

**SOLO SERVICE GROUP LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2011**

**COMPANY REGISTRATION NUMBER 2626708**

**WILLIS JONES**  
**CHARTERED ACCOUNTANTS**  
**SWANSEA**

WEDNESDAY



A49 02/11/2011 169  
COMPANIES HOUSE

**SOLO SERVICE GROUP LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2011**

| <u>CONTENTS</u>                                                     | <u>PAGE</u> |
|---------------------------------------------------------------------|-------------|
| Directors' Report                                                   | 1           |
| Report of the Independent Auditors to the<br>Company's Shareholders | 4           |
| Profit and Loss Account                                             | 6           |
| Group Balance Sheet                                                 | 7           |
| Balance Sheet                                                       | 8           |
| Group Cashflow Statement                                            | 9           |
| Notes to the Financial Statements                                   | 11          |

## **SOLO SERVICE GROUP LIMITED**

### **DIRECTORS' REPORT**

The directors have pleasure in presenting their report and the group's and parent company's financial statements for the year ended 31 July 2011

#### **Principal Activities and Business Review**

The group's main activity is the supply of contract cleaning services. The directors have concentrated on maintaining the group's financial position given the current UK economic recession and difficult trading conditions. The main objective has been to improve the strength of the group's balance sheet and to explore business opportunities that present themselves. The directors are confident that the group will continue to grow in the future and are satisfied with the group's present position.

#### **Financial Risk Management Objectives and Policies**

The group has developed a structured approach to risk management which seeks to mitigate financial risks in a cost effective manner. The company performs credit evaluation of its customers financial condition and maintains sufficient cash and open committed credit lines from its bankers and group companies to meet funding requirements.

#### **Results and Dividend**

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

A dividend was voted and paid in the year of 23.5 pence per share (2010: 39 pence per share).

#### **Directors**

The directors who served the group and parent company throughout the year were as follows -

S L Hammett  
J Rees  
C Cooper  
C Sypliwtschak

#### **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 group and parent company and of the profit or loss of the group 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 group and parent 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 2006. 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 directors are 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.

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.

#### **Disables Employees**

The group's policy on recruitment is based on the ability of a candidate to perform the job. Full consideration is given to applications for employment from disabled persons where a handicapped or disabled person can adequately fulfil the requirements of the job.

Where an existing employee becomes disabled whilst in the group's employment and is no longer able to perform their normal duties, every effort will be made to offer suitable alternative employment, to provide assistance with retraining and to deal with their case as compassionately as possible.

It is the group's policy to encourage the training and development of all its employees where this is in the interests of the individual and the group.

#### **Employee Involvement**

During the year the policy of providing employees with information about the group has continued and employees have been encouraged to present suggestions and views on the group's performance. Meetings are held regularly between management and employees to allow a free flow of information and ideas.

**SOLO SERVICE GROUP LIMITED**

**DIRECTORS' REPORT (CONT.)**

**Auditors**

Willis Jones have indicated their willingness to continue in office and in accordance with Section 485 of the Companies Act 2006 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

1 Axis Court  
Riverside Business Park  
Mallard Way  
Swansea Vale  
Swansea  
SA7 0AJ

Date 26th October 2011

## **INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF SOLO SERVICE GROUP LIMITED**

We have audited the group and parent company financial statements on pages 6 to 22 of Solo Service Group Limited for the year ended 31 July 2011 which comprise the Group Profit and Loss Account, the Group and Parent company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is solely to the group's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group'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 group'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' are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). In forming our opinion we are also required to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the Audit**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes assessment of whether accounting policies are appropriate to the groups' and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on Financial Statements**

In our opinion the financial statements -

- give a true and fair view of the group's and the parent company's affairs as at 31 July 2010 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
SOLO SERVICE GROUP LIMITED (CONT.)**

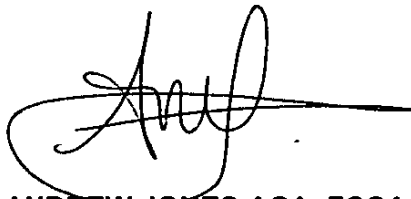
**Opinion on other matter Prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements have been prepared is consistent with the financial statements

