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Report of the Directors and  
Consolidated Financial Statements  
for the Year Ended 30 September 2003  
for  
Chores Group Plc



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**Chores Group Plc**

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**for the Year Ended 30 September 2003**

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**Chores Group Plc**

**Company Information**  
**for the Year Ended 30 September 2003**

DIRECTORS:	R O'Connell S McNeill Ritchie G R Boot
SECRETARY:	G R Boot
REGISTERED OFFICE:	119 Richmond Road Kingston upon Thames KT2 5BX
REGISTERED NUMBER:	4068016 (England and Wales)
AUDITORS:	Atkinsons Chartered Accountants Registered Auditor Palmeira Avenue Mansions 19 Church Road Hove East Sussex BN3 2FA
BANKERS:	Bank of Scotland 14/16 Cockspur Street London SW1Y 5BL
CORPORATE ADVISORS	ST Helens Capital Plc 15 ST Helens Place London EC3A 6DE

**Chores Group Plc**

**Report of the Directors**  
**for the Year Ended 30 September 2003**

The directors present their report with the financial statements of the company for the year ended 30 September 2003.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of home cleaning service holding company.

**REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements.

**DIVIDENDS**

No dividends will be distributed for the year ended 30 September 2003.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

The directors during the year under review were:

A Hoskinson	resigned 20 <sup>th</sup> May 2003
R O'Connell	
S McNeill Ritchie	
G R Boot	appointed 20 <sup>th</sup> May 2003

The beneficial interests of the directors holding office on 30 September 2003 in the issued share capital of the company were as follows:

	<b>30.9.03</b>	<b>1.10.02</b>
<b>Ordinary £1 shares</b>		
R O'Connell	49.87%	69.53%
S McNeill Ritchie	0.11%	-
G R Boot	-	-

**Chores Group Plc**

**Report of the Directors**  
**for the Year Ended 30 September 2003**

**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 of the company for that period. In preparing those financial statements, the directors are required to :

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
  - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

**AUDITORS**

The auditors, Atkinsons, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**



.....  
R O'Connell – DIRECTOR - CHIEF EXECUTIVE OFFICER

Dated: 22 APRIL 2004

**CHORES GROUP PLC**  
**CONSOLIDATED**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2003**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF**  
**CHORES GROUP PLC**

We have audited the accounts of Chores Group Plc and the company for the year ended 30th September 2003, which comprise the Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses and the related notes.

This report is made solely to the company and the group's shareholders, as a body in accordance with section 235 of the Companies Act 1985. Our work has been undertaken so that we might state to the company and the group's shareholders 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 group and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As described in the statement of Director's Responsibilities the the group and the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the accounts 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 accounts, if the company and the group has not kept proper accounting records, if we have not received all the information and explanations we require for the audit, or if information specified by law regarding directors' remuneration and transactions with the group and the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosure in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the group and 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the group and the company's affairs as at 30<sup>th</sup> September 2003 and of its (loss) for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Atkinsons  
Chartered Accountants & Registered Auditors  
Palmiera Avenue Mansions  
19 Church Road  
Hove East Sussex  
BN3 2FA

18/5/04

Date

**Consolidated Profit and Loss Account**  
**For the Year Ended 30 September 2003**

		Year Ended 30.9.03	Year Ended 30.9.02
	Notes	£	£
<b>TURNOVER</b>	2	751,451	1,686,599
Administrative expenses		(1,214,076)	(2,056,982)
<b>OPERATING (LOSS)/PROFIT</b>	3	(462,625)	(370,383)
Interest receivable and similar income	4	572	113
Interest payable and similar charges	5	(8,256)	(552)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION AND EXCEPTIONAL AND EXTRAORDINARY ITEMS</b>		(470,309)	(370,822)
Tax on profit on ordinary activities	6	(10,600)	-
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		(459,709)	(370,822)
Exceptional items after taxation	7	(238,012)	(425,875)
Extraordinary item	8	-	596,140
<b>LOSS)/PROFIT AFTER TAX AND EXCEPTIONAL AND EXTRAORDINARY ITEMS CARRIED FORWARD</b>		(697,721)	(200,557)

The notes form part of these financial statements



**Chores Group Plc**

**Consolidated Profit and Loss Account**  
**For the Year Ended 30 September 2003**

	£	£
Brought forward	(697,721)	(200,557)
<b>(LOSS) RETAINED FOR THE YEAR</b>	<hr/> <b>(697,721)</b> <hr/>	<hr/> <b>(200,557)</b> <hr/>
<b>EARNINGS PER SHARE</b>		
Weighted earnings per share basic and diluted	(5.23)p	(1.9)p

**CONTINUING OPERATIONS**

Despite the sale of the previous subsidiary Chores Homecare Services (Barnes) Ltd none of the company's activities were acquired or discontinued during the current year or previous period.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the loss for the current year.

