



GREENCOTE PAINTING CONTRACTORS LIMITED
(formerly MITIE Secure Services Limited)

Report and Financial Statements

13 March 1999



Deloitte & Touche
Queen Anne House
69-71 Queen Square
Bristol
BS1 4JP

REPORT AND FINANCIAL STATEMENTS 1999

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D M Telling
I R Stewart

SECRETARIES

A F Waters
M O Thomas

REGISTERED OFFICE

The Stable Block
Barley Wood
Wroughton
Bristol
BS40 5SA

AUDITORS

Deloitte & Touche
Queen Anne House
69-71 Queen Square
Bristol
BS1 4JP

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 13 March 1999.

The financial statements have been made up to 13 March 1999, being a date not more than seven days before the accounting reference date as permitted by Section 223 of the Companies Act 1985.

On 18 March 1999 the company changed its name from MITIE Secure Services Limited to Greencote Painting Contractors Limited.

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 as at the end of the financial year 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 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. 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

On 15 March 1997 the business was transferred to MITIE Cleaning (North) Limited, MITIE Cleaning (South East) Limited, MITIE Cleaning (South West) Limited, MITIE Cleaning (Midlands) Limited and Olscot Limited.

RESULTS AND DIVIDENDS

The company remained dormant throughout the year.

DIRECTORS AND THEIR INTERESTS

The directors during the year were as follows:

D M Telling
I R Stewart

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

Messrs D M Telling and I R Stewart are directors of MITIE Group PLC, the company's parent undertaking and their interests in the share capital of that company are shown in the financial statements of MITIE Group PLC.

DIRECTORS' REPORT (continued)

YEAR 2000

The project to cope with the year 2000 technology problem is well under way. An Executive Steering Committee chaired by a Group Managing Director has been established. Its responsibility is to ensure that all operating companies within the group have identified the systems (included embedded chips) with associated business criticality, which require change and have made appropriate plans to ensure that all changes are successfully implemented no later than October 1999.

In addition, systems which are critical to the business but are part of the supplier/customer chain and are outside the direct control of the MITIE Group are also included in the project.

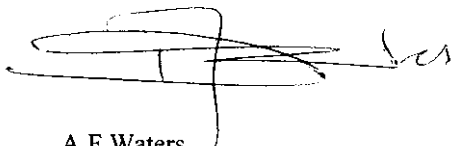
Phase one of this programme has been concluded with all subsidiary companies completing a detailed assessment as to their state of readiness for year 2000. Phase two of this programme has also been completed, which confirms that all key business systems within the group are or have been made compliant well before the target deadline.

Due to the general level of uncertainty inherent with the year 2000 issue it is not possible to be 100% certain that no business interruption will occur. Costs incurred to date have been written off to the profit and loss account and the Board consider that future costs will not have a material impact on the group accounts.

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

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



A F Waters
Secretary

12 August 1999



AUDITORS' REPORT TO THE MEMBERS OF

GREENCOTE PAINTING CONTACTORS LIMITED (formerly MITIE Secure Services Limited)

We have audited the financial statements on pages 5 to 10, which have been prepared under the accounting policy 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 13 March 1999 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and
Registered Auditors

16 August 1999

PROFIT AND LOSS ACCOUNT
Year ended 13 March 1999

	Notes	Discontinued operations	
		1999	1998
		£	£
TURNOVER		-	-
Cost of sales		-	-
GROSS PROFIT		-	-
Administrative expenses (including in 1998 an exceptional write back of inter company creditors of £1,354,524)		-	1,354,524
OPERATING PROFIT		-	1,354,524
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	1,354,524
Tax credit on profit on ordinary activities	2	-	244,028
RETAINED PROFIT FOR THE YEAR	7	-	1,598,552

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

BALANCE SHEET
At 13 March 1999

	Notes	1999 £	1998 £
CURRENT ASSETS			
Debtors	3	109,068	109,068
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	4	(84,177)	(84,177)
NET CURRENT ASSETS		<u>24,891</u>	<u>24,891</u>
NET ASSETS		<u>24,891</u>	<u>24,891</u>
CAPITAL AND RESERVES			
Called up share capital	5	75,000	75,000
Capital reserves		63,504	63,504
Profit and loss account	6	(113,613)	(113,613)
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>24,891</u>	<u>24,891</u>

These financial statements were approved by the Board of Directors on 12 August 1999.

Signed on behalf of the Board of Directors



D M Telling
 Director

CASH FLOW STATEMENT
Year ended 13 March 1999

	Notes	1999 £	1998 £
Net cash inflow from operating activities	8	-	441,592
Taxation			
UK corporation tax received		-	161,176
Increase in cash in the year	9	-	602,768

NOTES TO THE ACCOUNTS
 Year ended 13 March 1999

1. ACCOUNTING POLICY

Accounting convention

The financial statements are prepared under the historical cost convention and are prepared in accordance with applicable accounting standards.

2. TAX CREDIT ON PROFIT ON ORDINARY ACTIVITIES	1999	1998
	£	£
UK current year taxation		
UK corporation tax (1998: 31%)	-	-
Prior years		
UK corporation tax	-	(244,028)
	<u>-</u>	<u>(244,028)</u>

The prior year tax credit relates to the surrender of tax losses to other group companies. No tax charge arose in 1998 as the write-back of the inter company creditors is not taxable.

3. DEBTORS	1999	1998
	£	£
Amounts due from parent undertaking and fellow subsidiary undertakings	<u>109,068</u>	<u>109,068</u>

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1999	1998
	£	£
Amounts owed to parent undertaking and fellow subsidiary undertakings	<u>84,177</u>	<u>84,177</u>

5. CALLED UP SHARE CAPITAL

Authorised	1999	
	No.	£
£1 Ordinary shares	<u>200,000</u>	<u>200,000</u>
Allotted and fully paid	1999	1998
	£	£
£1 Ordinary shares	<u>75,000</u>	<u>75,000</u>

NOTES TO THE ACCOUNTS
Year ended 13 March 1999

6. PROFIT AND LOSS ACCOUNT

	£
At 15 March 1998	(113,613)
Retained profit for the year	-
	<hr/>
At 13 March 1999	(113,613)
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7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999 £	1998 £
Profit for the financial year	-	1,598,552
Opening shareholders' funds	24,891	(1,573,661)
	<hr/>	<hr/>
Closing shareholders' funds	24,891	24,891
	<hr/> <hr/>	<hr/> <hr/>

8. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1999 £	1998 £
Operating profit	-	1,354,524
Decrease in debtors	-	1,290,555
Decrease in creditors	-	(2,203,487)
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Net cash inflow from operating activities	-	441,592
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9. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	1999 £	1998 £
Increase in cash in the year	-	602,768
Net debt at 15 March	-	(602,768)
	<hr/>	<hr/>
Net debt at 13 March	-	-
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10. EMPLOYEES

The company employed no persons during the year (1998: nil), neither did any of the directors receive remuneration from the company (1998: nil).

NOTES TO THE ACCOUNTS
Year ended 13 March 1999

11. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of MITIE Group PLC, Greencote Painting Contractors Limited, has taken advantage of the exemption from the requirement to disclose related party transactions with MITIE Group PLC and companies within the group.

12. PARENT UNDERTAKING

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