# SSD UK Limited

*(formerly MacLellan Overseas Limited)*

***(Registered in England and Wales - number 3378281)***

## Directors' report and financial statements

Year ended 31 December 2005

## Contents

The Directors present their report together with the financial statements for the year ended 31 December 2005.

***Principal activities, results and business review***

The Company commenced to trade as a specialist window cleaner on 1 October 2005 when the trade, assets and undertaking of the business were transferred from a fellow subsidiary undertaking.

***Change of name***

On 5 August 2005 the name of the Company was changed from MacLellan Overseas Limited to SSD UK Limited.

***Results and dividends***

The Company's loss after taxation for the year of £631,000 is transferred to reserves. The Directors do not recommend the payment of a dividend.

***Directors and their interests***

The Directors who served during the year were as follows:

| | |
|---|---|
| W K Kendrick | *(appointed 8 August 2005)* |
| A S Tasker | *(appointed 8 August 2005)* |
| J T Tasker | *(appointed 8 August 2005)* |
| S R Shipley | *(resigned 8 August 2005)* |
| G W S Lockyer | *(resigned 8 August 2005)* |

None of the Directors in office at the end of the year held any interests in the ordinary share capital of the Company.

Their interests in the share capital of the Company's ultimate parent undertaking, MacLellan Group plc, were as follows:

| | ***31 December 2005*** | ***31 December 2004 or later date of appointment*** |
|---|---|---|
| W K Kendrick | - | - |
| A S Tasker | 444,444 | 444,444 |
| J T Tasker | 444,444 | 444,444 |

There are no other interests requiring disclosure under the Companies Act 1985.

Subsequent to the year end W K Kendrick resigned as a director on 20 July 2006. B W Spencer and R L Phillips were appointed as directors on 20 July 2006.

The MacLellan Group maintained insurance to cover directors' and officers' liability as permitted by Section 310(3)(a) of the Companies Act 1985.

***Creditor payment policy***

The Company does not follow any code or standard on payment practice. It agrees appropriate terms and conditions for its transactions with each supplier; these range from standard written terms to individually negotiated contracts. Payments to suppliers should be made in accordance with those terms and conditions, provided that the supplier has met its obligations under those terms and conditions. Trade creditors at 31 December 2005 represented 52 days of purchases.

***Employees***

The Company gives full consideration to applications for employment made by persons with reduced mobility, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event that an employee becomes disabled, every effort is made to ensure their continued employment and to arrange appropriate training. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as practicable, be identical to that of a person who does not suffer from a disability. The Company has continued its policy of regularly consulting and communicating with its employees through newsletters, briefing meetings and announcements on notice boards.

***Donations***

There were no charitable or political donations in the year.

***Statement of 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 for that year. In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments 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.

The Directors confirm that the above requirements have been complied with in the preparation of the financial statements. The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

***Financial risk management***

The company's operations expose it to a variety of financial risks that include the effects of credit risk and liquidity risk. The directors actively manage these by monitoring levels of risk and the related costs.

The company has implemented credit control policies including carrying out appropriate credit checks on potential customers before sales are made and reviewing collection periods.

The company utilises group finance to ensure that the company has sufficient available funds for its operations and its required level of working capital.

By order of the Board

**J T Tasker**
Director

*Registered office:*
Capital Tower
91 Waterloo Road
London
SE1 8RT

## Independent auditors' report to the shareholders of
# SSD UK Limited



We have audited the financial statements of SSD UK Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

***Respective responsibilities of directors and auditors***
As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 other transactions 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.

***Basis of audit opinion***
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

***Opinion***
In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its loss for the year then ended; and

- have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
East Midlands
1 March 2007

## Profit and loss account for the year ended 31 December 2005



| | *Year ended 31 December 2005* *£'000* | *Year ended 31 December 2004* *£'000* |
|---|---|---|
| ***Turnover*** *(note 2)* | 1,005 | - |
| Cost of sales | (1,281) | - |
| ***Gross loss*** | (276) | - |
| Administrative expenses | (483) | - |
| ***Operating loss*** *(note 3)* | (759) | - |
| Interest payable and similar charges *(note 5)* | (2) | - |
| ***Loss on ordinary activities before taxation*** | (761) | - |
| Taxation on loss on ordinary activities *(note 6)* | 130 | - |
| ***Loss for the financial year*** *(note 11)* | (631) | - |

The Company commenced to trade on 1 October 2005 and all of the activities are classified as acquired continuing operations.

The above results are stated on an historical cost basis.

There were no recognised gains and losses other than the result for the year and accordingly no separate statement of recognised gains and losses has been presented.