**The notes form part of these financial statements**

**Chores Group Plc**

**Consolidated and Company Balance Sheet**  
**30 September 2003**

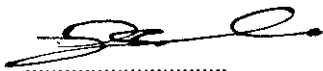
		<u>30.9.03</u>	<u>30.9.02</u>
	Notes	£	£
<b>FIXED ASSETS:</b>			
Intangible assets	9	304,090	340,100
Tangible assets	10	256,408	260,739
		<u>560,498</u>	<u>600,839</u>
<b>CURRENT ASSETS:</b>			
Stock		-	12,183
Debtors	12	25,200	37,288
Cash at bank and in hand		167,932	-
		<u>193,132</u>	<u>49,471</u>
<b>CREDITORS: Amounts falling due within one year</b>	13	437,376	216,311
		<u>(244,244)</u>	<u>(166,840)</u>
<b>NET CURRENT (LIABILITIES)/ ASSETS:</b>			
		316,254	433,999
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			
<b>CREDITORS: Amounts falling due after more than one year</b>	14	(15,274)	(22,981)
		<u>£300,980</u>	<u>£411,018</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
<b>CAPITAL AND RESERVES:</b>			
Called up share capital	16	725,534	527,500
Other reserves	17	387,321	84,075
Profit and loss account		(811,875)	(200,557)
		<u>£ 300,980</u>	<u>£411,018</u>
<b>SHAREHOLDERS FUNDS</b>	19		

The notes form part of these financial statements

Chores Group Plc

Consolidated Balance Sheet  
30 September 2003

ON BEHALF OF THE BOARD:



.....  
R O'Connell - DIRECTOR - CHIEF EXECUTIVE OFFICER



.....  
S McNeill-Ritchie - CHAIRMAN

Approved by the Board on .....

24/4/04

The notes form part of these financial statements

## Chores Group Plc

### Notes to the Financial Statements for the Year Ended 30 September 2003

#### 1. ACCOUNTING POLICIES

##### **Accounting convention**

The financial statements have been prepared under the historical cost convention.

##### **Financial Reporting Standard Number 1**

Exemption has been taken from preparing a cash flow statement on the grounds that the group qualifies as a small group.

##### **Basis of consolidation**

The consolidated accounts include the company and its subsidiaries. The results of its subsidiaries is included in the profit and loss account. Intra group sales and profits are eliminated on consolidation and all sales and profit figures relate to external transactions only.

##### **Turnover**

Turnover represents net invoiced sales of services, excluding value added tax.

##### **Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 2001, is being written off evenly over its estimated useful life of ten years.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

##### **Deferred taxation**

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

##### **Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

##### **Stock**

Stock is valued at the lower of cost and net realisable value. Cost consists of direct materials, labour and attributable overheads.

##### **Research & Development**

Research and development expenditure is written off in the year in which it is incurred.

**The notes form part of these financial statements**

**Chores Group Plc**

**Notes to the Financial Statements**  
**for the Year Ended 30 September 2003**

**Research and development**

The group's policy is to write off research and development expenditure in the year in which it is incurred

**2. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the group.

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>Year Ended</b> <b>30.9.03</b> £	<b>Year Ended</b> <b>30.9.02</b> £
Depreciation - owned assets	53,204	36,733
Depreciation - assets on hire purchase contracts or finance leases	32,263	18,650
Goodwill written off	36,010	20,000
Auditors' remuneration	6,500	6,500
Directors emoluments	88,179	12,355
Research and development	44,402	-
	<hr/>	<hr/>

**The notes form part of these financial statements**

**Chores Group Plc**

**Notes to the Financial Statements**  
**for the Year Ended 30 September 2003**

**4. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>Year Ended</b> <b>30.9.03</b>	<b>Year Ended</b> <b>30.9.02</b>
	<b>£</b>	<b>£</b>
Deposit account interest	572	113
	<hr/>	<hr/>

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>Year Ended</b> <b>30.9.03</b>	<b>Year Ended</b> <b>30.9.02</b>
	<b>£</b>	<b>£</b>
Bank interest	5,429	552
Hire Purchase Interest	2,827	-
	<hr/>	<hr/>
	<b>8,256</b>	<b>552</b>
	<hr/>	<hr/>

**6. TAXATION**

	<b>30.09.03</b>	<b>30.09.02</b>
Tax Credit	(10,600)	-
	<hr/>	<hr/>

The credit represents a tax credit provision in respect of research and development expenditure incurred by the group.