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion -

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**ANDREW JONES ACA, FCCA  
SENIOR STATUTORY AUDITOR  
WILLIS JONES  
CHARTERED ACCOUNTANTS AND STATUTORY AUDITORS  
64 WALTER ROAD  
SWANSEA  
SA1 4PT**

DATE: 27<sup>th</sup> OCTOBER 2011

**SOLO SERVICE GROUP LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 JULY 2011**

|                                                                                | Note | 2011<br>£              | 2010<br>£              |
|--------------------------------------------------------------------------------|------|------------------------|------------------------|
| <b>GROUP TURNOVER</b>                                                          | 2    | 27393952               | 26587298               |
| Cost of sales                                                                  |      | (21415472)             | (20579759)             |
| <b>GROSS PROFIT</b>                                                            |      | <u>5978480</u>         | <u>6007539</u>         |
| Net operating expenses                                                         |      | (4715671)              | (5547518)              |
| <b>OPERATING PROFIT</b>                                                        | 3    | <u>1262809</u>         | <u>460021</u>          |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE<br/>INTEREST AND INVESTMENT INCOME</b> |      | <u>1262809</u>         | <u>460021</u>          |
| Interest payable and similar charges                                           | 3(a) | (58271)                | (81717)                |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE<br/>TAXATION</b>                       |      | <u>1204538</u>         | <u>378304</u>          |
| Taxation                                                                       | 5    | (355010)               | (146045)               |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>                                           |      | <u>849528</u><br>===== | <u>232259</u><br>===== |

All the activities of the group are classed as continuing. The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

**SOLO SERVICE GROUP LIMITED**  
**(COMPANY REGISTRATION NUMBER 2626708)**  
**GROUP BALANCE SHEET AS AT 31 JULY 2011**

|                                                               | Note | 2011<br>£      | 2010<br>£       |
|---------------------------------------------------------------|------|----------------|-----------------|
| <b>FIXED ASSETS</b>                                           |      |                |                 |
| Intangible assets                                             | 7    | 1059356        | 1359781         |
| Tangible assets                                               | 8    | 3553307        | 3654742         |
|                                                               |      | <u>4612663</u> | <u>5014523</u>  |
| <b>CURRENT ASSETS</b>                                         |      |                |                 |
| Stocks                                                        | 10   | 168111         | 129796          |
| Debtors                                                       | 11   | 2439309        | 2474603         |
| Cash in bank and in hand                                      |      | 843020         | 625567          |
|                                                               |      | <u>3450440</u> | <u>3229966</u>  |
| <b>CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR</b>          | 12   | (2833061)      | (3459387)       |
| <b>NET CURRENT ASSETS/(LIABILITIES)</b>                       |      | <u>617379</u>  | <u>(229421)</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                  |      | <u>5230042</u> | <u>4785102</u>  |
| <b>CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b> | 13   | (1143008)      | (1478099)       |
| <b>PROVISIONS FOR LIABILITIES AND CHARGES</b>                 | 14   | (24919)        | (34416)         |
| <b>NET ASSETS</b>                                             |      | <u>4062115</u> | <u>3272587</u>  |
|                                                               |      | =====          | =====           |
| <b>CAPITAL AND RESERVES</b>                                   |      |                |                 |
| Called up share capital                                       | 16   | 254634         | 254634          |
| Profit and loss account                                       | 16   | 3807481        | 3017953         |
| <b>SHAREHOLDERS' FUNDS</b>                                    |      | <u>4062115</u> | <u>3272587</u>  |
|                                                               |      | =====          | =====           |

Approved by the Board of Directors on 26th October 2011 and signed on its behalf by -

  
 S L Hammett

  
 J Rees (Directors)

