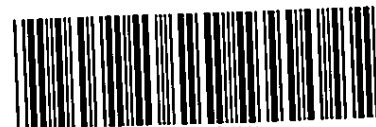


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Report of the Directors and
Audited Financial Statements for the Year Ended 30 September 2006
for
Myhome International PLC

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Myhome International PLC

Contents of the Financial Statements
for the Year Ended 30 September 2006

	Page
Company Information	1
Operating and Financial Review	2
Report of the Directors	4
Report of the Independent Auditors	6
Income Statement	7
Statement of Recognised Income and Expense	8
Balance Sheet	9
Cash Flow Statement	10
Notes to the Cash Flow Statement	11
Notes to the Financial Statements	12
Income Statement Summaries	20

Myhome International PLC

Company Information
for the Year Ended 30 September 2006

DIRECTORS:	R O'Connell S L McNeill Ritchie G R Boot A Virani
SECRETARY:	G R Boot
REGISTERED OFFICE:	119 Richmond Road Kingston upon Thames Surrey KT2 5BX
REGISTERED NUMBER:	4068016 (England and Wales)
AUDITORS:	Atkinsons Chartered Accountants Registered Auditors 19 Church Road Hove East Sussex BN3 2FA
SOLICITORS:	Mundays Cedar House 78 Portsmouth Road Cobham KT11 1AN

Myhome International PLC

Operating and Financial Review for the Year Ended 30 September 2006

CORPORATE GOVERNANCE

The Board is committed to maintaining high standards of corporate governance. This statement describes how the principles set out in Section 1 of the Combined Code, as annexed to the Financial Service Authority's Listing Rules, are applied in practice by the Group. The areas of non-compliance are listed below.

THE BOARD OF DIRECTORS

The activities of the Group are ultimately controlled by the Board of Directors, which at the year-end consisted of an Executive Chairman, a Finance Director and one independent non-executive Director, who bring a wide range of skills and experience to the Board.

All Directors are equally accountable under law for the proper stewardship of the Group's affairs. The non-executive Director has a particular responsibility to ensure that the strategies proposed by the Executive Directors are fully discussed and critically examined.

The Board, which has an agreed Schedule of Matters reserved for its consideration and approval, meets regularly throughout the year to consider key areas of the group's affairs. These include strategy, major acquisitions or disposals, operating budgets and material contracts.

The Group has a procedure to enable Directors to take independent professional advice at the expense of the Group in the furtherance of their duties. All Directors have unrestricted access to the Company Secretary.

AUDIT COMMITTEE

The Audit Committee, which held two meetings in the year, currently comprises both the executive and the non-executive Director and assists the Board in its duties regarding the Group's financial statements and the maintenance of adequate internal financial controls. The Audit Committee's prime tasks are to receive reports from the Group's auditors, and to review the half-yearly and annual accounts before they are presented to the Board, focusing in particular on accounting policies and compliance and areas of management judgements and estimates.

REMUNERATION COMMITTEE

The Remuneration Committee comprises the non-executive Director and Chairman who take advice as required at all stages of their deliberations from the Group's professional advisers. The Committee sets remuneration for the Executive Directors. The remuneration of non-executive Directors takes the form of fees, set by the Executive Directors in line with those of peer group companies.

SHAREHOLDER RELATIONS

The Board has a policy of providing any reasonably requested historical information and explanations to shareholders on request. The group's Interim and Annual Reports are sent to all shareholders. All shareholders are encouraged to participate in the Group's Annual General Meeting. The Annual General Meeting is attended by all the Directors.

INTERNAL CONTROL AND FINANCIAL REPORTING

The Board is responsible for ensuring that there is a system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board has implemented the 'Guidance on Internal Control'

(the 'Turnbull Guidance') and confirms that the necessary procedures and management structures have been in place for the year under review and up to the date of approval of the Annual Report and Accounts. These procedures provide for a continuous process of identifying, evaluating and managing the risks the Group faces. The Board has incorporated in its meeting calendar and agenda, procedures to enable risk management and internal control to be assessed and considered on a regular basis during the year.

