

**Company Registration Number 1006742**

**MITIE ENGINEERING SERVICES (BRISTOL) LIMITED**

**Report and Financial Statements**

**31 March 2005**



# MITIE ENGINEERING SERVICES (BRISTOL) LIMITED

## REPORT AND FINANCIAL STATEMENTS 2005

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# **MITIE ENGINEERING SERVICES (BRISTOL) LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

C S Acheson  
J F Davis  
D Freeman  
K Loveridge  
R McGregor-Smith  
A R Moyes  
I R Stewart  
C S Townsend  
P B C. Williams

### **SECRETARY**

C K Ross

### **REGISTERED OFFICE**

8 Monarch Court  
The Brooms  
Emersons Green  
Bristol  
BS16 7FH

### **BANKERS**

HSBC Bank plc  
49 Corn Street  
Bristol  
BS99 7PP

### **AUDITORS**

Deloitte & Touche LLP  
Bristol

## MITIE ENGINEERING SERVICES (BRISTOL) LIMITED

### DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31 March 2005.

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 1985. They are also responsible for the system of internal control, 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

The company's principal activity is the design and installation of electrical and mechanical services in domestic, commercial and industrial premises.

The company's business has 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 £489,957 (2004: £501,964). The directors recommend that this amount be dealt with as follows:

	2005 £	2004 £
Ordinary dividends:		
- Final proposed £3,696.97 (2004: £15,272.73) per share	244,000	1,008,000
Transfer to/(from) reserves	245,957	(506,036)
	<u>489,957</u>	<u>501,964</u>

# MITIE ENGINEERING SERVICES (BRISTOL) LIMITED

## DIRECTORS' REPORT (continued)

### DIRECTORS AND THEIR INTERESTS

The directors during the year were as follows:

C S Acheson  
J F Davis  
D Freeman  
K Loveridge  
R McGregor-Smith  
A R Moyes  
I R Stewart  
C S Townsend  
P B C Williams

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

C S Acheson, I R Stewart and R McGregor-Smith are directors of MITIE Group PLC, the parent undertaking, and their interests in and options on the share capital of that company and other group companies are shown in the financial statements of MITIE Group PLC.

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

	At 31 March 2005 2.5p Ordinary shares No.	At 1 April 2004 2.5p Ordinary shares No.
J F Davis	516,334	528,194
D Freeman	906,336	1,561,336
K Loveridge	35,134	32,752
A R Moyes	61,045	66,800
C S Townsend	274,126	364,626
P B C Williams	44,750	54,750

K Loveridge and P B C Williams each hold 2,500 (2004: 2,500) 'B' ordinary shares in the share capital of MITIE Air Conditioning (West) Limited.

No other director had an interest in any other group company.

### Share Options

		At 1 April 2004	Granted during the period Options	Price	Exercise period From	To	Exercised during the period Options	Price	At 31 March 2005
K Loveridge	(i)	2,382	-	-	-	-	2,382	£0.85	-
	(i)	1,574	-	-	2005	-	-	-	1,574
	(i)	1,296	-	-	2006	-	-	-	1,296
	(i)	-	2,725	£1.20	2009	-	-	-	2,725
	(ii)	7,000	-	-	2003	2007	-	-	7,000

- (i) Options under the Savings Related Option Scheme  
(ii) Options under the Executive Share Option Scheme

## MITIE ENGINEERING SERVICES (BRISTOL) LIMITED

### DIRECTORS' REPORT (continued)

#### DIRECTORS AND THEIR INTERESTS (continued)

##### Share Options (continued)

		At 1 April 2004	Granted during the period Options	Price	Exercise period From	To	Exercised during the period Options	Price	At 31 March 2005
A R Moyes	(ii)	10,000	-	-	2001	2005	-	-	10,000
	(ii)	10,000	-	-	2003	2007	-	-	10,000
C S Townsend	(i)	2,382	-	-	-	-	2,382	£0.85	-
	(i)	990	-	-	2005	-	-	-	990
	(i)	1,791	-	-	2007	-	-	-	1,791
	(i)	1,592	-	-	2008	-	-	-	1,592
P B C Williams	(i)	2,970	-	-	2005	-	-	-	2,970
	(ii)	15,000	-	-	2002	2006	-	-	15,000

(i) Options under the Savings Related Option Scheme

(ii) Options under the Executive Share Option Scheme

No other directors held share options in MITIE Group PLC at the beginning or end of the period.

