

**Touche
Ross**

Deloitte Touche
Tohmatsu
International



Registrar

Company Number 374293

MITIE DEEDS LIMITED

Report and Financial Statements

31 March 1995



**Touche Ross & Co.
Queen Anne House
69-71 Queen Square
Bristol
BS1 4JP**

REPORT AND FINANCIAL STATEMENTS 1995

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REPORT AND FINANCIAL STATEMENTS 1995

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D M Telling
P G T Neilson
W Robson
J A Telling

SECRETARY

A F Waters

REGISTERED OFFICE

The Stable Block
Barley Wood
Wrington
Bristol
BS18 7SA

BANKERS

National Westminster Bank plc
32 Corn Street
Bristol
BS99 7UG

AUDITORS

Touche Ross & Co.
Queen Anne House
69-71 Queen Square
Bristol
BS1 4JP

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 March 1995.

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 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 whether applicable accounting standards have been followed; and
- 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.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company during the year was painting and building maintenance contractors.

Whilst the directors are disappointed with the results for the year, they are of the opinion that the company will develop satisfactorily.

RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £53,762 (1994: profit of £99,117). The directors do not propose the payment of a dividend and recommend that £53,762 be transferred from reserves.

FIXED ASSETS

Details of movements in fixed assets during the year are set out in Note 5 to the financial statements.

DIRECTORS

The directors during the year were as follows:

D M Telling	
P G T Neilson	
W Robson	
J A Telling	
D Crampton	(resigned 8 November 1994)
D J Shafik	(resigned 8 November 1994)
R Homer	(resigned 21 June 1994)
C S Downie	(appointed 21 October 1994, resigned 31 May 1995)

DIRECTORS' REPORT (continued)

DIRECTORS (continued)

The directors had no interest in the share capital of the company at the beginning and end of the financial year.

Mr D M Telling is a director of MITIE Group PLC, the ultimate parent undertaking, and his interest in the share capital of that company is shown in the financial statements of MITIE Group PLC.

Other directors' interests in the share capital of MITIE Group PLC are as follows:

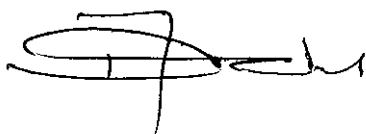
	31 March 1995	1 April 1994
	25p Ordinary shares	50p Ordinary shares
	Number	Number
P G T Neilson	20,000	10,000
W Robson	266,661	-

No other director has a beneficial interest in the share capital of MITIE Group PLC during the year.

AUDITORS

The Bristol Partnership of BDO Binder Hamlyn merged their practice with Touche Ross & Co. on 5 October 1994 and now carry on business under the name of Touche Ross & Co. The directors consented to the appointment of the Bristol Partnership of BDO Binder Hamlyn as auditors of the company being treated as extending to Touche Ross & Co. A resolution to re-appoint Touche Ross & Co. as auditors will be proposed at the Annual General Meeting.

**Approved by the Board of Directors
and signed on behalf of the Board**



A F Waters
Secretary

16 August 1995



Chartered Accountants

Touche Ross & Co.
Queen Anne House
69-71 Queen Square
Bristol BS1 4JP

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AUDITORS' REPORT TO THE MEMBERS OF

MITIE DEEDS LIMITED

We have audited the financial statements on pages 5 to 13 which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the 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 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

23 August 1995

**Chartered Accountants and
Registered Auditors**

PROFIT AND LOSS ACCOUNT
Year ended 31 March 1995

	Notes	Continuing operations 1995 £	1994 £
TURNOVER		3,686,242	3,215,559
Cost of sales		(3,230,767)	(2,618,219)
GROSS PROFIT		455,475	597,340
Administrative expenses		(520,606)	(495,265)
OPERATING (LOSS)/PROFIT	2	(65,131)	102,075
Interest receivable	3	-	453
Interest payable	3	(24,731)	(3,411)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(89,862)	99,117
Tax on profit on ordinary activities	4	36,100	-
RETAINED (LOSS)/PROFIT FOR THE YEAR	10	(53,762)	99,117

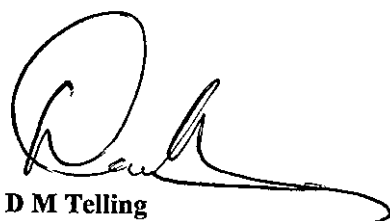
There are no recognised gains or losses for the current financial year or preceding financial year other than as stated in the profit and loss account.

