



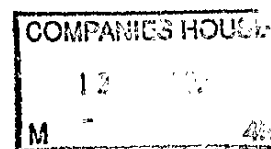
BDO Binder Hamlyn
Chartered Accountants

REGISTRAR

MITIE ENGINEERING SERVICES (CARDIFF) LIMITED

DIRECTORS' REPORT AND
FINANCIAL STATEMENTS

for the year ended
31 March 1992



Company Number 1402606



Altrincham Avon Bath Belfast Birmingham Bristol
Bury St Edmunds Cardiff Cardiff Edinburgh
Franklin Glasgow Harrogate Leamington Spa
Leeds London Manchester Middlesbrough Newcastle
Newcastle Newmarket Norwich Nottingham Peterborough
Preston Rochdale St Albans Southampton Stoke-on-Trent
Stratford-upon-Avon Wolverhampton

DIRECTORS

W E Harding - Chairman
B R Edwards
T G Lewis
D M Telling
C S Townsend

SECRETARY

A F Waters

REGISTERED OFFICE

The Stable Block
Barley Wood
Wrington
Avon BS18 7SA

COMPANY NUMBER

1402606

AUDITORS

BDO Binder Hamlyn
Broad Quay House
Broad Quay
Bristol BS1 4PQ

DIRECTORS' REPORT
for the year ended 31 March 1992

FINANCIAL STATEMENTS

The directors present their report and financial statements for the year ended 31 March 1992. The company is a subsidiary undertaking of MITIE Engineering Services Limited, which owns 75% of the issued share capital. The ultimate parent company is MITIE Group PLC, which is incorporated in Scotland.

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 £36,498. The directors recommend that this amount be dealt with as follows:

	£
Ordinary dividends	
- Final proposed	20,349
Transfer to reserves	16,149
	<hr/>
	36,498
	<hr/>

FIXED ASSETS

Details of movements in fixed assets during the year are set out in Note 5 to the financial statements.

DIRECTORS' REPORT
for the year ended 31 March 1992 (continued)

DIRECTORS

The directors during the year were as stated on page 1.

The beneficial interests of the directors and their families in the shares of the company are:

	31 March 1992 £1 ordinary shares Number	1 April 1991 £1 ordinary shares Number
B R Edwards	5,000	5,000

No other director has a beneficial interest in the shares of the company.

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

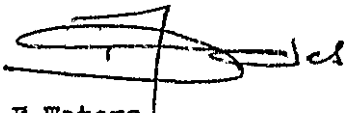
Other directors' interests in the share capital of MITIE Group PLC are as follows:

	31 March 1992 50p Ordinary shares Number	1 April 1991 50p Ordinary shares Number
B R Edwards	10,750	15,750
T G Lewis	293,483	293,483
C S Townsend	72,231	82,231

AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution proposing that BDO Binder Hamlyn be re-appointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 3. August 1992


A F Waters
Secretary

AUDITORS' REPORT
to the members of MITIE Engineering Services (Cardiff) Limited

We have audited the financial statements on pages 5 to 14 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 1992 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Binder Hamlyn

Chartered Accountants
Registered Auditor

3 August 1992

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 1992

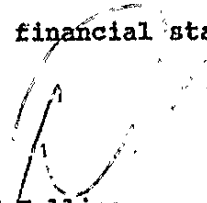
	Notes	1992 £	1991 £
Turnover		2,887,669	1,253,187
Cost of sales		2,575,062	989,667
Gross profit		312,607	263,520
Administrative expenses		253,408	236,107
Operating profit	2	59,199	27,413
Interest receivable	3	1,192	4,527
Interest payable	3	5,758	10,206
Profit on ordinary activities before taxation		54,633	21,734
Tax on profit on ordinary activities	4	18,135	7,991
Profit on ordinary activities after taxation		36,498	13,743
Dividends		20,349	-
Retained profit for the year	11	16,149	13,743

MITIE ENGINEERING SERVICES (CARDIFF) LIMITED

BALANCE SHEET
as at 31 March 1992

	Notes	1992	1991
		£	£
FIXED ASSETS			
Tangible assets	5	73,465	84,360
CURRENT ASSETS			
Work in progress	6	127,384	305,866
Debtors	7	201,725	99,851
Cash at bank and in hand		76,569	16,660
		<u>405,678</u>	<u>422,377</u>
CREDITORS: amounts falling due within one year	8	<u>457,776</u>	<u>501,219</u>
Net Current Liabilities		(52,098)	(78,842)
Total Assets less Current Liabilities		21,367	5,518
PROVISIONS FOR LIABILITIES AND CHARGES			
	9	-	300
Net Assets		<u>21,367</u>	<u>5,218</u>
CAPITAL AND RESERVES			
Called up share capital	10	20,000	20,000
Profit and loss account	11	1,367	(14,782)
		<u>21,367</u>	<u>5,218</u>

The financial statements on pages 5 to 14 were approved by the Board on 3 August 1992


D M Telling
Director

CASH FLOW STATEMENT
for the year ended 31 March 1992

	Note	1992 £	1991 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	12	96,663	(82,178)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		843	5,340
Interest paid		(5,877)	(10,087)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(5,034)	(4,747)
TAX PAID		(11,585)	(7,491)
INVESTING ACTIVITIES			
Purchase of tangible fixed assets		(22,135)	(23,809)
Sale of tangible fixed assets		2,000	1,607
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(20,135)	(22,202)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	13	59,909	(116,618)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1992

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 or valuation, 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:

Leashold properties	Period of lease
Plant and office equipment	4 - 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.

