

INTERSERVE FM LIMITED
(FORMERLY KNOWN AS MAINTENANCE &
TECHNICAL MANAGEMENT LIMITED)

Report and Financial Statements

31 December 1999

Deloitte & Touche
Colmore Gate
2 Colmore Row
Birmingham
B3 2BN



INTERSERVE *FM* LIMITED(FORMERLY
MAINTENANCE & TECHNICAL MANAGEMENT LIMITED)

REPORT AND FINANCIAL STATEMENTS 1999

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REPORT AND FINANCIAL STATEMENTS 1999

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P D Skett (Chairman)
D R Gwilliams
D Cherington
P S Taylor

SECRETARY

D R Gwilliams

REGISTERED OFFICE

Intersection House
Birmingham Road
West Bromwich
West Midlands
B70 6RX

BANKERS

HSBC Bank plc
130 New Street
Birmingham
B2 4JU

AUDITORS

Deloitte & Touche
Chartered Accountants
Colmore Gate
2 Colmore Row
Birmingham
B3 2BN

REPORT OF THE DIRECTORS'

The directors present their annual report and the audited financial statements for the year ended 31st December 1999.

CHANGE OF NAME

On 29 January 1999 the company changed its name to Interserve *fm* Limited (formerly Maintenance & Technical Management Limited)

ACTIVITIES

The principal activity of the Group continues to be the care of buildings' technical systems under contract, including provision of planned maintenance and management of facilities services, remote monitoring, heat supply and total guarantee contracts.

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The Group continued to build its contract holdings in mechanical and electrical maintenance and within facilities service markets, whilst raising its profile through increased marketing and business development activity.

The prospects remain positive as the company continues to drive down client costs and improve performance through partnership agreements.

Interserve *fm* Limited took over the activities of its subsidiaries, and Tilbury City Limited on 1 April 1999. Interserve *fm* Limited took over the activities of Tilbury Douglas Facilities Management (a business unit of Tilbury Douglas Construction Limited) on 1 January 1999.

RESULTS

The results of the company are as set out in the accounts on page 7.

An interim dividend of £1,022,000 (1998 - £130,000) was paid during the year. The directors do not recommend the payment of a final dividend (1998 - Nil).

After dividends, profits of £836,000 (1998 - profits of £806,000) have been transferred to reserves.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year are set out below:-

P D Skett (Chairman)
D R Gwilliams
D Cherington (appointed 01.04.99)
P A Hanly (appointed 01.07.99) (resigned 10.11.99)
P S Taylor (appointed 01.04.99)
G J Wentzell (resigned 31.03.99)
C Gateley (resigned 31.03.99)

In accordance with the Articles of Association directors are not required to retire by rotation.

The interests of the directors at 31st December 1999 in the capital of the ultimate parent undertakings are as stated below:-

REPORT OF THE DIRECTORS (continued)

| | <u>Shares of 10p each</u> | | <u>Options over Shares of 10p each</u> | | <u>Exercise Price p</u> | <u>Period of Exercise</u> |
|----------------------------|---------------------------|-----------------|--|-----------------|-------------------------|---------------------------|
| | <u>1.1.99*</u> | <u>31.12.99</u> | <u>1.1.99*</u> | <u>31.12.99</u> | | |
| <u>Tilbury Douglas plc</u> | | | | | | |
| P D Skett | 107,205 | 107,205 | 14,150 | 14,150 | 212.00 | 07.10.01-06.10.08 |
| | | | 25,850 | 25,850 | 212.00 | 07.10.01-06.10.05 |
| D R Gwilliams | 26,075 | 26,075 | - | - | - | - |
| D Cherington | 12,665 | 10,000 | | | | |
| P S Taylor | 11,473 | 11,473 | | | | |

Loan Notes of £1 each

| | | |
|-----------|---------|---------|
| P D Skett | 251,708 | 215,708 |
|-----------|---------|---------|

* or date of appointment

The market price of Tilbury Douglas Plc shares at 30th December 1999 was 253.5p (The Stock Exchange was closed on 31 December) The high/low during the year was :- 328.5p and 218.0p.