BALANCE SHEET
31 March 1995

	Notes	1995		1994	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		64,086		58,522
CURRENT ASSETS					
Work in progress	6	60,869		204,275	
Debtors	7	795,344		404,163	
Cash at bank and in hand		766		74,721	
		856,979		683,159	
CREDITORS: amounts falling due within one year	8	(851,110)		(617,964)	
Net current assets			5,869		65,195
NET ASSETS			69,955		123,717
CAPITAL AND RESERVES					
Called up share capital	9	225,000		225,000	
Profit and loss account	10	(155,045)		(101,283)	
TOTAL EQUITY SHAREHOLDERS' FUNDS			69,955		123,717

These financial statements were approved by the Board of Directors on 16 August 1995.

Signed on behalf of the Board of Directors



D M Telling
Director

CASH FLOW STATEMENT
Year ended 31 March 1995

	Notes	1995		1994	
		£	£	£	£
Net cash outflow from operating activities	12		(332,526)		(51,207)
Returns on investments and servicing of finance					
Interest received		-		453	
Interest paid		(22,245)		(3,318)	
Net cash outflow from returns on investments and servicing of finance			(22,245)		(2,865)
Investing activities					
Purchase of tangible fixed assets		(29,521)		(52,045)	
Sale of tangible fixed assets		17,225		5,960	
Net cash outflow from investing activities			(12,296)		(46,085)
Decrease in cash and cash equivalents	13		(367,067)		(100,157)

NOTES TO THE ACCOUNTS
Year ended 31 March 1995

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover represents the total, excluding sales taxes, receivable in respect of goods and services supplied and contract work completed in the year.

Tangible fixed assets and depreciation

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

Plant and office equipment	4 to 10 years
Motor vehicles	4 years

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets at the estimated net present value of underlying lease payments and are depreciated in accordance with the above policy. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The finance element of the rental payments is charged to the profit and loss account over the period of the lease or hire purchase contract.

Rentals paid under other leases (operating leases) are charged against income on a straight-line basis over the lease term.

Work in progress

Work in progress is stated at the lower of cost (including appropriate overheads) and net realisable value. Provision is made for foreseeable losses.

Pension costs

Pension costs represent amounts paid to one of the group's pension schemes. Details of the schemes are given in the financial statements of MITIE Group PLC.

Compliance with accounting standards

The financial statements have been prepared in accordance with applicable accounting standards.

2. OPERATING (LOSS)/PROFIT is stated after charging/(crediting):	1995	1994
	£	£
Depreciation	20,644	23,084
Profit on disposal of fixed assets	(13,912)	(5,760)
Auditors' remuneration: audit services	3,500	3,500
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS
Year ended 31 March 1995

3. INTEREST

	1995 £	1994 £
(1) Interest receivable		
Bank interest receivable	-	453
(2) Interest payable		
Other interest	-	1
Bank interest payable	24,731	3,410
	<u>24,731</u>	<u>3,411</u>

4. TAXATION

UK current year taxation		
UK Corporation Tax at 33%	(36,100)	-

No tax charge arose in 1994 due to the availability of brought forward trading losses.

5. TANGIBLE FIXED ASSETS

(1) Summary

	Office equipment and furniture £	Plant and equipment £	Motor vehicles £	Total £
Cost				
1 April 1994	36,755	11,165	140,177	188,097
Additions	7,021	-	22,500	29,521
Disposals	-	-	(54,817)	(54,817)
31 March 1995	<u>43,776</u>	<u>11,165</u>	<u>107,860</u>	<u>162,801</u>
Depreciation				
1 April 1994	30,204	11,165	88,206	129,575
Charge for the year	2,460	-	18,184	20,644
Disposals	-	-	(51,504)	(51,504)
31 March 1995	<u>32,664</u>	<u>11,165</u>	<u>54,886</u>	<u>98,715</u>
Net book value				
31 March 1995	<u>11,112</u>	<u>-</u>	<u>52,974</u>	<u>64,086</u>
31 March 1994	<u>6,551</u>	<u>-</u>	<u>51,971</u>	<u>58,522</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 1995

5. TANGIBLE FIXED ASSETS (continued)

(2) Capital commitments

At 31 March 1995 the directors had authorised capital expenditure of Nil (1994: Nil).

