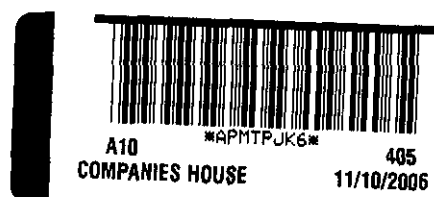


Company Registration No. 3056469

OCS GROUP UK LIMITED
(formerly OCS LIMITED)

Report and Financial Statements

31 March 2006



OCS GROUP UK LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

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OCS GROUP UK LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr. P.J. Caley
Mr. C.D. Cracknell
Mr. P.G. Emburey
Mr. P.D. Jury
Mr. J.F. Oliver
Mr. O.W. Weisflog

SECRETARY

Mr. M. Clark

REGISTERED OFFICE

79 Limpsfield Road
Sanderstead
Surrey
CR2 9LB

INDEPENDENT AUDITORS

Deloitte & Touche LLP
Chartered Accountants
Crawley

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 March 2006. On 30 June 2006 the Company changed its name from OCS Limited to OCS Group UK Limited.

PRINCIPAL ACTIVITIES

The Company's principal activities are the provision of property support services.

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The year under review has been successful, with some strong divisional performances. The development of the business through OCS "One Complete Solution" has continued to go from strength to strength, bringing benefits for both customers and employees alike.

Details of the results for the year are set out in the profit and loss account on page 7.

The financial position at the year end is set out in the balance sheet on page 8.

On 2 August 2005 the Company acquired the trade and certain of the net assets of Independent Building Solutions Limited.

On 30 September 2005 the trade and net assets of Denver Maintenance Limited, a fellow Group company, were transferred to the Company and on 31 March 2006 the trade and net assets of Just Deli Limited, also a fellow Group company, were transferred to the Company.

On 30 June 2006 the trade and net assets of the Companies' subsidiaries OCS Scotland Limited and OCS Northern Ireland Limited were transferred to the Company.

The Company is a wholly owned subsidiary of O.C.S. Group Limited. The Group manages its operations on a divisional basis and the Company's Directors do not believe that further key performance indicators for the Company are necessary for an understanding of the development, performance or position of the Company. An overview of the performance of the Group's OCS business, which includes the Company, is included in the Group's Annual Report which does not form part of this report.

The Company's treasury activities are managed by the Group's centralised treasury function. Liquidity and interest rate risks are therefore managed on a Group basis and are discussed in the Group's Annual Report which does not form part of this report.

The Company has no significant foreign exchange risk exposure.

The Company's credit risk is primarily attributable to its trade debtors which are stated net of provisions for doubtful debts. The credit risk on liquid funds is minimal as the Company uses established banks with good credit ratings. The Company has no significant concentration of credit risk, with exposure spread over a large number of customers.

The Company's exposure to commodity price risk is limited, being restricted primarily to fluctuations in fuel and energy prices. However, appropriate action is taken to manage these costs where it is considered cost-effective to do so.

DIVIDENDS

The Directors do not recommend the payment of a dividend (2005 - £nil).

DIRECTORS' REPORT

DIRECTORS

On 30 June 2006 the Board was restructured and at the same time new management structures have been established within the Company, simplifying reporting lines and speeding up the decision making process. All the resigning directors continue to work within the business.

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

Mr. P.J. Caley	(appointed 30 June 2006)
Mr. C.D. Cracknell	
Mr. P.G. Emburey	
Mr. P.D. Jury	
Mr. J.F. Oliver	
Mr. O.W. Weisflog	
Mr. P.L. Armitage	(resigned 30 June 2006)
Mr. R. Burl	(resigned 30 June 2006)
Mr. J.E. Davis	(resigned 30 June 2006)
Mr. R.L. Fenton-Jones	(resigned 30 June 2006)
Mr. M.B. Gammon	(resigned 30 June 2006)
Mr. G.A. Gilbert	(appointed 1 April 2005, resigned 30 June 2006)
Mr. A.J. Nuttall	(resigned 30 June 2006)
Mr. L.R. Setters	(resigned 30 June 2006)
Mr. T.J. Staunton	(resigned 30 June 2006)
Mr. S.G. Waud	(resigned 30 June 2006)

None of the Directors serving at the end of the year had any interest in the shares of the Company or any other UK Group company at 31 March 2006 and 1 April 2005 except in the shares of O.C.S. Group Limited as noted below.

