03-8016

Report of the Directors and

Audited Financial Statements for the Year Ended 30 September 2005

for

MyHome International Plc

Contents of the Financial Statements for the Year Ended 30 September 2005

MyHome International Plc

Company Information
for the Year Ended 30 September 2005

DIRECTORS:	R O'Connell R Boot S McNeill Ritchie A B Virani
SECRETARY:	R Boot
REGISTERED OFFICE:	119 Richmond Road Kingston Upon Thames Surrey KT2 5BX
REGISTERED NUMBER:	4068016
AUDITORS:	Atkinsons Palmeira Avenue Mansions 19 Church Road Hove East Sussex BN3 2FA
SOLICITORS:	Mundays Cedar House 78 Portsmouth Road Cobham KT11 1AN

Report of the Directors
for the Year Ended 30 September 2005

The directors present their report with the financial statements of the company for the year ended 30 September 2005.

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 2005.

DIRECTORS
The directors during the year under review were:

R O'Connell
R Boot
S McNeill Ritchie
A B Virani - appointed 5.4.05

The beneficial interests of the directors holding office on 30 September 2005 in the issued share capital of the company were as follows:

	30.9.05	1.10.04 or date of appointment if later
Ordinary 5p £1 shares		
R O'Connell	4,112,801	4,405,155
R Boot	412,500	412,500
S McNeill Ritchie	428,603	428,603
A B 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.

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;
- 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.

MyHome International Plc

Report of the Directors
for the Year Ended 30 September 2005

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:

R O'Connell – Chief Executive Officer

S McNeill Ritchie - Chairman

14 February 2006

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 2005 on pages six to sixteen. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and 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

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and International Financial Reporting Standards as adopted for use in the European Union.

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

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 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 transactions with the company is not disclosed.

We read the Report of the Directors 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 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.

Report of the Independent Auditors to the Shareholders of MyHome International Plc

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Atkinsons
Palmeira Avenue Mansions
19 Church Road
Hove
East Sussex
BN3 2FA

17 February 2006

MyHome International Plc

Income Statement
for the Year Ended 30 September 2005

	Notes	30.9.05 £	30.9.04 £
CONTINUING OPERATIONS			
Revenue		355,572	92,577
Administrative expenses		(212,165)	(106,514)
Other operating expenses		-	(223,885)
OPERATING PROFIT/(LOSS)		143,407	(237,822)
Finance costs	3	(3,688)	(1,621)
Finance income	3	6,560	-
PROFIT/(LOSS) BEFORE TAX	4	146,279	(239,443)
Tax	5	212,680	-
PROFIT/(LOSS) FOR THE YEAR		358,959	(239,443)
Earnings per share expressed in pence per share:	6		
Basic		1.66	-1.43
Diluted		1.44	-1.23

The notes form part of these financial statements

MyHome International Plc

Statement of Recognised Income and Expense for the Year Ended 30 September 2005

	30.9.05 £	30.9.04 £
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	358,959	(239,443)
TOTAL RECOGNISED INCOME AND EXPENSE FOR THE YEAR	358,959	(239,443)

MyHome International Plc

Balance Sheet
30 September 2005

	Notes	30.9.05 £	30.9.04 £
ASSETS			
NON-CURRENT ASSETS			
Goodwill	7	304,080	304,090
Property, plant and equipment	8	220,331	142,185
Investments	9	100,000	1
		624,411	446,276
CURRENT ASSETS			
Trade and other receivables	10	454,937	59,950
Tax receivable		212,680	-
Cash and cash equivalents	11	314,062	3,129
		981,679	63,079
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	44,376	64,315
Financial liabilities - borrowings			
Interest bearing loans and borrowings	13	57,487	15,275
		101,863	79,590
NET CURRENT ASSETS/(LIABILITIES)		879,816	(16,511)
NON-CURRENT LIABILITIES			
Trade and other payables	12	-	1
Financial liabilities - borrowings			
Interest bearing loans and borrowings	13	31,565	-
		31,565	1
NET ASSETS		1,472,662	429,764
SHAREHOLDERS' EQUITY			
Called up share capital	15	1,214,084	946,409
Share premium	16	871,240	454,965
Profit and loss account	16	(612,662)	(971,610)
TOTAL EQUITY		1,472,662	429,764

ON BEHALF OF THE BOARD:

S McNeill Ritchie - Director

R O'Connell - Director

Approved by the Board on 14 February 2006

The notes form part of these financial statements

MyHome International Plc

Cash Flow Statement
for the Year Ended 30 September 2005

	Notes	30.9.05 £	30.9.04 £
Cash flows from operating activities			
Cash generated from operations	1	(220,948)	(470,155)
Interest element of hire purchase payments		(3,688)	(1,621)
Net cash from operating activities		(224,636)	(471,776)
Cash flows from investing activities			
Purchase of tangible fixed assets		(128,718)	-
Purchase of fixed asset investments		(100,000)	(1)
Sale of tangible fixed assets		-	76,892
Interest received		6,560	-
Net cash from investing activities		(222,158)	76,891
Cash flows from financing activities			
Capital repayments in year		73,777	109,495
Share issue		683,950	288,519
Net cash from financing activities		757,727	398,014
Increase in cash and cash equivalents		310,933	3,129
Cash and cash equivalents at beginning of year	2	3,129	-
Cash and cash equivalents at end of year	2	314,062	3,129

