

MITIE ENGINEERING SERVICES (SOUTH EAST) LIMITED

274631

DIRECTORS REPORT

Directors: D M Telling  
W E Harding  
C S Acheson  
W E Belshaw (resigned 2 April 1991)  
J D Cullen  
S J Macey

Secretary: A F Waters

Registered Office: The Stable Block, Barley Wood, Wrington, Avon  
BS18 7SA

Company Number: 972457

REPORT OF THE DIRECTORS

The Directors submit their annual report and financial statements of the company for the year ended 31 March 1991.

The company is a subsidiary of MITIE Engineering Services Ltd, who own 75% of the issued share capital.

PRINCIPAL ACTIVITY

The principal activity of the company is the provision of mechanical and electrical services.

No material events have happened since the end of the financial year other than in the ordinary course of trade.

DIRECTORATE

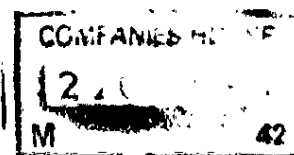
The directors at the date of this report are stated above.

The beneficial interest of the directors and their families in the share capital of the company are:-

	<u>31 March 1991</u>	<u>31 March 1990</u>
C S Acheson	50	50
W E Belshaw	50	50
J D Cullen	50	50
S J Macey	50	50

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

Messrs D M Telling and W E Harding are directors of MITIE Group PLC in which company's financial statements their interests in the share capital of that company is shown.



MITIE ENGINEERING SERVICES (SOUTH EAST) LIMITED

DIRECTORS REPORT continued

DIRECTORATE continued

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

	<u>31 March 1991</u> <u>Ordinary Shares</u>	<u>1 April 1990</u> <u>Ordinary Shares</u>
C S Acheson	1,480	-

RESULTS

The financial results for the year are set out in the accompanying accounts. The profit for the year after taxation was £39,441 which has been transferred to reserves. The directors do not recommend a dividend in respect of the year. The company enjoys the financial support of its parent company.

AUDITORS

In accordance with S384 of the Companies Act 1985, a resolution proposing the re-appointment of BDO Binder Hamlyn as auditors will be put to the annual general meeting.

This report was approved by the Board on 14 August 1991.

  
A F WATERS

Secretary

REPORT OF THE AUDITORS TO THE MEMBERS OF  
MITE ENGINEERING SERVICES (SOUTH EAST) LIMITED

We have audited the financial statements set out on pages 4 to 11 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 1991 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



EDO BINDER HAMLYN

Chartered Accountants

Bristol

Date: 14 August 1991

MITLE ENGINEERING SERVICES (SOUTH EAST) LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 March 1991

	Note	1991 £	1990 £
TURNOVER		1,738,619	-
Cost of sales		(1,283,780)	47,265
GROSS PROFIT		454,839	47,265
Administrative expenses		(113,790)	(138,026)
OPERATING PROFIT/(LOSS)		41,049	(90,761)
Interest receivable	2	34,899	8,732
Interest payable	3	(15,008)	(4,811)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4	60,940	(86,840)
Taxation	5	(21,499)	26,840
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION RETAINED FOR THE YEAR		39,441	(60,000)
		=====	=====

STATEMENT OF RETAINED PROFITS

Balance at beginning of year	(60,000)	-
Retained Profit/(Loss) for the year	39,441	(60,000)
Balance at end of the year	(20,559)	(60,000)
	=====	=====



MITLE ENGINEERING SERVICES (SOUTH EAST) LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS for the year ended 31 March 1991

	1991 £	1990 £
SOURCE OF FUNDS		
Funds generated from operations		
Profit/(Loss) before taxation	60,940	(86,840)
Depreciation	29,682	5,152
Loss on disposal of fixed assets	1,901	-
	<hr/>	<hr/>
	92,523	(81,688)
Funds from other sources		
Group relief receipt	26,841	-
Proceeds on disposal of fixed assets	4,149	-
Shares issued	-	800
	<hr/>	<hr/>
	123,513	(80,888)
APPLICATION OF FUNDS		
Purchase of fixed assets	70,208	71,074
Investment	30,000	-
	<hr/>	<hr/>
Increase/(Decrease) in working capital	23,305	(151,962)
	<hr/>	<hr/>
Arising from movements in:		
Debtors	79,564	521
Work in progress	148,043	-
Creditors	(312,969)	(424,857)
Cash balance	108,667	272,374
	<hr/>	<hr/>
	23,305	(151,962)
	<hr/>	<hr/>

# MITIE ENGINEERING SERVICES (SOUTH EAST) LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 March 1991

## 1. ACCOUNTING POLICIES

### ACCOUNTING CONVENTION

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

### TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost or valuation, less depreciation. Depreciation is provided on tangible fixed assets on a straight line basis over the expected useful lives.

Plant	4-10 years
Vehicles	4 years

### LEASED ASSETS

Assets acquired under finance leases are included in tangible fixed assets and depreciated in accordance with the above policy. Outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account in equal instalments over the lease term.

### WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost including appropriate overheads and net realisable value. Provision is made for foreseeable losses. Long term contracts where applicable are treated in accordance with SSAP9.