**SOLO SERVICE GROUP LIMITED**

**(COMPANY REGISTRATION NUMBER 2626708)**

**COMPANY BALANCE SHEET AS AT 31 JULY 2011**

|                                                               | Note | 2011<br>£      | 2010<br>£      |
|---------------------------------------------------------------|------|----------------|----------------|
| <b>FIXED ASSETS</b>                                           |      |                |                |
| Intangible assets                                             | 7(a) | 249924         | 399924         |
| Tangible assets                                               | 8(a) | 895300         | 979474         |
| Investments                                                   | 9    | 1782494        | 1782494        |
|                                                               |      | <u>2927718</u> | <u>3161892</u> |
| <b>CURRENT ASSETS</b>                                         |      |                |                |
| Stocks                                                        | 10   | 142911         | 113478         |
| Debtors                                                       | 11   | 2161533        | 1993167        |
| Debtors due after more than one year                          | 11   | 1061350        | 969693         |
| Cash in bank and in hand                                      |      | 828165         | 619252         |
|                                                               |      | <u>4193959</u> | <u>3695590</u> |
| <b>CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR</b>          | 12   | (2168474)      | (2681284)      |
| <b>NET CURRENT ASSETS</b>                                     |      | <u>2025485</u> | <u>1014306</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                  |      | <u>4953203</u> | <u>4176198</u> |
| <b>CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b> | 13   | (1092770)      | (905822)       |
| <b>PROVISIONS FOR LIABILITIES AND CHARGES</b>                 | 14   | (24919)        | (34091)        |
| <b>NET ASSETS</b>                                             |      | <u>3835514</u> | <u>3236285</u> |
| <b>CAPITAL AND RESERVES</b>                                   |      |                |                |
| Called up share capital                                       | 16   | 254634         | 254634         |
| Profit and loss account                                       | 16   | 3580880        | 2981651        |
| <b>SHAREHOLDERS' FUNDS</b>                                    |      | <u>3835514</u> | <u>3236285</u> |

Approved by the Board of Directors on 26th October 2011 and signed on its behalf by -

  
S L Hammett

  
J Rees (Directors)

**SOLO SERVICE GROUP LIMITED**  
**GROUP CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 JULY 2011**

|                                                                                | Note | 2011<br>£ | 2010<br>£ |
|--------------------------------------------------------------------------------|------|-----------|-----------|
| <b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>                                 |      |           |           |
| (See page 10)                                                                  |      | 1952132   | 2082379   |
| <b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>                          |      |           |           |
| Interest paid                                                                  |      | (49467)   | (72113)   |
| Interest element of finance lease rentals payment                              |      | (8804)    | (9604)    |
| Dividends paid                                                                 |      | (60000)   | (100000)  |
| <b>NET CASH (OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b> |      | (118271)  | (181717)  |
| <b>TAXATION</b>                                                                |      |           |           |
| Corporation tax paid                                                           |      | (148938)  | (198479)  |
| <b>INVESTING ACTIVITIES</b>                                                    |      |           |           |
| Purchase of tangible fixed assets                                              |      | (210802)  | (271838)  |
| Purchase of intangible fixed assets                                            |      | -         | (689335)  |
| Receipts from sale of tangible fixed assets                                    |      | 2050      | -         |
| <b>NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES</b>                            |      | (208752)  | (961173)  |
| <b>NET CASH INFLOW BEFORE FINANCING</b>                                        |      | 1476171   | 741010    |
| <b>FINANCING</b>                                                               |      |           |           |
| Finance leasing capital received                                               |      | (175933)  | 175933    |
| <b>INCREASE IN CASH AND CASH EQUIVALENT</b>                                    | 15   | 1300238   | 916943    |
|                                                                                |      | =====     | =====     |

**SOLO SERVICE GROUP LIMITED**  
**GROUP CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 JULY 2011**

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

|                                                | 2011<br>£               | 2010<br>£               |
|------------------------------------------------|-------------------------|-------------------------|
| <b>OPERATING PROFIT</b>                        | 1262809                 | 460021                  |
| Depreciation charges                           | 307024                  | 289755                  |
| Amortisation of intangible fixed assets        | 300425                  | 702336                  |
| Loss on sale of fixed assets                   | 3163                    | -                       |
| (Increase)/Decrease in stocks                  | (38315)                 | 37658                   |
| Decrease in debtors                            | 35294                   | 633267                  |
| Increase/(Decrease) in creditors               | 81732                   | (40658)                 |
| <b>NET CASH FLOW FROM OPERATING ACTIVITIES</b> | <u>1952132</u><br>===== | <u>2082379</u><br>===== |

**SOLO SERVICE GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2011**

**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) Basis of consolidation**

The consolidated accounts incorporate the accounts of the company and all group undertakings. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over 20 years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group accounts by virtue of section 408 of the Companies Act 2006.