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 30 September 2005

1. **RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	30.9.05 £	30.9.04 £
Operating profit/(loss)	143,407	(237,822)
Depreciation charges	50,572	47,395
Profit on disposal of fixed assets	-	(10,064)
Increase in trade and other receivables	(412,527)	(22,732)
Decrease in trade and other payables	(2,400)	(246,932)
Net cash outflow from operating activities	(220,948)	(470,155)

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 2005

	30.9.05 £	1.10.04 £
Cash and cash equivalents	314,062	3,129

Year ended 30 September 2004

	30.9.04 £	1.10.03 £
Cash and cash equivalents	3,129	-

Notes to the Financial Statements for the Year Ended 30 September 2005

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 as incurred.

2. **EMPLOYEES AND DIRECTORS**

	30.9.05	30.9.04
	£	£
Wages and salaries	48,083	35,500

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

	30.9.05	30.9.04
Administration	1	1
Financial	2	1
Sales	1	1
	4	3

	30.9.05	30.9.04
	£	£
Directors' emoluments	48,083	35,500

Four directors received shares under long term incentive schemes (2004 - three directors).

3. **NET FINANCE INCOME**

	30.9.05	30.9.04
	£	£
Finance income:		
Deposit account interest	6,560	-
Finance costs:		
Hire purchase	3,688	1,621
Net finance income	2,872	(1,621)

continued...

4. PROFIT/(LOSS) BEFORE TAX

The profit before tax (2004 - loss before tax) is stated after charging/(crediting):

	30.9.05	30.9.04
	£	£
Other operating leases	12,642	-
Depreciation - owned assets	50,572	47,395
Profit on disposal of fixed assets	-	(10,064)
Auditors' remuneration	7,500	6,500

5. TAX

The tax credit charge represents a deferred tax provision on unused losses carried forward at the balance sheet which amounted to £708,934 (2004: £878,334). As the company is now profitable the credit is deemed reasonable for the foreseeable future.

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.

		30.9.05	
	Earnings £	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	-	3,300,000	-
Diluted EPS			
Adjusted earnings	358,959	24,904,935	1.44

		30.9.04	
	Earnings £	Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(239,443)	16,719,430	-1.43
Effect of dilutive securities			
Options	-	2,700,000	-
Diluted EPS			
Adjusted earnings	(239,443)	19,419,430	-1.23

 continued...

7. **GOODWILL**

	£
COST	
At 1 October 2004	
and 30 September 2005	360,100
AMORTISATION	
At 1 October 2004	
and 30 September 2005	56,020
NET BOOK VALUE	
At 30 September 2005	304,080
At 30 September 2004	304,080

8. **PROPERTY, PLANT AND EQUIPMENT**

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 October 2004	25,397	-	241,108	266,505
Additions	-	51,546	77,172	128,718
At 30 September 2005	25,397	51,546	318,280	395,223
DEPRECIATION				
At 1 October 2004	11,498	-	112,822	124,320
Charge for year	3,475	12,887	34,210	50,572
At 30 September 2005	14,973	12,887	147,032	174,892
NET BOOK VALUE				
At 30 September 2005	10,424	38,659	171,248	220,331
At 30 September 2004	13,899	-	128,286	142,185

9. **INVESTMENTS**

The above investment represents 27.42% of the share capital of Franchise Investment Strategies Plc. The Company acquired 10,000,000 shares of 1pence per share and 7,500,000 warrants to subscribe for further shares at 1 pence.

10. **TRADE AND OTHER RECEIVABLES**

	30.9.05 £	30.9.04 £
Current:		
Trade debtors	52,005	45,599
Amounts owed by group undertakings	396,652	-
Other debtors	6,280	14,351
	454,937	59,950

11. **CASH AND CASH EQUIVALENTS**

	30.9.05 £	30.9.04 £
Bank accounts	314,062	3,129

continued...

12. TRADE AND OTHER PAYABLES

	30.9.05	30.9.04
	£	£
Current:		
Amounts owed to group undertakings	-	17,539
Other creditors	44,376	46,776
	44,376	64,315

13. FINANCIAL LIABILITIES - BORROWINGS

	30.9.05	30.9.04
	£	£
Current:		
Hire purchase contracts (see note 14)		
	57,487	15,275
Non-current:		
Hire purchase contracts (see note 14)		
	31,565	-

Terms and debt repayment schedule

	1 year or less
	£
Hire purchase contracts	57,487

14. LEASING AGREEMENTS

Minimum lease payments under hire purchase contracts fall due as follows:

	30.9.05	30.9.04
	£	£
Net obligations repayable:		
Within one year	57,487	15,275
Between one and five years	31,565	-
	89,052	15,275

continued...

15. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	30.9.05 £	30.9.04 £
10,000,000	Ordinary 5p	£1	10,000,000	10,000,000

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.9.05 £	30.9.04 £
946,409	Ordinary 5p	£1	1,214,084	946,409

The following fully paid shares were allotted during the year at a premium as shown below:

267,675 Ordinary 5p shares of £1 each at 7.7p per share

16. RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 October 2004	(971,621)	454,965	(516,656)
Retained profit for the year	358,959		358,959
Cash share issue	-	416,275	416,275
At 30 September 2005	(612,662)	871,240	258,578

17. TRANSACTIONS WITH DIRECTORS

During the year the company paid the following amounts:

Hamilton Laird	£15,000 (2004: £15,000)
Robert Boot & Co	£10,000 (2004: Nil)
AccountLets	£7,100 (2004: £5,200)

All three companies are related as their directors are also directors of the Company's board.

18. 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 £7508(2004: £5950).

continued...

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30.9.05	30.9.04
	£	£
Profit/(Loss) for the financial year	358,959	(239,443)
Shares issued	683,939	288,518
Net addition to shareholders' funds	1,042,898	49,075
Opening shareholders' funds	429,764	380,689
Closing shareholders' funds	1,472,662	429,764
Equity interests	1,472,662	429,764

MyHome International Plc

Income Statement Summaries
for the Year Ended 30 September 2005

	30.9.05 £	30.9.04 £
REVENUE		
Management fees receivable	355,572	92,577
	355,572	92,577
ADMINISTRATIVE EXPENSES		
Establishment costs		
Rent	12,642	-
Administrative expenses		
Directors' fees	48,083	35,500
Telephone	-	2,674
Advertising	-	8,433
Travelling	2,634	-
Motor expenses	15,322	2,100
Registrar fees	12,701	1,787
Investor and pubic relations	27,303	-
Sundry expenses	467	1,148
Accountancy	6,035	-
Legal fees	24,209	977
Auditors' remuneration	7,500	6,500
Finance costs		
Bank charges	4,697	-
Depreciation		
Fixtures and fittings	3,475	4,633
Motor vehicles	12,887	-
Computer equipment	34,210	42,762
	212,165	106,514
OTHER OPERATING EXPENSES		
Profit/loss on sale of tangible fixed assets	-	(10,064)
Exceptional items	-	233,949
	-	223,885
FINANCE COSTS		
Hire purchase	3,688	1,621
	3,688	1,621
FINANCE INCOME		
Deposit account interest	6,560	-
	6,560	-

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Report of the Directors and

Consolidated Financial Statements

for the Year Ended 30 September 2005

for

MyHome International Plc

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MyHome International Plc

Group Information
for the Year Ended 30 September 2005

DIRECTORS:	Mr R O'Connell Mr S McNeill Ritchie Mr G R Boot Mr A B Virani
SECRETARY:	Mr G R Boot
REGISTERED OFFICE:	119 Richmond Road Kingston Upon Thames Surrey KT2 5BX
REGISTERED NUMBER:	4068016 (England and Wales)
AUDITORS:	Atkinsons Chartered Accountants East Sussex, Hove BN3 2FA
ACCOUNTANTS	AccountLets Beaumont House Lambton Road London SW20 OLW
BANKERS:	Bank of Scotland 14/16 Cockspur Street London SW1Y 5BL
SOLICITORS:	Mundays Cedar House 78 Portsmouth Road Cobham KT11 1AN

CHAIRMAN'S STATEMENT

This year saw the Company build strongly on the foundations laid down during the previous 12 months. In terms of franchise recruitment we began the year well, doubling the number of franchisees to 12 in the first three months. By the end of the Financial Year under review, Russell O'Connell and his team had met their target of 30 new franchisees, bringing the total to 36. With franchise operations in Scotland and North England, as well as in the South, the Company now has a genuinely national profile. All the franchisees are growing in line with our projected growth model, with several ahead of target.

It has been a notable year for the Company on the corporate front, too, with a number of significant achievements and milestones all centred on our commitment to further strengthen investor communications and build shareholder value.

A key step towards these objectives was the appointment in March 2005 of Noble & Co. Limited as Corporate Finance Advisers to enhance the Company's profile within the professional investment community. The success of this move was demonstrated in August 2005, when the Company successfully raised £500,000 through a Private Placing to four institutions.

The Company has also actively promoted itself to the financial media and at a number of financial events. In June 2005, Equity Development, a leading independent equity research company, initiated coverage on the Company with the issue of its first Research Note on the Company, giving a target price of 42p. In the same month, the Company also exhibited at the Growth Company Investor Show in London.