**The notes form part of these financial statements**

## Chores Group Plc

### Notes to the Financial Statements for the Year Ended 30 September 2002

#### 7. EXCEPTIONAL ITEMS

During the year the group incurred a loss on sale of its investment in the Jubilee Trust Plc

The group also incurred an exceptional charges in respect of a guarantee of the bank account of its previous subsidiary Chores Homecare Services (Barnes) Ltd.

During the year the Group sold its previous subsidiary Chores Homecare Services (Barnes) Ltd for £1. The loss on trading for the period is included in the consolidated results and credited to exceptional items.

During the year to September 2002 the group incurred charges in respect of re-organising the franchise operation which resulted in the termination of the original franchise contracts. An exceptional charge of £95,000 was provided for amounts owed by franchise debtors.

The group also incurred exceptional charges in 2002 re-organising and developing the purchase of its My Home business on 1<sup>st</sup> October 2001.

	Year Ended 30.9.03 £	Year Ended 30.9.02 £
<b><u>Charges:</u></b>		
Termination of the old franchise business	-	-
Costs relating to the development of the MyHome business	-	102,875
Bank guarantee	149,948	-
Loss on sale of investment	308,491	-
<b><u>Credit :</u></b>		
Loss for period by subsidiary	(220,427)	-
	<hr/>	<hr/>
	238,012	425,87
	<hr/>	<hr/>

The notes form part of these financial statements

**Chores Group Plc**

**Notes to the Financial Statements**  
**for the Year Ended 30 September 2003**

**8. EXTRAORDINARY ITEMS**

During 2002 the group sold one of its subsidiaries.

The disposal resulted in a net extraordinary profit for the group as follows:

	<u>2003</u>	<u>2002</u>
Surplus of assets from subsidiary disposal	-	274,430
Value of other net assets realised on sale	-	321,800
Consolidation goodwill written off	-	(90)
	<hr/>	<hr/>
Surplus on sale	-	596,140
	<hr/>	<hr/>

**9. INTANGIBLE ASSETS**

<u>Goodwill</u>	<u>The company</u>
	<u>£</u>
<b>COST:</b>	
As at 1 <sup>st</sup> October 2002	360,100
	<hr/>
At 30 September 2003	360,100
	<hr/>
<b>AMORTISATION:</b>	
As at 1 <sup>st</sup> October 2002	20,000
	<hr/>
Charge for the Year	36,010
	<hr/>
At 30 September 2003	56,010
	<hr/>
<b>NET BOOK VALUE:</b>	
<b>At 30 September 2003</b>	<b>304,090</b>
	<hr/>
<b>At 30 September 2002</b>	<b>340,100</b>
	<hr/>

The group's investment in technology and operational support has strengthened the future of its core business and licence operation. New licensees will have the benefit of the use of the new enhanced systems and manuals that have been developed.

The value of goodwill attributed comprises the enhanced intellectual property and licensing rights and considerable investment into technology for future projected growth by the group.

As a result in the opinion of the directors no permanent diminution in value is envisaged to the value of goodwill.

**The notes form part of these financial statements**



**Chores Group Plc**

**Notes to the Financial Statements**  
**for the Year Ended 30 September 2003**

**10. TANGIBLE FIXED ASSETS**

<b><u>The company</u></b>	<b>Fixtures and fittings</b>	<b>Motor vehicles</b>	<b>Computer equipment</b>	<b>Totals</b>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b>COST:</b>				
At 30 September 2002	11,000	58,400	208,722	278,122
Additions	14,397	34,353	32,386	81,136
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2003	25,397	92,753	241,118	359,258
	<hr/>	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION:</b>				
At 30 September 2002	688	3,650	13,045	17,383
Charge for year	6,177	22,275	57,015	85,467
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2003	6,865	25,925	70,060	102,850
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE:</b>				
At 30 September 2003	18,532	66,828	171,050	256,408
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>				
At 30 September 2002	10,312	54,750	195,677	260,739
	<hr/>	<hr/>	<hr/>	<hr/>

**The notes form part of these financial statements**

**Chores Group Plc**

**Notes to the Financial Statements**  
**for the Year Ended 30 September 2003**

**10. TANGIBLE FIXED ASSETS ( Continued )**

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

**The Company**

	Motor vehicles
	£
<b>COST:</b>	
At 30 September 2002	58,400
Additions	34,353
	-----
At 30 September 2003	92,753
	-----
<b>DEPRECIATION:</b>	
At 30 September 2003	3,650
Charge for year	22,275
	-----
At 30 September 2003	25,925
	-----
<b>NET BOOK VALUE:</b>	
At 30 September 2003	66,828
	-----