EMPLOYEES

The company has an established policy that disabled persons, especially should they become disabled in the course of their employment with the company, are employed where circumstances permit. The company endeavors to ensure that disabled employees benefit from training and career development programmes in common with other employees.

POLICY ON PAYMENT OF CREDITORS

It is the Company's normal practice to agree payment terms with its suppliers and abide by those terms. Payment becomes due when it can be confirmed that goods and/or services have been provided in accordance with the relevant contractual conditions. Trade creditors at 31 December 1999, calculated in accordance with requirements of the Companies Act 1985 were 80 days (1998 57 days). This represents the ratio, expressed in days, between the amounts invoiced to the Company in the year by its suppliers and the amounts due, at the year end, to trade creditors falling due for payment within one year.

REPORT OF THE DIRECTORS (continued)

YEAR 2000

No 'Year 2000' issues have emerged to date in relation to current and ongoing business. The company does not foresee any exceptional costs arising during the current financial year from 'Year 2000' issues.

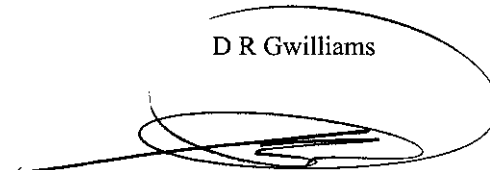
AUDITORS

Resolutions will be proposed at the annual general meeting to re-appoint Deloitte & Touche as auditors to the company and to authorise the directors to fix their remuneration.

Intersection House]
110 Birmingham Road]
West Bromwich]
West Midlands]
B70 6RX]

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

D R Gwilliams

A handwritten signature in dark ink, consisting of a large, sweeping loop followed by several horizontal strokes, positioned below the printed name 'D R Gwilliams'.

Secretary

14th April 2000

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 the group as at the end of the financial year 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 judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed.
- 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.

AUDITORS' REPORT TO THE MEMBERS OF INTERSERVE FM LIMITED

We have audited the financial statements on pages 7 to 16 which have been prepared under the accounting policies set out on pages 9 and 10.

Respective responsibilities of directors and auditors

As described on page 5 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company 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 affairs of the company and the group as at 31st December 1999 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants and Registered Auditors
Colmore Gate
Birmingham
B3 2BN

18 April 2000

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1999**

| | <u>NOTE</u> | <u>1999</u> <u>£000</u> | <u>Group</u> <u>1998</u> <u>£000</u> |
|--|-------------|----------------------------|--|
| TURNOVER | 1 | 50,026 | 39,121 |
| Cost of Sales | | <u>(40,607)</u> | <u>(32,529)</u> |
| GROSS PROFIT | | 9,419 | 6,592 |
| Administration expenses | | <u>(6,800)</u> | <u>(5,146)</u> |
| OPERATING PROFIT | 3 | 2,619 | 1,446 |
| Loss on freehold property disposal | | - | (174) |
| Dividends received | | - | - |
| Interest receivable | 6 | 200 | 178 |
| Interest payable | 7 | <u>(128)</u> | <u>(4)</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 2,691 | 1,446 |
| Tax on profit on ordinary activities | 8 | <u>(833)</u> | <u>(510)</u> |
| PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION ATTRIBUTABLE TO SHAREHOLDERS | | 1,858 | 936 |
| Dividend paid | 9 | <u>(1,022)</u> | <u>(130)</u> |
| RETAINED PROFIT FOR THE YEAR TRANSFERRED TO RESERVES | 18 | <u>836</u> | <u>806</u> |

All activities derive from continuing operations.

A statement of Total Recognised Gains and Losses is not presented as there have been no recognised gains or losses other than the profit for the year and the preceding year set out above.

