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Report of the Directors and  
Financial Statements for the Year Ended 30 September 2007  
for  
MyHome Systems Limited

WEDNESDAY



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**MyHome Systems Limited**

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**for the Year Ended 30 September 2007**

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**MyHome Systems Limited**

**Company Information**  
**for the Year Ended 30 September 2007**

**DIRECTORS**

R O'Connell  
S L McNeill Ritchie

**SECRETARY**

D A Venus

**REGISTERED OFFICE**

Churston House  
Portsmouth Road  
Esher  
Surrey  
KT10 9AD

**REGISTERED NUMBER**

04459072 (England and Wales)

**AUDITORS**

Fairman Law  
Fairman Law House  
Park Terrace  
Worcester Park  
Surrey  
KT4 7JZ

**MyHome Systems Limited**

**Report of the Directors**  
**for the Year Ended 30 September 2007**

The directors present their report with the financial statements of the company for the year ended 30 September 2007

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of residential cleaning franchisors and consultants

**REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements

**DIVIDENDS**

No dividends will be distributed for the year ended 30 September 2007

**DIRECTORS**

R O'Connell has held office during the whole of the period from 1 October 2006 to the date of this report

Other changes in directors holding office are as follows

Myhome International PLC - resigned 8 November 2006  
S L McNeill Ritchie - appointed 30 October 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 International Financial Reporting Standards as adopted for use in the European Union. 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, Fairman Law, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD**

  
Director

Date 29/1/08

**Report of the Independent Auditors to the Shareholders of  
MyHome Systems Limited**

We have audited the financial statements of MyHome Systems Limited for the year ended 30 September 2007 on pages four to thirteen. 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 International Financial Reporting Standards as adopted for use in the European Union are set out on page two.

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 International Financial Reporting Standards as adopted for use in the European Union, of the state of the company's affairs as at 30 September 2007 and of its loss 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.

  
Fairman Law  
Fairman Law House  
Park Terrace  
Worcester Park  
Surrey  
KT4 7JZ

Date 29/1/08

**MyHome Systems Limited**

**Income Statement**  
**for the Year Ended 30 September 2007**

	Notes	30 9 07 £	30 9 06 £
<b>CONTINUING OPERATIONS</b>			
Revenue		2,109,055	1,395,220
Cost of sales		<u>(136,891)</u>	<u>(446,232)</u>
<b>GROSS PROFIT</b>		<b>1,972,164</b>	<b>948,988</b>
Other operating income		-	3,765
Administrative expenses		<u>(1,976,753)</u>	<u>(929,466)</u>
<b>OPERATING (LOSS)/PROFIT</b>		<b>(4,589)</b>	<b>23,287</b>
Finance costs	3	(8,821)	(27)
Finance income	3	<u>1,103</u>	<u>1,848</u>
<b>(LOSS)/PROFIT BEFORE TAX</b>	4	<b>(12,307)</b>	<b>25,108</b>
Tax	5	<u>-</u>	<u>-</u>
<b>(LOSS)/PROFIT FOR THE YEAR</b>		<b><u>(12,307)</u></b>	<b><u>25,108</u></b>

The notes form part of these financial statements

**MyHome Systems Limited**

**Statement of Recognised Income and Expense**  
**for the Year Ended 30 September 2007**

	30 9 07 £	30 9 06 £
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(12,307)	25,108
TOTAL RECOGNISED INCOME AND EXPENSE FOR THE YEAR	<u>(12,307)</u>	<u>25,108</u>

The notes form part of these financial statements

**MyHome Systems Limited**

**Balance Sheet**

**30 September 2007**

	Notes	30 9 07 £	30 9 06 £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	6	268,286	73,790
Property, plant and equipment	7	167,943	118,687
		<u>436,229</u>	<u>192,477</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	8	1,260,995	850,288
Cash and cash equivalents	9	455,813	157,358
		<u>1,716,808</u>	<u>1,007,646</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	1,988,071	1,013,121
Financial liabilities - borrowings			
Bank overdrafts	11	-	6,480
Interest bearing loans and borrowings	11	19,914	30,868
		<u>2,007,985</u>	<u>1,050,469</u>
<b>NET CURRENT LIABILITIES</b>		<u>(291,177)</u>	<u>(42,823)</u>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	11	89,193	81,488
<b>NET ASSETS</b>		<u>55,859</u>	<u>68,166</u>
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	13	1	1
Retained earnings	14	55,858	68,165
<b>TOTAL EQUITY</b>		<u>55,859</u>	<u>68,166</u>

