

**FIRST CAR WASH PLC
FINANCIAL STATEMENTS
FOR
31ST DECEMBER 2002**

Company Registration Number SC128992



KINNAIRD HILL
Chartered Accountants & Registered Auditors
Anglia House
285 Milton Road
Cambridge
CB4 1XQ

FIRST CAR WASH PLC
FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2002

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FIRST CAR WASH PLC

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors R.F.M. Adair (Chairman)
M.G. Wyatt

Company secretary R.I. Bishop

Registered office James Sellars House
144 West George Street
Glasgow
Lanarkshire
G2 2HG

Auditors Kinnaird Hill
Chartered Accountants
& Registered Auditors
Anglia House
285 Milton Road
Cambridge
CB4 1XQ

FIRST CAR WASH PLC

THE DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2002

The directors present their report and the financial statements of the company for the year ended 31st December 2002.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the operation of a car wash facility at Stratford-upon-Avon.

The directors are satisfied with the results for the year and the company's financial position at the balance sheet date. The directors anticipate that the company's activities will continue for the foreseeable future.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year were as follows:

R.F.M. Adair (Chairman)

M.G. Wyatt

R.F.M. Adair and M.G. Wyatt have an interest in the company's transactions by virtue of their ownership, either directly or indirectly, of Mister Clean Plc, which is the holding company of First Car Wash Plc. Tradeline Management Plc changed its name to Mister Clean Plc on the 9th of May 2002.

POLICY ON THE PAYMENT OF CREDITORS

The company does not follow any specified code or standard on payment practice. However, it is the company's policy to negotiate terms with its suppliers and to ensure that they are aware of the terms of payment when business is agreed. It is the company's policy to abide by these terms. The number of creditor days at the balance sheet date was 10 (2001 - 17).

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 8 to 9, 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; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

FIRST CAR WASH PLC

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST DECEMBER 2002

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. The directors 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.

AUDITORS

A resolution to re-appoint Kinnaird Hill as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
James Sellars House
144 West George Street
Glasgow
Lanarkshire
G2 2HG

Signed on behalf of the directors

M.G. WYATT
Director



Approved by the directors on **28 MAY 2003**

FIRST CAR WASH PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31ST DECEMBER 2002

We have audited the financial statements on pages 6 to 14 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 to 9.

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 auditor's 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 THE DIRECTORS AND THE AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on pages 2 to 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom 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.

FIRST CAR WASH PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS *(CONTINUED)*

YEAR ENDED 31ST DECEMBER 2002

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2002 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



Anglia House
285 Milton Road
Cambridge
CB4 1XQ

KINNAIRD HILL
Chartered Accountants
& Registered Auditors

28 MAY 2003

FIRST CAR WASH PLC
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST DECEMBER 2002

	Note	2002 £	2001 £
TURNOVER	2	243,588	229,966
Cost of sales		<u>100,042</u>	<u>91,809</u>
GROSS PROFIT		143,546	138,157
Administrative expenses		<u>94,072</u>	<u>90,124</u>
OPERATING PROFIT	3	49,474	48,033
Interest receivable		643	159
Interest payable	5	<u>(256)</u>	<u>(74)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		49,861	48,118
Tax on profit on ordinary activities	6	–	18
RETAINED PROFIT FOR THE FINANCIAL YEAR		49,861	48,100
Balance brought forward		<u>(137,822)</u>	<u>(185,922)</u>
Balance carried forward		<u>(87,961)</u>	<u>(137,822)</u>

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

The notes on pages 8 to 14 form part of these financial statements.

FIRST CAR WASH PLC

BALANCE SHEET

31ST DECEMBER 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Tangible assets	7	<u>83,995</u>	<u>54,557</u>
CURRENT ASSETS			
Stocks	8	1,941	1,992
Debtors	9	159,316	166,836
Cash at bank and in hand		<u>32,212</u>	<u>35,236</u>
		193,469	204,064
CREDITORS: Amounts falling due within one year	10	<u>16,314</u>	<u>44,165</u>
NET CURRENT ASSETS		<u>177,155</u>	<u>159,899</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		261,150	214,456
CREDITORS: Amounts falling due after more than one year	11	<u>2,639</u>	<u>5,806</u>
		<u>258,511</u>	<u>208,650</u>
CAPITAL AND RESERVES			
Called-up equity share capital	16	186,459	186,459
Share premium account		160,013	160,013
Profit and Loss Account		<u>(87,961)</u>	<u>(137,822)</u>
SHAREHOLDERS' FUNDS	17	<u>258,511</u>	<u>208,650</u>

These financial statements were approved by the directors on the **28 MAY 2003** and are signed on their behalf by:



R.F.M. ADAIR (CHAIRMAN)
Director

The notes on pages 8 to 14 form part of these financial statements.

FIRST CAR WASH PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2002

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

The directors consider the going concern concept to be appropriate as all liabilities can be met from current cash flows.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold land and buildings	- over the lease term
Plant and machinery	- over 10 years
Fixtures and fittings	- between 5 and 10 years
Motor vehicles	- over 5 years

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

FIRST CAR WASH PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2002

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. TURNOVER

Turnover comprises amounts receivable net of VAT and arises wholly in the United Kingdom.