BALANCE SHEET AT 31ST DECEMBER 1999

| | <u>NOTE</u> | <u>Group</u> | | <u>Company</u> | |
|--|-------------|-----------------|----------------|-----------------|--------------|
| | | <u>1999</u> | <u>1998</u> | <u>1999</u> | <u>1998</u> |
| | | <u>£000</u> | <u>£000</u> | <u>£000</u> | <u>£000</u> |
| FIXED ASSETS | | | | | |
| Tangible assets | 10 | 1,492 | 244 | 1,492 | 155 |
| Investments | 11 | - | - | 200 | 200 |
| | | <u>1,492</u> | <u>244</u> | <u>1,692</u> | <u>355</u> |
| CURRENT ASSETS | | | | | |
| Work in progress | 13 | 90 | 22 | 90 | - |
| Debtors | 14 | 13,152 | 9,506 | 13,152 | 214 |
| Cash at bank and in hand | | <u>1,473</u> | <u>2,561</u> | <u>1,473</u> | <u>81</u> |
| | | <u>14,715</u> | <u>12,089</u> | <u>14,715</u> | <u>295</u> |
| CREDITORS FALLING DUE WITHIN ONE YEAR | | | | | |
| Trade creditors | | (6,336) | (5,345) | (6,336) | (94) |
| Sundry creditors | 15 | <u>(6,089)</u> | <u>(4,094)</u> | <u>(6,262)</u> | <u>(311)</u> |
| | | <u>(12,425)</u> | <u>(9,439)</u> | <u>(12,598)</u> | <u>(405)</u> |
| NET CURRENT ASSETS/(LIABILITIES) | | <u>2,290</u> | <u>2,650</u> | <u>2,117</u> | <u>(110)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>3,782</u> | <u>2,894</u> | <u>3,809</u> | <u>245</u> |
| Provision for liabilities and charges | 16 | <u>(52)</u> | <u>-</u> | <u>(52)</u> | <u>-</u> |
| NET ASSETS | | <u>3,730</u> | <u>2,894</u> | <u>3,757</u> | <u>245</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 17 | 50 | 50 | 50 | 50 |
| Profit and loss account | 18 | <u>3,680</u> | <u>2,844</u> | <u>3,707</u> | <u>195</u> |
| EQUITY SHAREHOLDERS' FUNDS | 19 | <u>3,730</u> | <u>2,894</u> | <u>3,757</u> | <u>245</u> |

These financial statements were approved by the Board of Directors on 14th April 2000

Signed on behalf of the Board of Directors.

P D Skett
DIRECTOR

14th April 2000

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1999

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

ACCOUNTING CONVENTION

These financial statements have been prepared in accordance with the historical cost convention.

BASIS OF CONSOLIDATION

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings, all of which are made up to 31 December each year.

A separate profit and loss account of the company is not presented as part of these financial statements as permitted by Section 230 of the Companies Act 1985.

TURNOVER

Turnover represents the invoiced value of goods supplied and services rendered as adjusted by the variation between opening and closing valuations of contracts in progress and after making full provision for potential claims and allowances.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Depreciation is provided on a straight-line basis calculated to write down their cost over their estimated useful economic lives at the following annual rates:

| | | |
|-------------------------------|---|-----|
| Plant, equipment and fixtures | - | 20% |
| Motor Vehicles | - | 25% |

Site equipment and other items of comparatively low value are normally written off in the year of purchase as revenue expenditure on the grounds that the life expectancy of such assets can not be predicted with reasonable certainty, although it is likely to be less than three years in most instances.

INVESTMENTS

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

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1999

1. ACCOUNTING POLICIES (Continued)

OPERATING LEASES

Operating lease rentals are charged on a straight line basis over the lease terms.

CONTRACTS IN PROGRESS

Contract work in progress is valued at cost plus attributable profit less foreseeable losses. Attributable profit is included when the outcome of a contract can be assessed with reasonable certainty. The value of contract work in progress is accounted for within turnover and in accordance with Statement of Standard Accounting Practice 9 (Revised) - Stocks and Long-term Contracts. The excess of the book value over payments receivable is included in debtors as "Amounts recoverable on Contracts". Payments receivable in excess of book value on an individual contract basis are included in creditors as "Advance Payments".

STOCKS

Stocks are valued at the lower of cost (ascertained on first in first out principles) and net realisable value after making due provision in respect of redundant, obsolete and defective stocks.