Further details of the MITIE Group PLC Share Schemes are given in the accounts of that company.

#### PAYMENT POLICY

The company's policy is to comply with the terms of payment agreed with a supplier. Where terms are not negotiated, the company endeavours to adhere to the supplier's standard terms. As at 31 March 2005 trade creditors, as a proportion of amounts invoiced from suppliers for the year, represented 85 days (2004: 77 days).

In the industry in which the company operates credit periods are frequently extended by agreement. The company's creditor days are a reflection of this custom.

#### EMPLOYEES

The company offers equal opportunities to all applicants for employment whatever their sex, race or religion. Disabled persons are considered for employment, training, career development and promotion on the basis of their attitudes and abilities in common with all employees, providing the disability does not make the particular employment impractical or the employee unable to conform to the stringent regulations which apply to the operations of the company.

The company recognises the importance of good communications and employee relationships. In each company there is a relationship between the Chief Executive of MITIE Group PLC and individual employees in the company. In these conditions, complex consultative procedures are seldom required to ensure that there is an understanding of the purpose of the business and the commercial realities of success. Employees are encouraged to become shareholders through the Savings Related Share Option Scheme.

**MITIE ENGINEERING SERVICES (BRISTOL) LIMITED**

**DIRECTORS' REPORT (continued)**

**AUDITORS**

Pursuant to Section 386 Companies Act 1985, an elective resolution was passed on 14 March 2005 dispensing with the requirement to appoint auditors annually. Therefore Deloitte & Touche LLP are deemed to continue as auditors.

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

A handwritten signature in black ink, appearing to be 'C K Ross', with a horizontal line extending from the end of the signature.

**C K Ross**  
Secretary

19 July 2005

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
MITIE ENGINEERING SERVICES (BRISTOL) LIMITED**

We have audited the financial statements of MITIE Engineering Services (Bristol) Limited for the year ended 31 March 2005 which comprise the profit and loss account, the balance sheet, the cash flow statement and related notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*

**DELOITTE & TOUCHE LLP**  
Chartered Accountants and Registered Auditors  
Bristol

19 July 2005



# MITIE ENGINEERING SERVICES (BRISTOL) LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 31 March 2005

	Notes	Continuing operations	
		2005	2004
		£	£
<b>TURNOVER</b>	1	16,182,532	17,453,954
Cost of sales		(13,497,020)	(14,659,437)
<b>GROSS PROFIT</b>		2,685,512	2,794,517
Administrative expenses		(2,017,599)	(2,094,972)
<b>OPERATING PROFIT</b>	2	667,913	699,545
Interest receivable	3	18,394	29,923
Interest payable	3	(4,449)	(555)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		681,858	728,913
Tax on profit on ordinary activities	4	(191,901)	(226,949)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		489,957	501,964
Dividends	5	(244,000)	(1,008,000)
<b>RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	11	245,957	(506,036)

There are no recognised gains and losses for the current and preceding financial year other than as stated in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses is presented.

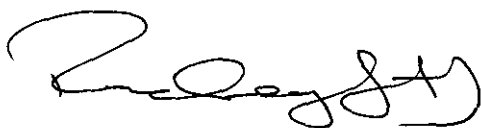
# MITIE ENGINEERING SERVICES (BRISTOL) LIMITED

## BALANCE SHEET At 31 March 2005

	Notes	£	2005 £	£	2004 £
<b>FIXED ASSETS</b>					
Tangible assets	6		156,772		180,873
<b>CURRENT ASSETS</b>					
Stocks	7	1,000		12,043	
Debtors	8	5,522,108		3,795,742	
Cash at bank and in hand		185		946,045	
			5,523,293	4,753,830	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	(4,541,210)		(4,041,805)	
<b>NET CURRENT ASSETS</b>			982,083		712,025
<b>NET ASSETS</b>			1,138,855		892,898
<b>SHARE CAPITAL AND RESERVES</b>					
Called up share capital	10		66		66
Profit and loss account	11		1,138,789		892,832
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	12		1,138,855		892,898

These financial statements were approved by the Board of Directors on 19 July 2005.

