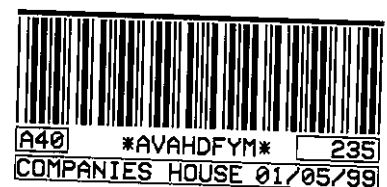


**SOLO SERVICE GROUP LIMITED**  
**(FORMERLY SOLO CLEANING SERVICES LIMITED)**  
**ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 1998**

**COMPANY REGISTRATION NUMBER 2626708**

**STONES JONES**  
**CHARTERED CERTIFIED ACCOUNTANTS**  
**SWANSEA**



**SOLO SERVICE GROUP LIMITED**  
**ABBREVIATED REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 1998**

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## REPORT OF THE AUDITORS TO SOLO SERVICE GROUP LIMITED

### UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the year ended 31 July 1998 prepared under Section 226 of the Companies Act 1985.

#### Respective Responsibilities of Directors and Auditors

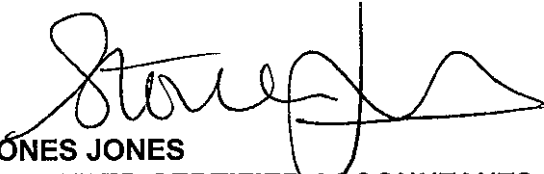
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form and independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

#### Basis of Opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

#### Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.



**STONES JONES**  
**CHARTERED CERTIFIED ACCOUNTANTS**  
**63 WALTER ROAD**  
**SWANSEA**  
**SA1 4PT**

DATE: 6<sup>th</sup> November 1998

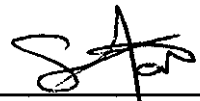
**SOLO SERVICE GROUP LIMITED**

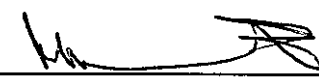
**ABBREVIATED BALANCE SHEET AS AT 31 JULY 1998**

|                                                                 | Note | 1998<br>£              | 1997<br>£              |
|-----------------------------------------------------------------|------|------------------------|------------------------|
| <b>FIXED ASSETS</b>                                             |      |                        |                        |
| Intangible assets                                               | 2    | 60000                  | -                      |
| Tangible assets                                                 | 3    | 448197                 | 267328                 |
| Investments                                                     | 4    | 4                      | 2                      |
|                                                                 |      | <u>508201</u>          | <u>267330</u>          |
| <b>CURRENT ASSETS</b>                                           |      |                        |                        |
| Stocks                                                          |      | 66138                  | 26000                  |
| Debtors and prepayments                                         | 5    | 472689                 | 258221                 |
|                                                                 |      | <u>538827</u>          | <u>284221</u>          |
| <b>CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR</b>          | 6    | (622657)               | (271522)               |
| <b>NET CURRENT (LIABILITIES)/ASSETS</b>                         |      | <u>(83830)</u>         | <u>12699</u>           |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                    |      | <u>424371</u>          | <u>280029</u>          |
| <b>CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b> | 7    | (133578)               | (101375)               |
| <b>PROVISIONS FOR LIABILITIES AND CHARGES</b>                   |      |                        |                        |
| Deferred taxation                                               |      | (13200)                | (952)                  |
| <b>NET ASSETS</b>                                               |      | <u>277593</u><br>===== | <u>177702</u><br>===== |
| <b>CAPITAL AND RESERVES</b>                                     |      |                        |                        |
| Called up share capital                                         | 8    | 2634                   | 2634                   |
| Revaluation reserve                                             |      | 20161                  | -                      |
| Profit and loss account                                         |      | 254798                 | 175068                 |
| <b>SHAREHOLDERS' FUNDS</b>                                      |      | <u>277593</u><br>===== | <u>177702</u><br>===== |

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on 5<sup>th</sup> November 1998.

  
S. Hammett

  
A. Hammett (Directors)

# SOLO SERVICE GROUP LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 1998

### 1. ACCOUNTING POLICIES

#### (a) *Accounting basis and standards*

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold property, and in accordance with applicable accounting standards.

