. <u>WORK IN PROGRESS</u>		
Stocks	108,015	68,786
Work In Progress	82,848	117,316
	<u>£ 190,863</u>	<u>£ 186,102</u>

EXECUTIVE HOLDINGS LIMITED
CONSOLIDATED ACCOUNTS

PROFIT AND LOSS ACCOUNT FOR THE PERIOD
9TH JANUARY 1995 TO 7TH JANUARY 1996

		<u>9.1.1995</u> <u>TO</u> <u>7.1.1996</u>	<u>10.1.1994</u> <u>TO</u> <u>8.1.1995</u>
	<u>Notes</u>	£	£
TURNOVER	1a	12,041,008	11,758,177
COST OF SALES		<u>9,310,235</u>	<u>8,585,057</u>
GROSS PROFIT		2,730,773	3,173,120
ADMINISTRATIVE EXPENSES		<u>2,190,276</u>	<u>2,189,326</u>
		540,497	983,794
Income from Listed Investments		3,637	2,930
Other Interest Receivable and Similar Income		238,067	150,858
Loss on Disposal of Investments		<u>(8,011)</u>	<u>77</u>
		233,693	153,865
		<u>774,190</u>	<u>1,137,659</u>
Interest Payable and Similar Charges		<u>25,590</u>	<u>18,694</u>
<u>PROFIT ON ORDINARY</u> <u>ACTIVITIES BEFORE TAXATION</u>		748,600	1,118,965
Tax on ordinary activities	1d	<u>256,021</u>	<u>359,810</u>
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>AFTER TAXATION</u>		492,579	759,155
Dividend Paid		<u>-</u>	<u>350,000</u>
<u>RETAINED PROFIT FOR THE PERIOD</u>		492,579	409,155
Retained profit brought forward		<u>948,781</u>	<u>539,626</u>
<u>RETAINED PROFIT CARRIED FORWARD</u>		<u>£ 1,441,360</u>	<u>£ 948,781</u>

EXECUTIVE HOLDINGS LIMITED
CONSOLIDATED ACCOUNTS

CASH FLOW STATEMENT FOR THE PERIOD
9TH JANUARY 1995 TO 7TH JANUARY 1996

	£	7.1.1996 £	£	8.1.1995 £
<u>NET CASH INFLOW FROM</u> <u>FROM OPERATING ACTIVITIES</u>		796,290		1,122,239
<u>RETURNS ON INVESTMENTS AND</u> <u>SERVICING OF FINANCE</u>				
Income from Investments		3,637		2,930
Interest Received		238,067		150,858
Interest Paid		(25,590)		(18,694)
Dividends Paid		-		(350,000)
<u>NET CASH INFLOW FROM RETURNS</u> <u>ON INVESTMENTS AND SERVICING</u> <u>OF FINANCE</u>		216,114		(214,906)
<u>Taxation</u>				
Corporation Tax Paid		(356,410)		(247,634)
<u>TAX PAID</u>		(356,410)		(247,634)
<u>Investing Activities</u>				
Purchase of tangible Fixed Assets		(240,272)		(212,238)
Purchase of Investments		(34,911)		(117,793)
Sale of tangible Fixed Assets		10,148		45,468
Sale of Investments		11,527		45,592
<u>NET CASH OUTFLOW FROM</u> <u>INVESTING ACTIVITIES</u>		(253,508)		(238,971)
<u>NET CASH INFLOW BEFORE FINANCING</u>		402,486		420,728
<u>Financing</u>				
Increase in long term Hire Purchase		57,670		71,573
Repayment of Hire Purchase		(48,875)		(24,294)
<u>NET CASH INFLOW FROM FINANCING</u>		8,795		47,279
<u>INCREASE IN CASH AND CASH</u> <u>EQUIVALENTS</u>	£	411,281	£	468,007

EXECUTIVE HOLDINGS LIMITED
CONSOLIDATED ACCOUNTS

CASH FLOW STATEMENT FOR THE PERIOD
9TH JANUARY 1995 TO 7TH JANUARY 1996

7.1.1996

8.1.1995

NOTES TO THE CASH FLOW STATEMENT

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM
OPERATING ACTIVITIES

Operating profit	540,497	983,794
Depreciation charges	188,386	160,825
Loss/(Profit) on sale of tangible fixed assets	4,299	8,683
Increase in stocks	(4,761)	(158,987)
Increase in debtors	337,992	(248,339)
Increase in creditors	(270,123)	376,263
<u>Net cash inflow from operating activities</u>	<u>£ 796,290</u>	<u>£ 1,122,239</u>

2. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE PERIOD

Balance at 9th January 1995	3,138,064	2,677,927
Net cash inflow	411,281	460,137
<u>Balance at 7th January 1996</u>	<u>£ 3,549,345</u>	<u>£ 3,138,064</u>

3. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN
THE BALANCE SHEET

Change in Period

Cash at bank and in hand	411,281	460,137
Short-term investments	-	7,870
	<hr/>	<hr/>
£	411,281	£ 468,007

EXECUTIVE HOLDINGS LIMITED
CONSOLIDATED ACCOUNTS

NOTES TO THE ACCOUNTS FOR THE PERIOD
9TH JANUARY 1995 TO 7TH JANUARY 1996

1. Accounting Policies

a) Turnover

Turnover represents the invoiced value of services supplied from the principal activities of the Company, excluding vat. All of the services were supplied within the United Kingdom.

b) Depreciation of Fixed Assets

Fixed Assets are depreciated over their estimated useful lives using the following rates and methods on original cost :-

Plant and Equipment

Depreciation has been provided for on a straight-line basis at a rate of 25% p.a.

Fixtures and Fittings

Depreciation has been provided for on a straight-line basis at a rate of 20% p.a.