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

Compliance with accounting standards

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1992 (continued)

2. OPERATING PROFIT is stated after charging:	1992	1991
	£	£
Depreciation: owned fixed assets	32,818	32,619
Depreciation: assets under finance leases and hire purchase contracts	212	212
Operating lease rentals - land and buildings	6,377	3,251
Auditors' remuneration	2,750	2,500
	<u> </u>	<u> </u>
 3. INTEREST		
(a) Interest receivable		
Bank deposit account interest	1,192	4,527
	<u> </u>	<u> </u>
(b) Interest payable		
Bank loans and overdrafts repayable within 5 years	5,758	10,206
	<u> </u>	<u> </u>
 4. TAXATION		
UK current year taxation		
UK Corporation Tax at 33% (1991 : 34%)	20,750	11,700
Deferred tax	(2,500)	(3,700)
	<u> </u>	<u> </u>
	18,250	8,000
 Prior years		
UK Corporation Tax	(115)	(9)
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	18,135	7,991
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1992 (continued)

5. TANGIBLE FIXED ASSETS

(a) Summary	Leasehold property £	Plant £	Office equipment £	Motor vehicles £	Total
Cost					
1 April 1991	3,000	17,135	18,422	93,316	131,873
Additions	-	803	9,065	12,267	22,135
31 March 1992	3,000	17,938	27,487	105,583	154,008
Depreciation					
1 April 1991	477	5,761	6,561	34,714	47,513
Charge for the year	212	4,483	4,495	23,840	33,030
31 March 1992	689	10,244	11,056	58,554	80,543
Net book value					
Owned assets	-	7,694	16,431	47,029	71,154
Leased assets	2,311	-	-	-	2,311
31 March 1992	2,311	7,694	16,431	47,029	73,465
Owned assets	-	11,374	11,861	58,602	81,837
Leased assets	2,523	-	-	-	2,523
31 March 1991	2,523	11,374	11,861	58,602	84,360

(b) Capital commitments

At 31 March 1992 the directors had authorised capital expenditure of £Nil (1991: £Nil).

6. WORK IN PROGRESS	1992 £	1991 £
Work in progress	495,853	1,381,665
Payments on account	(368,469)	(1,075,799)
	<u>127,384</u>	<u>305,866</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1992 (continued)

	1992 £	1991 £
7. DEBTORS		
Trade debtors	197,131	94,818
Other debtors	2,690	3,786
Prepayments and accrued income	1,904	1,247
	<u>201,725</u>	<u>99,851</u>

Other debtors include a deferred tax asset of £2,200 (1991: £Nil) as detailed in note 9.

8. CREDITORS: amounts falling due within one year

Trade creditors	247,479	299,813
Amounts owed to parent undertaking and fellow subsidiary undertakings	45,343	48,967
Corporation tax	20,750	11,700
Other taxes and social security costs	79,012	70,726
Other creditors	18,479	6,345
Accruals and deferred income	13,193	13,261
Payments on account	13,171	50,407
Proposed dividends	20,349	-
	<u>457,776</u>	<u>501,219</u>

9. PROVISIONS FOR LIABILITIES AND CHARGES

1 April 1991	300
Transfer to profit and loss account	(2,500)
31 March 1992	<u>(2,200)</u>

Deferred tax included in the financial statements, and the total potential tax liability are as follows:

	Potential and Provided 1992 £	1991 £
Accelerated capital allowances	(2,085)	300
Other timing differences	(115)	-
	<u>(2,200)</u>	<u>300</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1992 (continued)

10. SHARE CAPITAL		Allotted, called up and fully paid	
Authorised and allotted share capital	Authorised	1997	1991
	1992 Number	1991 Number	
		£	£
£1 Ordinary	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
11. PROFIT AND LOSS ACCOUNT			
			£
1 April 1991			(14,782)
Retained profit for the year			<u>16,149</u>
31 March 1992			<u>1,367</u>
12. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES			
	1992	1991	
	£	£	
Operating profit	59,199	27,413	
Depreciation charges	33,030	32,831	
Loss on sale of tangible fixed assets	-	2,107	
Decrease/(increase) in stocks and work in progress	178,482	(181,104)	
Increase in debtors	(101,325)	(32,011)	
(Decrease)/increase in creditors	(72,723)	60,586	
Net cash inflow/(outflow) from operating activities	<u>96,653</u>	<u>(82,178)</u>	
13. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
	1992	1991	Change
	£	£	
Cash at bank and in hand	<u>76,569</u>	<u>16,660</u>	<u>59,909</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1992 (continued)

14. FINANCIAL COMMITMENTS

(a) Operating leases - land and buildings

At 31 March 1992 the company had annual commitments under non-cancellable operating leases as follows:

	1992 £	1991 £
Expiry date:		
Within one year	-	1,350
Between two and five years	-	-
In over five years	10,750	4,500
	<u>10,750</u>	<u>5,850</u>

(b) Commitments on behalf of group undertakings

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

15. DIRECTORS

(a) Emoluments

The emoluments of directors of the company were:

Fees and other emoluments (including pension contributions and benefits-in-kind)	<u>43,853</u>	<u>44,667</u>
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(b) Bandings

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

The chairman	-	-
The highest-paid director	<u>39,465</u>	<u>40,740</u>

Other directors' emoluments (excluding pension contributions) were in the following ranges:

	Number	Number
£0 - £ 5,000	<u>3</u>	<u>3</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1992 (continued)

16. EMPLOYEES

(a) Number of employees

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

	1992	1991
Site labour	28	2
Administration and management	7	6
	<u>35</u>	<u>44</u>

(b) Employment costs

	£	£
Wages and salaries	514,346	597,608
Social security costs	46,385	56,298
Other pension costs	4,987	5,423
	<u>565,718</u>	<u>659,329</u>

17. ULTIMATE PARENT COMPANY

The directors regard MITIE Group PLC, a company incorporated in Scotland, as the company's ultimate parent company.