

Company Registration No. 3928010 (England and Wales)

**PREDATOR PEST CONTROL PLC**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2004**

# PREDATOR PEST CONTROL PLC

## COMPANY INFORMATION

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<b>Directors</b>	G W Limer D K Bralsford
<b>Secretary</b>	D K Bralsford
<b>Company number</b>	3928010
<b>Registered office</b>	Westgate Chambers 8a Elm Park Road, Pinner Middlesex HA5 3LA
<b>Auditors</b>	Morgan Berkeley Westgate Chambers 8a Elm Park Road, Pinner Middlesex HA5 3LA
<b>Business address</b>	9 Devonshire Business Park 4 Chester Road Borehamwood Hertfordshire WD6 1LT
<b>Bankers</b>	HSBC 281 Chiswick High Road Chiswick London W4 4HJ

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# PREDATOR PEST CONTROL PLC

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# PREDATOR PEST CONTROL PLC

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2004

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The directors present their report and financial statements for the year ended 31 March 2004.

### Principal activities and review of the business

The principal activity of the company is that of pest control services.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

The directors are delighted to report a further increase in its core activity and turnover with retained profitability adding to the strong balance sheet.

Investment in staff training, technology and maintaining the robust monitoring systems within our Integrated Management System have aided this growth, however our strategy has been and will continue to be the growth of a broad client base across all sectors of the industry. The company has seen significant growth with blue chip construction companies recognising its strong reputation in the pest control sector.

Looking forward the company has put in place a business development strategy of representation within the public sector to include Local Authorities and NHS Hospital Trusts and has recruited a Business Development Manager to assist in this goal. Additionally to provide breadth within the management team the company has recruited a Financial Director with the added responsibility for managing our HSQE responsibilities.

From our new purpose built offices in Borehamwood, the company is looking forward to another year of strong growth and with a highly motivated management team and well trained staff, recognised through Investors In People, expect turnover to exceed £1m for the year ending 31 March 2005.

### Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

### Directors

The following directors have held office since 1 April 2003:

G W Limer  
D K Bralsford

### Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 March 2004	1 April 2003
G W Limer	15,000	15,000
D K Bralsford	35,000	35,000

### Charitable donations

	2004	2003
	£	£

During the year the company made the following payments:

Charitable donations	426	480
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# PREDATOR PEST CONTROL PLC

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

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### **Taxation status**

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

### **Creditor payment policy**

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been met.

### **Auditors**

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Morgan Berkeley be reappointed as auditors of the company will be put to the Annual General Meeting.

### **Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board

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D K Bralsford

**Director**

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# PREDATOR PEST CONTROL PLC

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PREDATOR PEST CONTROL PLC

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We have audited the financial statements on pages 4 to 16 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

### **Respective responsibilities of the directors and auditors**

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and 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 of the state of the company's affairs as at 31 March 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Morgan Berkeley**

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Chartered Certified Accountants

**Registered Auditor**

Westgate Chambers  
8a Elm Park Road, Pinner  
Middlesex  
HA5 3LA

# PREDATOR PEST CONTROL PLC

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004

	Notes	2004 £	2003 £
<b>Turnover</b>	<b>2</b>	569,948	443,667
Cost of sales		(169,802)	(148,738)
<b>Gross profit</b>		400,146	294,929
Administrative expenses		(372,787)	(287,822)
<b>Operating profit</b>	<b>3</b>	27,359	7,107
Other interest receivable and similar income		33	5
Interest payable and similar charges	<b>4</b>	(9,169)	(5,907)
<b>Profit on ordinary activities before taxation</b>		18,223	1,205
Tax on profit on ordinary activities	<b>5</b>	(2,182)	(2,932)
<b>Profit/(loss) on ordinary activities after taxation</b>	<b>14</b>	16,041	(1,727)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# PREDATOR PEST CONTROL PLC