**(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 |
| Goodwill on consolidation | 5% straight line        |

**(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

**SOLO SERVICE GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2011 (CONT.)**

(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.

(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 TURNOVER**

The company has derived the whole of its turnover from supplying markets inside the U K.

**3 GROUP OPERATING PROFIT**

|                                                 | 2011<br>£ | 2010<br>£ |
|-------------------------------------------------|-----------|-----------|
| The operating profit is stated after charging - |           |           |
| Auditor's remuneration                          | 11300     | 12275     |
| Accountancy services                            | 900       | 262       |
| Depreciation -                                  |           |           |
| Owned tangible fixed assets                     | 307024    | 289755    |
| Amortisation of goodwill                        | 300425    | 702336    |
| Loss on disposal of fixed assets                | 3163      | -         |
| Hire of equipment                               | 107657    | 143574    |
| Leasing costs                                   | 471884    | 525579    |
|                                                 | =====     | =====     |

**SOLO SERVICE GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2011 (CONT.)**

**3(a) INTEREST PAYABLE AND SIMILAR CHARGES**

|                                            | 2011<br>£    | 2010<br>£    |
|--------------------------------------------|--------------|--------------|
| Bank loans and overdrafts                  | 49467        | 72113        |
| Finance leases and hire purchase contracts | 8804         | 9604         |
|                                            | <u>58271</u> | <u>81717</u> |
|                                            | =====        | =====        |

**4 (a) EMPLOYEE INFORMATION**

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

|                | 2011<br>Number | 2010<br>Number |
|----------------|----------------|----------------|
| Cleaning       | 3533           | 3451           |
| Administration | 84             | 92             |
|                | <u>3617</u>    | <u>3543</u>    |
|                | =====          | =====          |

|                                | 2011<br>£       | 2010<br>£       |
|--------------------------------|-----------------|-----------------|
| Their total remuneration was - |                 |                 |
| Wages and salaries             | 20751471        | 20428005        |
| Social security costs          | 991295          | 899024          |
| Other pension costs            | 36943           | 48110           |
|                                | <u>21779709</u> | <u>21375139</u> |
|                                | =====           | =====           |

**4 (b) DIRECTORS' EMOLUMENTS**

|                                               | 2011<br>£ | 2010<br>£ |
|-----------------------------------------------|-----------|-----------|
| Directors emoluments (including Employers NI) | 455469    | 469976    |
|                                               | =====     | =====     |

**SOLO SERVICE GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2011 (CONT.)**

|                                                                   | 2011<br>£              | 2010<br>£              |
|-------------------------------------------------------------------|------------------------|------------------------|
| Highest paid director (including Employers NI)                    | 238344                 | 296086                 |
| Value of company pension contributions to a money purchase scheme | 9559                   | 9559                   |
|                                                                   | <u>247903</u><br>===== | <u>305645</u><br>===== |

The number of directors who accrued benefits under the company pension scheme was 3 (2009 3)

**5 TAXATION**

*(a) Analysis of charge for the year*

|                                                | 2011<br>£              | 2010<br>£              |
|------------------------------------------------|------------------------|------------------------|
| Current tax -                                  |                        |                        |
| UK corporation tax -                           |                        |                        |
| Current tax on income for the year             | 364507                 | 148940                 |
| Deferred tax -                                 |                        |                        |
| Origination and reversal of timing differences | (7580)                 | (2893)                 |
| Over provision from previous year              | (1917)                 | (2)                    |
| Tax on profit on ordinary activities           | <u>355010</u><br>===== | <u>146045</u><br>===== |

*(b) Factors affecting the tax charge for the years*

|                                                                                                                                                                   | 2011<br>£              | 2010<br>£              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| The tax assessed for the year is lower than the company's standard rate of corporation tax in the UK of 26.6% (2010 27.9%). The differences are explained below - |                        |                        |
| Profit on ordinary activities (excluding dividends received) before tax                                                                                           | 1204538                | 378304                 |
|                                                                                                                                                                   | <u>=====</u>           | <u>=====</u>           |
| Profit on ordinary activities multiplied by the company's standard rate of corporation tax in the UK of 26.6% (2010 27.9%)                                        | 320407                 | 105547                 |
| Effects of -                                                                                                                                                      |                        |                        |
| Expenses not deductible for tax purposes                                                                                                                          | 35037                  | 42653                  |
| Depreciation in excess of capital allowances for year                                                                                                             | 9063                   | 740                    |
| Current tax charge for the year (note 5(a))                                                                                                                       | <u>364507</u><br>===== | <u>148940</u><br>===== |