#### (b) *Depreciation*

Depreciation on fixed assets is provided at rates estimated to write off the cost or revalued amounts, less estimated residual value, of each asset over its expected useful life as follows:-

|                      |                   |
|----------------------|-------------------|
| Leasehold property:  | 2% straight line  |
| Plant and machinery: | 20% straight line |
| Office equipment:    | 20% straight line |
| Motor vehicle:       | 20% straight line |

#### (c) *Stocks*

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis. Net realisable value is the price at which the stock can be realised in the normal course of business after allowing for the costs of realisation.

#### (d) *Turnover*

Turnover represents the invoiced value of services provided net of value added tax. The turnover of the company is wholly attributable to the principal activity of industrial cleaning.

#### (e) *Deferred taxation*

Deferred taxation is accounted for under the liability method in respect of the taxation effects of all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

#### (f) *Group accounts*

The company has taken advantage of Section 248 of the Companies Act 1985 which permits exception from the requirement to prepare group accounts for small and medium sized groups. The profit and loss account, therefore, includes results of Solo Service Group Limited only.

#### (g) *Goodwill*

Purchased goodwill is amortised over the expected useful life.

#### (h) *Leasing and hire purchase commitments*

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

**SOLO SERVICE GROUP LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 1998 (CONT.)**

The interest element of the rental obligations is charged to profit and loss account over the period of the lease (and represents a constant proportion of the balance of capital repayments outstanding).

**2. INTANGIBLE ASSETS**

On the 1 July 1998 the company purchased the assets and goodwill of F.J. Crimewatch Security Services Limited. The value of goodwill will be written off over its estimated useful life.

|                       | Goodwill<br>£         |
|-----------------------|-----------------------|
| <i>Cost</i>           |                       |
| At 1 July 1998        | 60000                 |
| Amortisation          | -                     |
| At 31 July 1998       | <u>60000</u>          |
| <i>Net Book Value</i> |                       |
| At 31 July 1998       | <u>60000</u><br>===== |

**3. TANGIBLE ASSETS**

|                       | Total<br>£             |
|-----------------------|------------------------|
| <i>Cost</i>           |                        |
| At 1 August 1997      | 378175                 |
| Additions             | 223922                 |
| Revaluation           | 14751                  |
| Disposals             | (20950)                |
| At 31 July 1998       | <u>595898</u>          |
| <i>Depreciation</i>   |                        |
| At 1 August 1997      | 110847                 |
| Charge for the year   | 51200                  |
| Revaluation           | (5410)                 |
| Disposals             | (8936)                 |
| At 31 July 1998       | <u>147701</u>          |
| <i>Net Book Value</i> |                        |
| At 31 July 1998       | <u>447197</u><br>===== |
| At 31 July 1997       | <u>267328</u><br>===== |

Included in fixed assets are assets with a net book value of £122856 (1997 : £77372) which are under finance agreements.

**SOLO SERVICE GROUP LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 1998 (CONT.)**

The long leasehold land and buildings were revalued by Messrs Poolman Harlow, Chartered Surveyors on the 20 April 1998 at £150000 on an open market basis.

**4. INVESTMENTS**

The investment represents the holding of the entire share capital of Solo Janitorial Supplies Limited and Solo Security Services Limited.

**5. DEBTORS AND PREPAYMENTS**

|                                | 1998<br>£  | 1997<br>£  |
|--------------------------------|------------|------------|
| Due after more than five years | -<br>===== | -<br>===== |

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

Creditors include bank loans of £5728 and overdraft of £289604 (1997 : £8164 and £53425 respectively) which are secured by a fixed and floating charge over the assets of the company, together with a first legal charge over the company's leasehold property.

**7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

Creditors include bank loans of £82872 (1997 : £88351) which are secured by a fixed and floating charge over the assets of the company, together with a first legal charge over the company's leasehold property.

**8. CALLED UP SHARE CAPITAL**

|                                          | 1998<br>£      | 1997<br>£      |
|------------------------------------------|----------------|----------------|
| The authorised share capital comprises:- |                |                |
| Authorised                               |                |                |
| 10000 ordinary shares of £1 each         | 10000<br>===== | 10000<br>===== |
| Called up, allotted and fully paid       |                |                |
| 2634 ordinary shares of £1 each          | 2634<br>=====  | 2634<br>=====  |

**9. DIRECTORS' INTERESTS IN CONTRACTS**

During the year the company purchased certain assets and goodwill for £99341 at arms length from F.J. Crimewatch Security Services Limited, a company in which Mr S.L. Hammett, a director, had a material interest.