Myhome International PLC

Operating and Financial Review for the Year Ended 30 September 2006

The Board has, in compliance with the Combined Code, formally reviewed the effectiveness of the Group's system of internal control. The Board's monitoring procedures cover all controls including financial, operational and compliance controls and risk management. These monitoring procedures are based, principally, on complementary strategic and business unit risk appraisals. The Audit Committee has been delegated responsibility by the Board for discharging its internal control review responsibilities.

The management of each business unit is responsible for internal control and risk management within its own business and for ensuring compliance with the Group's risk management and internal control programme. Reports from management are also reviewed to consider whether significant risks are identified, evaluated, managed and controlled and whether any significant weaknesses are promptly remedied and indicate a need for more extensive monitoring.

There is a group-wide system of budget planning with frequent reporting of results to each level of management as appropriate, including monthly reporting to the Board. Budgetary planning reviews include the identification and assessment of business and financial risks inherent in each business with the key issues evaluated by the Board.

The Board has formal procedures in place for the approval of investment and acquisition projects, with designated levels of authority, supported by post investment review processes for all major acquisitions and major capital expenditure.

Treasury policies and financial risks are reviewed on a regular basis by the board. The purpose of treasury policies is to ensure that adequate cost effective funding is available to the Group at all times and that exposure to treasury risks is minimised.

The Directors believe that, taken as a whole, the systems of internal control are appropriate to the business for the year ended 31 September 2005.

COMPLIANCE WITH THE CODE

The current composition of the Board of Directors is believed to be appropriate for the scale of group operations. As a result the Group was not able to comply with all of the provisions set out in Section 1 of the Combined Code throughout the year.

The appointment of Directors is a matter for the Board as a whole and therefore a nominations committee is considered unnecessary given the present number of Board members.

There is no internal audit function for the group as the Board does not believe that this is appropriate given the size of the business. The Board will continue to review this situation as trading develops, however the current Board composition is deemed appropriate at present.

GOING CONCERN

The Directors are satisfied that the Group has adequate resources to continue to operate for the foreseeable future, a period of not less than twelve months from the date of this report. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Myhome International PLC

Report of the Directors for the Year Ended 30 September 2006

The directors present their report with the financial statements of the company for the year ended 30 September 2006

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of residential services franchisor

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 2006

DIRECTORS

The directors during the year under review were

R O'Connell
S L McNeill Ritchie
G R Boot
A Virani

The beneficial interests of the directors holding office on 30 September 2006 in the issued share capital of the company were as follows

	30 9 06	1 10 05
Ordinary 5p shares		
R O'Connell	4,379,468	4,112,801
S L McNeill Ritchie	428,603	428,603
G R Boot	412,500	412,500
A Virani	-	-

COMPANY'S POLICY ON PAYMENT OF CREDITORS

The company does not follow any code or standard on payment practice as the terms and conditions for its business transactions are agreed with individual suppliers. Payment is then made in accordance with those terms and conditions being met by the supplier

SUBSTANTIAL INTEREST

At the date of this report the following parties had notified the company of a beneficial interest which represents 3% or more of the group's issued ordinary share capital at that date

	No of shares	% held
Mr R O'Connell	4,379,468	12.64%
Starvest Plc	3,300,000	9.53%
Unilever UK Holdings Limited	1,099,987	3.17%
S Yee	1,500,002	4.33%
BNY (OCS) Nominees Ltd	2,532,900	7.31%
HSBC Global Custody Nominee UK	1,710,000	4.94%
Rathbone Nominees Limited	2,355,250	6.80%
TD Waterhouse Nominees (Europe) Ltd	1,820,730	5.26%
Franchise Investment Strategies Plc	1,625,000	4.69%

Myhome International PLC

Report of the Directors
for the Year Ended 30 September 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards as adopted for use in the European Union

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,
- state that the financial statements comply with IFRS,
- 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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) 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

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:



Director

Date 28/11/06

Report of the Independent Auditors to the Shareholders of
Myhome International PLC

We have audited the financial statements of Myhome International PLC for the year ended 30 September 2006 on pages seven to twenty. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company'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' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards as adopted for use in the European Union are set out on page five.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 Report of the Directors is 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Directors and the Operating and Financial Review. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 judgements 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 International Financial Reporting Standards as adopted for use in the European Union, of the state of the company's affairs as at 30 September 2006 and of its profit for the year then ended, and
- have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation.