**SOLO SERVICE GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2011 (CONT.)**

**6 PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY**

The profit after taxation dealt with in the financial statements of the parent company was £659229 (2010 £95037)

**7 INTANGIBLE ASSETS - GROUP**

|                        | Goodwill<br>£           | Total<br>£              |
|------------------------|-------------------------|-------------------------|
| <i>Cost</i>            |                         |                         |
| At 1 August 2010       | 4347333                 | 4347333                 |
| Additions              | -                       | -                       |
| Disposals              | -                       | -                       |
| At 31 July 2011        | <u>4347333</u>          | <u>4347333</u>          |
| <i>Depreciation</i>    |                         |                         |
| At 1 August 2010       | 2987552                 | 2987552                 |
| Charge for the year    | 300425                  | 300425                  |
| Eliminated on disposal | -                       | -                       |
| At 31 July 2011        | <u>3287977</u>          | <u>3287977</u>          |
| <i>Net Book Value</i>  |                         |                         |
| At 31 July 2011        | <u>1059356</u><br>===== | <u>1059356</u><br>===== |
| At 31 July 2010        | 1359781<br>=====        | 1359781<br>=====        |

**SOLO SERVICE GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2011 (CONT.)**

**7(a) INTANGIBLE ASSETS - COMPANY**

|                        | Goodwill<br>£          | Total<br>£             |
|------------------------|------------------------|------------------------|
| <i>Cost</i>            |                        |                        |
| At 1 August 2010       | 2758102                | 2758102                |
| Additions              | -                      | -                      |
| Disposals              | -                      | -                      |
| At 31 July 2011        | <u>2758102</u>         | <u>2758102</u>         |
| <i>Depreciation</i>    |                        |                        |
| At 1 August 2010       | 2358178                | 2358178                |
| Charge for the year    | 150000                 | 150000                 |
| Eliminated on disposal | -                      | -                      |
| At 31 July 2011        | <u>2508178</u>         | <u>2508178</u>         |
| <i>Net Book Value</i>  |                        |                        |
| At 31 July 2011        | <u>249924</u><br>===== | <u>249924</u><br>===== |
| At 31 July 2010        | 399924<br>=====        | 399924<br>=====        |

**8 TANGIBLE ASSETS - GROUP**

|                          | Freehold<br>Buildings<br>£ | Office<br>equipment<br>£ | Plant and<br>machinery<br>£ | Motor<br>vehicles<br>£ | Total<br>£              |
|--------------------------|----------------------------|--------------------------|-----------------------------|------------------------|-------------------------|
| <i>Cost or valuation</i> |                            |                          |                             |                        |                         |
| At 1 August 2010         | 2770399                    | 571719                   | 1070397                     | 99775                  | 4512290                 |
| Additions                | -                          | 20051                    | 190751                      | -                      | 210802                  |
| Disposals                | -                          | -                        | -                           | (33586)                | (33586)                 |
| At 31 July 2011          | <u>2770399</u>             | <u>591770</u>            | <u>1261148</u>              | <u>66189</u>           | <u>4689506</u>          |
| <i>Depreciation</i>      |                            |                          |                             |                        |                         |
| At 1 August 2010         | 2800                       | 321337                   | 449923                      | 83488                  | 857548                  |
| Charge for the year      | 2800                       | 91422                    | 203993                      | 8809                   | 307024                  |
| Eliminated on disposal   | -                          | -                        | -                           | (28373)                | (28373)                 |
| At 31 July 2011          | <u>5600</u>                | <u>412759</u>            | <u>653916</u>               | <u>63924</u>           | <u>1136199</u>          |
| <i>Net Book Value</i>    |                            |                          |                             |                        |                         |
| At 31 July 2011          | <u>2764799</u><br>=====    | <u>179011</u><br>=====   | <u>607232</u><br>=====      | <u>2265</u><br>=====   | <u>3553307</u><br>===== |
| At 31 July 2010          | 2767599<br>=====           | 250382<br>=====          | 620474<br>=====             | 16287<br>=====         | 3654742<br>=====        |

