

PRIDY ENGINEERING SERVICES (BRISTOL) LTD

DIRECTORS' REPORT

Directors:

W E Harding - Chairman
J F Davis
C F W Hennys
T G Lewis
D M Telling
C S Townsend
P B C Williams

Secretary:

A F Waters

Registered Office:

The Estate Office, The Stable Block, Barley Wood,
Wroughton, Avon BS18 7SA

REPORT OF THE DIRECTORS

The Directors submit their annual report and accounts for the year ended 31 March 1989.

The company is a wholly owned subsidiary of MITIE Engineering Services Limited.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was the installation of electrical and mechanical services in commercial and industrial premises.

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

DIRECTORATE

Messrs J F Davis, C F W Hennys and P B C Williams were appointed directors on 9 January 1989.

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

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

PROFIT

The financial results for the year are set out in the accompanying accounts.

The profit for the year after taxation amounted to £137,751.

The directors do not recommend a dividend in respect of the year. The balance of £137,751 has been transferred to reserves.



PRIDY ENGINEERING SERVICES (BRISTOL) LTD

DIRECTORS' REPORT continued

AUDITORS

BDO Binder Hamlyn were appointed auditors during the year in place of Ernst & Whinney. In accordance with S384 of the Companies Act 1985, a resolution proposing the re-appointment of BDO Binder Hamlyn will be put the members at the annual general meeting.

BY ORDER OF THE BOARD

A F WATERS

Secretary

24 July 1989

REPORT OF THE AUDITORS TO THE MEMBERS OF
PRIDDY ENGINEERING SERVICES (BRISTOL) LTD

We have audited the accounts set out on pages 4 to 12 in accordance with approved auditing standards.

In our opinion, the financial statements, which have been prepared on the basis of the accounting policies set out on page 7, give a true and fair view of the state of the company's affairs at 31 March 1989 and of the profit and source and application of funds for the year then ended and comply with the Companies Act 1985.

BDO BINDER HAMLYN

Chartered Accountants

Bristol

BDO Binder Hamlyn

14 August 1989

PRIDDY ENGINEERING SERVICES (BRISTOL) LTD

PROFIT AND LOSS ACCOUNT for the year ended 31 March 1989

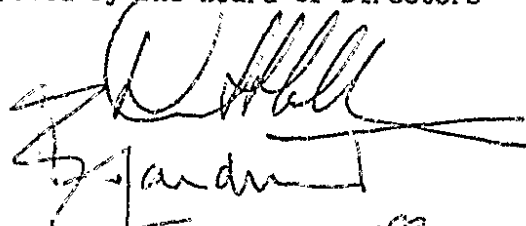
	Notes	1989 £	1988 £
TURNOVER		6,914,471	2,219,733
Cost of sales		6,157,335	1,688,272
		<hr/>	<hr/>
GROSS PROFIT		757,136	531,461
Administrative costs		550,808	408,044
		<hr/>	<hr/>
OPERATING PROFIT		206,328	123,417
Other income	2	20,551	45,974
Interest payable	3	(6,292)	(7,053)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	220,587	162,338
Taxation	5	82,836	54,315
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		137,751	98,023
Dividend paid		-	25,000
		<hr/>	<hr/>
RETAINED PROFIT FOR THE YEAR		137,751	73,023
Retained profits at 1 April 1988		253,397	185,374
		<hr/>	<hr/>
Retained profits at 31 March 1989		396,148 =====	258,397 =====

PRIDDY ENGINEERING SERVICES (BRISTOL) LTD

BALANCE SHEET as at 31 March 1989

	Note	1989 £	1988 £
FIXED ASSETS			
Tangible assets	7	178,476	110,128
CURRENT ASSETS			
Stocks and work in progress	8	1,252,690	664,627
Debtors	9	953,824	258,770
Cash at bank		229	248,845
CREDITORS: amounts falling due within one year	10	2,206,743 1,977,575	1,172,242 998,746
Net current assets		229,168	173,496
TOTAL ASSETS LESS CURRENT LIABILITIES		407,644	283,624
CREDITORS: amounts due after more than one year	11	(6,505)	(20,236)
PROVISION FOR LIABILITIES AND CHARGES	12	(4,925)	(4,925)
NET ASSETS		396,214	258,463
CAPITAL RESERVES		=====	=====
Called-up share capital	13	66	66
Profit and loss account	14	396,148	258,397
		396,214	258,463
		=====	=====