PENSION COSTS

On 1st January 1999 the How Group Staff Pension and Life Assurance Scheme was merged with the Tilbury Douglas Group Pension scheme. This Scheme is of the defined benefit type and is funded in advance by contributions at rates assessed by independent professionally qualified actuaries in valuation reports normally every three years. Particulars of the actuarial valuation are contained in the financial statements of the ultimate parent undertaking, Tilbury Douglas Plc. The Scheme enjoyed a pension holiday in 1999 and as such no costs were charged to the profit and loss account.

In addition, the company contributes to a number of defined contribution schemes operated within the Construction Industry for the benefit of operatives and other personnel not eligible to participate in the staff Pension Scheme. The costs of these Schemes are charged to the profit and loss account as the contributions become payable.

DEFERRED TAXATION

Provision is made and relief is taken at projected rates of taxation for timing differences between the treatment of certain items for taxation and for accounting purposes to the extent that liabilities or assets are likely to crystallise in the foreseeable future.

2. SEGMENTAL ANALYSIS

The Group's turnover arises in the U.K. from its ordinary activities.

| 3. OPERATING PROFIT | 1999 £000 | 1998 £000 |
|--|----------------------|----------------------|
| Operating profit is arrived at after charging: | | |
| Depreciation (including adjustments for disposals) | | |
| On owned assets | 242 | 62 |
| Rentals under operating leases | | |
| Hire of plant machinery and vehicles | 1190 | 989 |
| Land and buildings | 198 | 145 |
| Remuneration payable to auditors | | |
| Audit fees | 23 | 25 |

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1999

| | 1999 | 1998 |
|---|----------------------|----------------------|
| 4. EMPLOYEES | Number | Number |
| The average number employed by the company (including directors) within each category of persons was: | | |
| Production | 830 | 508 |
| Sales | 1 | - |
| Administration | 184 | 169 |
| | <u>1,015</u> | <u>677</u> |
| The costs incurred in respect of these employees (including directors) were: | | |
| Wages and salaries | 21,257 | 13,074 |
| Social Security costs | 2,046 | 1,255 |
| Other pension costs | 608 | 475 |
| | <u>23,911</u> | <u>14,804</u> |
| 5. DIRECTORS | £ | £ |
| Remuneration | 354,122 | 181,004 |
| Pension contributions | 30,104 | 18,991 |
| Value awards under long term incentive plan | - | 52,912 |
| | <u>384,226</u> | <u>252,907</u> |
| The emoluments of the highest paid director | | |
| Remuneration | 128 | 117 |
| Pension contributions | 11 | 10 |
| All directors are members of the How Group Staff Pension and Life Assurance Scheme. (1998 Three directors). | | |
| 6. INTEREST RECEIVABLE | 1999 £000 | 1998 £000 |
| Group interest | 193 | 178 |
| Other interest | 7 | - |
| | <u>200</u> | <u>178</u> |
| 7. INTEREST PAYABLE | 1999 £000 | 1998 £000 |
| Bank loans and overdrafts | 1 | 2 |
| Group interest | 127 | 2 |
| | <u>128</u> | <u>4</u> |

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1999

| | 1999 £000 | 1998 £000 |
|--|--------------|--------------|
| 8. TAX ON PROFIT ON ORDINARY ACTIVITIES | | |
| UK Corporation tax at 30% (1998-31%) | 781 | 516 |
| Transfer to deferred taxation | 52 | (2) |
| Adjustments relating to prior years | | |
| Corporation tax | - | (4) |
| | <u>833</u> | <u>510</u> |

| | | |
|--|------------------|----------------|
| 9. DIVIDENDS | | |
| On 50,000 ordinary share of £1 each | | |
| Interim dividend paid at £20.44 (1998 - £2.60) | <u>1,022,000</u> | <u>130,000</u> |