**SOLO SERVICE GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2011 (CONT.)**

**8(a) TANGIBLE ASSETS - COMPANY**

|                          | Freehold<br>Buildings | Office<br>equipment | Plant and<br>machinery | Motor<br>vehicles | Total           |
|--------------------------|-----------------------|---------------------|------------------------|-------------------|-----------------|
|                          | £                     | £                   | £                      | £                 | £               |
| <i>Cost or valuation</i> |                       |                     |                        |                   |                 |
| At 1 August 2010         | 140000                | 452810              | 1065826                | 46114             | 1704750         |
| Additions                | -                     | 20051               | 190751                 | -                 | 210802          |
| Disposals                | -                     | -                   | -                      | -                 | -               |
| At 31 July 2011          | 140000                | 472861              | 1256577                | 46114             | 1915552         |
| <i>Depreciation</i>      |                       |                     |                        |                   |                 |
| At 1 August 2010         | 2800                  | 238762              | 445352                 | 38362             | 725276          |
| Charge for the year      | 2800                  | 82543               | 203993                 | 5640              | 294976          |
| Eliminated on disposal   | -                     | -                   | -                      | -                 | -               |
| At 31 July 2011          | 5600                  | 321305              | 649345                 | 44002             | 1020252         |
| <i>Net Book Value</i>    |                       |                     |                        |                   |                 |
| At 31 July 2011          | 134400<br>=====       | 151556<br>=====     | 607232<br>=====        | 2112<br>=====     | 895300<br>===== |
| At 31 July 2010          | 137200<br>=====       | 214048<br>=====     | 620474<br>=====        | 7752<br>=====     | 979474<br>===== |

The net book value of fixed assets of the group £3553307 (2010 £3654742) includes an amount of £Nil (2010 £307606) in respect of assets held under hire purchase

**9 INVESTMENTS - COMPANY**

|                                  | 2011<br>£        | 2010<br>£        |
|----------------------------------|------------------|------------------|
| Solo Janitorial Services Limited | 2                | 2                |
| Solo Property Services Limited   | 310000           | 310000           |
| Solo Cleaning Services Limited   | 1472492          | 1472492          |
| As at 31 July                    | 1782494<br>===== | 1782494<br>===== |

Representing -

|                                  | Country of<br>incorporation | Class of<br>shares held | Proportion of<br>voting<br>rights held | Nature of business |
|----------------------------------|-----------------------------|-------------------------|----------------------------------------|--------------------|
| Solo Janitorial Supplies Limited | UK                          | Ordinary                | 100%                                   | Wholesale supplier |
| Solo Property Services Limited   | UK                          | Ordinary                | 100%                                   | Property rental    |
| Solo Cleaning Services Limited   | UK                          | Ordinary                | 100%                                   | Cleaning company   |

**SOLO SERVICE GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2011 (CONT.)**

**10 STOCKS**

|             | <b>Group</b> |        | <b>Company</b> |        |
|-------------|--------------|--------|----------------|--------|
|             | 2011         | 2010   | 2011           | 2010   |
|             | £            | £      | £              | £      |
| Consumables | 168111       | 129796 | 142911         | 113478 |
|             | =====        | =====  | =====          | =====  |

**11 DEBTORS**

|                                                                        | <b>Group</b> |         | <b>Company</b> |         |
|------------------------------------------------------------------------|--------------|---------|----------------|---------|
|                                                                        | 2011         | 2010    | 2011           | 2010    |
|                                                                        | £            | £       | £              | £       |
| Trade debtors                                                          | 2300563      | 2361194 | 2033395        | 1919954 |
| Prepayments and accrued income                                         | 138746       | 113409  | 128138         | 73213   |
|                                                                        | 2439309      | 2474603 | 2161533        | 1993167 |
|                                                                        | =====        | =====   | =====          | =====   |
| Debtors due after more than one year                                   |              |         |                |         |
| Amounts owed by group undertakings -                                   |              |         |                |         |
| - attributable to dealings with subsidiary undertakings of the company | -            | -       | 1061350        | 969693  |
|                                                                        | -            | -       | 1061350        | 969693  |
|                                                                        | =====        | =====   | =====          | =====   |

