

**PRIME CLEAN LIMITED**  
**DIRECTORS' REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31ST OCTOBER 1998**

Company No. 2737677



# PRIME CLEAN LIMITED

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# PRIME CLEAN LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST OCTOBER 1998

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The directors present their report together with the audited accounts for the year ended 31st October 1998.

### Principal Activities

The company's principal activities continued to be that of office and general cleaning contractors.

### Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	Ordinary Shares	
	31st October 1998	1st November 1997
Mr Timothy Stanton Louis	2,900	2,900
Mr Anthony William Emanuel Ellison	2,100	2,100

### Year 2000 Compliance

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends not only on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own year 2000 issues.

The company is well advanced in the phase of assessing the risks to our business resulting from the date change to the Year 2000. Once this phase is completed we can assess the likely impact on our activities and develop prioritised action plans to deal with the key risks.

### Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss for that year. In preparing these accounts 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 accounts 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 enable them to ensure that the accounts 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.

**PRIME CLEAN LIMITED**

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31ST OCTOBER 1998**

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**Small company exemptions**

The report of the Directors' has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and was approved by the board on *23/10/98* 1999, and signed on its behalf.



**Mr Timothy Stanton Louis , Secretary**

# AUDITORS' REPORT TO THE SHAREHOLDERS OF PRIME CLEAN LIMITED

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We have audited the accounts on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

## Respective Responsibilities of Directors and Auditors

As described on page 1 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and report our opinion to you.

## Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures 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 company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all 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 the information in the accounts.

## Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st October 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Sayers Butterworth  
Chartered Accountants and Registered Auditors  
18 Bentinck Street  
London  
W1M 5RL  
Date: 25<sup>th</sup> August 1999

# PRIME CLEAN LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST OCTOBER 1998

	Notes	1998 £	1997 £
<b>Turnover</b>	1	1,460,420	1,388,476
<i>Cost of Sales</i>		913,262	945,517
<b>Gross Profit</b>		547,158	442,959
Administrative Expenses		439,898	335,471
<b>Operating Profit</b>	3	107,260	107,488
Interest Receivable		876	282
Interest Payable and Similar Charges		(5,669)	(2,391)
<b>Profit on Ordinary Activities before Taxation</b>		102,467	105,379
Tax on profit on ordinary activities	5	46,408	24,778
<b>Profit for the Financial Year</b>		56,059	80,601
Dividends	6	30,000	30,000
<b>Retained Profit for the Year</b>		26,059	50,601
<b>Retained Profit Brought Forward</b>		70,432	19,831
<b>Retained Profit Carried Forward</b>		96,491	70,432

The notes on pages 6 to 9 form part of these accounts.

**PRIME CLEAN LIMITED**

**BALANCE SHEET**

**AS AT 31ST OCTOBER 1998**

	Notes	£	1998 £	£	1997 £
<b>Fixed Assets</b>					
Tangible assets	7		150,969		94,886
<b>Current Assets</b>					
Stocks	8	5,633		4,000	
Debtors	9	235,294		193,189	
Cash at bank and in hand		13,396		24,464	
			<u>254,323</u>	<u>221,653</u>	
<b>Creditors: Amounts Falling Due Within One Year</b>	10		<u>253,197</u>	<u>223,836</u>	
<b>Net Current Assets/Liabilities</b>			<u>1,126</u>		<u>(2,183)</u>
<b>Total Assets Less Current Liabilities</b>			<u>152,095</u>		<u>92,703</u>
<b>Creditors: Amounts Falling Due After More Than One Year</b>					
	11		<u>50,604</u>		<u>17,271</u>
			<u>101,491</u>		<u>75,432</u>
<b>Capital and Reserves</b>					
Share capital	13		5,000		5,000
Profit and loss account			96,491		70,432
<b>Shareholders' Funds</b>	14		<u>101,491</u>		<u>75,432</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

These accounts were approved by the board on *21 August* 1999 and signed on its behalf.

*[Signature]*  
**Mr Timothy Stanton Louis**  
**Director**

# PRIME CLEAN LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST OCTOBER 1998

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### 1 Accounting Policies

#### Basis of Accounting

The Accounts have been prepared under the historical cost convention.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

#### Turnover

Turnover is the total amount receivable by the company for services provided, excluding VAT and trade discounts, all of which relates to the company's principal activities carried out wholly in the U.K.

#### Depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments using the straight line method over their expected useful lives. The rates and periods generally applicable are:

Leasehold improvements	10% on cost
Plant and machinery	20% on cost
Motor vehicles	25% on cost
Boat	10% on cost

#### Deferred Taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax where material is disclosed as a contingent liability.

Debit balances arising in respect of advanced corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

#### Contribution to Pension Funds

The pension costs charged against profits represents the amount of the contributions payable to the personal pension schemes of certain employees in respect of the accounting period.

#### Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the Profit and Loss Account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the Profit and Loss Account on a straight line basis over the lease term.



# PRIME CLEAN LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST OCTOBER 1998

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### 2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

Turnover is attributable to the principal activity of the company.