**11. FIXED ASSET INVESTMENTS**

**The Company**

	£
<b>COST:</b>	
Additions	400,000
Disposals	(400,000)
	-----
At 30 September 2003	-
	-----
<b>NET BOOK VALUE:</b>	
At 30 September 2002	-
	-----

**The notes form part of these financial statements**



**Chores Group Plc**

**Notes to the Financial Statements  
for the Year Ended 30 September 2003**

**12. DEBTORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Parent</b>	
	<u>30.9.03</u>	<u>30.9.02</u>	<u>30.9.03</u>	<u>30.9.02</u>
	£	£	£	£
Other debtors	-	9,749	-	8,849
Trade debtors	25,200	27,539	-	-
Due from group company	-	-	21,972	30,823
	<hr/>	<hr/>	<hr/>	<hr/>
	25,200	37,288	21,972	39,672
	<hr/>	<hr/>	<hr/>	<hr/>

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

	<b>Group</b>		<b>Parent</b>	
	<u>30.9.03</u>	<u>30.9.02</u>	<u>30.9.03</u>	<u>30.9.02</u>
	£	£	£	£
Bank loans and overdrafts	-	69,092	-	4,485
Hire purchase	57,640	16,477	57,640	16,477
Trade creditors	54,490	14,896	16,596	-
Other creditors	325,246	115,846	279,667	37,501
Due to group company	-	-	-	30,823
	<hr/>	<hr/>	<hr/>	<hr/>
	437,376	216,311	353,903	89,286
	<hr/>	<hr/>	<hr/>	<hr/>

The company has pledged its assets by way of a debenture dated 10<sup>th</sup> September 2002 to its bankers to secure facilities granted.

Included in other creditors is an amount of £275,651 which represents amounts due in respect of bank guarantee facilities granted to Chores Homecare Services ( Barnes ) Limited. These amounts were paid on 2<sup>nd</sup> October to the bankers to discharge the guarantee.

**The notes form part of these financial statements**

**Chores Group Plc**

**Notes to the Financial Statements**  
**for the Year Ended 30 September 2003**

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

	<b>Group</b>		<b>Parent</b>	
	<u>30.9.03</u>	<u>30.9.02</u>	<u>30.9.03</u>	<u>30.9.02</u>
	£	£	£	£
Hire purchase	15,274	22,981	15,274	22,981
	<hr/>	<hr/>	<hr/>	<hr/>

**15. OBLIGATIONS UNDER LEASING AGREEMENTS**

The following payments are committed to be paid within one year:  
The Company

	<b>Operating leases</b>	
	<u>30.9.03</u>	<u>30.9.02</u>
	£	£
Annual Property leases Expiring:		
Within one year	(15,900)	(40,000)
Between two and five years	(63,600)	(15,000)
	<hr/>	<hr/>
	(79,500)	(55,000)
	<hr/>	<hr/>

**The notes form part of these financial statements**

**Chores Group Plc**

**Notes to the Financial Statements**  
**for the Year Ended 30 September 2003**

**16. CALLED UP SHARE CAPITAL**

Authorised: Number:	Class:	Nominal value:	<u>30.9.03</u> £	<u>30.9.02</u> £
100,000,000 5p	Ordinary	5p	5,000,000	5,000,000

Allotted, issued and fully paid: Number:	Class:	Nominal value:	<u>30.9.03</u> £	<u>30.9.02</u> £
14,510,681 shares of 5p each	Ordinary	5p	725,534	527,500

**17. OTHER RESERVES**

	<u>30.9.03</u> £	<u>30.9.02</u> £
Share premium	387,321	84,075
	<u>387,321</u>	<u>84,075</u>

**The notes form part of these financial statements**

**Chores Group Plc**

**Notes to the Financial Statements**  
**for the Year Ended 30 September 2003**

**18. POST BALANCE SHEET EVENTS**

After the balance sheet date the company issued 800,000 shares for cash at 5 pence per share to The Web Shareshop Plc a company listed on the Alternative Investment Market.

After the balance sheet date the company paid a bank guarantee in respect of its former subsidiary of £275,651.

**19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	30.9.03	30.9.02
	£	£
Loss for the financial year	(697,721)	(200,557)
Ordinary Shares allotted	198,034	527,450
Share premium on allotment	303,246	124,075
Offex listing expenses	-	(40,000)
Transfer to goodwill on acquisition	-	(331,190)
Accumulated loss of subsidiary at 30 <sup>th</sup> September 2002	86,403	-
<b>NET ADDITION TO SHAREHOLDERS' FUNDS</b>	<b>(110,038)</b>	<b>79,778</b>
Opening shareholders' funds	411,018	331,240
<b>CLOSING SHAREHOLDERS' FUNDS</b>	<b>300,980</b>	<b>411,018</b>

The notes form part of these financial statements