In our opinion the information given in the report of the directors is consistent with the financial statements.

Atkinsons
Chartered Accountants
Registered Auditors
19 Church Road
Hove
East Sussex
BN3 2FA

Date

12/1/07

Myhome International PLC

Income Statement
for the Year Ended 30 September 2006

	Notes	30 9 06 £	30 9 05 £
CONTINUING OPERATIONS			
Revenue		1,065,000	355,572
Administrative expenses		<u>(378,863)</u>	<u>(212,165)</u>
OPERATING PROFIT		686,137	143,407
Finance costs	3	(11,408)	(3,688)
Finance income	3	<u>3,264</u>	<u>6,560</u>
PROFIT BEFORE TAX	4	677,993	146,279
Tax	5	<u>(212,680)</u>	<u>212,680</u>
PROFIT FOR THE YEAR		<u>465,313</u>	<u>358,959</u>
Earnings per share expressed in pence per share			
Basic	6	1 58	1 66
Diluted		<u>1 42</u>	<u>1 44</u>

The notes form part of these financial statements

Myhome International PLC

Statement of Recognised Income and Expense
for the Year Ended 30 September 2006

	30 9 06	30 9 05
	£	£
PROFIT FOR THE FINANCIAL YEAR	<u>465,313</u>	<u>358,959</u>
TOTAL RECOGNISED INCOME AND EXPENSE FOR THE YEAR	<u>465,313</u>	<u>358,959</u>

The notes form part of these financial statements

Myhome International PLC

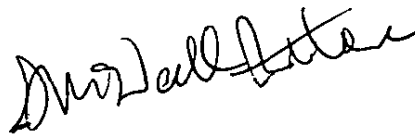
Balance Sheet
30 September 2006

	Notes	30 9 06 £	30 9 05 £
ASSETS			
NON-CURRENT ASSETS			
Goodwill	7	304,080	304,080
Property, plant and equipment	8	184,859	220,331
Investments	9	<u>4,253,155</u>	<u>100,000</u>
		<u>4,742,094</u>	<u>624,411</u>
CURRENT ASSETS			
Trade and other receivables	10	1,482,054	454,937
Tax receivable		-	212,680
Cash and cash equivalents	11	<u>577,951</u>	<u>314,062</u>
		<u>2,060,005</u>	<u>981,679</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	817,674	44,376
Financial liabilities - borrowings			
Interest bearing loans and borrowings	13	<u>57,198</u>	<u>57,487</u>
		<u>874,872</u>	<u>101,863</u>
NET CURRENT ASSETS		<u>1,185,133</u>	<u>879,816</u>
NON-CURRENT LIABILITIES			
Trade and other payables	12	375,000	-
Financial liabilities - borrowings			
Interest bearing loans and borrowings	13	<u>500,000</u>	<u>31,565</u>
		<u>875,000</u>	<u>31,565</u>
NET ASSETS		<u>5,052,227</u>	<u>1,472,662</u>
SHAREHOLDERS' EQUITY			
Called up share capital	16	1,731,313	1,214,084
Share premium	17	3,468,263	871,240
Profit and loss account	17	<u>(147,349)</u>	<u>(612,662)</u>
TOTAL EQUITY		<u>5,052,227</u>	<u>1,472,662</u>

The financial statements were approved by the Board of Directors on its behalf by

and were signed on


Director



The notes form part of these financial statements

Myhome International PLC

Cash Flow Statement
for the Year Ended 30 September 2006

	Notes	30 9 06 £	30 9 05 £
Cash flows from operating activities			
Cash generated from operations	1	868,924	(220,948)
Interest element of hire purchase payments		<u>(11,408)</u>	<u>(3,688)</u>
Net cash from operating activities		<u>857,516</u>	<u>(224,636)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(26,145)	(128,718)
Purchase of fixed asset investments		(4,153,155)	(100,000)
Interest received		<u>3,264</u>	<u>6,560</u>
Net cash from investing activities		<u>(4,176,036)</u>	<u>(222,158)</u>
Cash flows from financing activities			
New loans in year		500,000	-
Capital repayments in year		(31,854)	73,777
Share issue		517,229	683,950
Premium on share issue		<u>2,597,034</u>	<u>-</u>
Net cash from financing activities		<u>3,582,409</u>	<u>757,727</u>
Increase in cash and cash equivalents		263,889	310,933
Cash and cash equivalents at beginning of year	2	<u>314,062</u>	<u>3,129</u>
Cash and cash equivalents at end of year	2	<u>577,951</u>	<u>314,062</u>