### DEFERRED TAXATION

Provision is made for deferred taxation only to the extent that, in the opinion of the directors, a liability is expected to arise in the foreseeable future.

### TURNOVER

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

## 2. INTEREST RECEIVABLE

	1991 £	1990 £
Bank interest receivable	33,378	8,732
Other	1,521	-
	<hr/>	<hr/>
	34,899	8,732
	=====	=====

MITLE ENGINEERING SERVICES (SOUTH EAST) LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 March 1991

3. <u>INTEREST PAYABLE</u>	1991 £	1990 £
Interest payable on loan stock	15,008	4,811
	=====	=====
4. <u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES</u>		
This is stated after charging:		
Auditors remuneration	2,000	1,000
Depreciation	29,682	5,152
	=====	=====
5. <u>TAXATION</u>		
UK Corporation tax at 34% (1990 35%)		
- current year	(21,500)	-
- group relief receipt	-	26,840
- overprovision in prior years	1	-
	-----	-----
	(21,499)	26,840
	=====	=====
6. <u>DIRECTORS AND EMPLOYEES</u>		
Staff costs:		
Wages and salaries	211,411	48,833
Social security costs	19,448	4,314
Other pension costs	10,137	2,790
	-----	-----
	240,996	55,937
	=====	=====
The average number of persons employed during the year	<u>Number</u>	<u>Number</u>
Administration and management	9	5
	=====	=====
The remuneration paid to directors was:	£	£
Emoluments for services as directors	154,648	48,044
Pension contributions	10,137	2,633
	-----	-----
	164,785	50,677
	=====	=====
The directors remuneration disclosed above, excluding pension contributions, included amounts paid to:		
The Chairman	-	-
The highest paid director	41,882	14,035
	=====	=====



# MITIE ENGINEERING SERVICES (SOUTH EAST) LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 March 1991

## 6. DIRECTORS AND EMPLOYEES continued

The number of other directors who received emoluments, excluding pension contributions, fell within the ranges:

	1991	1990
	<u>Number</u>	<u>Number</u>
£0 - £5,000	1	2
£10,001 - £15,000	-	3
£35,001 - £40,000	3	-
	=====	=====

## 7. TANGIBLE ASSETS

	<u>Office Equip</u> £	<u>Motor Vhcls</u> £	<u>Total</u> £
<b>COST</b>			
Balance brought forward	33,612	37,462	71,074
Additions	12,207	58,001	70,208
Group transfers	(400)	-	(400)
Disposals	-	(8,750)	(8,750)
	-----	-----	-----
Balance carried forward	45,419	86,713	132,132
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<b>DEPRECIATION</b>			
Balance brought forward	1,461	3,691	5,152
Charge for the year	7,200	22,482	29,682
Group transfers	(1)	-	(1)
Disposals	-	(3,099)	(3,099)
	-----	-----	-----
Balance carried forward	8,660	23,074	31,734
	-----	-----	-----
<b>NET BOOK VALUE</b>			
31 March 1991	36,759	63,639	100,398
	-----	-----	-----
31 March 1990	32,151	33,771	65,922
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The net book value includes an amount of £10,817 (1990 - £NIL) in respect of assets held under finance leases and hire purchase contracts.

## 8. INVESTMENT

The investment represents a 75% holding in the issued ordinary share capital of MITIE Maintenance (South East) Limited, a company incorporated in England.

# MITIE ENGINEERING SERVICES (SOUTH EAST) LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 March 1991

## 9. STOCK AND WORK IN PROGRESS

	1991 £	1990 £
Work in progress	1,167,839	756,509
Cash received on account	(1,019,796)	(756,509)
	<hr/> 148,043	<hr/> NIL
	=====	=====

## 10. DEBTORS

Trade debtors	42,675	-
Other debtors	67	2,395
Prepayments	11,445	8,125
Corporation tax recoverable	-	26,840
Due from group company	35,897	-
	<hr/> 90,084	<hr/> 37,360
	=====	=====

## 11. CREDITORS: amounts falling due within one year

Trade creditors	456,153	87,848
Obligations under hire purchase agreements	2,787	-
Amounts due to group companies	81,758	123,733
Corporation tax	21,500	-
Taxation and social security	27,442	48,384
Accruals	944	5,232
Other creditors	10,500	-
Contract payments in advance	12,456	19,660
	<hr/> 616,540	<hr/> 284,857
	=====	=====

## 12. CREDITORS: amounts falling due after more than one year

10.72% Unsecured Loan Stock	140,000	140,000
Obligations under hire purchase agreements	2,786	-
	<hr/> 142,786	<hr/> 140,000
	=====	=====

MITIE ENGINEERING SERVICES (SOUTH EAST) LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 March 1991

13. SHARE CAPITAL

	Authorised	1991 Allotted and fully paid	1990
Ordinary shares of £1 each	1,000	800	800
Non Voting Preferred			
Ordinary shares of £1 each	10,000	9,999	9,999
		<hr/>	<hr/>
		10,799	10,799
		=====	=====

The ultimate holding company at the Balance Sheet date is MITIE Group PLC, a company incorporated in Scotland.

14. CONTINGENT LIABILITY

The company is a party to a cross guarantee agreement with Midland Bank plc which guarantees the facilities utilised by certain fellow subsidiary companies.