

Registered number 3526126

**Cliniserve Holdings Limited**  
**Report of the Directors and**  
**Financial Statements**  
**for the Year Ended 30 April 2006**

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# **Cliniserve Holdings Limited**

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**Chniserve Holdings Limited**  
**Company Information**  
**for the Year Ended 30 April 2006**

**DIRECTORS:**

S A Wingate  
J D Geary  
S W S Barnes  
G G A Diedrichs  
E G Falkman  
N R L Fry

**SECRETARY:**

S W S Barnes

**REGISTERED OFFICE:**

Vinnetrow Business Park  
Vinnetrow Road  
Chichester  
West Sussex  
PO20 1RW

**REGISTERED NUMBER**

3526126 (England and Wales)

**AUDITORS**

Monahans  
Registered Auditors  
Chartered Accountants  
1 St John's Square  
Glastonbury  
Somerset  
BA6 9LJ

**Cliniserve Holdings Limited**  
**Report of the Directors**  
**for the Year Ended 30 April 2006**

The directors present their report with the financial statements of the company for the year ended 30 April 2006

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of a non-trading investment holding company

**REVIEW OF BUSINESS**

The company is the holding company for Cliniserve Limited ('Cliniserve')

Cliniserve contracted with the National Health Service and others for the collection and disposal of clinical and associated waste from over 10,000 healthcare locations in Britain

The year ended 30 April 2006 saw the continuation of the development of Cliniserve through pursuing additional customers, optimising its transport operations, strengthening relationships with key suppliers, adapting procedures to comply with changes in regulatory requirements and investing to establish its first waste processing facility. As regards all the aspects referred to, this has continued subsequently.

Pre-eminently the principal risk facing Cliniserve was that it might be unable to obtain access to licensed clinical waste disposal facilities at which to offload the waste it collected under contract. Cliniserve, on its own behalf and on that of its customers, controlled and contained this risk through negotiated agreements with owners of disposal facilities and through the development of waste processing facilities under Cliniserve's ownership and control.

The directors consider that the performance and position of the company's business is readily understandable without reference to any key performance indicators.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 May 2005 to the date of this report

S A Wingate  
J D Geary  
S W S Barnes  
E G Falkman  
N R L Fry

G G A Diedrich was appointed on 26 November 2006

The beneficial interests of the directors holding office on 30 April 2006 in the issued share capital of the company were as follows

	30 4 06	1 5 05
<b>Ordinary £1 shares</b>		
S A Wingate	243,812	243,812
J D Geary	-	-
S W S Barnes	31,813	31,813
E G Falkman	-	-
N R L Fry	7,250	7,250

175,625 shares were registered to Belgravia Securities Limited, a company controlled by S A Wingate. These are included above.

During the year J D Geary exercised an option to subscribe 21,000 £1 ordinary shares at a price of £3 per share. At 30 April 2006, he held an option exercisable between 1 March 2006 and 9 June 2014 to subscribe up to 12,500 £1 ordinary shares at a price of £2 per share and options which were granted to him during the year, exercisable between 1 May 2008 and 9 January 2016 to subscribe up to 8,264 £1 ordinary shares at a price of £12.10 per share.

**Cliniserve Holdings Limited**  
**Report of the Directors**  
**for the Year Ended 30 April 2006**

During the year options exercisable between 1 May 2008 and 9 January 2016 to subscribe £1 ordinary shares at a price of £12.10 per share were also granted to the following directors

**Number of Shares**

S W S Barnes	3,306
E G Falkman	7,138
N R L Fry	7,138

**EMPLOYEES TRUST**

In the year ended 30 April 2006 the company established, and provided £1,000 in cash to the trustee of, a trust (the 'Employees Trust') for the benefit of past, present and future employees. The Employees Trust was established to enable recognition of long-standing contributions by employees to the development of the business to be made in the future by an independent trustee. The trustee, Estafida Trust Company Limited, owns and has full discretion over the Employees Trust's assets, including as regards all questions relating to any investment and any distribution in due course. Cliniserve also provided £255,000 in cash to the trustee in the year. The directors are not aware of any payments or commitments which have yet been made by the trustee to any beneficiary.