The notes form part of these financial statements

Myhome International PLC

Notes to the Cash Flow Statement
for the Year Ended 30 September 2006

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	30 9 06	30 9 05
	£	£
Operating profit	686,137	143,407
Depreciation charges	61,617	50,572
Increase in trade and other receivables	(1,027,128)	(412,527)
Increase/(Decrease) in trade and other payables	<u>1,148,298</u>	<u>(2,400)</u>
Net cash inflow/(outflow) from operating activities	<u><u>868,924</u></u>	<u><u>(220,948)</u></u>

2 CASH AND CASH EQUIVALENTS

The amounts disclosed on the cash flow statement in respect of cash and cash equivalents are in respect of these balance sheet amounts

Year ended 30 September 2006

	30 9 06	1 10 05
	£	£
Cash and cash equivalents	<u>577,951</u>	<u>314,062</u>

Year ended 30 September 2005

	30 9 05	1 10 04
	£	£
Cash and cash equivalents	<u>314,062</u>	<u>3,129</u>

Notes to the Financial Statements
for the Year Ended 30 September 2006

1 **ACCOUNTING POLICIES**

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

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

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

2 **EMPLOYEES AND DIRECTORS**

	30 9 06	30 9 05
	£	£
Wages and salaries	<u>106,402</u>	<u>48,083</u>

The average monthly number of employees during the year was as follows:

	30 9 06	30 9 05
Administration	7	1
Financial	3	2
Sales	<u>4</u>	<u>1</u>
	<u>14</u>	<u>4</u>

	30 9 06	30 9 05
	£	£
Directors' emoluments	<u>101,300</u>	<u>48,083</u>

No directors received shares under long term incentive schemes (2005 - four directors)

3 **NET FINANCE COSTS**

	30 9 06	30 9 05
	£	£
Finance income		
Deposit account interest	<u>3,264</u>	<u>6,560</u>
Finance costs		
Hire purchase	<u>11,408</u>	<u>3,688</u>
Net finance costs	<u>8,144</u>	<u>(2,872)</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2006

4 PROFIT BEFORE TAX

The profit before tax is stated after charging

	30 9 06	30 9 05
	£	£
Other operating leases	7,377	12,642
Depreciation - owned assets	61,617	50,572
Auditors' remuneration	<u>8,000</u>	<u>7,500</u>

5 TAX

Analysis of the tax charge/(credit)

	30 9 06	30 9 05
	£	£
Deferred tax	<u>212,680</u>	<u>(212,680)</u>
Total tax charge/(credit) in income statement	<u>212,680</u>	<u>(212,680)</u>

6 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares

Reconciliations are set out below

	Earnings £	30.9.06 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	465,313	29,453,970	1 58
Effect of dilutive securities			
Options	<u>-</u>	<u>3,300,000</u>	<u>-</u>
Diluted EPS			
Adjusted earnings	<u>465,313</u>	<u>32,753,970</u>	<u>1 42</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2006

6 EARNINGS PER SHARE - continued

	Earnings £	30.9.05 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	358,959	21,604,935	1 66
Effect of dilutive securities			
Options	<u>-</u>	<u>3,300,000</u>	<u>-</u>
Diluted EPS			
Adjusted earnings	<u>358,959</u>	<u>24,904,935</u>	<u>1 44</u>

7 GOODWILL

	£
COST	
At 1 October 2005 and 30 September 2006	<u>360,100</u>
AMORTISATION	
At 1 October 2005 and 30 September 2006	<u>56,020</u>
NET BOOK VALUE	
At 30 September 2006	<u>304,080</u>
At 30 September 2005	<u>304,080</u>