# Balance sheet as at 31 December 2005

| | *31 December 2005 £'000* | *31 December 2004 £'000* |
|---|---|---|
| ***Fixed assets*** | | |
| Tangible assets *(note 7)* | 179 | - |
| | 179 | - |
| ***Current assets*** | | |
| Debtors *(note 8)* | 2,517 | - |
| Cash at bank and in hand | - | - |
| | 2,517 | 20 |
| ***Creditors***: amounts falling due within one year *(note 9)* | (3,307) | - |
| ***Net current (liabilities)/assets*** | (790) | 20 |
| ***Total assets less current liabilities*** | (611) | 20 |
| ***Net (liabilities)/assets*** | (611) | 20 |
| ***Capital and reserves*** | | |
| Called up share capital *(note 10)* | 20 | 20 |
| Profit and loss account *(note 11)* | (631) | - |
| ***Equity shareholders' (deficit)/funds*** | (611) | 20 |

The financial statements on pages 5 to 12 were approved by the Directors on 27 February 2007 and signed on their behalf by:

**J T Tasker**
Director

## Reconciliation of movements in shareholders' funds for the year ended 31 December 2005



| | *Year ended 31 December 2005 £'000* | *Year ended 31 December 2004 £'000* |
|---|---|---|
| Loss for the year | (631) | - |
| Net reduction in shareholders' funds | (631) | - |
| Opening shareholders' funds | 20 | 20 |
| | (611) | 20 |

### *1. Accounting policies*

The financial statements have been prepared under the historical cost convention, the Companies Act 1985 and in accordance with applicable Accounting Standards. The principal accounting policies and estimation techniques are summarised below.

The financial statements have been prepared on a going concern basis. Notwithstanding the loss for the year and net liabilities the Company has received confirmation of support from the a parent company sufficient to meet its funding requirements.

The Company is exempt from the requirements of Financial Reporting Standard No 1 (Revised 1996) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of MacLellan International Limited, and its cash flows were included within the consolidated cash flow statement of that company's parent undertaking, MacLellan Group plc.

***Turnover***

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers.

***Tangible Fixed Assets and Depreciation***

Tangible fixed assets are shown at cost, being purchase cost together with any incidental costs of acquisition, less accumulated depreciation. Depreciation is calculated on a straight line basis at rates appropriate to the expected useful economic lives and estimated residual values of the assets as follows:

| | |
|---|---|
| Leasehold property improvements | 20% per annum |
| Plant and machinery | 20% - 33% per annum |
| Motor vehicles | 33% per annum |

***Trade Debtors***

Trade debtors are carried at their estimated realisable value after providing for debts where collection is doubtful.

***Deferred Tax***

Deferred tax is provided for in full on all timing differences and is calculated, without applying discount factors, at the average tax rates expected to apply in the years in which timing differences are expected to reverse. Deferred tax assets are recognised to the extent that, in the view of the Directors, there are expected to be appropriate taxable profits within the foreseeable future from which the asset can be deducted.

***Leases***

Assets obtained under finance lease contracts are included as tangible fixed assets at their capital value and depreciated over their estimated useful lives. The corresponding liability, net of finance charges, is recorded as a creditor and the finance element of the liability is charged to the profit and loss account over the year of the contract. Rentals payable under operating leases are charged to the profit and loss account in the year to which they relate.

***Pensions***

Costs in respect of pension contributions to money purchase schemes are charged to the profit and loss account in the year in which they are incurred.

### 2. *Turnover*

The turnover and loss before tax are attributable to the one principal activity of the Company and arise wholly within the United Kingdom.

### 3. *Operating loss*

Operating loss is stated after charging:

| | *Year ended 31 December 2005 £'000* | *Year ended 31 December 2004 £'000* |
|---|---|---|
| Auditors' remuneration including expenses: | | |
| audit fees | 4 | - |
| other services | - | - |
| Doubtful debt expense | 255 | - |
| Depreciation of tangible fixed assets | 34 | - |
| Impairment of tangible fixed assets | 45 | - |
| Impairment of goodwill (see below) | 69 | - |
| Hire of plant and machinery | 45 | - |
| Rentals payable under other operating leases | 42 | - |
| Leasehold property rental | 39 | - |

Goodwill of £69,000 arose on the purchase of the fixed assets of another window cleaning business. Based on a subsequent review of the business, the goodwill has been immediately written off.

### 4. *Directors and employees*

The services of operatives on contracts have been provided by a fellow subsidiary company. Therefore, the Company has no employees.

***Directors:***

| | *2005 £'000* | *2004 £'000* |
|---|---|---|
| Emoluments | 42 | - |
| Company contributions paid to money purchase pension schemes | - | - |

Retirement benefits under money purchase pension schemes are accruing to no directors in office at the year end

The amounts in respect of the highest paid Director are as follows:

| | | |
|---|---|---|
| Emoluments | 21 | - |
| Company contributions paid to money purchase pension scheme | - | - |

### 5. *Interest payable and similar charges*

| | *2005 £'000* | *2004 £'000* |
|---|---|---|
| On bank overdrafts and other loans wholly repayable within 5 years | 2 | - |