Approved by the Board of Directors

 } Directors
Date: 24 July 1989

WIDDY ENGINEERING SERVICES (BRISTOL) LTD

STATEMENT OF SOURCE AND APPLICATION OF FUNDS for the year ended 31 March 1989

	1989 £	1988 £
SOURCE OF FUNDS		
Profit generated from operations		
Profit before taxation	220,587	162,338
Depreciation	42,356	53,481
Loss on disposal of Fixed Assets	48	1,162
	<hr/>	<hr/>
	262,991	216,981
Funds from other sources		
Disposal of Fixed Assets	18,497	8,550
	<hr/>	<hr/>
	281,488	225,631
APPLICATION OF FUNDS		
Purchase of Fixed Assets	129,249	80,206
Taxation paid	(269)	15,723
Dividends paid	-	25,000
	<hr/>	<hr/>
Increase in working capital	152,508	104,702
	<hr/>	<hr/>
Arising from movements in:		
Debtors	588,063	15,710
Stock/work in progress	696,392	264,897
Creditors	(883,355)	(235,517)
Cash balance	(248,592)	59,612
	<hr/>	<hr/>
	152,508	104,702
	<hr/>	<hr/>

PRIDDY ENGINEERING SERVICES (BRISTOL) LTD

NOTES TO THE ACCOUNTS for the year ended 31 March 1989

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The accounts are prepared under the historical cost convention.

TURNOVER

This represents the sales value of work done, excluding value added tax.

DEPRECIATION

Depreciation is provided under the straight line method at rates calculated to write off the cost of the assets over their expected useful lives. The following rates are employed:

Plant	25%
Office equipment	10%
Computers	25%
Motor vehicles	25%

LEASED ASSETS

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases) the assets are treated as if they had been purchased outright. The amount capitalised is the fair value of the asset and the corresponding leasing commitments are shown as a liability.

Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are treated as consisting of capital and interest elements and the interest is charged to the profit and loss account using the Sum of the Digits method.

STOCKS

Stocks are valued at the lower of cost and net realisable value.

WORK IN PROGRESS

Work in progress is valued at the cost of direct materials and labour plus an appropriate portion of the attributable overheads. Full provision is made for foreseeable losses.

DEFERRED TAXATION

Deferred taxation is provided on the liability method at the rate of corporation tax ruling at the period end on timing differences only to the extent that they are likely to result in an actual tax liability in the foreseeable future.

PRIDDY ENGINEERING SERVICES (BRISTOL) LTD

NOTES TO THE ACCOUNTS for the year ended 31 March 1989

2. <u>OTHER INCOME</u>	1989 £	1988 £
Other income	-	19,881
Bank deposit account interest	20,551	26,093
	<hr/>	<hr/>
	20,551	45,974
	=====	=====
3. <u>INTEREST PAYABLE</u>	£	£
Bank loans and overdrafts repayable within five years	900	176
Finance leases and hire purchase contracts	5,392	6,877
	<hr/>	<hr/>
	6,292	7,053
	=====	=====
4. <u>PROFIT ON ORDINARY ACTIVITIES</u>	£	£
This is stated after charging:		
Auditors' remuneration	5,000	3,000
Depreciation on owned assets	25,312	11,584
Depreciation on assets held under finance leases and hire purchase contracts	17,044	24,829
Loss on disposal of fixed assets	48	1,162
	=====	=====
5. <u>TAXATION</u>	£	£
UK Corporation tax at 35%		
- current year	84,000	65,000
- overprovision in previous year	(1,164)	-
Deferred tax (credit)	-	(685)
	<hr/>	<hr/>
	82,836	64,315
	=====	=====

The taxation charge for the year has been increased by £3,881 (1988 increased by £1,768) in respect of the excess of depreciation over tax allowances.