### 3 Operating Profit

*The operating profit is arrived at after charging or crediting:*

	1998	1997
	£	£
Depreciation of owned assets	28,114	15,810
Depreciation of assets held under finance leases and hire purchase contracts	11,171	18,032
Directors' remuneration	135,044	91,935
Pension contributions	23,046	20,135
Auditors' remuneration	2,410	3,000

### 4 Directors

Directors' remuneration

1998	1997
£	£
135,044	91,935

### 5 Taxation

*Based on the profit for the year*  
UK corporation tax at 24% (1997 24.42%)

	1998	1997
	£	£
UK corporation tax at 24% (1997 24.42%)	35,000	25,000
Prior periods	35,000	25,000
UK corporation tax	11,408	(222)

### 6 Dividends

Ordinary dividends - proposed

1998	1997
£	£
30,000	30,000

**PRIME CLEAN LIMITED**

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST OCTOBER 1998

**7 Tangible Fixed Assets**

	Land & Buildings £	Plant and machinery etc £	Total £
<b>Cost</b>			
At 1st November 1997	15,071	136,383	151,454
Additions	4,152	91,216	95,368
<b>At 31st October 1998</b>	<b>19,223</b>	<b>227,599</b>	<b>246,822</b>
<b>Depreciation</b>			
At 1st November 1997	4,522	52,046	56,568
Charge for the year	1,922	37,363	39,285
<b>At 31st October 1998</b>	<b>6,444</b>	<b>89,409</b>	<b>95,853</b>
<b>Net Book Value</b>			
<b>At 31st October 1998</b>	<b>12,779</b>	<b>138,190</b>	<b>150,969</b>
<i>At 31st October 1997</i>	<i>10,549</i>	<i>84,337</i>	<i>94,886</i>

Assets held under finance leases originally cost £78,128 (1997: £62,184) and have a net book value of £35,803 (1997: £28,741).

<b>8 Stocks</b>	<b>1998</b>	<b>1997</b>
	£	£
Contract Materials	5,633	4,000
<b>9 Debtors</b>	<b>1998</b>	<b>1997</b>
	£	£
Trade debtors	141,808	125,478
Other debtors	93,486	67,711
	<b>235,294</b>	<b>193,189</b>
<b>10 Creditors: Amounts Falling Due Within One Year</b>	<b>1998</b>	<b>1997</b>
	£	£
Obligations under hire purchase and finance lease contracts	29,410	19,086
Trade creditors	43,001	24,042
Other creditors	180,786	180,708
	<b>253,197</b>	<b>223,836</b>

'Other creditors' include £47,628 (1997 - £77,209) in respect of taxation and social security.

# PRIME CLEAN LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST OCTOBER 1998

<b>11</b>	<b>Creditors: Amounts Falling Due After One Year</b>	<b>1998</b>	<b>1997</b>
		£	£
	Obligations under hire purchase and finance lease contracts	<b>50,604</b>	<b>17,271</b>
		<b>50,604</b>	<b>17,271</b>
<b>12</b>	<b>Obligations Under Hire Purchase and Finance Leases</b>	<b>1998</b>	<b>1997</b>
		£	£
	Obligations under finance leases and hire purchase contracts are analysed:		
	Current obligations	<b>29,410</b>	<b>19,086</b>
	Obligations due between two and five years	<b>50,604</b>	<b>17,271</b>
		<b>80,014</b>	<b>36,357</b>
	Obligations under hire purchase and finance lease contracts are secured by way of charges over the respective tangible fixed assets and are subject to the terms of the relevant agreements.		
<b>13</b>	<b>Share Capital</b>	<b>1998</b>	<b>1997</b>
		£	£
	<b>Authorised</b>		
	5,000 Ordinary shares of £1.00 each	<b>5,000</b>	<b>5,000</b>
	<b>Allotted</b>		
	5,000 Allotted, called up and fully paid ordinary shares of £1.00 each	<b>5,000</b>	<b>5,000</b>
<b>14</b>	<b>Reconciliation of Shareholders' Funds</b>	<b>1998</b>	<b>1997</b>
		£	£
	Profit for the financial year	<b>56,059</b>	<b>80,601</b>
	Dividends	<b>(30,000)</b>	<b>(30,000)</b>
	Increase in the shareholders' funds	<b>26,059</b>	<b>50,601</b>
	Opening shareholders' funds	<b>75,432</b>	<b>24,831</b>
	Closing shareholders' funds	<b>101,491</b>	<b>75,432</b>
<b>15</b>	<b>Related Parties</b>		

### *Control*

The company was controlled throughout the current and previous year by Timothy Stanton Louis, by virtue of his 58% holding in the ordinary share capital of the company.

### *Transactions*

Included within Creditors amounts falling due within one year is an amount of £5,539 due to London Independent Office Cleaning Limited a company which is controlled by T S Louis and S A Louis by virtue of their 100% interest in the ordinary share capital in London Independent Holdings Limited, its ultimate holding company.