	2006	2005
	Employee	Employee
	shares of	shares of
	10p each	10p each
	No.	No.
Mr. J. E. Davis	500	250
Mr. R.L. Fenton-Jones	500	250
Mr. M.B. Gammon	1,000	1,000
Mr. G.A. Gilbert	250	-
Mr. A.J. Nuttall	500	250
Mr. T.J. Staunton	500	250

Messrs P.L. Armitage, C.D. Cracknell, P.G. Emburey, P.D. Jury, J.F. Oliver, L.R. Setters, S.G. Waud and O.W. Weisflog were directors of the ultimate parent company O.C.S. Group Limited at 31 March 2006 and accordingly their interests in the share capital of that company are shown in its financial statements.

The Company has provided qualifying third party indemnities for the benefit of the Directors in the year and up to the date of this report.

DIRECTORS' REPORT

EMPLOYEE INVOLVEMENT

The Company recognises that its principal asset is its employees and their commitment to the Company's service, standards and customers. Decisions are made wherever possible in consultation with divisional and regional management. Communication methods to employees vary according to need and include the Group's Information and Consultation Forum, employee reports, in-house journals, newsletters, booklets, audio visual updates, bulletins and management briefings.

The Company offers equal opportunities to all employees and applicants regardless of race, creed, sex, ethnic origin, age or disability. Disabled persons are considered for employment where they have the appropriate skills and abilities to perform a job. Employees who become disabled during their working lives will be retained in employment wherever possible and will be given help with any necessary rehabilitation and retraining.

HEALTH AND SAFETY

The Group places great importance on the health and safety of its employees. Overall policy, endorsed by the Group Board, is implemented by the Company. Extensive training is undertaken at all levels, starting at induction, and mandatory health and safety awareness and risk assessment seminars are run for managers. The Group operates a centralised health and safety support structure to provide support and advice to the Company through a network of qualified advisors.

THE COMMUNITY AND THE ENVIRONMENT

The Group recognises that meeting environmental responsibilities is an integral part of its business operations. Throughout the Group there is a commitment to provide the knowledge, skills and resources required to support an effective environmental policy within the Group's wider commercial objectives.

The Company has adopted the overall framework of the Group's environmental policy. Procedures and processes have been implemented which endeavour to minimise potential damage to the environment, by the use of products and work methods which minimise risk to employees and clients, as well as limit emissions and waste.

DIRECTORS' REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the annual report including the financial statements. The Directors have chosen to prepare the financial statements for the Company in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Company law requires the Directors to prepare such financial statements for each financial year which give a true and fair view, in accordance with UK GAAP, 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 and comply with UK GAAP and the Companies Act 1985. 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 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.

The current Directors confirm that, as far as they are aware, there is no relevant audit information of which the auditors are unaware and that they have taken appropriate steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

CREDITOR PAYMENT POLICY

For trade creditors, it is the Company's policy to negotiate the terms of payment with suppliers and pay accordingly.

DONATIONS

Donations to charitable organisations in the United Kingdom amounted to £5,000 (2005 - £5,000), which included both national and local projects. There were no political donations (2005 - £nil).

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
29 September 2006

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OCS GROUP UK LIMITED (formerly OCS LIMITED)

We have audited the financial statements of OCS Group UK Limited for the year ended 31 March 2006 which comprise the profit and loss account, the balance sheet and the related notes 1 to 24. 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

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions is not disclosed.