The financial statements were approved by the Board of Directors on its behalf by

29/11/08

and were signed on

  
Director

The notes form part of these financial statements

**MyHome Systems Limited****Cash Flow Statement  
for the Year Ended 30 September 2007**

	Notes	30 9 07 £	30 9 06 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	615,804	214,236
Interest paid		(1,460)	(27)
Interest element of hire purchase payments paid		(7,361)	-
<b>Net cash from operating activities</b>		<u>606,983</u>	<u>214,209</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(194,496)	(73,790)
Purchase of tangible fixed assets		(105,406)	(158,249)
Interest received		1,103	1,848
<b>Net cash from investing activities</b>		<u>(298,799)</u>	<u>(230,191)</u>
<b>Cash flows from financing activities</b>			
Capital repayments in year		(3,249)	112,356
<b>Net cash from financing activities</b>		<u>(3,249)</u>	<u>112,356</u>
<b>Increase in cash and cash equivalents</b>		<u>304,935</u>	<u>96,374</u>
Cash and cash equivalents at beginning of year	2	150,878	54,504
<b>Cash and cash equivalents at end of year</b>	2	<u><u>455,813</u></u>	<u><u>150,878</u></u>

The notes form part of these financial statements

**MyHome Systems Limited**

**Notes to the Cash Flow Statement  
for the Year Ended 30 September 2007**

**1 RECONCILIATION OF (LOSS)/PROFIT BEFORE TAX TO CASH GENERATED FROM OPERATIONS**

	30 9 07	30 9 06
	£	£
(Loss)/profit before tax	(12,307)	25,108
Depreciation charges	56,150	39,562
Finance costs	8,821	27
Finance income	(1,103)	(1,848)
	<u>51,561</u>	<u>62,849</u>
Increase in trade and other receivables	(55,830)	(280,852)
Increase in trade and other payables	620,073	432,239
	<u>615,804</u>	<u>214,236</u>

**2 CASH AND CASH EQUIVALENTS**

The amounts disclosed on the cash flow statement in respect of cash and cash equivalents are in respect of these balance sheet amounts

**Year ended 30 September 2007**

	30 9 07	1 10 06
	£	£
Cash and cash equivalents	455,813	157,358
Bank overdrafts	-	(6,480)
	<u>455,813</u>	<u>150,878</u>

**Year ended 30 September 2006**

	30 9 06	1 10 05
	£	£
Cash and cash equivalents	157,358	54,504
Bank overdrafts	(6,480)	-
	<u>150,878</u>	<u>54,504</u>

The notes form part of these financial statements

## **MyHome Systems Limited**

### **Notes to the Financial Statements** **for the Year Ended 30 September 2007**

#### **1 ACCOUNTING POLICIES**

##### **Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

##### **Intangible Assets**

Intangible assets comprise of costs incurred in research and development.

Expenditure on research and development comprises costs that are incurred in line with the code of ethics as set out by the British Franchise Association. Under the code the group is expected to incur costs in respect of know how and unbiased and scientific study into franchising. Know how means a body of non patented practical information resulting from experience and testing by the franchisor which is secret, substantial and identified. The development costs in the balance sheet reflects such costs and commitment by the group towards its franchisees and ongoing development for further advancement in its services.

Development expenditure is capitalised on the basis it is clearly identifiable, there is a clear indication of future benefits and the costs are controllable in accordance with IAS 38.