The directors have been advised by Monahans that, notwithstanding the fact that the assets of the Employees Trust are unconditionally in the legal ownership and under the legal control of the trustee and are not accessible to the company's shareholders in the event of a winding-up, these assets are required by the presently prevailing views of the Urgent Issues Task Force of the Accounting Standards Board to be accounted for by the company through their consolidation with those of the company itself until the trustee decides to distribute them. The directors have followed this advice in preparing the financial statements of the company for the year ended 30 April 2006, although their opinion is that the £1,000 provided to the Employees Trust by the company and the £255,000 provided by Cliniserve, which has been accounted for as the company's other operating income, represented an immediate expense for charging within the profit and loss account for the year ended 30 April 2006.

The Employees Trust owns 21,000 Ordinary shares of Cliniserve Holdings Limited which it purchased for £254,100. This cost is shown in the financial statements as a debit against Shareholders' Funds.

**DIVIDENDS**

No dividend is recommended.

**FINANCIAL INSTRUMENTS**

The company's financial instruments comprise cash at bank, overdraft and bank loans. The main purpose of these financial instruments is to raise adequate finance for the company's operations.

The main risks arising from the company's financial instruments are interest rate fluctuations and liquidity risk. It is the company's policy to finance its operations through a mixture of cash and borrowings and to review periodically the mix of these instruments with regard to the projected cash flow requirements of the company and an acceptable level of risk exposure.

**Cliniserve Holdings Limited**  
**Report of the Directors**  
**for the Year Ended 30 April 2006**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these 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,
- 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Monahans, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**



S W S Barnes - Secretary

Date 24 October 2007

**Report of the Independent Auditors  
to the Shareholders of Cliniserve Holdings Limited**

We have audited the financial statements of Cliniserve Holdings Limited for the year ended 30 April 2006 on pages 6 to 12. 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page 4.

Our responsibility is to audit the financial statements in accordance with relevant 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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

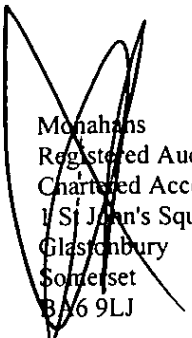
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 April 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 Report of the Directors is consistent with the financial statements.



Monahans  
Registered Auditors  
Chartered Accountants  
1 St John's Square  
Glastonbury  
Somerset  
BA6 9LJ

Date 29 October 2007

**Climiserve Holdings Limited**

**Profit and Loss Account  
for the Year Ended 30 April 2006**

	Notes	30 4 06	30 4 05
	£		
<b>TURNOVER</b>		-	-
Administrative expenses		<u>54,242</u>	<u>26,354</u>
		(54,242)	(26,354)
Other operating income		<u>255,000</u>	<u>-</u>
<b>OPERATING PROFIT/(LOSS)</b>	3	200,758	(26,354)
Interest receivable and similar income		<u>65</u>	<u>48</u>
		200,823	(26,306)
Interest payable and similar charges	4	<u>-</u>	<u>7,875</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		200,823	(34,181)
Corporation tax credit	5	<u>80,137</u>	<u>9,527</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION</b>		280,960	(24,654)
Retained loss brought forward		<u>(731,545)</u>	<u>(706,891)</u>
<b>RETAINED LOSS CARRIED FORWARD</b>		<u>(450,585)</u>	<u>(731,545)</u>

**CONTINUING OPERATIONS**

None of the company's operations was acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company had no recognised gains or losses other than the profit for the current year and the loss for the previous year

The notes form part of these financial statements



**Cliniserve Holdings Limited**

**Balance Sheet  
30 April 2006**

		<u>30 4 06</u>		<u>30 4 05</u>	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Investments	6		1,491,000		1,491,000
<b>CURRENT ASSETS</b>					
Debtors	7	32		28	
Cash at bank and in hand		<u>2,763</u>		<u>852</u>	
		2,795		880	
<b>CREDITORS</b>					
Amounts falling due within one year	8	<u>302,980</u>		<u>390,925</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(300,185)</u>		<u>(390,045)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,190,815</u>		<u>1,100,955</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	9		657,250		636,250
Share premium	10		1,238,250		1,196,250
Employees trust	10		(254,100)		-
Profit and loss account	10		<u>(450,585)</u>		<u>(731,545)</u>
<b>SHAREHOLDERS' FUNDS</b>	11		<u>1,190,815</u>		<u>1,100,955</u>

