



MITIE ENGINEERING SERVICES (BRISTOL) LIMITED

Report and Financial Statements

31 March 1995



**Touche Ross & Co.
Queen Anne House
69-71 Queen Square
Bristol
BS1 4JP**



REPORT AND FINANCIAL STATEMENTS 1995

CONTENTS

	Page
Officers and professional advisers	1
Directors' report	2
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the accounts	8
Additional information	15



REPORT AND FINANCIAL STATEMENTS 1995

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

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

SECRETARY

A F Waters

REGISTERED OFFICE

The Stable Block
Barley Wood
Wroughton
Bristol
BS18 7SA

BANKERS

Midland Bank plc
49 Corn Street
Bristol
BS99 7PP

AUDITORS

Touche Ross & Co.
Queen Anne House
69-71 Queen Square
Bristol
BS1 4JP

DIRECTORS' REPORT

The directors present their annual report and financial statements for the year ended 31 March 1995.

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 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, subject to any material departures disclosed and explained in the financial statements; 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 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 installation of electrical and mechanical services in commercial and industrial premises.

The company's business 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 £312,024 (1994: £190,107). The directors recommend that this amount be dealt with as follows:

	£
Ordinary	
- Final proposed of £5,924.24 per share	391,000
Transfer from reserves	(78,976)
	<hr/> 312,024 <hr/>

FIXED ASSETS

Details of movements in fixed assets during the year are set out in Note 6 to the financial statements.

DIRECTORS' REPORT (continued)

DIRECTORS

The directors during the year were as follows:

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

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

Messrs W E Harding and D M Telling are directors of MITIE Group PLC, the parent undertaking, and their interests in the share capital of that company are shown in the financial statements of MITIE Group PLC.

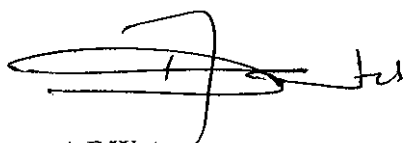
Other directors' interests in the share capital of MITIE Group PLC are as follows:

	31 March 1995 25p Ordinary shares Number	1 April 1994 50p Ordinary shares Number
J F Davis	63,000	31,500
W C F Hennys	70,000	35,000
T G Lewis	568,766	287,383
C S Townsend	109,462	54,731
P B C Williams	13,700	8,350

AUDITORS

The Bristol Partnership of BDO Binder Hamlyn merged their practice with Touche Ross & Co. on 5 October 1994 and now carry on business under the name of Touche Ross & Co. The directors consented to the appointment of the Bristol Partnership of BDO Binder Hamlyn as auditors of the company being treated as extending to Touche Ross & Co. A resolution to re-appoint Touche Ross & Co. as auditors will be proposed at the Annual General Meeting.

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



A F Waters
Secretary

16 August 1995



Chartered Accountants

Touche Ross & Co.
Queen Anne House
69-71 Queen Square
Bristol BS1 4JP

Telephone: National 0117 921 1622
International + 44 117 921 1622
Fax (Gp. 3): 0117 929 2801

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

We have audited the financial statements on pages 5 to 14 which have been prepared under the accounting policies 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 31 March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

21 August 1995

Chartered Accountants and
Registered Auditors

PROFIT AND LOSS ACCOUNT
Year ended 31 March 1995

	Notes	Continuing operations 1995 £	1994 £
TURNOVER		8,268,903	11,190,811
Cost of sales		(6,826,219)	(9,835,779)
GROSS PROFIT		1,442,684	1,355,032
Administrative expenses		(1,061,476)	(1,065,083)
OPERATING PROFIT	2	381,208	289,949
Interest receivable	3	81,097	73,612
Dividend receivable		-	20,640
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		462,305	384,201
Tax on profit on ordinary activities	4	(150,281)	(194,094)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		312,024	190,107
Transfer from reserves		78,976	238,106
DIVIDENDS	5	(391,000)	(428,213)

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

BALANCE SHEET
31 March 1995

	Notes	1995	1994
		£	£
FIXED ASSETS			
Tangible assets	6	138,736	114,303
Investments	7	-	172,000
		<u>138,736</u>	<u>286,303</u>
CURRENT ASSETS			
Work in progress	8	921,090	1,160,000
Debtors	9	648,689	691,002
Cash at bank and in hand		2,503,218	1,620,091
		<u>4,072,997</u>	<u>3,471,093</u>
CREDITORS: amounts falling due within one year	10	<u>(3,778,007)</u>	<u>(3,244,694)</u>
Net current assets		<u>294,990</u>	<u>226,399</u>
NET ASSETS		<u>433,726</u>	<u>512,702</u>
CAPITAL AND RESERVES			
Called up share capital	11	66	66
Profit and loss account	12	433,660	512,636
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>433,726</u>	<u>512,702</u>

These financial statements were approved by the Board of Directors on 16 August 1995.