We read the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' report is consistent with the financial statements.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Crawley, United Kingdom

19 September 2006

OCS GROUP UK LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 March 2006

	Note	2006 £'000	2005 £'000
TURNOVER		319,127	280,247
Cost of sales		(261,867)	(232,476)
GROSS PROFIT		57,260	47,771
Administrative expenses		(54,698)	(45,898)
OPERATING PROFIT	3	2,562	1,873
Interest receivable and similar income	5	532	340
Interest payable and similar charges	6	(235)	(109)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,859	2,104
Tax on profit on ordinary activities	7	(749)	(651)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR	16	2,110	1,453

All activities derive materially from continuing operations.

There are no recognised gains or losses nor movements in shareholders' funds for the current 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.

OCS GROUP UK LIMITED

BALANCE SHEET 31 March 2006

	Note	2006 £'000	2005 £'000
FIXED ASSETS			
Intangible assets	8	1,418	1,575
Tangible assets	9	6,085	5,604
Investments	10	500	500
		<u>8,003</u>	<u>7,679</u>
CURRENT ASSETS			
Stocks	11	1,582	1,360
Debtors	12	53,082	48,003
Cash at bank and in hand		16,015	8,776
		<u>70,679</u>	<u>58,139</u>
CREDITORS: amounts falling due within one year	13	<u>(58,697)</u>	<u>(47,943)</u>
NET CURRENT ASSETS		<u>11,982</u>	<u>10,196</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>19,985</u>	<u>17,875</u>
CAPITAL AND RESERVES			
Called up share capital	15	2,000	2,000
Profit and loss account	16	17,985	15,875
SHAREHOLDERS' FUNDS		<u>19,985</u>	<u>17,875</u>

These financial statements were approved by the Board of Directors and authorised for issue on 29 September 2006.

Signed on behalf of the Board of Directors

P.D. Jury
Director



P.G. Emburey
Director



NOTES TO THE FINANCIAL STATEMENTS

31 March 2006

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 and prior year.

Accounting convention

The financial statements are prepared under the historical cost convention.

Group accounts

The Company has taken advantage of S228 of the Companies Act 1985 not to produce consolidated financial statements as it is included in the consolidated financial statements of its ultimate parent company, O.C.S. Group Limited. Consequently these financial statements present information about the Company as an individual undertaking and not about its group.

Goodwill

On the acquisition of a business, goodwill represents the excess of the fair value of the purchase consideration over the aggregate of the fair values of the net assets acquired. Goodwill arising on acquisitions is included on the balance sheet and amortised over its expected useful economic life, up to a maximum of 20 years.

Goodwill is subject to an impairment review at the end of the first full financial year following an acquisition and at any time in the event that the Directors believe that impairment may have occurred. Any impairment would be charged to the profit and loss account in the period in which it arises.

Negative goodwill is credited to the profit and loss account in the periods in which the acquired non-monetary assets are recovered through depreciation or sale. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to the profit and loss account in the periods expected to benefit.

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	25 - 33 1/3% per annum
Plant, equipment, fixtures and fittings	10 - 33 1/3% per annum

Investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Stocks and long term contracts

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

The value of long term contract work is accounted for within turnover and the excess over payments on account is included within debtors as amounts recoverable on contracts. Cumulative costs incurred, net of amounts transferred to cost of sales, payments on account not set off against the value of long term contract work and provision for any known or anticipated losses, are included within work-in-progress. Excess payments on account are included in creditors as payments on account.

Leases

Rentals under operating leases are charged to profit and loss in equal annual amounts over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2006

1. ACCOUNTING POLICIES (continued)

Taxation

Current tax 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.

Deferred income

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

Retirement benefit schemes

The Company participates in a number of funded pension arrangements including defined benefit and defined contribution schemes. The Company also participates in an unfunded defined benefit post retirement healthcare scheme.