The financial statements were approved by the Board of Directors on 24 October 2007 and were signed on its behalf by

  
S A Wingate - Director

  
S W S Barnes - Director

The notes form part of these financial statements

**Cliniserve Holdings Limited**

**Cash Flow Statement  
for the Year Ended 30 April 2006**

		<u>30 4 06</u>		<u>30 4 05</u>	
	Notes	£	£	£	£
<b>Net cash inflow/(outflow) from operating activities</b>	13		238,133		(42,429)
<b>Returns on investments and servicing of finance</b>	14		65		(7,827)
<b>Taxation</b>			<u>80,137</u>		<u>9,527</u>
			318,335		(40,729)
<b>Financing</b>	14		<u>(316,424)</u>		<u>40,579</u>
<b>Increase/(Decrease) in cash in the year</b>			<u><u>1,911</u></u>		<u><u>(150)</u></u>

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**Reconciliation of net cash flow  
to movement in net funds**

	15				
Increase/(Decrease) in cash in the year		1,911		(150)	
Cash outflow from decrease in debt		<u>-</u>		<u>472,500</u>	
Change in net funds resulting from cash flows			<u>1,911</u>		<u>472,350</u>
<b>Movement in net funds in the year</b>			1,911		472,350
<b>Net funds/(debt) at 1 May</b>			<u>852</u>		<u>(471,498)</u>
<b>Net funds at 30 April</b>			<u><u>2,763</u></u>		<u><u>852</u></u>

The notes form part of these financial statements

# Cliniserve Holdings Limited

## Notes to the Financial Statements for the Year Ended 30 April 2006

### 1 ACCOUNTING POLICIES

#### Accounting convention

The financial statements have been prepared under the historical cost convention

#### Exemption from preparing consolidated financial statements

The financial statements contain information about Cliniserve Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 248 of the Companies Act 1985 from the requirements to prepare consolidated financial statements

#### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

#### Employees Trust

The net assets of the Employees Trust are consolidated with those of the company. The cost of shares in the company owned by the Employees Trust is deducted in arriving at Shareholders' Funds. Other assets of the Employees Trust are noted as 'restricted funds'

### 2 STAFF COSTS

There were no staff costs during either the current or previous period

### 3 OPERATING PROFIT/(LOSS)

The operating profit (2005 - operating loss) is stated after charging

	30 4 06	30 4 05
	£	£
Auditors' remuneration	1,900	1,520
Director's emoluments	-	-

### 4 INTEREST PAYABLE AND SIMILAR CHARGES

	30 4 06	30 4 05
	£	£
Convertible loan stock	-	7,875

### 5 TAXATION

#### Analysis of the tax credit

The tax credit on the profit on ordinary activities for the year was as follows

	30 4 06	30 4 05
	£	£
Current tax		
UK corporation tax	80,137	3,162
Tax refund in respect of prior year	-	6,365
Tax credit on ordinary activities	80,137	9,527

**Cliniserve Holdings Limited**

**Notes to the Financial Statements  
for the Year Ended 30 April 2006 - continued**

**5 TAXATION - continued**

**Factors affecting the tax credit**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	30 4 06	30 4 05
	£	£
Profit/(loss) on ordinary activities before tax	<u>200,823</u>	<u>(34,181)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 - 30%)	60,247	(10,254)
Effects of		
Expenses disallowed	184	7,358
Income disallowed	(76,500)	-
Marginal relief	(6,738)	(266)
Tax refund in respect of prior year	-	(6,365)
Sch 23 FA 2003 deduction	<u>(57,330)</u>	<u>-</u>
Current tax credit	<u>(80,137)</u>	<u>(9,527)</u>

**6 FIXED ASSET INVESTMENTS**

The company's investments at the balance sheet date comprised 100% of the share capital of Cliniserve Limited, an unlisted company which collects and disposes of clinical waste. Its profit for the year ended 30 April 2006 was £541,647 (30 April 2005 - £580,784). Its aggregate share capital and reserves were £1,928,248 (30 April 2005 - £1,386,601).