As a result, Myhome was one of the most heavily traded stocks on the Ofex market throughout the period under report, with the share price increasing in value by 137%.

Simon McNeill Ritchie
Chairman

CORPORATE GOVERNANCE

The Board is committed to maintaining high standards of corporate governance. This statement describes how the principles set out in Section1 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.

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 Section1 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 2005

The directors present their report with the financial statements of the group for the year ended 30 September 2005.

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

REVIEW OF BUSINESS
The results for the year and financial position of the group are as shown in the annexed financial statements.

DIVIDENDS
No dividends will be distributed for the year ended 30 September 2005.

DIRECTORS
The directors during the year under review were:

Mr R O'Connell
Mr S McNeill Ritchie
Mr G R Boot
Mr A B Virani

The beneficial interests of the directors holding office on 30 September 2005 in the issued share capital of the company were as follows:

	30.9.05	1.10.04
Ordinary 5p shares		
Mr R O'Connell	4,112,801	4,112,801
Mr S McNeill Ritchie	428,603	428,603
Mr G R Boot	412,500	-
Mr A B Virani	-	-

SUBSTANTIAL INTERESTS

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	4,112,801	16.93%
Starvest Limited	3,300,000	13.59%
Unilever UK Holdings Limited	1,099,987	4.5%
S Yee	1,500,002	6.17%
Adworth Plc	1,400,000	5.77%
BNY (OCS) Nominees Ltd	1,600,000	6.58%
HSBC Global Custody Nominee UK	1,552,500	6.39%
Rathbone Nominees Limited	1,900,000	7.82%

PAYMENTS TO CREDITORS

The group 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, subject to the other terms and conditions being met by the supplier.

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 group 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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- Follow applicable International accounting standards

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group 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 group 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:

....

Mr R O'Connell – CHIEF EXECUTIVE OFFICER

Dated....14/2/06

....

Mr S McNeill Ritchie – CHAIRMAN

Dated....14/2/06

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
OF MYHOME INTERNATIONAL PLC.

We have audited the accompanying balance sheet of MyHome International PLc as of 30 September 2005 and the related statements of income, cash flows and changes in equity for the year then ended. These financial statements are the responsibility of the Group' s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement . An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 September 2005 and of the results of its operations and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

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

February 17, 2006

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2005

	NOTES	Year ended 2005	Year ended 2004
		£	£
NETWORK TURNOVER		**3,181,660**	**756,426**
Continuing Operations			
Revenue	4	897,423	572,797
Cost of sales		(240,968)	-
Gross profit		656,455	572,797
Other operating income		-	8,252
Administrative expenses		(482,571)	(800,822)
Profit from operations	6	173,884	(219,773)
Investment income	8	6,796	-
Finance costs	9	(3,688)	(7,333)
Profit before tax		176,992	(227,106)
Tax	10	212,680	-
Profit/(Loss) for the year from continuing operations		389,672	(227,106)
Attributable to:			
Equity holders of the parent		389,672	(227,106)
Minority interest		-	-
		389,672	**(227,106)**

	NOTES	Year ended 2005	Year ended 2004
		Pence per share	Pence per share
Earnings per share			
From continuing operations			
Basic	11	1.84	(1.33)
Diluted	11	1.59	(1.13)

MyHome International PLc

CONSOLIDATED BALANCE SHEET
AT 30 SEPTEMBER 2005

	NOTES	2005 £	2004 £
Non-current assets			
Goodwill	12	304,080	304,080
Property, plant and equipment	13	220,331	142,185
Interests in associates	14	100,000	-
Deferred tax provision	16	212,680	-
		837,091	446,265
Current assets			
Trade and other receivables	15	516,233	69,720
Cash and cash equivalents	22	368,466	3,129
		884,699	72,849
Total assets		1,721,790	519,114
Current liabilities			
Trade and other payables	18	117,021	61,743
Obligations under finance leases	17	57,487	15,275
Total current liabilities		174,508	77,018
Net current assets		1,547,282	442,096
Non-current liabilities			
Obligations under finance leases	17	31,565	-
		31,565	-
Total net assets		1,515,717	442,096

	NOTES	2005 £	2004 £
EQUITY			
Share capital	19	1,214,084	946,409
share premium account	20	871,239	454,965
Retained earnings	21	(569,606)	(959,278)
Equity attributable to equity holders of the parent		1,515,717	442,096
Minority interest		-	-
Total equity		1,515,717	442,096

The financial statements were approved by the board of directors and authorised for issue on 14 February 2006
They were signed on its behalf by:

Director -

Mr R O'Connell

Dated 14.2.2006

Director - Chairman

Mr S McNeill-Ritchie

Dated 14/2/06

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2005

	NOTES	Year ended 2005	Year ended 2004
		£	£
NET CASH FROM OPERATING ACTIVITIES	22	(170,465)	(472,575)
INVESTING ACTIVITIES			
Interest received		6,796	-
Proceeds from share issues		683,949	288,519
Proceeds on disposal of property, plant and equipment		-	76,892
Purchases of property, plant and equipment		(128,718)	-
Acquisition of investment in an associate		(100,000)	-
NET CASH USED IN INVESTING ACTIVITIES		462,027	365,411
FINANCING ACTIVITIES			
Repayments of borrowings		15,275	-
Repayments of obligations under finance leases		39,666	57,639
Increase in loan obligations under finance leases		(128,716)	-
NET CASH (USED IN)/FROM FINANCING ACTIVITIES		(73,775)	57,639
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		365,337	(164,803)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		3,129	167,932
CASH AND CASH EQUIVALENTS AT END OF YEAR		368,466	3,129

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2005

1. GENERAL INFORMATION

MY HOME INTERNATIONAL PLC is a company incorporated in the United Kingdom under the Companies Act 1985. The address of the registered office is given on page 2. The nature of the group' s operations and its principal activities are set out in note 4 and in the operating and financial review on pages 3 to 8.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the group operates. Foreign operations are included in accordance with the policies set out in note 2.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) for the first time. The disclosures required by IFRS 1 concerning the transition from UK GAAP to IFRSs are given in note 22.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 September each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

On acquisition, the assets and liabilities and contingent of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to profit and loss in the period of acquisition. The interest of minority shareholders is stated at the minority' s proportion of the fair values of the assets and liabilities recognised. Subsequently, any losses applicable to the minority interest in excess of the minority interest are allocated against the interests of the parent.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Investments in Associates

An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting except when classified as held for sale (see below). Investments in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Group' s share of the net assets of the associate, less any impairment in the value of individual investments. Losses of the associates in excess of the group' s interest in those associates are not recognised.

Any excess of the cost of acquisition over the Group' s share of the fair values of the identifiable net assets of the associate at the date of acquisition is recognised as goodwill. Any deficiency of the cost of acquisition below the Group' s share of the fair values of the identifiable net assets of the associate at the date of acquisition (i.e. discount on acquisition) is credited in profit and loss in the period of acquisition.

Where a group company transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group' s interest in the relevant associate. Losses may provide evidence of an impairment of the asset transferred in which case appropriate provision is made for impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2005

Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected ton qualify for recognition as a completed sale within one year from the date of classification.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group' s interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition.

Goodwill is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill arising on acquisitions before the date of transition to IFRSs has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date. Goodwill written off to reserves under UK GAAP prior to 1998 has not been reinstated and is not included in determining any subsequent profit or loss on disposal.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

The Group as Lessee

Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group' s general policy on borrowing costs (see below).

Rental payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group' s liability for current tax is calculated using tax rates that have been

enacted or substantively enacted by the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2005

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with equity.

Property, Plant and Equipment

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method, on the following bases:

Fixtures and equipment	25%
Motor vehicles	25%

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fairvalue less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted .

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2005 - continued

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial Instruments

Financial assets and financial liabilities are recognised on the Group' s balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Investments

Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, including transaction costs.

Investments are classified as either held-for-trading or available-for-sale, and are measured at subsequent reporting dates at fair value. Where securities are held for trading purposes, gains and losses arising from changes in fair value are included in net profit or loss for the period. For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period.

Financial Liability and Equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

Equity Instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments ad hedge accounting

The use of financial derivatives is governed by the group' s policies approved by the board of directors, which provide written principles on the use of financial derivatives.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and the ineffective portion is recognised immediately in the income statement. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or a liability, amounts deferred in equity are recognised in the income statement in the same period in which the hedged item affects net profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2005 - continued

Derivative financial instruments ad hedge accounting - *continued*

For an effective hedge of an exposure to changes in the fair value, the hedged item is adjusted for changes in fair value attributable to the risk being hedged with the corresponding entry in profit or loss. Gains or losses from re-measuring the derivative, or for non-derivatives the foreign currency component of its carrying amount, are recognised in profit or loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the period.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not carried at fair value with

unrealised gains or losses reported in the income statement.

Share-based Payments

The Group has applied the requirements of IFRS 2 Share-based Payments. In accordance with the transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2005.

The Group issues equity-settled and cash-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group' s estimate of shares that will eventually vest.

Fair value is measured by use of binomial model. The expected life used in the model has been adjusted, based on management' s best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

A liability equal to the portion of the goods or services received is recognised at the current fair value determined at each balance sheet date for cash-settled share-based payments.

3 Network Turnover

Network turnover comprises turnover from the network of franchisees operating under the MyHome name.

4 Revenue

An analysis of the Group' s revenue is as follows:

	Year ended 2005	Year ended 2004
Sales of Franchises	625,273	120,056
Collection of royalty income	94,832	18,056
Other franchise related services	159,473	434,685
Commissions	17,845	
Total	897,423	572,797
Other operating income	-	8,252
Investment income	6,796	-
Total Revenue	904,219	581,049

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2005 - continued

5 Business and Geographical Segments

There is no other activity than the one main business activity for the group. As a result there is no segmental disclosure required in these financial statements.