##### **Property, plant and equipment**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

##### **Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

##### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

##### **Employee benefit costs**

Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

#### **2 EMPLOYEES AND DIRECTORS**

	30 9 07	30 9 06
	£	£
Wages and salaries	421,702	189,549
Other pension costs	-	20,911
	<u>421,702</u>	<u>210,460</u>

The average monthly number of employees during the year was as follows:

	30 9 07	30 9 06
Administration	11	8
Sales	15	5
Finance	3	2
	<u>29</u>	<u>15</u>
	30 9 07	30 9 06
	£	£
Directors' emoluments	-	112

**MyHome Systems Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 30 September 2007**

**3 NET FINANCE COSTS**

	30 9 07	30 9 06
	£	£
Finance income		
Deposit account interest	1,103	1,848
	<u>1,103</u>	<u>1,848</u>
Finance costs		
Bank interest	1,460	27
Hire purchase	7,361	-
	<u>8,821</u>	<u>27</u>
Net finance costs	<u>7,718</u>	<u>(1,821)</u>

**4 (LOSS)/PROFIT BEFORE TAX**

The loss before tax (2006 - profit before tax) is stated after charging

	30 9 07	30 9 06
	£	£
Cost of inventories recognised as expense	136,891	446,232
Hire of plant and machinery	2,523	-
Other operating leases	43,319	18,290
Depreciation - owned assets	56,150	39,562
Auditors' remuneration	-	6,000
	<u>-</u>	<u>6,000</u>

**5 TAX**

There is no liability to corporation tax due to the availability of group losses

**6 INTANGIBLE ASSETS**

	Development costs £
<b>COST</b>	
At 1 October 2006	73,790
Additions	194,496
At 30 September 2007	<u>268,286</u>
<b>NET BOOK VALUE</b>	
At 30 September 2007	<u>268,286</u>
At 30 September 2006	<u>73,790</u>

**MyHome Systems Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 30 September 2007**

**7 PROPERTY, PLANT AND EQUIPMENT**

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 October 2006	304	132,656	25,289	158,249
Additions	36,544	-	68,862	105,406
At 30 September 2007	36,848	132,656	94,151	263,655
<b>DEPRECIATION</b>				
At 1 October 2006	76	33,164	6,322	39,562
Charge for year	9,193	25,000	21,957	56,150
At 30 September 2007	9,269	58,164	28,279	95,712
<b>NET BOOK VALUE</b>				
At 30 September 2007	27,579	74,492	65,872	167,943
At 30 September 2006	228	99,492	18,967	118,687

**8 TRADE AND OTHER RECEIVABLES**

	30 9 07 £	30 9 06 £
Current		
Trade debtors	540,380	613,143
Amounts owed by group undertakings	466,463	111,586
Other debtors	140,668	36,203
Prepayments	113,484	89,356
	1,260,995	850,288

**9 CASH AND CASH EQUIVALENTS**

	30 9 07 £	30 9 06 £
Cash in hand	6,660	200
Bank accounts	449,153	157,158
	455,813	157,358

**10 TRADE AND OTHER PAYABLES**

	30 9 07 £	30 9 06 £
Current		
Trade creditors	175,199	231,152
Amounts owed to group undertakings	1,755,857	581,360
Social security and other taxes	57,015	150,749
Other creditors	-	49,860
	1,988,071	1,013,121

**MyHome Systems Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 30 September 2007**

**11 FINANCIAL LIABILITIES - BORROWINGS**

	30 9 07 £	30 9 06 £
Current		
Bank overdrafts	-	6,480
Hire purchase contracts (see note 12)	19,914	30,868
	<u>19,914</u>	<u>37,348</u>
Non-current		
Hire purchase contracts (see note 12)	<u>89,193</u>	<u>81,488</u>

Terms and debt repayment schedule

	1 year or less £	1-2 years £	Totals £
Hire purchase contracts	<u>19,914</u>	<u>89,193</u>	<u>109,107</u>

**12 LEASING AGREEMENTS**

Minimum lease payments under hire purchase contracts fall due as follows

	30 9 07 £	30 9 06 £
Net obligations repayable		
Within one year	19,914	30,868
Between one and five years	89,193	81,488
	<u>109,107</u>	<u>112,356</u>

**13 CALLED UP SHARE CAPITAL**

Authorised Number	Class	Nominal value	30 9 07 £	30 9 06 £
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

Allotted, issued and fully paid Number	Class	Nominal value	30 9 07 £	30 9 06 £
1	Ordinary	£1	<u>1</u>	<u>1</u>