**7 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30 4 06	30 4 05
	£	£
Other debtors	<u>32</u>	<u>28</u>

**8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30 4 06	30 4 05
	£	£
Accrued expenses	39,629	2,250
Amounts owed to subsidiary company	<u>263,351</u>	<u>388,675</u>
	<u>302,980</u>	<u>390,925</u>

**Cliniserve Holdings Limited**

**Notes to the Financial Statements  
for the Year Ended 30 April 2006 - continued**

**9 CALLED UP SHARE CAPITAL**

Authorised Number	Class	Nominal value £1	30 4 06 £	30 4 05 £
1,360,000	Ordinary		<u>1,360,000</u>	<u>1,360,000</u>

Allotted, issued and fully paid Number	Class	Nominal value £1	30 4 06 £	30 4 05 £
657,250 (30 4 05 - 636,250)	Ordinary		<u>657,250</u>	<u>636,250</u>

21,000 £1 ordinary shares were allotted as fully paid at a premium of £2 00 per share during the year

A senior executive held an option throughout the year exercisable between 1 March 2006 and 9 June 2014 to subscribe up to 12,500 £1 ordinary shares at a price of £2 per share

During the year options were granted to subscribe up to 44,027 £1 ordinary shares at a price of £12 10 per share exercisable between 1 May 2008 and 9 January 2016

**10 RESERVES**

	Profit and loss account £	Share premium £	Employees trust £	Total £
At 1 May 2005	(731,545)	1,196,250	-	464,705
Profit for the year	280,960			280,960
Cost of shares owned by Employees Trust	-	-	(254,100)	(254,100)
Shares issued	-	42,000	-	42,000
At 30 April 2006	<u>(450,585)</u>	<u>1,238,250</u>	<u>(254,100)</u>	<u>533,565</u>

**11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	30 4 06 £	30 4 05 £
Profit/(Loss) for the financial year	280,960	(24,654)
Issue of shares	63,000	-
Loan stock conversion	-	472,500
Cost of shares purchased by trust	<u>(254,100)</u>	<u>-</u>
<b>Net addition to shareholders' funds</b>	<b>89,860</b>	<b>447,846</b>
Opening shareholders' funds	<u>1,100,955</u>	<u>653,109</u>
<b>Closing shareholders' funds</b>	<b><u>1,190,815</u></b>	<b><u>1,100,955</u></b>
Equity interests	<u>1,190,815</u>	<u>1,100,955</u>

**Cliniserve Holdings Limited**

**Notes to the Financial Statements  
for the Year Ended 30 April 2006 - continued**

**12 EMPLOYEES TRUST**

The company established the Cliniserve Employees Share Trust ('the Employees Trust') on 29 March 2006 and contributed £1,000 to it. Cliniserve Limited provided a further £255,000 during the year ended 30 April 2006. At 30 April 2006, the net assets of the Employees Trust comprised 21,000 Ordinary shares of £1 each, which it had purchased for £254,100, and £1,900 in cash.

**13 RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	30 4 06	30 4 05
	£	£
Operating profit/(loss)	200,758	(26,354)
Increase in debtors	(4)	(24)
Increase/(Decrease) in creditors	<u>37,379</u>	<u>(16,051)</u>
<b>Net cash inflow/(outflow) from operating activities</b>	<b><u>238,133</u></b>	<b><u>(42,429)</u></b>

**14 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	30 4 06	30 4 05
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	65	48
Interest paid	<u>-</u>	<u>(7,875)</u>
<b>Net cash inflow/(outflow) for returns on investments and servicing of finance</b>	<b><u>65</u></b>	<b><u>(7,827)</u></b>
 <b>Financing</b>		
Proceeds of share issue	63,000	-
Cost of shares purchased by trust	(254,100)	-
Movement in amounts owed to subsidiary company	<u>(125,324)</u>	<u>40,579</u>
<b>Net cash (outflow)/inflow from financing</b>	<b><u>(316,424)</u></b>	<b><u>40,579</u></b>

**15 ANALYSIS OF CHANGES IN NET FUNDS**

	At 1 5 05	Cash flow	At
	£	£	30 4 06
			£
Net cash			
Cash at bank and in hand	<u>852</u>	<u>1,911</u>	<u>2,763</u>
	<u>852</u>	<u>1,911</u>	<u>2,763</u>
 Total	<b><u>852</u></b>	<b><u>1,911</u></b>	<b><u>2,763</u></b>