Because the Company is unable to separately identify its share of the underlying assets and liabilities of the defined benefit schemes it accounts for these schemes as if they were defined contribution schemes.

For defined contribution schemes the 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 long term contractual business.

OCS GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 March 2006

2. SEGMENTAL INFORMATION

The turnover, profit on ordinary activities before taxation and net assets derive from one activity, being property support services, whose geographical analysis by location and origin is materially within the United Kingdom.

3. OPERATING PROFIT

	2006 £'000	2005 £'000
Operating profit is after charging/(crediting):		
Depreciation of tangible assets:		
- owned assets	3,170	3,022
Amortisation of goodwill	(122)	127
Rentals under operating leases:		
- hire of plant and machinery	791	774
- other operating leases	1,227	784
Auditors' remuneration:		
- audit fees	91	74
	<u> </u>	<u> </u>

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2006 £'000	2005 £'000
Directors' emoluments		
Management remuneration	788	379
Pension contributions	20	8
	<u> </u>	<u> </u>
	808	387
	<u> </u>	<u> </u>

Other Directors' remuneration in the current and prior year was borne by O.C.S. Group Limited. Of the amounts shown above, the highest paid Director received a salary, including benefits, of £134,000 (2005 - £124,000) and had an accrued pension entitlement of £41,000 (2005 - £38,000) per annum.

Twelve (2005 - twelve) Directors were members of a defined benefit pension scheme and three (2005 - one) Directors were members of a defined contribution pension scheme.

	2006 No.	2005 No.
The average number of employees, many of whom were employed on a part-time basis, was		
Operations	22,522	21,964
Sales	55	51
Administration	419	404
	<u> </u>	<u> </u>
	22,996	22,419
	<u> </u>	<u> </u>

OCS GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 March 2006

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES - continued

	2006 £'000	2005 £'000
Staff costs incurred during the year in respect of these employees were:		
Wages and salaries	216,631	186,421
Social security costs	16,180	13,493
Other pension costs	2,196	1,985
	<u>235,007</u>	<u>201,899</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2006 £'000	2005 £'000
On amounts owed by ultimate parent company	<u>532</u>	<u>340</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2006 £'000	2005 £'000
On amounts owed to ultimate parent company	<u>235</u>	<u>109</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2006 £'000	2005 £'000
Current tax		
UK corporation tax	1,120	745
Adjustments to prior years' tax provisions	(25)	246
Group relief	-	31
Adjustment to group relief in respect of prior years	(15)	(117)
	<u>1,080</u>	<u>905</u>
Deferred tax		
Origination and reversal of timing differences	(391)	(298)
Adjustment to prior years' tax provisions	60	44
	<u>(331)</u>	<u>(254)</u>
Tax on profit on ordinary activities	<u>749</u>	<u>651</u>

OCS GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 March 2006

7. TAX ON PROFIT ON ORDINARY ACTIVITIES - continued

	2006 £'000	2005 £'000
Reconciliation of current tax charge		
Profit on ordinary activities before tax	2,859	2,104
	<hr/>	<hr/>
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2005 - 30%)	858	631
Factors affecting charge for the year:		
- expenses not deductible for tax purposes	137	131
- deductions allowed for tax purposes	(247)	(254)
- capital allowances lower than depreciation	270	230
- short term timing differences	102	38
- adjustments in respect of prior years	(40)	129
	<hr/>	<hr/>
Current tax charge for the year	1,080	905
	<hr/>	<hr/>

8. INTANGIBLE ASSETS

	Goodwill £'000
Cost	
At 1 April 2005	2,245
Acquisitions	(279)
	<hr/>
At 31 March 2006	1,966
	<hr/>
Amortisation	
At 1 April 2005	670
Credit for the year	(122)
	<hr/>
At 31 March 2006	548
	<hr/>
Net book value	
At 31 March 2006	1,418
	<hr/>
At 31 March 2005	1,575
	<hr/>