10. TANGIBLE FIXED ASSETS

| GROUP | Motor Vehicles £000 | Plant Equip Fixtures & Computers £000 | Total £000 |
|-----------------------|---------------------------|--|---------------|
| COST | | | |
| 1st January 1999 | 189 | 588 | 777 |
| Additions at cost | - | 1,185 | 1,185 |
| Group transfers | 45 | 466 | 511 |
| Disposals | (48) | (5) | (53) |
| 31st December 1999 | <u>186</u> | <u>2,234</u> | <u>2,420</u> |
| DEPRECIATION | | | |
| 1st January 1999 | 116 | 417 | 533 |
| Provided in year | 19 | 223 | 242 |
| Group transfers | 45 | 152 | 197 |
| Disposals | (39) | (5) | (44) |
| 31st December 1999 | <u>141</u> | <u>787</u> | <u>928</u> |
| NET BOOK VALUE | | | |
| 31st December 1999 | | | |
| Owned assets | <u>45</u> | <u>1,447</u> | <u>1,492</u> |
| 31st December 1998 | | | |
| Owned assets | <u>73</u> | <u>171</u> | <u>244</u> |

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1999

10. TANGIBLE FIXED ASSETS (continued)

| COMPANY | Motor Vehicles £000 | Plant Equip Fixtures & Computers £000 | Total £000 |
|--|---------------------------|--|----------------------|
| COST | | | |
| 1st January 1999 | 21 | 254 | 275 |
| Transfers at cost | 189 | 801 | 990 |
| Additions at cost | - | 1,185 | 1,185 |
| Disposals | (24) | (5) | (29) |
| 31st December 1999 | 186 | 2,235 | 2,421 |
| DEPRECIATION | | | |
| 1st January 1999 | 6 | 114 | 120 |
| Transfers | 136 | 456 | 592 |
| Provided in year | 19 | 223 | 242 |
| Disposals | (20) | (5) | (25) |
| 31st December 1999 | 141 | 788 | 929 |
| NET BOOK VALUE | | | |
| 31st December 1999 Owned assets | 45 | 1,447 | 1492 |
| 31st December 1998 Owned assets | 15 | 140 | 155 |
| | | 1999 £000 | 1998 £000 |
| Committed future capital expenditure not provided for in the accounts | | 81 | 380 |

11. FIXED ASSET INVESTMENTS

| | |
|--|------|
| Shares in subsidiary undertakings | £000 |
| Cost | |
| At 1 January 1999 and 31 December 1999 | 200 |

At 31 December 1999 the Company's subsidiary undertakings, all of which are wholly owned were:-

Maintenance and Technical Management (London) Limited
Maintenance and Technical Management (Midlands) Limited
Maintenance and Technical Management (Northern) Limited
Maintenance and Technical Management (Scotland) Limited

All the above subsidiaries are engaged in the maintenance of services to buildings until 31st March 1999 when they ceased trading.

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1999

12. OPERATING LEASES

At 31st December 1999 Company had annual commitments under non-cancelable operating leases as follows:-

| | <u>Land and Buildings</u> | | <u>Other</u> | |
|-----------------------|---------------------------|------------|--------------|------------|
| | 1999 | 1998 | 1999 | 1998 |
| | £000 | £000 | £000 | £000 |
| Commitments expiring: | | | | |
| within 1 year | 28 | 27 | 755 | 491 |
| in two to five years | - | - | 854 | 377 |
| after five years | 138 | 103 | - | 29 |
| | <u>166</u> | <u>130</u> | <u>1,609</u> | <u>897</u> |

The majority of leases of land and buildings are subject to annual rent reviews.

| | <u>Group</u> | | <u>Company</u> | |
|---------------|--------------|-----------|----------------|----------|
| | 1999 | 1998 | 1999 | 1998 |
| | £000 | £000 | £000 | £000 |
| 13. STOCKS | | | | |
| Raw Materials | <u>90</u> | <u>22</u> | <u>90</u> | <u>-</u> |

