



MITIE ENGINEERING SERVICES 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

CONTENTS

	Page
Officers and professional advisers	1
Directors' report	2
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the accounts	8
Additional information	14



REPORT AND FINANCIAL STATEMENTS 1995

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D M Telling
W E Belshaw
D Freeman
W E Harding
T G Lewis
C S Acheson

SECRETARY

A F Waters

REGISTERED OFFICE

The Stable Block
Barley Wood
Wroughton
Bristol
BS18 7SA

BANKERS

Midland Bank plc
49 Corn Street
Bristol
BS99 7PP

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

During the year the company provided management and administration services to associated undertakings.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £16,827 (1994: £518,564). The directors do not propose the payment of a dividend and recommend that £16,827 be transferred to reserves.

FIXED ASSETS

Details of movements in fixed assets during the year are set out in Note 7 to the financial statements.

POST BALANCE SHEET EVENT

On 1 April 1995 the company transferred its entire business to the parent undertaking MITIE Group PLC, and has not traded since that date.

DIRECTORS

The directors during the year were as follows:

D M Telling (Chairman)
W E Belshaw
D Freeman
W E Harding
T G Lewis
C S Acheson (appointed 7 February 1994)

DIRECTORS' REPORT (continued)

DIRECTORS (continued)

No director had an interest in the share capital of the company at the beginning or end of the financial year.

Messrs D M Telling and W E Harding are directors of MITIE Group PLC, the parent undertaking, and their interests in the share capital of that company are 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 25p Ordinary shares Number	1 April 1994 50p Ordinary shares Number
W E Belshaw	115,000	-
D Freeman	494,428	251,714
T G Lewis	568,766	287,383
C S Acheson	235,260	1,480

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

Telephone: National 0117 921 1622
International + 44 117 921 1622
Fax (Gp. 3): 0117 929 2801

AUDITORS' REPORT TO THE MEMBERS OF MITIE ENGINEERING SERVICES 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 profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

23 Aug 1995

Chartered Accountants and
Registered Auditors

PROFIT AND LOSS ACCOUNT
Year ended 31 March 1995

	Notes	Discontinuing operations	
		1995	1994
		£	£
TURNOVER	2	-	494,333
Administrative expenses		100,077	51,418
OPERATING PROFIT	3	100,077	545,751
Interest receivable	4	3,381	3,395
Interest payable	4	(74,338)	(19,075)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		29,120	530,071
Tax on profit on ordinary activities	5	(12,293)	(11,507)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		16,827	518,564
Dividends	6	-	(480,633)
RETAINED PROFIT FOR THE YEAR	12	16,827	37,931

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	7		37,723		28,008
Investments	8		-		933,143
			<u>37,723</u>		<u>961,151</u>
CURRENT ASSETS					
Debtors	9	2,889,118		417,820	
CREDITORS: amounts falling due within one year	10	<u>(2,521,234)</u>		<u>(990,191)</u>	
Net current assets/(liabilities)			<u>367,884</u>		<u>(572,371)</u>
NET ASSETS			<u>405,607</u>		<u>388,780</u>
CAPITAL AND RESERVES					
Called up share capital	11		277,722		277,722
Profit and loss account	12		<u>127,885</u>		<u>111,058</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS			<u>405,607</u>		<u>388,780</u>

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 inflow from operating activities	14		449,171		501,838
Returns on investments and servicing of finance					
Interest received		3,230		3,584	
Interest paid		(76,975)		(17,102)	
Dividends paid		(350,000)		(370,633)	
Net cash outflow from returns on investments and servicing of finance			(423,745)		(384,151)
Taxation					
UK Corporation tax (paid)/received			(12,093)		17,993
Investing activities					
Investment in subsidiary undertakings		(2,009,291)		(46,500)	
Sale of investment in subsidiary undertaking		-		48,000	
Purchase of tangible fixed assets		(26,424)		(29,375)	
Sale of tangible fixed assets		-		20,564	
Net cash outflow from investing activities			(2,035,715)		(7,311)
(Decrease)/increase in cash and cash equivalents	15		(2,022,382)		128,369

NOTES TO THE ACCOUNTS
Year ended 31 March 1995

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention.

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:

Office equipment	4 to 10 years
Motor vehicles	4 years

Investments

Investments in subsidiary undertakings are stated at cost less provision for permanent diminution in value.