8 PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 October 2005	25,397	51,546	318,280	395,223
Additions	<u>543</u>	<u>-</u>	<u>25,602</u>	<u>26,145</u>
At 30 September 2006	<u>25,940</u>	<u>51,546</u>	<u>343,882</u>	<u>421,368</u>
DEPRECIATION				
At 1 October 2005	14,973	12,887	147,032	174,892
Charge for year	<u>2,741</u>	<u>9,664</u>	<u>49,212</u>	<u>61,617</u>
At 30 September 2006	<u>17,714</u>	<u>22,551</u>	<u>196,244</u>	<u>236,509</u>
NET BOOK VALUE				
At 30 September 2006	<u>8,226</u>	<u>28,995</u>	<u>147,638</u>	<u>184,859</u>
At 30 September 2005	<u>10,424</u>	<u>38,659</u>	<u>171,248</u>	<u>220,331</u>

Myhome International PLC

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2006**

9 INVESTMENTS

	Shares in group undertakings £	Listed investments £	Totals £
COST			
At 1 October 2005	-	100,000	100,000
Additions	<u>4,153,155</u>	<u>-</u>	<u>4,153,155</u>
At 30 September 2006	<u>4,153,155</u>	<u>100,000</u>	<u>4,253,155</u>
NET BOOK VALUE			
At 30 September 2006	<u>4,153,155</u>	<u>100,000</u>	<u>4,253,155</u>
At 30 September 2005	<u>-</u>	<u>100,000</u>	<u>100,000</u>

The company's investments at the balance sheet date in the share capital of companies include the following

MyHome Systems Ltd

Nature of business Franchise recruitment

Class of shares	% holding		
Ordinary	100 00		
		30 9 06	30 9 05
		£	£
Aggregate capital and reserves		433,165	43,058
Profit for the year		<u>390,107</u>	<u>24,764</u>

Stated before management fees of £365,000 charged by parent, outstanding at year end (Note 19)

Nicenstripy Limited

Nature of business Garden maintenance

Class of shares	% holding		
Ordinary	100 00		
		30 9 06	
		£	
Aggregate capital and reserves		260,240	
Profit for the year		<u>231,376</u>	

Stated before management fees of £270,000 charged by parent outstanding at year end (Note 19)

Oven Clean Limited

Nature of business Oven cleaning

Class of shares	% holding		
Ordinary	100 00		
		30 9 06	
		£	
Aggregate capital and reserves		325,812	
Profit for the year		<u>417,627</u>	

Stated before management fees of £230,000 charged by parent outstanding at year end (Note 19)

Myhome International PLC

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2006**

9 INVESTMENTS - continued

Autosheen Limited

Nature of business Car valeting

	%	
Class of shares	holding	
Ordinary	100 00	
		30 9 06
		£
Aggregate capital and reserves		(586)
Profit for the year		<u>20,843</u>

Surface Doctor (Europe) Limited

Nature of business Resurfacing consultants

	%	
Class of shares	holding	
Ordinary	100 00	
		30 9 06
		£
Aggregate capital and reserves		(5,727)
Loss for the year		<u>(5,738)</u>

Franchise Alliance Limited

Nature of business Ancillary services

	%	
Class of shares	holding	
Ordinary	100 00	
		30 9 06
		£
Aggregate capital and reserves		(3,720)
Loss for the year		<u>(5,458)</u>

Oven Clean International Limited

Country of incorporation Gibraltar

Nature of business Master Franchise Distributor

	%	
Class of shares	holding	
Ordinary	100 00	
		30 9 06
		£
Aggregate capital and reserves		100
Profit for the year		<u>-</u>

The listed investment represents 10,000,000 shares at 1 pence per share in Franchise Investment Strategies Plc which was acquired on 18 August 2005

At the balance sheet date the market value of the shares were 2 75p representing an unrealised gain of £175,000 Franchise Investment Strategies Plc also holds 1,625,000 shares in the group

As there was no influence at board level, Franchise Investment Strategies Plc is not considered an associated company

Myhome International PLC

Notes to the Financial Statements - continued
for the Year Ended 30 September 2006

