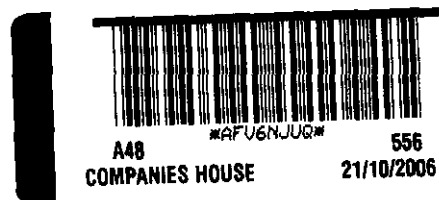


SOLO SERVICE GROUP LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2006

COMPANY REGISTRATION NUMBER 2626708

WILLIS JONES
CHARTERED ACCOUNTANTS
SWANSEA



SOLO SERVICE GROUP LIMITED
ABBREVIATED REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2006

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SOLO SERVICE GROUP LIMITED

DIRECTORS' REPORT

The directors have pleasure in presenting their report and financial statements for the year ended 31 July 2006.

Principal Activities and Business Review

The principal activity of the company throughout the year was that of providing contract cleaning services. The year under review has seen the company establish itself in new regions and secure several new contracts. It has also seen a tightening of competition and consequently pressure on margins.

Operating profit reduced to £266281 from £440555 in 2005 which is principally due to increased directors remuneration and salaries and increased insurance costs. Profit before tax increased to £429028 from £383272 after dividends received from group companies of £280000 (2005 : £Nil).

Adequate finance has been obtained to take advantage of business opportunities, and the directors consider the state of affairs to be satisfactory.

Results and Dividend

The results of the company for the year are set out on page 5.

A dividend was voted and paid in the year of 0.058 pence per shares (2005 : £Nil). The whole of the retained profit be set aside for the year.

Directors and their Interests

The directors who served the company throughout the year together with their interests (including family interests) in the shares of the company, at the beginning and end of the year were as follows:-

	Ordinary Shares of £1 each	
	31 July 2006	At 1 August 2005
S.L. Hammett	254106	254106
A.C. Hammett	264	264
J. Rees	-	-
C. Cooper	264	264

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 and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:-

select suitable accounting policies and apply them consistently;

make judgements and estimates that are reasonable and prudent;

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

SOLO SERVICE GROUP LIMITED

DIRECTORS' REPORT (CONT.)

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

In the case of each of the persons who are directors at the time when the directors report is approved:-

So far as the director is aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) 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 (s. 234ZA (2)).

Amounts are presented within items in the profit and loss account and balance sheet, the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

Employees

The company takes a positive role in training and communicates with employees. The company operates an equal opportunities policy and wherever possible gives employment opportunities and training for disabled people. Employment of disabled people is considered on merit with regards only to the ability of any applicant to carry out the function necessary. Arrangements to enable disabled people to carry out the function required will be made if it is reasonable to do so.

Group Accounts

These financial statements present information about the company as an individual entity and not about its group. The directors have taken advantage of the exemption to prepare group accounts contained in S248 of the Companies Act 1985.

Auditors

Willis Jones have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors to the company for the ensuing year.

By Order of the Board



T.C. Hammett
Secretary

Hawthorn House
Tawe Business Village
Swansea Enterprise Park
Swansea
SA7 9LA

Date: 19th October 2006

AUDITORS REPORT TO THE MEMBERS OF

SOLO SERVICE GROUP LIMITED

We have examined the abbreviated accounts on pages 5 to 17, together with the financial statements of the company for the year ended 31 July 2006 prepared under Section 226 of the Companies Act 1985.

Respective Responsibilities of Directors and Auditors

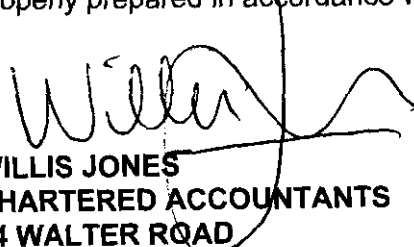
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246(a) of the 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 our 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 full 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 5 to 17 are properly prepared in accordance with that provision.