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. TURNOVER	1995	1994
	£	£
Dividends receivable	-	494,333
	<hr/>	<hr/>
3. OPERATING PROFIT is stated after charging:		
Depreciation	16,709	13,619
Auditors' remuneration: audit services	500	500
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS
Year ended 31 March 1995

4. INTEREST

	1995	1994
	£	£
(1) Interest receivable		
Inter-company loan interest	<u>3,381</u>	<u>3,395</u>
(2) Interest payable		
On bank loans and overdrafts repayable within five years	74,338	17,578
Loan notes and loan stock	-	1,487
Other interest paid	-	10
	<u>74,338</u>	<u>19,075</u>

5. TAXATION

UK current year taxation		
UK Corporation Tax at 33% (1994: 33%)	12,300	12,100
Prior years		
UK Corporation Tax	<u>(7)</u>	<u>(593)</u>
Tax on profit on ordinary activities	<u>12,293</u>	<u>11,507</u>

6. DIVIDENDS

Ordinary:		
Interim paid Nil (1994: 47p) per share	-	130,633
Final proposed of Nil (1994: £1.26) per share	-	350,000
	<u>-</u>	<u>480,633</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 1995

7. TANGIBLE FIXED ASSETS

(1) Summary

	Office equipment £	Motor vehicles £	Total £
Cost			
1 April 1994	5,250	39,375	44,625
Additions	1,999	24,425	26,424
31 March 1995	7,249	63,800	71,049
Depreciation			
1 April 1994	5,250	11,367	16,617
Charge for the year	100	16,609	16,709
31 March 1995	5,350	27,976	33,326
Net book value			
31 March 1995	1,899	35,824	37,723
31 March 1994	-	28,008	28,008

(2) Capital commitments

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

8. INVESTMENTS

Investments in subsidiary undertakings

	£
Cost	
1 April 1994	933,143
Additions in the year	2,009,291
Disposals in the year	(2,942,434)
31 March 1995	-

On 15 September 1994 the company acquired the minority interest of its subsidiary undertaking MITIE Engineering Services (South East) Limited.

On 10 February 1995 the company transferred all of its investments to the parent undertaking MITIE Group PLC at cost.

NOTES TO THE ACCOUNTS
Year ended 31 March 1995

9. DEBTORS	1995	1994
	£	£
Amounts owed by parent company and fellow subsidiary undertakings	2,886,368	417,820
Prepayments and accrued income	2,750	-
	<u>2,889,118</u>	<u>417,820</u>
 10. CREDITORS: amounts falling due within one year		
Bank overdraft	2,484,163	461,781
Amounts owed to parent undertakings	2,957	110,529
Corporation tax	12,300	12,100
Other taxes and social security costs	12,150	9,602
Other creditors	-	25,000
Accruals and deferred income	9,664	21,179
Proposed dividend	-	350,000
	<u>2,521,234</u>	<u>990,191</u>
 11. CALLED UP SHARE CAPITAL		
	1995	
(1) Authorised	Number	£
£1 Ordinary shares	500,000	500,000
(2) Allotted and fully paid	1995	1994
	£	£
£1 Ordinary shares	277,722	277,722
12. PROFIT AND LOSS ACCOUNT	£	
1 April 1994	111,058	
Retained profit for the year	16,827	
 31 March 1995	<u>127,885</u>	

NOTES TO THE ACCOUNTS
Year ended 31 March 1995

**13. RECONCILIATION OF MOVEMENTS IN
SHAREHOLDERS' FUNDS**

	1995 £	1994 £
Profit for the financial year	16,827	518,564
Dividends	-	(480,633)
Net addition to shareholders' funds	16,827	37,931
Opening shareholders' funds	388,780	350,849
Closing shareholders' funds	405,607	388,780

**14. RECONCILIATION OF OPERATING PROFIT TO NET
CASH INFLOW FROM OPERATING ACTIVITIES**

Operating profit	100,077	545,751
Depreciation charges	16,709	13,619
Decrease in debtors	414,287	2,619
Decrease in creditors	(81,902)	(60,151)
Net cash inflow from operating activities	449,171	501,838

15. CASH AND CASH EQUIVALENTS

Balance of cash and cash equivalents

Bank overdrafts	(2,484,163)	(461,781)
-----------------	-------------	-----------

Change in the balance of cash and cash equivalents

1 April	(461,781)	(590,150)
Net cash (outflow)/inflow for the year	(2,022,382)	128,369
31 March	(2,484,163)	(461,781)

16. FINANCIAL COMMITMENTS

Commitments on behalf of group undertakings

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

NOTES TO THE ACCOUNTS
Year ended 31 March 1995

17. DIRECTORS

(1) Emoluments

	1995 £	1994 £
The emoluments of directors of the company were:		
Fees and other emoluments (including pension contributions and benefits-in-kind)	95,297	88,011

(2) Bandings

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

The chairman	-	-
The highest-paid director	85,885	81,550

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

	Number	Number
£0 - £5,000	4	3

18. EMPLOYEES

(1) Number of employees

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

Administration and management	3	3
-------------------------------	---	---

(2) Employment costs

	£	£
Wages	136,990	127,076
Social security costs	12,496	11,720
Other pension costs	5,237	4,561
	154,723	143,357

19. POST BALANCE SHEET EVENT

On 1 April 1995 the company transferred its entire business to the parent undertaking MITIE Group PLC, and has not traded since that date.

20. PARENT UNDERTAKING

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