6. WORK IN PROGRESS

	1995	1994
	£	£
Work in progress	148,639	358,900
Payments on account	(87,770)	(154,625)
	<u>60,869</u>	<u>204,275</u>

7. DEBTORS

Amounts due to parent and fellow subsidiary undertakings	31,477	-
Trade debtors	671,401	347,297
Other debtors	-	500
Corporation tax recoverable	92,466	56,366
	<u>795,344</u>	<u>404,163</u>

8. CREDITORS: amounts falling due within one year

Bank overdraft	293,112	-
Trade creditors	341,718	348,936
Other creditors	6,701	3,380
Amounts owed to parent and fellow subsidiary undertakings	80,111	119,223
Accruals	11,600	17,901
Other taxes and social security costs	114,194	90,929
Payments on account	3,674	37,595
	<u>851,110</u>	<u>617,964</u>

9. CALLED UP SHARE CAPITAL

	1995	
	Number	£
(1) Authorised		
£1 Ordinary shares	<u>225,000</u>	<u>225,000</u>
(2) Allotted and fully paid	1995	1994
	£	£
£1 Ordinary shares	<u>225,000</u>	<u>225,000</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 1995

10. PROFIT AND LOSS ACCOUNT

	£
1 April 1994	(101,283)
Retained loss for the year	(53,762)
31 March 1995	(155,045)

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1995 £	1994 £
(Loss)/profit for the financial year	(53,762)	99,117
Opening shareholders' funds	123,717	24,600
Closing shareholders' funds	69,955	123,717

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

Operating (loss)/profit	(65,131)	102,075
Depreciation charges	20,644	23,084
Profit on sale of tangible fixed assets	(13,912)	(5,760)
Decrease/(increase) in work in progress	143,406	(34,156)
Increase in debtors	(355,081)	(137,297)
(Decrease)/increase in creditors	(62,452)	847
Net cash outflow from operating activities	(332,526)	(51,207)

13. CASH AND CASH EQUIVALENTS

Balance of cash and cash equivalents

Bank overdraft	(293,112)	-
Cash at bank and in hand	766	74,721
	(292,346)	74,721

Change in the balance of cash and cash equivalents

1 April	74,721	174,878
Net cash outflow for the year	(367,067)	(100,157)
31 March	(292,346)	74,721

NOTES TO THE ACCOUNTS
Year ended 31 March 1995

14. FINANCIAL COMMITMENTS

(1) Operating leases

At 31 March 1995 the company had no annual commitments under non-cancellable operating leases.

(2) Commitments on behalf of group undertakings

The company is party with other group undertakings to cross-guarantees of each other's bank overdrafts.

15. DIRECTORS

(1) Emoluments

The emoluments of directors of the company were:	1995 £	1994 £
Fees and other emoluments (including pension contributions and benefits-in-kind)	125,702	89,299
Compensation for loss of office	18,550	-
	<u>144,252</u>	<u>89,299</u>

(2) Bandings

Fees and other emoluments disclosed above (excluding pension contributions) include amounts paid to:

The chairman	-	-
The highest-paid director	<u>40,373</u>	<u>28,952</u>

Other directors' emoluments (excluding pension contributions) were in the following ranges:

	Number	Number
£0 - £5,000	3	3
£20,001 - £25,000	-	1
£25,001 - £30,000	1	1
£30,001 - £35,000	1	-
£35,001 - £40,000	<u>1</u>	<u>-</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 1995

16. EMPLOYEES

(1) Number of employees

The average number of persons (including directors) employed by the company during the year was:

	1995 Number	1994 Number
Site labour	4	10
Administration and management	12	13
	<hr/> 16	<hr/> 23
(2) Employment costs	£	£
Wages and salaries	310,881	341,730
Social security costs	24,171	33,021
Other pension costs	16,484	13,367
	<hr/> 351,536	<hr/> 388,118

17. ULTIMATE PARENT UNDERTAKING

The directors regard MITIE Group PLC, a company registered in Scotland, as the company's ultimate parent undertaking. Copies of the group financial statements can be obtained from the company secretary at the registered office.