Signed on behalf of the Board of Directors



D M Telling
Director

CASH FLOW STATEMENT
Year ended 31 March 1995

	Notes	£	1995 £	£	1994 £
Net cash inflow from operating activities	14		1,283,228		351,870
Return on investments and servicing of finance					
Interest received		76,785		75,075	
Dividends paid		(298,240)		(311,973)	
Dividends received		20,640		33,286	
Net cash outflow from returns on investments and servicing of finance			(200,815)		(203,612)
Taxation					
UK Corporation tax paid			(127,382)		(241,594)
Investing activities					
Purchase of tangible fixed assets		(85,904)		(39,443)	
Sale of tangible fixed assets		14,000		20,524	
Net cash outflow from investing activities			(71,904)		(18,919)
Net cash inflow/(outflow) before financing			883,127		(112,255)
Financing					
Capital element of finance lease and hire purchase rental payments		-		(3,447)	
Net cash outflow from financing			-		(3,447)
Increase/(decrease) in cash and cash equivalents	15		883,127		(115,702)

NOTES TO THE ACCOUNTS
Year ended 31 March 1995

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

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

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	4 to 10 years
Motor vehicles	4 years

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets at the estimated net present value of underlying lease payments and are depreciated in accordance with the above policy. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The finance element of the rental payments is charged to the profit and loss account over the period of the lease or hire purchase contract.

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

Work in progress

Work in progress is stated at the lower of cost (including appropriate overheads) and net realisable value.

Pension costs

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

Compliance with accounting standards

The financial statements have been prepared in accordance with applicable accounting standards.

NOTES TO THE ACCOUNTS
Year ended 31 March 1995

2. OPERATING PROFIT is stated after charging/(crediting):	1995	1994
	£	£
Depreciation	55,748	71,094
Operating lease rentals: land and buildings	52,500	52,625
Auditors' remuneration: audit services	7,500	7,500
Profit on disposal of tangible fixed assets	(8,277)	(3,734)
	<u> </u>	<u> </u>
3. INTEREST RECEIVABLE		
Bank interest receivable	<u>81,097</u>	<u>73,612</u>
4. TAXATION		
UK current year taxation		
UK Corporation Tax at 33% (1994: 33%)	150,400	127,500
Prior years		
UK Corporation Tax	-	(175)
Group relief payment	(119)	66,769
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	<u>150,281</u>	<u>194,094</u>
5. DIVIDENDS		
Ordinary:		
Interim paid Nil (1994: £1,969.29p) per share	-	129,973
Final proposed of £5,924.24p (1994: £4,518.79p) per share	391,000	298,240
	<u>391,000</u>	<u>428,213</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 1995

6. TANGIBLE FIXED ASSETS

(1) Summary

	Plant £	Office equipment £	Motor vehicles £	Total £
Cost				
1 April 1994	63,773	132,760	199,407	395,940
Additions	-	5,019	80,885	85,904
Disposals	(51,236)	(92,225)	(60,237)	(203,698)
31 March 1995	<u>12,537</u>	<u>45,554</u>	<u>220,055</u>	<u>278,146</u>
Depreciation				
1 April 1994	59,066	109,632	112,939	281,637
Charge for the year	2,050	11,321	42,377	55,748
Disposals	(51,236)	(92,225)	(54,514)	(197,975)
31 March 1995	<u>9,880</u>	<u>28,728</u>	<u>100,802</u>	<u>139,410</u>
Net book value				
31 March 1995	<u>2,657</u>	<u>16,826</u>	<u>119,253</u>	<u>138,736</u>
31 March 1994	<u>4,707</u>	<u>23,128</u>	<u>86,468</u>	<u>114,303</u>

(2) Capital commitments

At 31 March 1995 the directors had authorised capital expenditure of Nil (1994: Nil).