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

|                                     | <b>Group</b> |         | <b>Company</b> |         |
|-------------------------------------|--------------|---------|----------------|---------|
|                                     | 2011         | 2010    | 2011           | 2010    |
|                                     | £            | £       | £              | £       |
| Bank loans and overdrafts (secured) | -            | 869938  | -              | 603938  |
| Trade creditors                     | 321429       | 273144  | 254268         | 215981  |
| Corporation tax                     | 364509       | 148938  | 289884         | 100218  |
| Other tax and social security       | 1142833      | 1090231 | 941877         | 893750  |
| Accruals and deferred income        | 785086       | 803018  | 682241         | 690037  |
| Directors current account           | 204          | 1427    | 204            | 1427    |
| Bank mortgage                       | 219000       | 96758   | -              | -       |
| HP creditor                         | -            | 175933  | -              | 175933  |
|                                     | 2833061      | 3459387 | 2168474        | 2681284 |
|                                     | =====        | =====   | =====          | =====   |

**SOLO SERVICE GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2011 (CONT.)**

**13 CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                            | <b>Group</b>   |                | <b>Company</b> |               |
|----------------------------|----------------|----------------|----------------|---------------|
|                            | 2011<br>£      | 2010<br>£      | 2011<br>£      | 2010<br>£     |
| Amounts owed to subsidiary | -              | -              | 1092770        | 905822        |
| Bank mortgage              | 1143008        | 1478099        | -              | -             |
|                            | <u>1143008</u> | <u>1478099</u> | <u>1092770</u> | <u>905822</u> |
|                            | =====          | =====          | =====          | =====         |

There are no set repayment dates on the loan from the subsidiary

Bank loans and overdrafts are secured by a debenture dated 29 March 2010 and group cross guarantees dated 28 April 2008 and 19 April 2010

**14 PROVISIONS FOR LIABILITIES AND CHARGES**

| <b>Group</b>                                                        | 2011<br>£     | 2010<br>£     |
|---------------------------------------------------------------------|---------------|---------------|
| Deferred tax -                                                      |               |               |
| Accelerated capital allowances                                      | 24919         | 34418         |
|                                                                     | =====         | =====         |
| Provision at start of year                                          | 34416         | 37309         |
| Deferred tax (credit) in profit and loss accounts for year (note 5) | (9497)        | (2893)        |
| Provision at end of year                                            | <u>24919</u>  | <u>34416</u>  |
|                                                                     | =====         | =====         |
| <br><b>Company</b>                                                  | <br>2011<br>£ | <br>2010<br>£ |
| Deferred tax -                                                      |               |               |
| Accelerated capital allowances                                      | 24919         | 34091         |
|                                                                     | =====         | =====         |
| Provision at start of year                                          | 34091         | 37309         |
| Deferred tax (credit) in profit and loss accounts for year (note 5) | (9172)        | (3218)        |
| Provision at end of year                                            | <u>24919</u>  | <u>34091</u>  |
|                                                                     | =====         | =====         |

**SOLO SERVICE GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2011 (CONT.)**

**15 GROUP CASH AND CASH EQUIVALENTS**

|                         | Bank and<br>cash in<br>hand<br>£ | Bank balance/<br>(overdraft)<br>£ | Bank<br>loans<br>£        | Total<br>£               |
|-------------------------|----------------------------------|-----------------------------------|---------------------------|--------------------------|
| Balance at 31 July 2009 | 14307                            | (904631)                          | (1845845)                 | (2736169)                |
| Net cash inflow         | 611260                           | 34693                             | 270990                    | 916943                   |
| Balance at 31 July 2010 | <u>625567</u>                    | <u>(869938)</u>                   | <u>(1574855)</u>          | <u>(1819226)</u>         |
| Net cash inflow         | 217453                           | 869938                            | 212847                    | 1300238                  |
| Balance at 31 July 2011 | <u>843020</u><br>=====           | <u>-</u><br>=====                 | <u>(1362008)</u><br>===== | <u>(518988)</u><br>===== |