| | <u>Group</u> | | <u>Company</u> | |
|------------------------------------|---------------|--------------|----------------|------------|
| | 1999 | 1998 | 1999 | 1998 |
| | £000 | £000 | £000 | £000 |
| 14. DEBTORS | | | | |
| Amounts recoverable on contracts | 3,689 | 2,377 | 3,689 | - |
| Trade debtors | 8,360 | 6,324 | 8,360 | (12) |
| Amounts owed by group undertakings | 156 | 459 | 156 | 87 |
| Other debtors | 530 | 46 | 530 | 18 |
| Prepayments and accrued income | 417 | 178 | 417 | 121 |
| Taxation recoverable | - | 70 | - | - |
| Deferred taxation (see note 16) | - | 52 | - | - |
| | <u>13,152</u> | <u>9,506</u> | <u>13,152</u> | <u>214</u> |

15. SUNDRY CREDITORS

| | | | | |
|------------------------------------|--------------|--------------|--------------|------------|
| Amounts owed to group undertakings | 1,262 | 415 | 1,435 | 86 |
| Other creditors | 1,265 | 571 | 1,265 | 149 |
| Corporation tax | 667 | 555 | 667 | 2 |
| Other taxation and social security | 1,232 | 1,272 | 1,232 | 52 |
| Accruals and deferred income | 1,663 | 1,281 | 1,663 | 22 |
| | <u>6,089</u> | <u>4,094</u> | <u>6,262</u> | <u>311</u> |

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1999

| | | <u>Group and Company</u> | |
|--|---|--------------------------|----------------|
| | | <u>1999</u> | <u>1998</u> |
| | | <u>£000</u> | <u>£000</u> |
| 16. DEFERRED TAXATION | | | |
| (a) | Movement in year | | |
| | 1st January 1999 | (52) | (50) |
| | Transfer from Group Company | 52 | - |
| | Charge/(Credit) for year | (52) | (2) |
| | 31st December 1999 | (52) | (52) |
| (b) | The source of the balance on deferred tax | | |
| | Other timing differences | (52) | (52) |
| 17. CALLED UP SHARE CAPITAL | | | |
| | Authorised | | |
| | 50,000 ordinary shares of £1 each | 50 | 50 |
| | Allotted and fully paid | | |
| | 50,000 ordinary shares of £1 each | 50 | 50 |
| | | <u>Group</u> | <u>Company</u> |
| 18. PROFIT AND LOSS ACCOUNT | | | |
| | 1st January 1999 | 2,844 | 195 |
| | Retained profit for the year | 836 | 3,512 |
| | 31st December 1999 | 3,680 | 3,707 |
| Parent company profit for the year before dividends amounts to £4534000 (1998 - nil) | | | |
| 19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS | | | |
| | Profit attributable to shareholders | 1,858 | 936 |
| | Dividends | (1,022) | (130) |
| | Movement in year | 836 | 806 |
| | Opening shareholders' funds | 2,894 | 2,088 |
| | Closing shareholders' funds | 3,730 | 2,894 |
| 20. CONTINGENT LIABILITIES | | | |

At 31st December 1999 there were contingent liabilities in respect of guarantees given in the ordinary course of business.

At 31st December 1999 there were contingent liabilities in respect of guarantees given in the ordinary course of business. The company have given guarantees covering banking facilities made available to its ultimate parent company and fellow subsidiary undertakings. At 31st December 1999 these amounted to £85,131,000 (1998 - £41,348,000).

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1999

21. CASH FLOW STATEMENT

The company is not presenting a cash flow statement. It has taken advantage of the exemption contained in Financial Reporting Standard 1 (Revised) - Cash Flow Statements, as the ultimate parent undertaking, Tilbury Douglas Plc, has included a consolidated cash flow statement in the group accounts.

22. ULTIMATE PARENT UNDERTAKING AND RELATED PARTY TRANSACTIONS

The company's ultimate parent undertaking and ultimate controlling party is Tilbury Douglas Plc, which is in-incorporated in Great Britain. The Group accounts of Tilbury Douglas Plc are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

The Company has taken advantage of the exemption contained in Financial Reporting Standard 8 - Related Party Transactions not to report transactions with Investee Companies in the Tilbury Douglas Group which are in the consolidated financial statements of Tilbury Douglas Plc.