WILLIS JONES
CHARTERED ACCOUNTANTS
64 WALTER ROAD
SWANSEA
SA1 4PT

DATE:

20th October 2006

AUDITORS' REPORT TO THE DIRECTORS OF

SOLO SERVICE GROUP LIMITED

PURSUANT TO SECTION 248(3) OF THE COMPANIES ACT 1985

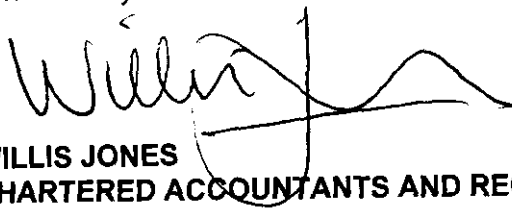
We have examined the financial statements of the company and its subsidiaries for the year ended 31 July 2006.

Basis of Opinion

The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemption from preparing group financial statements.

Opinion

In our opinion the company is entitled to the exemption from preparing group financial statements conferred by Section 248 of the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Willis Jones', with a long horizontal flourish extending to the right.

**WILLIS JONES
CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS
64 WALTER ROAD
SWANSEA
SA1 4PT**

DATE:

20th October 2006

SOLO SERVICE GROUP LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2006

	Note	2006 £	2005 £
GROSS PROFIT		3234850	3106962
Net operating expenses		(2968987)	(2666841)
Other operating income		418	434
OPERATING PROFIT	2	<u>266281</u>	<u>440555</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND INVESTMENT INCOME		266281	440555
Interest payable and similar charges	2(a)	(67253)	(57283)
Dividends received		230000	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>429028</u>	<u>383272</u>
Taxation	4	(69290)	(158101)
PROFIT FOR THE FINANCIAL YEAR		<u>359738</u>	<u>225171</u>
Dividends paid		(15000)	-
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u><u>344738</u></u>	<u><u>225171</u></u>

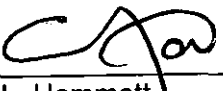
SOLO SERVICE GROUP LIMITED

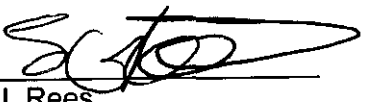
ABBREVIATED BALANCE SHEET AS AT 31 JULY 2006

	Note	2006 £	2005 £
FIXED ASSETS			
Intangible assets	5	-	-
Tangible assets	6	1034714	809746
Investments	7	310002	310002
		<u>1344716</u>	<u>1119748</u>
CURRENT ASSETS			
Stocks	8	43393	40827
Debtors	9	2472335	1689656
Debtors due after more than one year	9	676157	730926
Cash in bank and in hand		305	302
		<u>3192190</u>	<u>2461711</u>
CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR	10	(1836299)	(1842493)
NET CURRENT ASSETS		<u>1355891</u>	<u>619218</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2700607</u>	<u>1738966</u>
CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11	(668165)	(42612)
PROVISIONS FOR LIABILITIES AND CHARGES	12	(30052)	(38702)
NET ASSETS		<u>2002390</u> =====	<u>1657652</u> =====
CAPITAL AND RESERVES			
Called up share capital	14	254634	254634
Profit and loss account	14	1747756	1403018
SHAREHOLDERS' FUNDS		<u>2002390</u> =====	<u>1657652</u> =====

The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium companies.

Approved by the Board of Directors on 19th October 2006 and signed on its behalf by:-


S.L. Hammett


J. Rees (Directors)

SOLO SERVICE GROUP LIMITED
ABBREVIATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2006

	Note	2006 £	2005 £
NET CASH FLOW FROM OPERATING ACTIVITIES (See page 8)		172888	740441
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Interest paid		(59537)	(48452)
Interest element of finance lease rentals payment		(7716)	(8831)
Dividends paid		(15000)	-
Dividends received		230000	-
NET CASH INFLOW/(OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		147747	(57283)
TAXATION			
Corporation tax paid		(150119)	(116539)
INVESTING ACTIVITIES			
Purchase of tangible fixed assets		(382492)	(582498)
Purchase of intangible fixed assets		(315941)	(125822)
Receipts from sale of tangible fixed assets		3500	-
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES		(694933)	(708320)
NET CASH OUTFLOW BEFORE FINANCING		(524417)	(141701)
FINANCING			
New finance lease		-	72820
Finance leasing capital repaid		(67961)	(88262)
(DECREASE) IN CASH AND CASH EQUIVALENT	13	(592378) =====	(157143) =====