Signed on behalf of the Board of Directors



**R McGregor-Smith**  
Director

**MITIE ENGINEERING SERVICES (BRISTOL) LIMITED**

**CASH FLOW STATEMENT**  
**Year ended 31 March 2005**

	Notes	2005		2004	
		£	£	£	£
<b>Net cash (outflow)/inflow from operating activities</b>	13		(598,599)		41,777
<b>Returns on investments and servicing of finance</b>					
Interest received		20,876		31,037	
Interest paid		(1,292)		-	
<b>Net cash inflow on returns on investments and servicing of finance</b>			19,584		31,037
<b>Taxation</b>					
UK corporation tax paid			(217,975)		(361,069)
<b>Capital expenditure</b>					
Payments to acquire tangible fixed assets		(64,935)		(102,735)	
Receipts from disposal of tangible fixed assets		16,886		67,023	
<b>Net cash outflow from capital expenditure</b>			(48,049)		(35,712)
<b>Equity dividends paid</b>			(1,008,000)		(485,000)
<b>Decrease in cash in the year</b>	15		(1,853,039)		(808,967)

# MITIE ENGINEERING SERVICES (BRISTOL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2005

### 1. ACCOUNTING POLICIES

#### Accounting convention

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

#### Turnover

Turnover represents the total, excluding sales taxes, receivable in respect of goods and services supplied and contract work completed in the year. All turnover arises within the United Kingdom, from the company's principal activity.

#### 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:

Plant and office equipment	3 to 10 years
Motor vehicles	4 years

#### Leasing and hire purchase commitments

Rentals paid under operating leases are charged against income on a straight-line basis over the lease term.

#### Long-term contracts

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts receivable as progress payments on account. Excess progress payments are included in creditors as payments on account. Cumulative costs incurred net of amounts transferred to cost of sales, less provision for contingencies and anticipated future losses on contracts, are included as long-term contract balances in stock.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of the total contract value which costs incurred to date bear to total expected costs for that contract.

#### Tax

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

# MITIE ENGINEERING SERVICES (BRISTOL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2005

### 1. ACCOUNTING POLICIES (continued)

#### Pension costs

Pension costs represent amounts paid to one of the group's defined benefit pension schemes. Details of the schemes are given in the financial statements of MITIE Group PLC.

2. OPERATING PROFIT is stated after charging/(crediting):	2005 £	2004 £
Depreciation on owned assets	79,834	85,241
Operating lease rentals - land and buildings	52,500	52,500
Auditors' remuneration - audit services	5,500	4,000
Profit on disposal of tangible fixed assets	(7,684)	(11,286)

### 3. INTEREST

#### Interest receivable

	2005 £	2004 £
Bank interest	18,000	29,923
Other interest	394	-
	<u>18,394</u>	<u>29,923</u>

#### Interest payable

	£	£
Bank interest	4,449	-
Other interest	-	555
	<u>4,449</u>	<u>555</u>

# MITIE ENGINEERING SERVICES (BRISTOL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2005

### 4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2005 £	2004 £
<b>(a) Analysis of charge in year</b>		
United Kingdom corporation tax at 30% (2004: 30%)	192,726	228,500
Adjustment in respect of prior years	(6,695)	(839)
<b>Total current tax (note 4(b))</b>	<b>186,031</b>	<b>227,661</b>
Deferred taxation:		
Timing differences - origination and reversal	1,424	(1,551)
Adjustment in respect of prior years	4,446	839
<b>Tax on profit on ordinary activities</b>	<b>191,901</b>	<b>226,949</b>

### (b) Factors affecting tax charge in year

The tax assessed for the year differs from that resulting from applying the standard rate of corporation tax in the UK of 30% (2004: 30%). The differences are as follows:

	£	£
Profit on ordinary activities before tax	681,858	728,913
	£	£
Tax at 30% thereon	204,558	218,674
Expenses not deductible for tax purposes	(10,408)	8,276
Capital allowances less than depreciation	433	4,817
Profit on disposal of tangible fixed assets	(2,305)	(3,385)
Movement in short-term timing differences	448	118
Adjustment in respect of prior years	(6,695)	(839)
<b>Current tax charge for the year (note 4(a))</b>	<b>186,031</b>	<b>227,661</b>

### (c) Factors affecting future tax charges

The company is not aware of any matters that will materially affect the future tax charge.

