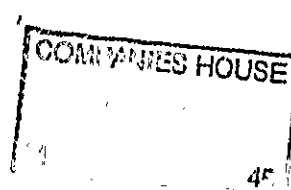


MITIE ENGINEERING SERVICES LIMITED

**DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS**

for the year ended  
31 March 1992



Company Number 2049476

DIRECTORS

D M Telling - Chairman  
W E Belshaw (appointed 2 April 1991)  
D Freeman  
W E Harding  
T G Lewis

SECRETARY

A F Waters

REGISTERED OFFICE

The Stable Block  
Barley Wood  
Wroughton  
Avon BS18 7SA

COMPANY NUMBER

2049476

AUDITORS

BDO Binder Hamlyn  
Broad Quay House  
Broad Quay  
Bristol BS1 4PQ

**DIRECTORS' REPORT**  
for the year ended 31 March 1992

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**FINANCIAL STATEMENTS**

The directors present their report and financial statements for the year ended 31 March 1992. The company's ultimate parent company is MITIE Group PLC, which is incorporated in Scotland.

**PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The company provides management and administration services to its subsidiary companies who provide fully integrated engineering services to the commercial and industrial sector.

The company's business developed satisfactorily and the directors consider that the company is in a good position to continue that development.

**RESULTS AND DIVIDENDS**

The profit for the year after taxation amounted to £372,555. The directors recommend that this amount be dealt with as follows:

	£
Ordinary dividends	
- Final proposed	370,000
Transfer to reserves	2,555
	<u>372,555</u>

**DIRECTORS**

The directors during the year were as stated on page 1.

No director has any interest in the share capital of the company.

Messrs W E Harding and D M Telling are directors of MITIE Group PLC, the ultimate parent company, 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 1992 50p Ordinary shares Number	1 April 1991 50p Ordinary shares Number
D Freeman	6,000	13,000
T G Lewis	293,483	293,483


DIRECTORS' REPORT  
for the year ended 31 March 1992 (continued)

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AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution proposing that BDO Binder Hamlyn be re-appointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 17 August 1992

A handwritten signature in black ink, appearing to read 'A F Waters', written over a horizontal line.

A F Waters  
Secretary

**AUDITORS' REPORT**  
to the members of MITIE Engineering Services Limited

We have audited the financial statements on pages 5 to 12 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 1992 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*BDO Binder Hamlyn*

Chartered Accountants  
Registered Auditor

*17 August 1992*

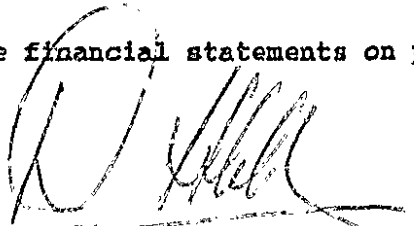
PROFIT AND LOSS ACCOUNT  
for the year ended 31 March 1992

	Notes	1992 £	1991 £
Turnover	2	368,364	96,000
Administrative expenses		(948)	21,046
Operating profit	3	369,312	74,954
Interest receivable	4	18,346	18,630
Interest payable	4	13,069	6,917
Profit on ordinary activities before taxation		374,589	86,667
Tax on profit on ordinary activities	5	2,034	6,699
Profit on ordinary activities after taxation		372,555	93,366
Dividends		370,000	93,000
Retained profit for the year	13	2,555	366

BALANCE SHEET  
as at 31 March 1992

	Notes	1992 £	1991 £
<b>FIXED ASSETS</b>			
Investments	6	386,665	347,665
<b>CURRENT ASSETS</b>			
Debtors	7	578,938	267,880
Cash at bank and in hand		32,683	-
		<u>611,621</u>	<u>267,880</u>
CREDITORS: amounts falling due within one year	8	<u>646,636</u>	<u>179,580</u>
Net Current Assets/(Liabilities)		(35,015)	88,300
Total Assets less Current Liabilities		351,650	435,965
CREDITORS: amounts falling due after more than one year	9	-	87,420
PROVISIONS FOR LIABILITIES AND CHARGES	10	<u>2,400</u>	<u>1,850</u>
Net Assets		<u>349,250</u>	<u>346,695</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	277,722	277,722
Revaluation reserve	12	68,446	68,446
Profit and loss account	13	3,082	527
		<u>349,250</u>	<u>346,695</u>

The financial statements on pages 5 to 12 were approved by the Board on 17 August 1992

  
D M Telling  
Director

CASH FLOW STATEMENT  
for the year ended 31 March 1992

	Notes	1992 £	1991 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	14	214,120	(60,274)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		16,916	15,936
Interest paid		(13,351)	(10,084)
Dividend paid		(93,000)	-
NET CASH (OUTFLOW)/INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(89,435)	5,852
TAX RECEIVED		5,166	17,917
INVESTING ACTIVITIES			
Investment in subsidiary undertakings		(69,000)	(84,000)
Sale of investment in subsidiary undertaking		30,000	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(39,000)	(84,000)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	15	90,851	(120,505)



NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 1992

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1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention.