SOLO SERVICE GROUP LIMITED
ABBREVIATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2006

**RECONCILIATION OF OPERATING PROFIT TO NET
CASH FLOW FROM OPERATING ACTIVITIES**

	2006 £	2005 £
OPERATING PROFIT	266281	440555
Depreciation charges	154942	134378
Amortisation of intangible fixed assets	315941	319656
(Profit)/Loss on sale of fixed assets	(918)	494
(Increase) in stocks	(2566)	(4827)
(Increase) in debtors	(727910)	(350295)
Increase in creditors	167118	200520
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>172888</u> =====	<u>740441</u> =====

SOLO SERVICE GROUP LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2006

1. ACCOUNTING POLICIES

(a) *Accounting basis and standards*

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

(b) *Consolidation*

The financial statements contain information about Solo Service Group 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 requirement to prepare consolidated financial statements as the group it heads qualifies as a medium sized group.

(c) *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:-

Plant and machinery:	20% straight line
Furniture and equipment:	20% straight line
Motor vehicles:	20% straight line
Computer equipment:	20% straight line
Goodwill:	estimated economic life

(d) *Investments*

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

(e) *Stocks*

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

(f) *Turnover*

Turnover represents the invoiced value of goods sold/services provided net of value added tax.

(g) *Deferred taxation*

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred taxation is measured on a non-discounted basis at the average tax rates that would apply when the timing differences are expected to reverse, based on tax rates and laws that have been enacted by the balance sheet date.

SOLO SERVICE GROUP LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2006 (CONT.)

(h) *Goodwill*

Goodwill is determined by comparing the amount paid on the acquisition of a business and the aggregate fair value of its separable net assets, and is written off over its estimated economic life.

(i) *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.

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).

Rentals under operating and finance leases have been charged to profit and loss account on a straight-line basis.

2. OPERATING PROFIT

	2006 £	2005 £
The operating profit is stated after charging:-		
Auditor's remuneration	6000	5000
Depreciation:-		
Owned tangible fixed assets	91404	73089
Assets held under hire purchase	63538	61289
Amortisation of goodwill	315941	319656
(Profit)/Loss on disposal of fixed assets	(918)	494
Hire of equipment	76902	64706
Leasing costs	316085	325087
	=====	=====

2(a). INTEREST PAYABLE AND SIMILAR CHARGES

	2006 £	2005 £
Bank loans and overdrafts	59537	48452
Finance leases and hire purchase contracts	7716	8831
	67253	57283
	=====	=====

SOLO SERVICE GROUP LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2006 (CONT.)

3(a). EMPLOYEE INFORMATION

The average number of persons employed by the company (including directors) during the year was:-

	2006 Number	2005 Number
Cleaning	2247	2234
Administration	61	59
	<u>2308</u>	<u>2293</u>
	=====	=====

	2006 £	2005 £
Their total remuneration was:-		
Wages and salaries	10708027	9712087
Social security costs	299533	300374
Other pension costs	38561	33284
	<u>11046121</u>	<u>10045745</u>
	=====	=====

3(b). DIRECTORS' EMOLUMENTS

	2006 £	2005 £
Directors emoluments (include fees)	<u>316547</u>	<u>253942</u>
	=====	=====

Highest paid director:-

	2006 £	2005 £
S. Hammett	<u>164269</u>	<u>115000</u>
	=====	=====

SOLO SERVICE GROUP LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2006 (CONT.)