7. INVESTMENTS

Investments in subsidiary undertakings

Cost	£
1 April 1994	172,000
Disposals in the year	(172,000)
31 March 1995	<u>-</u>

On 10 February 1995 the company transferred its investments to the parent undertaking MITIE Group PLC at cost.

NOTES TO THE ACCOUNTS
Year ended 31 March 1995

8. WORK IN PROGRESS	1995 £	1994 £
Work in progress	7,054,725	6,320,114
Payments on account	(6,133,635)	(5,160,114)
	<u>921,090</u>	<u>1,160,000</u>
9. DEBTORS		
Trade debtors	454,650	639,865
Amounts owed by parent undertaking and fellow subsidiary undertakings	172,000	11,750
Other debtors	9,039	5,747
Prepayments and accrued income	13,000	13,000
Dividend receivable	-	20,640
	<u>648,689</u>	<u>691,002</u>
10. CREDITORS: amounts falling due within one year		
Trade creditors	2,059,331	1,956,661
Amounts owed to parent undertaking and fellow subsidiary undertakings	350,103	138,056
Corporation tax	150,400	127,500
Other taxes and social security costs	170,810	202,744
Other creditors	44,320	22,866
Accruals and deferred income	46,876	71,100
Proposed dividends	391,000	298,240
Payments on account	565,167	427,527
	<u>3,778,007</u>	<u>3,244,694</u>
11. CALLED UP SHARE CAPITAL		
(1) Authorised	Number	1995 £
£1 Ordinary shares	<u>100</u>	<u>100</u>
(2) Allotted and fully paid	1995 £	1994 £
£1 Ordinary shares	<u>66</u>	<u>66</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 1995

12. PROFIT AND LOSS ACCOUNT

	£
1 April 1994	512,636
Retained loss for the year	(78,976)
31 March 1995	<u>433,660</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1995 £	1994 £
Profit for the financial year	312,024	190,107
Dividends	(391,000)	(428,213)
Net reduction in shareholders' funds	(78,976)	(238,106)
Opening shareholders' funds	<u>512,702</u>	<u>750,808</u>
Closing shareholders' funds	<u>433,726</u>	<u>512,702</u>

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

Operating profit	381,208	289,949
Depreciation charges	55,748	71,094
Profit on sale of tangible fixed assets	(8,277)	(3,734)
Decrease/(increase) in work in progress	238,910	(274,931)
Decrease/(increase) in debtors	197,985	(360,257)
Increase in creditors	417,654	629,749
Net cash inflow from operating activities	<u>1,283,228</u>	<u>351,870</u>

15. CASH AND CASH EQUIVALENTS

Balance of cash and cash equivalents		
Cash at bank and in hand	<u>2,503,218</u>	<u>1,620,091</u>
Change in the balance of cash and cash equivalents		
1 April	1,620,091	1,735,793
Net cash inflow/(outflow) for the year	883,127	(115,702)
31 March	<u>2,503,218</u>	<u>1,620,091</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 1995

16. FINANCIAL COMMITMENTS

(1) Operating leases

At 31 March 1995 the company had no annual commitments under non-cancellable operating leases (1994: Nil).

(2) Commitments on behalf of group undertakings

The company is party with other group undertakings to cross guarantees of each other's bank overdrafts.

17. DIRECTORS

(1) Emoluments

	1995	1994
	£	£
The emoluments of directors of the company were:		
Fees and other emoluments (including pension contributions and benefits-in-kind)	207,426	224,215

(2) Bandings

Fees and other emoluments disclosed above (excluding pension contributions) include amounts paid to:

The chairman	-	-
The highest-paid director	61,251	57,109
Other directors' emoluments (excluding pension contributions) were in the following ranges:	Number	Number
£0 - £5,000	2	2
£35,001 - £40,000	3	3

18. EMPLOYEES

(1) Number of employees

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

Site labour	52	76
Administration and management	26	27
	78	103

NOTES TO THE ACCOUNTS
Year ended 31 March 1995

18. EMPLOYEES (continued)

	1995	1994
(2) Employment costs	£	£
Wages and salaries	1,260,020	1,507,602
Social security costs	106,327	138,131
Other pension costs	68,481	66,157
	<u>1,434,828</u>	<u>1,711,890</u>

19. PARENT UNDERTAKING

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