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

Compliance with accounting standards

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

	1992 £	1991 £
2. TURNOVER		
Dividends receivable	<u>368,364</u>	<u>96,000</u>
3. OPERATING PROFIT is stated after charging:		
Auditors' remuneration	<u>600</u>	<u>500</u>
4. INTEREST		
(a) Interest receivable		
Bank deposit account interest	-	3,621
Inter-company loan interest	<u>18,346</u>	<u>15,009</u>
	<u>18,346</u>	<u>18,630</u>
(b) Interest payable		
On bank loans and overdrafts repayable within five years	7,522	(314)
Loan notes and loan stock	<u>5,547</u>	<u>7,231</u>
	<u>13,069</u>	<u>6,917</u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 1992 (continued)

5. TAXATION	1992 £	1991 £
UK current year taxation		
UK Corporation Tax at 33% (1991: 34%)	1,500	-
Group relief receipt	-	(5,150)
Deferred tax	550	1,850
	<u>2,050</u>	<u>(3,300)</u>
Prior years		
UK Corporation Tax	(16)	(3,399)
Tax on profit on ordinary activities	<u>2,034</u>	<u>(6,699)</u>

## 6. INVESTMENTS

Proportion of  
£1 Ordinary  
shares held at  
31 March 1992

MITIE Engineering Services (South East) Ltd	63%	Trading	10,599	10,599
MITIE Engineering Services (South West) Ltd	51%	Trading	20,400	20,400
MITIE Engineering Services (Bristol) Ltd	100%	Trading	187,766	187,766
MITIE Engineering Services (Swindon) Ltd	-	Trading	-	30,000
MITIE Engineering Services (Cardiff) Ltd	75%	Trading	14,900	14,900
MITIE Engineering Services (North) Ltd	100%	Trading	48,000	42,000
MITIE Engineering Services (Midlands) Ltd	100%	Dormant	48,000	42,000
MITIE Engineering Services (Scotland) Limited	76%	Trading	57,000	-
			<u>386,665</u>	<u>347,665</u>

On 31 March 1992, the company sold its investment in the subsidiary undertaking, MITIE Engineering Services (Swindon) Limited, at par.

On 31 March 1992, further share capital was issued by the company's subsidiary undertaking, MITIE Engineering Services (South East) Limited resulting in a reduction of the proportions of the share capital held in that undertaking to 63% at the balance sheet date.

In April 1992, the company disposed of part of its shareholding in MITIE Engineering Services (South East) Limited. The subsidiary undertaking also issued further share capital in this month.

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 1992 (continued)

6. INVESTMENTS (continued)

Consolidated financial statements for the group have not been prepared as this company is exempt under s228 of the Companies Act 1985, being a wholly owned subsidiary of another company, registered in Scotland, who have prepared consolidated financial statements for the group.

7. DEBTORS	1992 £	1991 £
Value added Tax	66	1,224
Corporation tax recoverable	-	5,150
Amounts owed by subsidiary undertakings	567,298	261,504
Other debtors	11,574	2
	<u>578,938</u>	<u>267,880</u>

Included above is the sum of £50,000 (1991: £140,000) due from subsidiary undertakings in more than one year.

8. CREDITORS: amounts falling due within one year

Bank overdraft	-	58,168
Amounts owed to subsidiary undertakings	159,224	980
Corporation tax	1,500	-
Other creditors	25,000	25,000
Accruals and deferred income	3,492	2,432
3% Loan notes repayable 31 December 1992	87,420	-
Proposed dividends	370,000	93,000
	<u>646,636</u>	<u>179,580</u>

9. CREDITORS: amounts falling due after more than one year

3% Loan notes repayable 31 December 1992	<u>-</u>	<u>87,420</u>
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NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 1992 (continued)

## 10. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred tax £
1 April 1991	1,850
Transfer from profit and loss account	550
31 March 1992	<u>2,400</u>

Deferred tax provided in the financial statements, and the total potential tax liability including the amounts for which provision has been made, are as follows:

	Potential and Provided	
	1992 £	1991 £
Other timing differences	<u>2,400</u>	<u>1,850</u>

## 11. SHARE CAPITAL

Authorised and allotted share capital	Authorised		Allotted, called up and fully paid	
	1992 Number	1991 Number	1992 £	1991 £
£1 Ordinary	<u>500,000</u>	<u>500,000</u>	<u>277,722</u>	<u>277,722</u>

## 12. REVALUATION RESERVE

	1992 £	1991 £
Surplus arising on revaluation of freehold property - still held in the Group	<u>68,446</u>	<u>68,446</u>

## 13. PROFIT AND LOSS ACCOUNT

	£
1 April 1991	527
Retained profit for the year	2,555
31 March 1992	<u>3,082</u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 1992 (continued)

14. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	1992 £	1991 £
Operating profit	369,312	74,954
(Increase) in debtors	(314,778)	(111,208)
Increase/(decrease) in creditors	159,586	(24,020)
Net cash inflow/(outflow) from operating activities	<u>214,120</u>	<u>(60,274)</u>

15. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS

	1992 £	1991 £	Change £
Cash at bank and in hand	32,683	-	32,683
Bank overdrafts	-	(58,168)	58,168
	<u>32,683</u>	<u>(58,168)</u>	<u>90,851</u>

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.

17. DIRECTORS

The directors received no emoluments from the company during the year.

18. ULTIMATE PARENT COMPANY

The directors regard MITIE Group PLC, a company incorporated in Scotland, as the company's ultimate parent company.