4. TAXATION

(a) Analysis of charge for the year

	2006 £	2005 £
Current tax:-		
UK corporation tax:-		
Current tax on income for the year	77940	150119
Deferred tax:-		
Origination and reversal of timing differences	(8650)	7982
Tax on profit on ordinary activities	<u>69290</u> =====	<u>158101</u> =====

(b) Factors affecting the tax charge for the years

	2005 £	2005 £
The tax assessed for the year is lower than the company's standard rate of corporation tax in the UK of 30% (2005 : 30%). The differences are explained below:-		
Profit on ordinary activities before tax	379028 =====	383272 =====
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005 : 30%)	113708	114981
Effects of:-		
Expenses not deductible for tax purposes (primarily goodwill amortisation and dividend income)	(39357)	(8262)
Depreciation in excess of capital allowances for year	9640	43400
Marginal corporation tax relief	(6051)	-
Current tax charge for the year (note 4(a))	<u>77940</u> =====	<u>150119</u> =====

SOLO SERVICE GROUP LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2006 (CONT.)

5. INTANGIBLE ASSETS

	Goodwill £	Total £
<i>Cost</i>		
At 1 August 2005	658423	658423
Additions	315941	315941
Disposals	-	-
At 31 July 2006	<u>974364</u>	<u>974364</u>
<i>Depreciation</i>		
At 1 August 2005	658423	658423
Charge for the year	315941	315941
Eliminated on disposal	-	-
At 31 July 2006	<u>974364</u>	<u>974364</u>
<i>Net Book Value</i>		
At 31 July 2006	- =====	- =====
At 31 July 2005	- =====	- =====

6. TANGIBLE ASSETS

	Freehold buildings £	Office equipment £	Plant and machinery £	Motor vehicles £	Total £
<i>Cost or valuation</i>					
At 1 August 2005	383372	164419	764131	24801	1336723
Additions	259761	50861	61820	10050	382492
Disposals	-	-	-	(7290)	(7290)
At 31 July 2006	<u>643133</u>	<u>215280</u>	<u>825951</u>	<u>27561</u>	<u>1711925</u>
<i>Depreciation</i>					
At 1 August 2005	2183	109374	404464	10956	526977
Charge for the year	1191	22650	123645	7456	154942
Disposals	-	-	-	(4708)	(4708)
At 31 July 2006	<u>3374</u>	<u>132024</u>	<u>528109</u>	<u>13704</u>	<u>677211</u>
<i>Net Book Value</i>					
At 31 July 2006	639759 =====	83256 =====	297842 =====	13857 =====	1034714 =====
At 31 July 2005	381189 =====	55045 =====	359667 =====	13845 =====	809746 =====

SOLO SERVICE GROUP LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2006 (CONT.)

The net book value of fixed assets of £1034714 (2005 :£809746) includes an amount of £128180 (2005 : £194885) in respect of assets held under hire purchase.

7. INVESTMENTS

	2006 £	2005 £
Solo Janitorial Services Limited	2	2
Solo Property Services Limited	310000	310000
As at 31 July	<u>310002</u> =====	<u>310002</u> =====

Representing:-

	<i>Country of incorporation</i>	<i>Class of shares held</i>	<i>Proportion of voting rights held</i>	<i>Nature of business</i>
Solo Janitorial Supplies Limited	UK	Ordinary	100%	Wholesale supplier
Solo Property Services Limited	UK	Ordinary	100%	Property rental

The capital and reserves and profit or loss for the subsidiaries as at the financial year of the holding company were as follows:-

	Profit for the year £	Capital and reserves £
Solo Janitorial Supplies Limited	54433	6368
Solo Property Services Limited	72017	326024
	<u>=====</u>	<u>=====</u>

8. STOCKS

	2006 £	2005 £
Consumables	43393	40827
	<u>=====</u>	<u>=====</u>

SOLO SERVICE GROUP LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2006 (CONT.)