PRIDDY ENGINEERING SERVICES (BRISTOL) LTD

NOTES TO THE ACCOUNTS for the year ended 31 March 1989

6. DIRECTORS AND EMPLOYEES

	1989 £	1988 £
Staff costs:		
Wages and salaries	1,150,311	800,711
Social security costs	111,987	87,190
Other pension costs	32,625	12,452
	<hr/>	<hr/>
	1,294,923	900,353
	=====	=====

The average number of persons employed during the year:

	<u>Number</u>	<u>Number</u>
Administration and management	29	18
Site labour	93	75
	<hr/>	<hr/>
	122	93
	=====	=====

The remuneration paid to directors was:

	£	£
Emoluments for services as directors	106,019	83,016
Pension contributions	8,362	9,045
	<hr/>	<hr/>
	114,381	92,061
	=====	=====

The directors' remuneration disclosed above, excluding pension contributions, included amount paid to:

	£	£
The Chairman	25,293	-
The highest paid director	35,785	30,395
	=====	=====

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

	<u>Number</u>	<u>Number</u>
£ 0 - £ 5,000	1	1
£15,001 - £20,000	1	-
£20,001 - £25,000	2	-
£25,001 - £30,000	-	2
£30,001 - £35,000	1	-
	=====	=====

PRIDDY ENGINEERING SERVICES (BRISTOL) LTD

NOTES TO THE ACCOUNTS for the year ended 31 March 1989

7. TANGIBLE ASSETS

	Plant	Office Equip	Motor Vhcls	Total
	£	£	£	£
COST				
Balance brought forward	41,670	61,893	133,797	237,360
Additions	14,674	29,147	85,428	129,249
Transfers	-	-	(18,033)	(18,033)
Sales	(108)	-	(12,820)	(12,928)
Balance carried forward	56,236	91,040	188,372	335,648
DEPRECIATION				
Balance brought forward	33,403	34,641	59,188	127,232
Charge for the year	7,400	10,451	24,505	42,356
Transfers	-	-	(6,733)	(6,733)
Sales	(108)	-	(5,575)	(5,683)
Balance carried forward	40,695	45,092	71,385	157,172
NET BOOK VALUE				
31 March 1989	15,541	45,948	116,987	178,476
31 March 1988	8,267	27,252	74,609	110,128

The net book value includes an amount of £43,727 (1988 £61,227) in respect of assets held under finance leases and hire purchase contracts.

8. STOCK AND WORK IN PROGRESS

	1989 £	1988 £
Raw materials and consumables	55,127	54,700
Work in progress	2,482,570	3,324,622
Payments in advance	(1,285,007)	(2,714,695)
	1,252,690	664,627
	=====	=====

PRIDDY ENGINEERING SERVICES (BRISTOL) LTD

NOTES TO THE ACCOUNTS for the year ended 31 March 1989

	1989 £	1988 £
9. <u>DEBTORS</u>		
Trade debtors	704,525	220,632
Other debtors	6,734	11,805
Prepayments	6,320	4,064
Value added tax	80,732	6,124
Amounts due from group companies	155,513	16,145
	<hr/>	<hr/>
	953,824	258,770
	=====	=====
10. <u>CREDITORS</u> - amounts falling due within one year	£	£
Bank overdraft	55,271	55,295
Obligations under finance lease and hire purchase contracts	20,282	35,690
Trade creditors	1,618,217	708,432
Amounts due to group companies	36,337	86,473
Taxation and social security	39,990	34,583
Corporation tax	137,047	55,280
Other creditors	11,847	17,073
Accruals	6,605	5,920
Payments in advance	51,979	-
	<hr/>	<hr/>
	1,977,575	998,746
	=====	=====
11. <u>CREDITORS</u> - amounts falling due after more than one year	£	£
Obligations under finance leases and hire purchase contracts	6,505	20,236
	=====	=====
12. <u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	£	£
Deferred taxation		
At beginning of the year	4,925	5,610
Charge for the year	-	(685)
	<hr/>	<hr/>
At end of the year	4,925	4,925
	=====	=====

PRIDDY ENGINEERING SERVICES (BRISTOL) LTD

NOTES TO THE ACCOUNTS for the year ended 31 March 1989

12. PROVISIONS FOR LIABILITIES AND CHARGES continued

The major components of the provision for deferred taxation are as follows:

	1989 £	1988 £
Short term timing difference	197	1,506
Accelerated capital allowances	4,728	3,419
	<hr/>	<hr/>
	4,925	4,925
	=====	=====

13. SHARE CAPITAL

	Authorised	1989 Allotted and fully paid	1988 Allotted and fully paid
Shares of £1 each	100	66	66
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All the issued shares are held by MITIE Engineering Services Ltd, a company incorporated in England. The ultimate holding company is Highgate & Job Group PLC, which is incorporated in Great Britain.

14. PROFIT AND LOSS ACCOUNT

The 1988 figures have been adjusted by £17,069 depreciation to bring the company depreciation policy into line with other members of the group.