### *6. Tax on loss on ordinary activities*

| | ***2005*** | ***2004*** |
|---|---|---|
| | ***£'000*** | ***£'000*** |
| UK corporation tax (credit)/charge at 30% | | |
| - current year group relief receivable | (198) | - |
| Deferred taxation charge | | |
| - current year | - | - |
| - prior year | 68 | |
| | (130) | - |

***Current tax***

The current tax for the year differs from the standard rate of corporation tax in the UK (30%). The difference is explained as follows:

| | ***2005*** | ***2004*** |
|---|---|---|
| | ***£'000*** | ***£'000*** |
| Loss on ordinary activities before tax | (761) | - |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK at 30% *(2004: 30%)* | (228) | - |
| Effects of: | | |
| Expenses not deductible for tax purposes | 30 | - |
| | (198) | - |
| ***Deferred tax*** | | |
| At 1 January 2005 | - | - |
| Intercompany transfer | 68 | - |
| Profit and loss account charge | (68) | - |
| At 31 December 2005 | - | - |

Further tax losses transferred into the Company which have not been included above, calculated at 30%, amount to £406,000 *(2004: £nil)*. These are available for deduction from future taxable profits and will be included as a debtor when, in the view of the Directors, these can be utilised.

### *7. Tangible fixed assets*

| | *Leasehold property improvements* *£'000* | *Plant and machinery* *£'000* | *Motor vehicles* *£'000* | *Total* *£'000* |
|---|---|---|---|---|
| ***Cost*** | | | | |
| At 1 January 2005 | - | - | - | - |
| Additions | - | 61 | - | 61 |
| Intragroup transfers | 43 | 599 | 90 | 732 |
| At 31 December 2005 | 43 | 660 | 90 | 793 |
| ***Depreciation*** | | | | |
| At 1 January 2005 | - | - | - | - |
| Intragroup transfers | 35 | 424 | 76 | 535 |
| Impairment | - | 45 | - | 45 |
| Charge for year | 2 | 28 | 4 | 34 |
| At 31 December 2005 | 37 | 497 | 80 | 614 |
| ***Net book amount*** | | | | |
| At 31 December 2005 | 6 | 163 | 10 | 179 |
| At 31 December 2004 | - | - | - | - |

### *8. Debtors*

| | *31 December 2005* *£'000* | *31 December 2004* *£'000* |
|---|---|---|
| Amounts falling due within one year: | | |
| Trade debtors | 800 | - |
| Amounts owed by group undertakings | 1,596 | 20 |
| Prepayments and accrued income | 115 | - |
| Other debtors | 6 | - |
| | 2,517 | 20 |

### *9. Creditors: amounts falling due within one year*

| | *31 December 2005* *£'000* | *31 December 2004* *£'000* |
|---|---|---|
| Bank overdraft | 1,795 | - |
| Trade creditors | 281 | - |
| Amounts due to group undertakings | 1,020 | - |
| Other taxes and social security | 99 | - |
| Accruals and deferred income | 108 | - |
| Other creditors | 4 | - |
| | 3,307 | - |

The bank overdraft facility is secured by a fixed and floating charge over the assets of the Company and is repayable on demand.

***10. Called up share capital***

| | 31 December 2005 £'000 | 31 December 2004 £'000 |
|---|---|---|
| ***Authorised*** | | |
| Ordinary shares of £1 each | 20 | 20 |
| ***Allotted, issued and fully paid*** | | |
| Ordinary shares of £1 each | 20 | 20 |

***11. Profit and loss account***

| | £'000 |
|---|---|
| At 1 January 2005 | - |
| Loss for the year | (631) |
| At 31 December 2005 | (631) |

***12. Contingent liabilities***

The Company has provided cross-guarantees in respect of bank overdrafts and other liabilities for fellow group companies.

***13. Commitments under operating leases***

At 31 December 2005 the Company had annual commitments under non-cancellable operating leases as set out below:

| | Land and Buildings | | Motor vehicles | |
|---|---|---|---|---|
| | 31 December 2005 £000 | 31 December 2004 £000 | 31 December 2005 £000 | 31 December 2004 £000 |
| Operating leases which expire | | | | |
| - within one year | 5 | - | - | - |
| - between two and five years | 121 | - | 54 | - |
| - after five years | 25 | - | - | - |
| | 151 | - | 54 | - |

***14. Commitments***

At 31 December 2005 and 31 December 2004 the Company had no capital commitments

***15. Related party transactions***

Advantage has been taken of the exemption provided by Financial Reporting Standard No 8 ("Related Party Disclosures") in not disclosing transactions between group companies where there is a common ownership interest in excess of 90% and where such transactions are fully eliminated on consolidation.

***16. Ultimate parent undertaking***

The Company's ultimate parent undertaking was MacLellan Group plc as at 31 December 2005, a company incorporated in Great Britain and registered in England and Wales. The consolidated financial statements of MacLellan Group plc are available to the public. No other group financial statements include the results of the Company. The ultimate parent company is now Interserve Plc following the acquisition of the MacLellan group by Interserve Plc.