OCS GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 March 2006

9. TANGIBLE FIXED ASSETS

	Short term leasehold property £'000	Motor vehicles £'000	Plant, equipment, fixtures and fittings £'000	Total £'000
Cost				
At 1 April 2005	18	7,367	14,570	21,955
Reclassifications	69	-	(69)	-
Additions - third party	-	1,458	2,284	3,742
- Group	-	138	167	305
Disposals - third party	-	(2,098)	(762)	(2,860)
- Group	-	-	(30)	(30)
At 31 March 2006	87	6,865	16,160	23,112
Accumulated depreciation				
At 1 April 2005	18	5,789	10,544	16,351
Reclassifications	46	-	(46)	-
Additions - Group	-	80	138	218
Charge for the year	10	1,129	2,031	3,170
Disposals - third party	-	(2,006)	(690)	(2,696)
- Group	-	-	(16)	(16)
At 31 March 2006	74	4,992	11,961	17,027
Net book value				
At 31 March 2006	13	1,873	4,199	6,085
At 31 March 2005	-	1,578	4,026	5,604

10. INVESTMENTS

	Shares in subsidiary undertakings £'000
Cost and net book value	
At 31 March 2006 and 31 March 2005	500

The Company's principal investments are OCS Northern Ireland Limited (incorporated in Northern Ireland) and OCS Scotland Limited, both were cleaning companies and are wholly owned.

OCS GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 March 2006

11. STOCKS

	2006 £'000	2005 £'000
Raw materials and consumables	596	551
Work-in-progress	326	416
Finished goods and goods for resale	660	393
	<u>1,582</u>	<u>1,360</u>

12. DEBTORS

	2006 £'000	2005 £'000
Trade debtors	43,952	42,734
Amounts recoverable on contracts	2,209	-
Amounts owed by ultimate parent company	237	-
Amounts owed by fellow subsidiary undertakings	513	460
Deferred tax (note 14)	1,572	1,241
Prepayments and accrued income	4,599	3,568
	<u>53,082</u>	<u>48,003</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £'000	2005 £'000
Bank overdrafts	1,438	-
Trade creditors	9,044	7,297
Amounts owed to ultimate parent company	21,448	18,906
Amounts owed to fellow subsidiary undertakings	3,115	2,018
Taxation	812	670
Other taxes and social security	6,612	5,618
Accruals and deferred income	16,228	13,434
	<u>58,697</u>	<u>47,943</u>

OCS GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 March 2006

14. DEFERRED TAX

	2006	2005
	£'000	£'000
Deferred tax asset		
At 1 April	1,241	987
Credit to profit and loss account	331	254
	<u>1,572</u>	<u>1,241</u>

At 31 March

1,572

1,241

£'000

£'000

The amounts of deferred tax recognised in the financial statements are as follows:

Depreciation in excess of capital allowances	1,311	1,085
Short term timing differences	261	156
	<u>1,572</u>	<u>1,241</u>

15. CALLED UP SHARE CAPITAL

	2006	2005
	£'000	£'000
Authorised		
4,000,000 (2005 - 4,000,000) ordinary shares of £1 each	4,000	4,000
	<u>4,000</u>	<u>4,000</u>
Allotted, called up and fully paid		
2,000,000 (2005 - 2,000,000) ordinary shares of £1 each	2,000	2,000
	<u>2,000</u>	<u>2,000</u>

16. PROFIT AND LOSS ACCOUNT

	£'000
At 1 April 2005	15,875
Profit for the financial year	2,110
	<u>17,985</u>
At 31 March 2006	

17. CAPITAL COMMITMENTS

	2006	2005
	£'000	£'000
Future capital expenditure:		
Contracted for but not provided	1,378	2,379
	<u>1,378</u>	<u>2,379</u>

NOTES TO THE FINANCIAL STATEMENTS
31 March 2006

18. OPERATING LEASE COMMITMENTS

At 31 March 2006 the Company was committed to making the following payments during the next year in respect of operating leases:

	Land and buildings	Other	Land and buildings	Other
	2006	2006	2005	2005
	£'000	£'000	£'000	£'000
Leases which expire:				
Within one year	61	241	25	235
Between two and five years	417	1,107	98	1,276
After five years	21	-	177	-
	<u>499</u>	<u>1,348</u>	<u>300</u>	<u>1,517</u>

19. CONTINGENT LIABILITIES

The Company has entered into unlimited multilateral cross company guarantees in respect of borrowings by certain Group companies. At 31 March 2006 the borrowings outstanding were £nil (2005 - £nil).