# MITIE ENGINEERING SERVICES (BRISTOL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2005

5.	DIVIDENDS	2005 £	2004 £
	Ordinary:		
	Final proposed of £3,696.97 (2004: £15,272.73) per share	244,000	1,008,000

## 6. TANGIBLE FIXED ASSETS

Summary	Plant £	Office equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2004	820	93,582	264,528	358,930
Additions	-	6,580	43,911	50,491
Disposals	-	(16,917)	(43,876)	(60,793)
Transfers in	-	-	31,988	31,988
Transfers out	-	-	(26,059)	(26,059)
At 31 March 2005	820	83,245	270,492	354,557
<b>Depreciation</b>				
At 1 April 2004	697	52,841	124,519	178,057
Charge for the year	123	21,480	58,231	79,834
Disposals	-	(16,462)	(35,129)	(51,591)
Transfers in	-	-	17,544	17,544
Transfers out	-	-	(26,059)	(26,059)
At 31 March 2005	820	57,859	139,106	197,785
<b>Net book value</b>				
At 31 March 2005	-	25,386	131,386	156,772
At 31 March 2004	123	40,741	140,009	180,873

### Capital commitments

At 31 March 2005 the directors had authorised capital expenditure of nil (2004: nil).

7.	STOCKS	2005 £	2004 £
	Work in progress	1,000	12,043

# MITIE ENGINEERING SERVICES (BRISTOL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2005

8. DEBTORS	2005 £	2004 £
Trade debtors	5,157,747	3,602,009
Amounts recoverable on contracts	235,062	143,786
Amounts owed by group undertakings	86,129	11,802
Prepayments and accrued income	19,859	20,572
Other debtors	14,385	2,777
Deferred tax asset	8,926	14,796
	<u>5,522,108</u>	<u>3,795,742</u>

A deferred tax asset of £8,926 has been recognised at 31 March 2005 (2004: £14,796). This asset relates to negative accelerated capital allowances and other short term timing differences. The directors are of the opinion that suitable profits will be available in the periods in which these differences will reverse. The amount charged to the profit and loss account in the year was £5,870 (2004: £712 credited).

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2005 £	2004 £
Bank overdraft	907,179	-
Payments on account	5,821	72,867
Trade creditors	2,967,328	2,414,129
Amounts owed to group undertakings	79,704	65,260
Corporation tax	92,626	124,570
Other taxes and social security costs	89,395	185,208
Other creditors	1,775	8,666
Accruals and deferred income	153,382	163,105
Proposed dividends	244,000	1,008,000
	<u>4,541,210</u>	<u>4,041,805</u>

10. CALLED UP SHARE CAPITAL	2005 £	2004 £
<b>Authorised</b>		
100 £1 Ordinary shares	<u>100</u>	<u>100</u>
	£	£
<b>Allotted and fully paid</b>		
66 £1 Ordinary shares	<u>66</u>	<u>66</u>



**MITIE ENGINEERING SERVICES (BRISTOL) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2005**

**11. PROFIT AND LOSS ACCOUNT**

	£
At 1 April 2004	892,832
Retained profit for the financial year	245,957
	<hr/>
At 31 March 2005	1,138,789
	<hr/>

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

	2005 £	2004 £
Profit for the financial year	489,957	501,964
Dividends	(244,000)	(1,008,000)
	<hr/>	<hr/>
Net addition/(reduction) to shareholders' funds	245,957	(506,036)
Opening shareholders' funds	892,898	1,398,934
	<hr/>	<hr/>
Closing shareholders' funds	1,138,855	892,898
	<hr/>	<hr/>

**13. RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	2005 £	2004 £
Operating profit	667,913	699,545
Depreciation charges	79,834	85,241
Profit on disposal of tangible fixed assets	(7,684)	(11,286)
Decrease in work in progress	11,043	80,334
Increase in debtors	(1,735,013)	(1,168,464)
Increase in creditors	385,308	356,407
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	(598,599)	41,777
	<hr/>	<hr/>