9. DEBTORS

	2006 £	2005 £
Debtors due after more than one year		
Amounts owed by group undertakings:-		
- attributable to dealings with subsidiary undertakings of the company	676157	730926
	<u>676157</u>	<u>730926</u>
	=====	=====
Trade debtors	2265916	1625183
Other debtors	8973	13352
Prepayments and accrued income	197446	51121
	<u>2472335</u>	<u>1689656</u>
	=====	=====

10. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Bank loans and overdrafts (secured)	196741	272525
Trade creditors	304349	334611
Other creditors	70803	58388
Corporation tax	77940	150119
Other tax and social security	678767	581907
Accruals and deferred income	463633	302100
Finance leases and hire purchase contracts	43562	68911
Directors current account	504	-
Amounts due to connected companies	-	73932
	<u>1836299</u>	<u>1842493</u>
	=====	=====

SOLO SERVICE GROUP LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2006 (CONT.)

11. CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006 £	2005 £
Bank loans (secured)	668165	-
Finance leases and hire purchase contracts	-	42612
	<u>668165</u>	<u>42612</u>
	=====	=====
Repayable between one and two years	501123	42612
Repayable between two and five years	167042	-
	<u>668165</u>	<u>42612</u>
	=====	=====

Bank loans and overdrafts are secured by a debenture dated 13 March 1998 and a first legal charge over commercial property dated 14 December 2005.

12. PROVISIONS FOR LIABILITIES AND CHARGES

	2006 £	2005 £
Deferred tax:-		
Accelerated capital allowances	30052	38702
	=====	=====
Provision at start of year	38702	30720
Deferred tax charge in profit and loss accounts for year (note 4)	(8650)	7982
	<u>30052</u>	<u>38702</u>
	=====	=====

13. CASH AND CASH EQUIVALENTS

	Cash in hand £	Bank balance/ (overdraft) £	Loans £	Total £
Balance at 31 July 2004	-	(115080)	-	(115080)
Net cash outflow	-	(157143)	-	(157143)
	<u>-</u>	<u>(272223)</u>	<u>-</u>	<u>(272223)</u>
Balance at 31 July 2005	-	75787	(668165)	(592378)
Net cash outflow	-	75787	(668165)	(592378)
	<u>-</u>	<u>(196436)</u>	<u>(668165)</u>	<u>(864601)</u>
	=====	=====	=====	=====

SOLO SERVICE GROUP LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2006 (CONT.)

14. SHAREHOLDERS' FUNDS

	Called up share capital £	Profit and loss account £	Total £
As at 1 August 2005	254634	1403018	1657652
Retained profit for the year	-	359738	359738
Dividends paid during the year	-	(15000)	(15000)
As at 31 July 2006	<u>254634</u> =====	<u>1747756</u> =====	<u>2002390</u> =====
		2006 £	2005 £
The authorised share capital comprises:-			
Authorised			
300000 ordinary shares of £1 each		300000 =====	300000 =====
Called up, allotted and fully paid			
254634 ordinary shares of £1 each		254634 =====	256434 =====

The movements in shareholders' funds in the previous year are set out below:-

	Called up share capital £	Profit and loss account £	Total £
As at 1 August 2004	254634	1177847	1432481
Retained profit for the year	-	225171	225171
As at 31 July 2005	<u>254634</u> =====	<u>1403018</u> =====	<u>1657652</u> =====

15. CAPITAL COMMITMENTS

There were no capital commitments contracted for but not provided in the financial statements.

SOLO SERVICE GROUP LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2006 (CONT.)

16. FUTURE FINANCIAL COMMITMENTS

Operating leases

At 31 July 2006 the company had annual commitments under operating leases as set out below:-

	2006 £	2005 £
Operating leases which expire:-		
(i) within one year	246192	221724
(ii) after one year before 5 years	164128	96821
	=====	=====

17. TRANSACTIONS WITH GROUP COMPANIES

In the year the company purchased cleaning materials from Solo Janitorial Services amounting to £25000 (2005 : £Nil), with £24864 (2005 : £73932 owed to) being owed by Solo Janitorial Supplies Limited to Solo Service Group Limited at the year end.

In the year the company rented premises from Solo Property Services Limited amounting to £20932 (2005 : £31640) for the year. The amount outstanding from Solo Property as at the year end amounted to £651293 (2005 : £730926 owed from).

18. CONTROLLING INTEREST

The controlling party is Mr Steven Hammett who owns 99.8% of the ordinary share capital of the company.