An analysis of turnover is given below:

	2002 £	2001 £
United Kingdom	<u>243,588</u>	<u>229,966</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2002 £	2001 £
Directors' emoluments	—	—
Depreciation	3,444	7,807
Auditors' remuneration		
- as auditors	3,275	2,450
Operating lease costs:		
Land and buildings	45,918	42,264
Exceptional item: release of rent provision	<u>(13,891)</u>	<u>(26,971)</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2002 No.	2001 No.
Number of production staff	4	3
Number of administrative staff	1	4
	<u>5</u>	<u>7</u>

FIRST CAR WASH PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2002

4. PARTICULARS OF EMPLOYEES *(continued)*

The aggregate payroll costs of the above were:

	2002	2001
	£	£
Wages and salaries	81,244	71,265
Social security costs	5,635	6,026
	<u>86,879</u>	<u>77,291</u>

5. INTEREST PAYABLE

	2002	2001
	£	£
Finance charges	<u>256</u>	<u>74</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

Taxation

	2002	2001
	£	£
Current tax:		
UK Corporation tax based on the results for the year at -% (2001 - -%)	-	16
Over/under provision in prior year	-	2
Total current tax	<u>-</u>	<u>18</u>
Tax on profit on ordinary activities	<u>-</u>	<u>18</u>

FIRST CAR WASH PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2002

7. TANGIBLE FIXED ASSETS

	Leasehold Land and Buildings £	Plant and Machinery £	Fixtures and Fittings £	Motor Vehicles £	Total £
COST					
At 1 January 2002	140,791	100,020	52,155	11,919	304,885
Additions	6,245	26,181	457	—	32,883
At 31 December 2002	147,036	126,201	52,612	11,919	337,768
DEPRECIATION					
At 1 January 2002	101,642	97,361	50,134	1,192	250,329
Charge for the year	(1,179)	1,765	474	2,384	3,444
At 31 December 2002	100,463	99,126	50,608	3,576	253,773
NET BOOK VALUE					
At 31 December 2002	46,573	27,075	2,004	8,343	83,995
At 31 December 2001	39,149	2,659	2,021	10,727	54,556

Hire purchase agreements

Included within the net book value of £83,995 is £8,343 (2001 - £10,727) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £2,384 (2001 - £1,192).

8. STOCKS

2002	2001
£	£
1,941	1,992

9. DEBTORS

	2002	2001
	£	£
Amounts owed by group undertakings	140,547	154,308
Other debtors	23	541
Prepayments and accrued income	18,746	11,987
	159,316	166,836

FIRST CAR WASH PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2002

10. CREDITORS: Amounts falling due within one year

	2002	2001
	£	£
Trade creditors	2,883	4,382
Corporation tax	16	16
Other taxation and social security	5,149	10,796
Hire purchase agreements	3,167	3,167
Other creditors	1,425	1,425
Accruals and deferred income	3,674	24,379
	<u>16,314</u>	<u>44,165</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2002	2001
	£	£
Hire purchase: Amounts due < 1 Yr	<u>3,167</u>	<u>3,167</u>

11. CREDITORS: Amounts falling due after more than one year

	2002	2001
	£	£
Other creditors:		
Hire purchase agreements	<u>2,639</u>	<u>5,806</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2002	2001
	£	£
Hire purchase: Amounts due > 1 Yr	<u>2,639</u>	<u>5,806</u>

12. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2002	2001
	£	£
Amounts payable within 1 year	3,167	3,167
Amounts payable between 1 and 2 years	2,639	3,167
Amounts payable between 3 and 5 years	—	2,639
	<u>5,806</u>	<u>8,973</u>
Hire purchase agreements are analysed as follows:		
Current obligations	3,167	3,167
Non-current obligations	<u>2,639</u>	<u>5,806</u>
	<u>5,806</u>	<u>8,973</u>

13. DEFERRED TAXATION

FIRST CAR WASH PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2002

13. DEFERRED TAXATION *(continued)*

14. COMMITMENTS UNDER OPERATING LEASES

At 31st December 2002 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & Buildings	
	2002	2001
	£	£
Operating leases which expire:		
After more than 5 years	<u>43,329</u>	<u>42,264</u>

The company is currently 13 years (2001 - 12 years) into a 25 year lease at Stratford-upon-Avon.

15. RELATED PARTY TRANSACTIONS

These financial statements are included in the consolidated accounts of the parent company which are publically available and therefore this entity is exempt from the disclosure of related party transactions with the parent company.

16. SHARE CAPITAL

Authorised share capital:

	2002	2001
	£	£
999,900 Ordinary shares of £0.50 each	499,950.00	499,950.00
100 'A' shares of £0.50 each	50.00	50.00
	<u>500,000.00</u>	<u>500,000.00</u>

Allotted, called up and fully paid:

	2002		2001	
	No.	£	No.	£
Ordinary shares	372,828.00	186,414.00	372,828.00	186,414.00
'A' shares	90.00	45.00	90.00	45.00
	<u>372,918.00</u>	<u>186,459.00</u>	<u>372,918.00</u>	<u>186,459.00</u>

The 'A' shares rank pari passu with the ordinary shares in respect of voting, dividends and return on capital.

FIRST CAR WASH PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2002

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Profit for the financial year	49,861	48,100
Opening shareholders' equity funds	<u>208,650</u>	<u>160,550</u>
Closing shareholders' equity funds	<u>258,511</u>	<u>208,650</u>

18. ULTIMATE PARENT COMPANY

The ultimate parent undertaking is Mister Clean Plc, a company registered in England and Wales.