For management purposes, the Group is currently organised into one main operating division - Franchise recruitment. This is the basis on which the Group reports its primary segment information.

Principal activities are as follows ;

Franchise recruitment

6 *PROFIT FROM OPERATIONS*

Profit from operations has been arrived at after charging (crediting):

	Year ended 2005 £	Year ended 2005 £
Research and development costs	25,005	2,647
Depreciation of property, plant and equipment	50,572	47,395
Staff costs (see note 7)	152,004	39,100
Auditors' remuneration for audit services (see below)	7,500	6,500

Amounts payable to Atkinsons by the company and its UK subsidiary undertakings in respect of non-audit services were £NIL (2004-£NIL).

7 STAFF COSTS

The average monthly number of employees (including executive directors) was 12

	2005 Number	2004 Number
Administration	6	3
Financial	5	2
Sales	3	1
	14	6

	2005 £	2004 £
Their aggregate remuneration comprised:		
Wages and salaries	134,517	35,500
Social security costs	17,487	3,600
	152,004	39,100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2005 - continued

8 INVESTMENT INCOME

	Year ended 2005 £	Year ended 2004 £
Interest on bank deposits	6,796	-
	6,796	-

9 FINANCE COSTS

	Year ended 2005 £	Year ended 2004 £
Interest on obligations under finance leases	3,688	7,333
Total borrowing costs	3,688	7,333

10 TAX

	Year ended 2005 £	Year ended 2004 £
Current tax:		
UK corporation tax	-	-
	-	-
Deferred tax (note 16):	(212,680)	-
Current year		
Attributable to an increase in the rate of Corporation tax		
	(212,680)	-
	(212,680)	-

No corporation tax was payable due to the availability of tax losses brought forward and available for group relief.

The charge for the year can be reconciled to the profit per the income statement as follows:

	Year ended 2005 £	%	Year ended 2004 £
Profit before tax			
Taxable income for the year	144,636		-
Loss utilised	(144,636)		
Tax effect of utilisation of tax losses not previously recognised	(212,680)	30	-
Tax income and effective tax rate for the year	(212,680)	30	Nil

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2005 - continued

11 EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted earnings per share is based on the following data:

Earnings	Year ended 2005 £	Year ended 2004 £
Earnings for the purposes of basic earnings per share being net profit attributable to equity holders of the parent	389,672	(227,106)
Earnings for the purposes of diluted earnings per share	389,672	(227,106)

Number of shares	Year ended 2005 £	Year ended 2004 £
Weighted average number of ordinary shares for the purposes of basic earnings per share	21,604,935	16,719,430
Effect of dilutive potential ordinary shares: Share options	3,300,000	2,700,000
Weighted average number of ordinary shares for the purposes of diluted earnings per share	24,904,935	19,419,430

The denominators for the purposes of calculating both basic and diluted earnings per share have been adjusted to reflect the capitalisation issue in 2005

12 GOODWILL

	£
COST	
At 1 October 2004	360,100
Exchange differences	-
Recognised on acquisition of a subsidiary	-
Derecognised on disposal of a subsidiary	-
Classified as held for sale	-
Other changes	-
At 30 September 2005	360,100
ACCUMULATED IMPAIRMENT LOSSES	
At 1 October 2004	56,020
Exchange differences	
Impairment losses for the year	
Eliminated on disposal of a subsidiary	
At 30 September 2005	56,020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2005 - continued

12 GOODWILL continued

CARRYING AMOUNT

At 30 September 2005	304,080
At 30 September 2004	304,080

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 directors no impairment loss is envisaged to the value of goodwill.

13 PLANT AND EQUIPMENT

	Motor Vehicles	Fixtures and equipment	Total
	£	£	£
COST OR VALUATION			
At 1 October 2004	-	266,505	266,505
Additions	51,546	77,172	128,718
Revaluation increase			
At 30 September 2005	51,546	343,677	395,223
Comprising:			
At cost	51,546	343,677	395,223
	51,546	343,677	395,223
ACCUMULATED DEPRECIATION AND IMPAIRMENT			
At 1 October 2004	-	124,320	124,320
Charge for the year	12,887	37,685	50,572
Impairment loss	-	-	
At 30 September 2005	12,887	162,005	174,892
CARRYING AMOUNT			
At 30 September 2005	38,659	181,672	220,331
At 30 September 2004	-	142,185	142,185

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2005 - continued

14 INVESTMENT IN ASSOCIATES

	2005	2004
	£	£
At cost	100,000	-

The above investment represents 27.42% of the share capital of Franchsie Investment Strategies Plc which the group acquired on 18 August 2005.