**14. ANALYSIS OF CHANGES IN NET (DEBT)/ FUNDS**

	At 1 April 2004 £	Cash flow £	At 31 March 2005 £
Cash at bank and in hand	946,045	(945,860)	185
Bank overdraft	-	(907,179)	(907,179)
	<hr/>	<hr/>	<hr/>
	946,045	(1,853,039)	(906,994)
	<hr/>	<hr/>	<hr/>

# MITIE ENGINEERING SERVICES (BRISTOL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2005

### 15. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET (DEBT)/FUNDS

	2005 £	2004 £
Decrease in cash in the year	(1,853,039)	(808,967)
Net funds at beginning of year	946,045	1,755,012
Net (debt)/funds at end of year	<u>(906,994)</u>	<u>946,045</u>

### 16. FINANCIAL COMMITMENTS

#### Operating leases

At 31 March 2005 the company had no annual commitments under non-cancellable operating leases (2004: nil).

#### Performance commitments

The company had outstanding performance bonds at 31 March 2005 of £74,491 (2004: nil).

#### Commitments on behalf of group undertakings

The company is party with other group undertakings to cross-guarantees of each other's bank overdrafts. As at 31 March 2005, the overall commitment was nil (2004: nil).

### 17. DIRECTORS

	2005 £	2004 £
The emoluments of directors of the company were:		
Fees and other emoluments (excluding pension contributions but including benefits-in-kind)	<u>330,587</u>	<u>390,900</u>
Fees and emoluments disclosed above (excluding pension contributions) include amounts paid to:	£	£
The highest paid director	<u>98,348</u>	<u>94,535</u>

The accrued pension benefit of the highest paid director was £9,030 (2004: £7,371).

	No.	No.
The number of directors who were members of a defined benefit pension scheme	<u>4</u>	<u>6</u>

## MITIE ENGINEERING SERVICES (BRISTOL) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2005

#### 17. DIRECTORS (continued)

C S Acheson, C S Townsend, I R Stewart and R McGregor-Smith are remunerated by MITIE Group PLC and D Freeman is remunerated by MITIE Engineering Services Limited for their services to the group as a whole. It is not practicable to allocate their remuneration between their services as directors of MITIE Engineering Services (Bristol) Limited and their services as directors of other group companies.

C S Acheson, I R Stewart and R McGregor-Smith are directors of MITIE Group PLC, their emoluments and pension details are disclosed in the group accounts.

Two of the directors exercised options in the shares of the ultimate group company, MITIE Group PLC, during the year (2004: two directors).

#### 18. EMPLOYEES

##### *Number of employees*

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

	2005 No.	2004 No.
Site labour	64	55
Administration and management	36	34
	<hr/> 100	<hr/> 89
<b>Employment costs</b>	<b>£</b>	<b>£</b>
Wages and salaries	2,883,898	2,460,007
Social security costs	308,104	267,757
Other pension costs	85,110	83,792
	<hr/> 3,277,112	<hr/> 2,811,556

#### 19. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of MITIE Group PLC, MITIE Engineering Services (Bristol) Limited, has taken advantage of the exemption from the requirement to disclose related party transactions with MITIE Group PLC and companies within the group.

## **MITIE ENGINEERING SERVICES (BRISTOL) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2005**

#### **20. PENSION ARRANGEMENTS**

The company participates in the MITIE Group PLC Pension Scheme. This is a defined benefit multi-employer scheme, the assets and liabilities of which are held independently from the group. The company is unable to identify its share of the underlying assets and liabilities of the scheme and accordingly accounts for the scheme as if it were a defined contribution scheme.

Contributions to the scheme for the period are shown in note 18 and the agreed contribution rate for the next 12 months is 10% (2004: 10%) and 7.5% (2004: 7.5%) for the group and employees respectively.

The next actuarial valuation which was due on 6 April 2005 is currently being prepared. The 2002 actuarial valuation, which was prepared on 6 April 2002 by a professionally qualified actuary, showed that the actuarial value of the assets represented 87% of the benefits that had accrued to members after allowing for expected future increases in earnings.

#### **21. PARENT UNDERTAKING AND CONTROLLING PARTY**

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