**14 RESERVES**

	Retained earnings £
At 1 October 2006	68,165
Deficit for the year	(12,307)
At 30 September 2007	<u>55,858</u>

**15 ULTIMATE PARENT COMPANY**

The company is a wholly owned subsidiary of MyHome International PLC a company registered in England

**MyHome Systems Limited**

**Notes to the Financial Statements - continued**  
**for the Year Ended 30 September 2007**

**16 RELATED PARTY DISCLOSURES**

At the balance sheet date the company owed the following to group companies

MyHome International Plc	£1,527,785 ( 2006 £174,358 )
Oven Clean Limited	£93,901 ( 2006 £Nil )
Stainbusters Limited	£134,170 ( 2006 £Nil )

The following were owed by group companies

D S H Services Limited	£66,093
Nicenstripy Limited	£48,579
Autosheen Limited	£120,403
Surface Doctor Limited	£120,984
Ferrum UK Group Limited	£1,455
Cleanteam (Windows) Limited	£90290
Franchise Alliance Limited	£18,656
Ferrum UK Group Limited	£1455

Included in Trade Creditors is an amount due to Franchise Results Limited Mr R O'Connell has an interest in Franchise Results Ltd

In the year the company used the services of The Franchise Academy Limited for its training purposes Mr R O'Connell also has an interest in that company £216,727 was paid to The Franchise Academy for these services

At the balance sheet date there is an amount due to the company for £25,245 from Myhome Wandsworth This is in respect of a franchise licence fee granted by the company to Mr S L McNeill Ritchie

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

	30 9 07	30 9 06
	£	£
(Loss)/Profit for the financial year	(12,307)	25,108
Net (reduction)/addition to shareholders' funds	(12,307)	25,108
Opening shareholders' funds	68,166	43,058
Closing shareholders' funds	55,859	68,166

**MyHome Systems Limited****Income Statement Summaries**  
**for the Year Ended 30 September 2007**

	30 9 07 £	30 9 06 £
<b>REVENUE</b>		
Sales	2,109,055	921,918
Commissions	-	87,596
Royalties	-	385,706
	<u>2,109,055</u>	<u>1,395,220</u>
 <b>COST OF SALES</b>		
Direct Costs	136,891	446,232
	<u>136,891</u>	<u>446,232</u>
 <b>OTHER OPERATING INCOME</b>		
Sundry receipts	-	3,765
	<u>-</u>	<u>3,765</u>
 <b>ADMINISTRATIVE EXPENSES</b>		
Establishment costs		
Wages	421,702	189,437
Rent	43,319	18,290
Light and heat	2,891	2,768
Repairs to property	-	3,622
Administrative expenses		
Directors' fees	-	112
Pensions	-	20,911
Health Insurance	2,806	2,489
Telephone	23,294	11,512
Post and stationery	25,207	45,603
Advertising	147,695	88,909
Travelling	45,804	14,457
Motor expenses	38,236	8,028
Insurance	7,121	1,024
Licences and Subscriptions	2,823	17,464
Repairs and renewals	273	956
Internet support costs	26,914	-
Household and cleaning	-	2,223
Management Fees	713,285	365,000
Training Fees	38,963	12,226
Sundry expenses	(19,583)	1
Accountancy	-	225
Legal fees	43,986	4,342
Auditors' remuneration	-	6,000
Depreciation of tangible fixed assets		
Fixtures and fittings	9,193	76
Motor vehicles	25,000	33,164
Computer equipment	21,957	6,322
Admin extra 1		-
Hire of plant and machinery	2,523	-
Public relations	44,384	27,619
Bad debts	206,408	1,074
Promotions and exhibitions	62,519	25,920
Finance costs		
Bank charges	40,033	19,692
	<u>1,976,753</u>	<u>929,466</u>

MyHome Systems Limited

Possible Qualifications or References  
required on Auditors' Report  
for the Year Ended 30 September 2007

**\*\*CURRENT LIABILITIES EXCEED CURRENT ASSETS**

**\*\*Audit report may need to be amended - please refer to client screens**