The associated company is established to seek equity investment in suitable franchise companies with a view to promote such companies in the long term.
The group acquired 10,000,000 shares at 1pence per share and 7,500,000 warrants to subscribe for further shares at 1 pence.

At the balance sheet date the market value of shares in the associate were 5.25 pence per share.

	2005
Market value of investment	525,000
Unrealised gain	£425,000

15 OTHER FINANCIAL ASSETS

Trade and other receivables at the balance sheet date comprise amounts receivable from the provision of services due from customers of £516,233 (2004: £69,720).

The average credit period taken on services is 60 days. No interest is charged on the receivables for the first 30 days from the date of the invoice. Thereafter, interest is charged at 8 % on the outstanding balance.

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

Credit Risk

The Group's principal financial assets are bank balances and cash, trade and other receivables and investments, which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and their assessment of the current economic environment.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2005 - continued

16 DEFERRED TAX

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting

	Tax losses	Total
	£	£
At 1 October 2004	-	-
Charge (credit) to income	(212,680)	(212,680)
As 31 December 2005	(212,680)	(212,680)

The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2005	2004
	£	£
Deferred tax liabilities	-	-
Deferred tax assets	(212,680)	
	(212,680)	-

At the balance sheet date, the Group has unused tax losses of £708,934 (2004: £878,334) available for offset against future profits. A deferred tax asset has been recognised in respect of £708,934 (2004: £NIL) of such losses.
In 2004 the directors decided against provision of the deferred tax asset on the grounds of prudence. As the company is in a consistent profit situation , the provision of the tax credit is deemed realistic.

Temporary differences arising in connection with interests in associates and joint ventures are insignificant.

17 OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2005	2004	2005	2004
	£	£	£	£
Amounts payable under finance leases:				
Within one year	62,804	16,955	89,052	15,275
In the second to fifth years Inclusive	37,190	-		
After five years				
	99,994	16,955	89,052	15,275
Less: future finance charges	10,942	1,680	N/A	N/A
Present value of lease obligations	89,052	16,955	89,052	15,275
Less: Amount due for settlement within 12 months (shown under current liabilities)			57,487	15,275
Amount due for settlement after 12 months			31,565	-

It is the Group's policy to lease certain of its fixtures and equipment under finance leases. The average lease term is 3 years. For the year ended 30 September 2005, the average effective borrowing rate was 10.50 per cent (2004: 12 per cent). Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

All lease obligations are denominated in sterling

The fair value of the Group's lease obligations approximates their carrying amount.
The Group's obligations under finance leases are secured by the lessors' charges over the leased assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2005 - continued

18 OTHER FINANCIAL LIABILITIES

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 45 days.

The directors consider that the carrying amount of trade payables approximates to their fair value.

19 SHARE CAPITAL

	2005	2004
Authorised:	£	£
100 million shares of £.05 each	5,000,000	5,000,000
Issued and fully paid: 24,282,690 ordinary shares of £.05 each	1,214,084	946,409

During the year the company issued 5,353,500 shares .

The Company has one class of ordinary shares which carry no right to fixed income.

20 SHARE PREMIUM ACCOUNT

	Share premium
	£
Balance at 1 October 2004	454,965
Premium arising on issue of equity shares	416,274
Balance at 30 September 2005	871,239

21 RETAINED EARNINGS

	£
Balance at 1 October 2003	(732,172)
Dividends paid	-
Net loss for the year	(227,106)
Balance at 30 September 2004	(959,278)
Net profit for the year	389,672
Balance at 30 September 2005	(569,606)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2005 - continued

22 NOTES TO THE CASH FLOW STATEMENT	2005 £	2004 £
Profit/(Loss) from operations	173,884	(219,773)
Adjustments for:		
Depreciation of property, plant and equipment	50,572	47,395
Impairment of goodwill		
Gain on disposal of property, plant and equipment		(10,064)
Increase/(decrease) in provisions		(3,377)
Operating cash flows before movements in working capital	224,456	(185,819)
Decrease/(increase) in receivables	(446,513)	44,520
Increase/(decrease) in payables	55,280	(323,943)
Cash generated by operations	(166,777)	(465,242)
Interest paid	(3,688)	(7,333)
NET CASH FROM OPERATING ACTIVITIES	(170,465)	(472,575)

Additions to fixtures and equipment during the year amounting to £_million were financed by new finance leases. Additions of £_million in 2004 were acquired on deferred payment terms, and were settled in the current period.

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less.

23 OPERATING LEASE ARRANGEMENTS

The Group as Lessee	2005 £	2004 £
Minimum lease payments under operating leases recognised in income for the year	15,900	15,900

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2005 £	2004 £
Within one year		
In the second to fifth years inclusive	15,900	15,900

Operating lease payments represent rentals payable by the Group for certain of its office properties. Leases are negotiated for an average term of five years and rentals are fixed for an average of five years.

NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER
2005 - continued

24 RELATED PARTY TRANSACTIONS

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the group and its associates are disclosed below. Transactions between the company and its subsidiaries and associates are disclosed in the company's separate financial statements.

Trading Transactions

During the year, group companies entered into the following transactions with related parties who are not members of the Group:

	Provision of services		Amounts owed to related parties	
	Year ended 2005	Year ended 2004	Year ended 2005	Year ended 2004
	£	£	£	£
Hamilton Laird	15,000	15,000	-	15,000
Robert Boot & Co	10,000		10,000	-
AccountLets	7,100	5,200	-	-

All three companies are related as their directors are also directors of the Company's board of directors.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

Payments made to Directors

	Year ended 2005	Year ended 2004
	£	£
Share-based payment - provision on share options	7,508	5,950

Directors' transactions

There were no material transactions with directors to report apart from those stated above under the related party disclosures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2005 - continued

25 EXPLANATION OF TRANSITION TO IFRSs

This is the first year that the company has presented its financial statements under IFRS. The following disclosures are required in the year of transition. The last financial statements under UK GAAP were for the year ended 30 September 2004 and the date of transition to IFRSs was therefore 1 October 2004.

Reconciliation of equity at 1 October 2004 (date of transition to IFRSs)

Note		UK GAAP	Effect of transition to IFRSs	IFRSs
13	Property, plant and equipment	142,185		142,185
12	Goodwill	268,080	36,000	304,080
	Total non-current assets	410,265	36,000	446,265
	Trade and other receivables	69,720		69,720
	Cash and cash equivalents	3,129		3,129
	Total current assets	72,849		72,849
	Total assets	483,114	36,000	519,114
	Trade and other payables	71,068	5,950	77,018
	Total liabilities	71,068		77,018
	Total assets less total liabilities	412,046	30,050	442,096
	Issued capital	946,409		946,409
	Share premium	454,965		454,965
21	Retained earnings	(989,328)	30,050	(959,278)
	Total equity	412,046	30,050	442,096

Notes to the reconciliation of equity at 1 October 2004

The company 's goodwill is adjusted under the IFRS and £36,000 amortisation in 2004 is added back accordingly. An impairment review was carried out by the directors and given the sustained growth in the current period and the cash generated in the group's trading activities the directors are of the opinion that there is no further impairment of goodwill . The amortisation charge incurred in 2004 is adjusted as a result.

There is also provision for the share option valuation of £5950 calculated under the Black-Scoles model

Reconciliation of equity at 30 September 2004 (date of last UK GAAP financial statements)

Reconciliation of profit or loss for 2004

	UK GAAP	Effect of transition to IFRSs	IFRSs
Revenue	572,797		572,797
Cost of sales			
Gross Profit	572,797		572,797
Other operating income	8,252		8,252
Administrative expenses	(830,872)	30,050	(800,822)
Finance income			
Finance costs	(7,333)		(7,333)
	(829,953)	30,050	(799,903)
Profit before tax	(257,156)	30,050	(227,106)
Tax expense			
Net Loss	(257,156)	30,050	(227,106)

The effect of transition to IFRS is to write back goodwill amortisation of £36,000 and provide for the liability to the valuation of the share options as calculated under the Black-Scholes model. This gives a net credit effect of £30,050 to the group upon the transition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2005 - continued

Notes to the reconciliation of profit or loss for 2004

The main effect of the transition to the IFRS is the effect of crediting the previous amortisation of goodwill of £36,000 as explained in the reconciliation of equity.

26 POST BALANCE SHEET EVENTS

After the balance sheet date the company acquired 55.87% of the issued share capital of Nicenstripy Limited. Nicenstripy is an established garden services franchise operation and this acquisition will enhance the group's network to over 70 franchisees with an incremental turnover of £2 million for the group.

27 SHARE-BASED PAYMENTS

Equity-settled share option plan

The Group plan provides for a grant price equal to the average quoted market price of the Group shares on the date of grant. The vesting period is generally 3 to 4 years. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Furthermore, options are forfeited if the employee leaves the Group before the options vest.

	2005		2004	
	Options	Weighted average exercise price (in £)	Options	Weighted average exercise price (in £)
Outstanding at beginning of period	4,300,000	0.08	-	-
Granted during the period	2,250,000	0.12	4,300,000	0.08
Forfeited during the period				
Exercised during the period				
Expired during the period				
Outstanding at the end of the period	6,550,000	0.10	4,300,000	0.08
Exercisable at the end of the period	6,550,000		4,300,000	

The options outstanding at 30 September 2005 had a weighted average exercise price of 20pence and a weighted average remaining contractual life of 5 years.

The inputs into the Black-Scholes model are as follows:

	2005	2004
Weighted average share price	15pence	5 pence
Weighted average exercise price	10pence	8 pence
Expected volatility	20%	50%
Expected life	3 years	4 Years
Risk free rate	4%	2%

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous 3 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.