## BALANCE SHEET AS AT 31 MARCH 2004

	Notes	2004				2003				
		£		£		£		£		
<b>Fixed assets</b>										
Tangible assets	6	70,044		104,464						
<b>Current assets</b>										
Stocks	7	7,349		8,228						
Debtors	8	138,438		155,726						
Cash at bank and in hand		11,607		-						
		Ä	Ä	Ä	Ä	Ä	Ä	Ä	Ä	
		157,394		163,954						
<b>Creditors: amounts falling due within one year</b>	9	(110,989)		(161,289)						
		Ä	Ä	Ä	Ä	Ä	Ä	Ä	Ä	
<b>Net current assets</b>		46,405		2,665						
		Ä	Ä	Ä	Ä	Ä	Ä	Ä	Ä	
<b>Total assets less current liabilities</b>		116,449		107,129						
<b>Creditors: amounts falling due after more than one year</b>	10	(31,196)		(42,048)						
<b>Provisions for liabilities and charges</b>	11	(9,226)		(5,095)						
		Ä	Ä	Ä	Ä	Ä	Ä	Ä	Ä	
		76,027		59,986						
		Í	Í	Í	Í	Í	Í	Í	Í	
<b>Capital and reserves</b>										
Called up share capital	13	20,000		20,000						
Profit and loss account	14	56,027		39,986						
		Ä	Ä	Ä	Ä	Ä	Ä	Ä	Ä	
<b>Shareholders' funds - equity interests</b>	15	76,027		59,986						
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The financial statements were approved by the Board on .....

.....  
D K Bralsford  
Director

# PREDATOR PEST CONTROL PLC

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

	2004				2003			
	£		£		£		£	
<b>Net cash inflow from operating activities</b>			18,407				20,898	
<b>Returns on investments and servicing of finance</b>								
Interest paid	(9,169)				(5,907)			
	Ä	Ä	Ä	Ä	Ä	Ä	Ä	Ä
<b>Net cash outflow for returns on investments and servicing of finance</b>			(9,169)				(5,907)	
<b>Taxation</b>			1,949				(848)	
<b>Capital expenditure</b>								
Payments to acquire tangible assets	(16,255)				(24,621)			
Receipts from sales of tangible assets	51,048				19,875			
	Ä	Ä	Ä	Ä	Ä	Ä	Ä	Ä
<b>Net cash inflow/(outflow) for capital expenditure</b>			34,793				(4,746)	
			Ä	Ä	Ä	Ä	Ä	Ä
<b>Net cash inflow before management of liquid resources and financing</b>			45,980				9,397	
<b>Financing</b>								
New long term bank loan	48,015				-			
Repayment of long term bank loan	(21,480)				-			
Capital element of hire purchase contracts	(58,670)				(35,166)			
	Ä	Ä	Ä	Ä	Ä	Ä	Ä	Ä
<b>Net cash outflow from financing</b>			(32,135)				(35,166)	
			Ä	Ä	Ä	Ä	Ä	Ä
<b>Increase/(decrease) in cash in the year</b>			13,845				(25,769)	
	í	í	í	í	í	í	í	í

# PREDATOR PEST CONTROL PLC

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

1	Reconciliation of operating profit to net cash inflow from operating activities	2004	2003		
		£	£		
	Operating profit	27,359	7,107		
	Depreciation of tangible assets	24,749	23,741		
	(Profit)/loss on disposal of tangible assets	(4,364)	659		
	Decrease in stocks	879	95		
	Decrease/(increase) in debtors	17,321	(69,553)		
	(Decrease)/Increase in creditors within one year	(47,537)	58,849		
	<b>Net cash inflow from operating activities</b>	<b>18,407</b>	<b>20,898</b>		
		f f f f f f f f f f f f f f f f	f f f f f f f f f f f f f f f f		
2	Analysis of net debt	1 April 2003	Cash flow	Other non-	31 March 2004
			cash changes		
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	-	11,607	-	11,607
	Bank overdrafts	(42,380)	2,238	-	(40,142)
		(42,380)	13,845	-	(28,535)
		f f f f f f f f f f f f f f f f	f f f f f f f f f f f f f f f f	f f f f f f f f f f f f f f f f	f f f f f f f f f f f f f f f f
	Debt:				
	Finance leases	(64,278)	58,670	-	(5,608)
	Debts falling due within one year	(15,097)	3,548	-	(11,549)
	Debts falling due after one year	-	(30,083)	-	(30,083)
		(79,375)	32,135	-	(47,240)
		f f f f f f f f f f f f f f f f	f f f f f f f f f f f f f f f f	f f f f f f f f f f f f f f f f	f f f f f f f f f f f f f f f f
	Net debt	(121,755)	45,980	-	(75,775)
		f f f f f f f f f f f f f f f f	f f f f f f f f f f f f f f f f	f f f f f f f f f f f f f f f f	f f f f f f f f f f f f f f f f
3	Reconciliation of net cash flow to movement in net debt	2004	2003		
		£	£		
	Increase/(decrease) in cash in the year	13,845	(25,769)		
	Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	32,135	(35,166)		
	<b>Movement in net debt in the year</b>	<b>45,980</b>	<b>(60,935)</b>		
	Opening net debt	(121,755)	(60,820)		
	<b>Closing net debt</b>	<b>(75,775)</b>	<b>(121,755)</b>		
		f f f f f f f f f f f f f f f f	f f f f f f f f f f f f f f f f		

# PREDATOR PEST CONTROL PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	25% reducing balance per annum
Fixtures, fittings & equipment	Equipment-25% reducing balance per annum, computer equipment 33% straight line per annum/over 5 years
Motor vehicles	25% reducing balance per annum

#### 1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### 1.6 Stock

Stock is valued at the lower of cost and net realisable value.