**16 SHAREHOLDERS' FUNDS**

|                                | Called up<br>share capital<br>£ | Profit and loss<br>account<br>£ | Total<br>£              |
|--------------------------------|---------------------------------|---------------------------------|-------------------------|
| <b>Group</b>                   |                                 |                                 |                         |
| As at 1 August 2010            | 254634                          | 3017953                         | 3272587                 |
| Retained profit for the year   | -                               | 849528                          | 849528                  |
| Dividends paid during the year | -                               | (60000)                         | (60000)                 |
| As at 31 July 2011             | <u>254634</u><br>=====          | <u>3807481</u><br>=====         | <u>4062115</u><br>===== |

|                                | Called up<br>share capital<br>£ | Profit and loss<br>account<br>£ | Total<br>£              |
|--------------------------------|---------------------------------|---------------------------------|-------------------------|
| <b>Company</b>                 |                                 |                                 |                         |
| As at 1 August 2010            | 254634                          | 2981651                         | 3236285                 |
| Retained profit for the year   | -                               | 659229                          | 659229                  |
| Dividends paid during the year | -                               | (60000)                         | (60000)                 |
| As at 31 July 2011             | <u>254634</u><br>=====          | <u>3580880</u><br>=====         | <u>3835514</u><br>===== |

|                                          | 2011<br>£       | 2010<br>£       |
|------------------------------------------|-----------------|-----------------|
| The authorised share capital comprises - |                 |                 |
| Authorised                               |                 |                 |
| 300000 ordinary shares of £1 each        | 300000<br>===== | 300000<br>===== |
| Called up, allotted and fully paid       |                 |                 |
| 254634 ordinary shares of £1 each        | 254634<br>===== | 254634<br>===== |

**SOLO SERVICE GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2011 (CONT.)**

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

|                                | Called up<br>share capital<br>£ | Profit and loss<br>account<br>£ | Total<br>£              |
|--------------------------------|---------------------------------|---------------------------------|-------------------------|
| <b>Group</b>                   |                                 |                                 |                         |
| As at 1 August 2009            | 254634                          | 2885694                         | 3140328                 |
| Retained profit for the year   | -                               | 232259                          | 232259                  |
| Dividends paid during the year | -                               | (100000)                        | (100000)                |
| As at 31 July 2010             | <u>254634</u><br>=====          | <u>3017953</u><br>=====         | <u>3272587</u><br>===== |

|                                | Called up<br>share capital<br>£ | Profit and loss<br>account<br>£ | Total<br>£              |
|--------------------------------|---------------------------------|---------------------------------|-------------------------|
| <b>Company</b>                 |                                 |                                 |                         |
| As at 1 August 2009            | 254634                          | 2986614                         | 3241248                 |
| Retained profit for the year   | -                               | 95037                           | 95037                   |
| Dividends paid during the year | -                               | (100000)                        | (100000)                |
| As at 31 July 2010             | <u>254634</u><br>=====          | <u>2981651</u><br>=====         | <u>3236285</u><br>===== |

**17 CAPITAL COMMITMENTS**

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

**18 FUTURE FINANCIAL COMMITMENTS**

*Operating leases*

At 31 July 2011 the company had annual commitments under operating leases as set out below -

|                                    | 2011<br>£    | 2010<br>£    |
|------------------------------------|--------------|--------------|
| Operating leases which expire -    |              |              |
| (i) within one year                | 34774        | 14156        |
| (ii) after one year before 5 years | 430236       | 396112       |
|                                    | <u>=====</u> | <u>=====</u> |
| Land and buildings                 | 90000        | 105000       |
|                                    | <u>=====</u> | <u>=====</u> |

**SOLO SERVICE GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2011 (CONT.)**

**19 CONTROLLING INTEREST**

During the two years ended 31 July 2011 the controlling party was Mr Stephen Hammett who owns 99.8% of the ordinary share capital of the company

**20 TRANSACTIONS WITH DIRECTORS**

During the year the following directors received the following as dividends -

|           | 2011<br>£    | 2010<br>£     |
|-----------|--------------|---------------|
| S Hammett | 59938        | 99896         |
| C Cooper  | 62           | 104           |
|           | <u>60000</u> | <u>100000</u> |
|           | =====        | =====         |