Motor Vehicles

Depreciation has been provided for on a reducing balance basis at the rate of 25% p.a.

Freehold Property

No depreciation has been provided for in respect of Freehold Property which is shown in the Balance Sheet at cost price. In the opinion of the Directors, the Market Value of the property as at 7th January 1996 is in excess of the cost price.

c) Work in Progress

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

Work in Progress is stated at cost price plus attributable profit less foreseeable losses.

d) Corporation Tax

Provision has been made at the rate of 33% based on the profit for the period as adjusted for taxation purposes.

Deferred Taxation

No provision has been made for deferred taxation as it is not considered that any deferred tax will become payable in the foreseeable future.

e) Accounting Convention

The financial statements have been prepared under the historical cost convention.

EXECUTIVE HOLDINGS LIMITED
CONSOLIDATED ACCOUNTS

NOTES TO THE ACCOUNTS FOR THE PERIOD
9TH JANUARY 1995 TO 7TH JANUARY 1996

2.Fixed Assets - Tangible

	<u>FREEHOLD PROPERTY</u>	<u>PLANT</u>	<u>MOTOR VEHICLES</u>	<u>FIXTURES FITTINGS</u>	<u>TOTAL</u>
	£	£	£	£	£
Cost					
At 9/01/95	419,966	327,207	555,174	269,807	1,572,154
Additions	1,885	93,834	81,329	63,224	240,272
Disposals	-	-	(48,076)	-	(48,076)
At 7/01/96	<u>421,851</u>	<u>421,041</u>	<u>588,427</u>	<u>333,031</u>	<u>1,764,350</u>
Depreciation					
At 9/01/95	-	237,403	257,463	182,786	677,652
Written back	-	-	(33,629)	-	(33,629)
Period Charge	-	56,523	88,038	43,825	188,386
At 7/01/96	<u>-</u>	<u>293,926</u>	<u>311,872</u>	<u>226,611</u>	<u>832,409</u>
Book Value at 7/01/96	<u>421,851</u>	<u>127,115</u>	<u>276,555</u>	<u>106,420</u>	<u>931,941</u>
Book Value at 8/01/95	<u>419,966</u>	<u>89,804</u>	<u>297,711</u>	<u>87,021</u>	<u>894,502</u>

The company had no capital commitments contracted for or authorised at the balance sheet date.

The net book value of tangible fixed assets excludes any amount in respect of assets held under finance leases.

Leased Assets

Where assets are financed by leasing agreements that give rights approximating to ownership the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are treated as consisting of capital and interest elements and the interest is charged to the profit and loss account.

All other leases are operating leases and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

EXECUTIVE HOLDINGS LIMITED
CONSOLIDATED ACCOUNTS

NOTES TO THE ACCOUNTS FOR THE PERIOD
9TH JANUARY 1995 TO 7TH JANUARY 1996

3. Called up Share Capital

<u>Authorised</u>	
250,000 Ordinary Shares of £1 each	<u>£250,000</u>
<u>Issued and Fully Paid</u>	
76,000 Ordinary Shares of £1 each	<u>£76,000</u>

4. Investments

The market value of Long Term Investments at 7th January 1996 was £155,601, (8th January 1995 £116,124).

The market value of Trade Investments at 7th January 1996 was £9,320, (8th January 1996 £7,230).

5. Operating Profit

The operating profit is stated after charging:

	<u>9.1.1995</u>	<u>10.1.1994</u>
	<u>TO</u>	<u>TO</u>
	<u>7.1.1996</u>	<u>8.1.1995</u>
Depreciation on owned assets	188,386	160,825
Loss on disposal of fixed assets	4,299	8,683
Auditors Remuneration	36,075	30,413
	<u>£ 228,760</u>	<u>£ 199,921</u>

6. Directors Remuneration

The total Directors Remuneration voted during the period ended 7th January 1996 excluding pension contributions amounted to £30,000.

	<u>9.1.1995</u>	<u>10.1.1994</u>
	<u>TO</u>	<u>TO</u>
	<u>7.1.1996</u>	<u>8.1.1995</u>
	<u>No. Amount</u>	<u>No. Amount</u>
Chairman and Highest Paid Director	1 £30,000	1 £30,000
Other Directors :-		
0 - £5,000	1 -	1 -

	<u>9.1.1995</u>	<u>10.1.1994</u>
	<u>TO</u>	<u>TO</u>
	<u>7.1.1996</u>	<u>8.1.1995</u>
Directors' emoluments amounted to:		
Remuneration as executives	30,000	25,000
Pension contributions	-	-
	<u>£ 30,000</u>	<u>£ 25,000</u>

EXECUTIVE HOLDINGS LIMITED
CONSOLIDATED ACCOUNTS

NOTES TO THE ACCOUNTS FOR THE PERIOD
9TH JANUARY 1995 TO 7TH JANUARY 1996

7. Staff Costs of the Group

The average number of employees during the period was made up as follows:

	<u>9.1.1995</u> <u>TO</u> <u>7.1.1996</u>	<u>10.1.1994</u> <u>TO</u> <u>8.1.1995</u>
Direct	1,869	2,012
Sales	11	12
Administrative	42	39
	<u>1,922</u>	<u>2,063</u>

Staff costs during the period amounted to:

Wages and Salaries	8,820,752	8,327,465
Social Security Costs	524,909	519,617
Pension Costs	80,196	92,111
Contribution to Employee Benefit Scheme	110,000	-
	<u>£ 9,535,857</u>	<u>£ 8,939,193</u>

8. Other Income

Interest receivable in respect of monies held on deposit amounted to £238,067 during the period, (£150,858 1995).

9. Interest Payable

Interest payable in respect of bank interest amounted to £25,590 during the period, (£18,694 1995).