#### 1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

#### 1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.



# PREDATOR PEST CONTROL PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

5 Taxation	2004	2003
	£	£
<b>Domestic current year tax</b>		
Adjustment for prior years	(1,951)	-
<b>Current tax charge</b>	(1,951)	-
<b>Deferred tax</b>		
Deferred tax charge/credit current year	4,133	2,932
	2,182	2,932
<b>Factors affecting the tax charge for the year</b>		
Profit on ordinary activities before taxation	18,223	1,205
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2003: 20.00%)	3,462	241
Effects of:		
Non deductible expenses	926	780
Depreciation add back	4,702	4,748
Capital allowances	(8,898)	(7,805)
Adjustments to previous periods	(1,951)	-
Other tax adjustments	(192)	2,036
<b>Current tax charge</b>	(1,951)	-

The company has estimated losses of £3,351 (2003: £nil) available for carry forward against future trading profits.

# PREDATOR PEST CONTROL PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

### 6 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2003	3,301	29,027	104,191	136,519
Additions	2,800	32,631	1,582	37,013
Disposals	-	-	(65,210)	(65,210)
At 31 March 2004	6,101	61,658	40,563	108,322
<b>Depreciation</b>				
At 1 April 2003	1,540	9,943	20,572	32,055
On disposals	-	-	(18,526)	(18,526)
Charge for the year	557	5,523	18,669	24,749
At 31 March 2004	2,097	15,466	20,715	38,278
<b>Net book value</b>				
At 31 March 2004	4,004	46,192	19,848	70,044
At 31 March 2003	1,761	19,084	83,619	104,464

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
<b>Net book values</b>	
At 31 March 2004	17,176
At 31 March 2003	76,542
<b>Depreciation charge for the year</b>	
31 March 2004	5,725
31 March 2003	12,843

### 7 Stocks

	2004 £	2003 £
Raw materials and consumables	7,349	8,228





# PREDATOR PEST CONTROL PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

### 11 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 April 2003	5,095
Profit and loss account	4,132
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Balance at 31 March 2004	9,226
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The deferred tax liability is made up as follows:

	2004 £	2003 £
Accelerated capital allowances	9,863	5,095
Tax losses available	(637)	-
	Ä Ä Ä Ä Ä Ä Ä Ä Ä Ä Ä Ä Ä	
	9,226	5,095
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### 12 Pension costs

#### Defined contribution

	2004 £	2003 £
Contributions payable by the company for the year	6,000	2,600
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### 13 Share capital

#### Authorised

	2004 £	2003 £
50,000 Ordinary shares of £1 each	50,000	50,000
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#### Allotted and called up

50,000 Ordinary shares of £1 each (part paid 40p each)	20,000	20,000
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# PREDATOR PEST CONTROL PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

### 14 Statement of movements on profit and loss account

	<b>Profit and loss account £</b>
Balance at 1 April 2003	39,986
Retained profit for the year	16,041
Balance at 31 March 2004	56,027

### 15 Reconciliation of movements in shareholders' funds

	<b>2004 £</b>	<b>2003 £</b>
Profit/(Loss) for the financial year	16,041	(1,727)
Opening shareholders' funds	59,986	61,713
Closing shareholders' funds	76,027	59,986

### 16 Directors' emoluments

	<b>2004 £</b>	<b>2003 £</b>
Emoluments for qualifying services	140,305	100,228
Company pension contributions to money purchase schemes	6,000	2,500
	146,305	102,728

### 17 Transactions with directors

D K Bralsford has provided a personal guarantee in respect of the bank loans and overdraft facilities for £100,000.

# PREDATOR PEST CONTROL PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

### 18 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2004 Number	2003 Number
Engineers	8	7
Administration	2	2
	10	9

#### Employment costs

	£	£
Wages and salaries	283,968	214,793
Social security costs	32,112	21,380
Other pension costs	6,000	2,600
	322,080	238,773

### 19 Control

The ultimate controlling parties are D K Bralsford and G W Limer, majority shareholders and directors of the company.