10	TRADE AND OTHER RECEIVABLES	30 9 06 £	30 9 05 £
	Current		
	Trade debtors	52,005	52,005
	Amounts owed by group undertakings	1,369,019	396,652
	Other debtors	<u>61,030</u>	<u>6,280</u>
		<u>1,482,054</u>	<u>454,937</u>
11	CASH AND CASH EQUIVALENTS	30 9 06 £	30 9 05 £
	Bank accounts	<u>577,951</u>	<u>314,062</u>
12	TRADE AND OTHER PAYABLES	30 9 06 £	30 9 05 £
	Current		
	Trade creditors	82,784	-
	Other creditors	<u>734,890</u>	<u>44,376</u>
		<u>817,674</u>	<u>44,376</u>
	Non-current		
	Other creditors	<u>375,000</u>	<u>-</u>
13	FINANCIAL LIABILITIES - BORROWINGS	30 9 06 £	30 9 05 £
	Current		
	Hire purchase contracts (see note 14)	<u>57,198</u>	<u>57,487</u>
	Non-current		
	Bank loans - 1-2 years	500,000	-
	Hire purchase contracts (see note 14)	<u>-</u>	<u>31,565</u>
		<u>500,000</u>	<u>31,565</u>
	Terms and debt repayment schedule		
		1 year or less £	1-2 years £
	Bank loans	-	500,000
	Hire purchase contracts	<u>57,198</u>	<u>-</u>
		<u>57,198</u>	<u>557,198</u>
		<u>500,000</u>	<u>31,565</u>

Myhome International PLC

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2006**

14 LEASING AGREEMENTS

Minimum lease payments under hire purchase contracts fall due as follows

	30 9 06	30 9 05
	£	£
Net obligations repayable		
Within one year	57,198	57,487
Between one and five years	-	<u>31,565</u>
	<u>57,198</u>	<u>89,052</u>

15 DEFERRED TAX

	30 9 06	30 9 05
	£	£
Balance at 1 October	212,680	-
Utilisation of losses	<u>(212,680)</u>	<u>212,680</u>
Balance at 30 September	<u>-</u>	<u>212,680</u>

16 CALLED UP SHARE CAPITAL

Authorised			30 9 06	30 9 05
Number	Class	Nominal value	£	£
100,000,000	Ordinary	5p	<u>5,000,000</u>	<u>5,000,000</u>
Allotted, issued and fully paid			30 9 06	30 9 05
Number	Class	Nominal value	£	£
34,626,260	Ordinary	5p	1,731,313	1,214,084
(30 9 05 – 24,281,680)			<u> </u>	<u> </u>

17 RESERVES

	Profit and loss account	Share premium	Totals
	£	£	£
At 1 October 2005	(612,662)	871,240	258,578
Profit for the year	465,313		465,313
Cash share issue	-	<u>2,597,023</u>	<u>2,597,023</u>
At 30 September 2006	<u>(147,349)</u>	<u>3,468,263</u>	<u>3,320,914</u>

Myhome International PLC

Notes to the Financial Statements - continued
for the Year Ended 30 September 2006

18 TRANSACTIONS WITH DIRECTORS

During the year the company paid the following amounts

R O'Connell	£42,525 (2005 £ Nil)
S L McNeill Ritchie	£23,775 (2005 £15,000)
Robert Boot & Co	£10,000 (2005 £10,000)
AccountLets	£11,890 (2005 £7,100)

All companies are related as their directors are also directors of the Company

19 RELATED PARTY DISCLOSURES

The following provision on share based payments have been made in the financial statements using the Black schoales valuation basis

Share based payments - provision for share options £13,458(2005 £7,508)

19 RELATED PARTY DISCLOSURES

The following transactions occurred with the company's subsidiaries during the year

Subsidiary	Nature of the transaction	Amount	Balance (due to)/ From Company
Oven Clean Ltd	Management fees	£230,000	£230,000
Autosheen Ltd	Loan	£30,000	£30,000
MyHome Systems Ltd	Management fees	£365,000	£581,359
	Payments on behalf of Parent	£180,292	
Nicenstripy Ltd	Management fees	£470,000	
	Payments on behalf subsidiary	£53,749	£523,750

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30 9 06	30 9 05
	£	£
Profit for the financial year	465,313	358,959
Shares issued	<u>3,114,252</u>	<u>683,939</u>
Net addition to shareholders' funds	3,579,565	1,042,898
Opening shareholders' funds	<u>1,472,662</u>	<u>429,764</u>
Closing shareholders' funds	<u>5,052,227</u>	<u>1,472,662</u>
Equity interests	<u>5,052,227</u>	<u>1,472,662</u>