20. RETIREMENT BENEFIT SCHEMES

The Company is a member of the OCS Group Staff Pension and Assurance Scheme, a funded defined benefit scheme closed to new members, the OCS Group Pension Savings Scheme, a funded defined contribution scheme and the OCS Group Transfer of Undertakings Pension Scheme, a funded defined benefit scheme for employees transferred under TUPE arrangements from public sector employers. The Company is also a member of the Group's unfunded defined benefit post retirement healthcare scheme.

On 1 April 2000 the OCS Group Staff Pension and Assurance Scheme was closed to new members. From that date a new defined contribution scheme commenced, the OCS Group Pension Savings Scheme. This scheme is available to eligible employees joining the Company after that date and will provide benefits based on the employees' and Company's contributions. This change is in line with the practice increasingly adopted by major UK companies and is designed to be more flexible to employees and enable the Company to determine its pension costs more precisely than is the case for defined benefit schemes.

Particulars of these schemes are given in the financial statements of O.C.S. Group Limited, including the disclosures required by FRS 17 (Retirement benefits). It is not possible to identify the Company's share of the underlying assets and liabilities. Under FRS 17 the defined benefit schemes have been accounted for as if they were defined contribution schemes. The most recent completed formal actuarial valuations, prepared by a professionally qualified actuary for the OCS Group Staff Pension and Assurance Scheme and the OCS Group Transfer of Undertakings Pension Scheme were as at 1 April 2003.

The valuations undertaken for FRS 17 indicated that the defined benefit schemes had a net deficit at 31 March 2006 of £29,361,000 (2005 - £25,377,000) after taking account of the related deferred tax asset. The Company paid contributions to the OCS Group Staff Pension and Assurance Scheme during the year at the rate of 15.6% (2005 - 15.6%) of pensionable salaries as recommended by the scheme's actuary.

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21. ACQUISITIONS

On 2 August 2005 the Company acquired the trade and certain of the net assets of Independent Building Solutions Limited.

On 30 September 2005 the Company acquired the trade and net assets of Denver Maintenance Limited, a fellow Group company and on 31 March 2006 the Company acquired the trade and net assets of Just Deli Limited, also a fellow Group company.

All acquisitions have been accounted for using the acquisition accounting method.

The following fair values were attributed to the major categories of assets and liabilities acquired:

	Book values £'000	Fair value adjustments £'000	Fair values £'000
Tangible fixed assets	202	(49)	153
Stocks	2,671	(587)	2,084
Debtors	3,044	(116)	2,928
Cash at bank and in hand	1,388	-	1,388
Creditors: amounts falling due within one year	(3,564)	(117)	(3,681)
Net assets acquired	3,741	(869)	2,872
Goodwill			(279)
Total consideration			2,593
Discharged by:			
Cash paid in the year			959
Deferred cash consideration			1,634
			2,593

Fair value adjustments relate to the alignment of accounting policies concerning the capitalisation and depreciation of fixed assets, the assessment of recoverability of stocks and debtors and the measurement of accruals.

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22. RELATED PARTIES

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

23. EVENTS AFTER THE BALANCE SHEET DATE

On 30 June 2006 the trade and net assets of the Companies' subsidiaries OCS Scotland Limited and OCS Northern Ireland Limited were transferred to the Company.

24. 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. Copies of the financial statements of O.C.S. Group Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.