

**MITIE ENGINEERING SERVICES (CARDIFF) 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**

	<b>Page</b>
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  
D M Telling  
B R Edwards  
T G Lewis  
G Gaffney  
C J 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 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 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 and maintenance 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 £184,194 (1994: £56,697). The directors recommend that this amount be dealt with as follows:

	£
Ordinary dividends	
- Final proposed 12p per share	2,400
Transfer to reserves	181,794
	<hr/> 184,194 <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)  
D M Telling  
B R Edwards  
T G Lewis  
G Gaffney (appointed 21 April 1995)  
C J Williams (appointed 11 May 1995)

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

	31 March 1995 £1 Ordinary shares Number	1 April 1994 £1 Ordinary shares Number
B R Edwards	5,000	5,000

No other director had a beneficial interest in the shares of the company at the beginning and end of the financial year.

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.

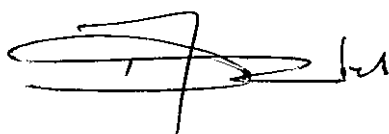
Other directors who held office at the end of the financial year had interests in the share capital of MITIE Group PLC as follows:

	31 March 1995 25p Ordinary shares Number	1 April 1994 50p Ordinary shares Number
B R Edwards	-	2,750
T G Lewis	568,766	287,383

**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 (CARDIFF) 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.

23 Aug 1995

Chartered Accountants and  
Registered Auditors

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 March 1995**

	Notes	Continuing operations 1995 £	1994 £
<b>TURNOVER</b>		4,370,551	2,947,129
Cost of sales		(3,634,258)	(2,510,522)
<b>GROSS PROFIT</b>		736,293	436,607
Administrative expenses		(477,069)	(362,760)
<b>OPERATING PROFIT</b>	2	259,224	73,847
Interest receivable	3	17,674	4,575
Interest payable	3	-	(17)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		276,898	78,405
Tax on profit on ordinary activities	4	(92,704)	(21,708)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		184,194	56,697
Dividends	5	(2,400)	(2,400)
<b>RETAINED PROFIT FOR THE YEAR</b>	11	181,794	54,297

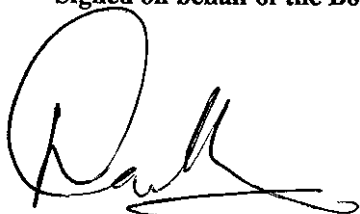
There are no recognised gains or losses for the current financial year or preceding financial year other than as stated in the profit and loss account.

**BALANCE SHEET**  
**31 March 1995**

	Notes	1995 £	1994 £
<b>FIXED ASSETS</b>			
Tangible assets	6	86,367	84,479
<b>CURRENT ASSETS</b>			
Work in progress	7	716,664	397,587
Debtors	8	537,047	476,031
Cash at bank and in hand		586,108	24,200
		<u>1,839,819</u>	<u>897,818</u>
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(1,655,773)</u>	<u>(893,678)</u>
<b>Net current assets</b>		<u>184,046</u>	<u>4,140</u>
<b>NET ASSETS</b>		<u>270,413</u>	<u>88,619</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	20,000	20,000
Profit and loss account	11	250,413	68,619
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>		<u>270,413</u>	<u>88,619</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





**MITIE ENGINEERING SERVICES (CARDIFF) LIMITED**

**CASH FLOW STATEMENT**  
**Year ended 31 March 1995**

	Notes	1995		1994	
		£	£	£	£
<b>Net cash inflow/(outflow) from operating activities</b>	13		607,617		(9,650)
<b>Returns on investments and servicing of finance</b>					
Interest received		15,866		4,331	
Interest paid		-		(17)	
Dividends paid		(2,400)		(17,755)	
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>			13,466		(13,441)
<b>Taxation</b>					
UK Corporation tax paid			(21,580)		(22,582)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(42,770)		(73,357)	
Sale of tangible fixed assets		5,175		12,365	
<b>Net cash outflow from investing activities</b>			(37,595)		(60,992)
<b>Increase/(decrease) in cash and cash equivalents</b>	14		561,908		(106,665)

**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:

Leasehold property	period of lease
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. Full provision is made for foreseeable losses.

**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**

<b>2. OPERATING PROFIT</b> is stated after charging/(crediting):	<b>1995</b>	<b>1994</b>
	<b>£</b>	<b>£</b>
Depreciation	37,781	32,932
Operating lease rentals: other operating leases	16,133	10,750
Auditors' remuneration: audit services	3,000	3,000
Profit on disposal of fixed assets	(4,036)	(9,077)
	<u>          </u>	<u>          </u>
<b>3. INTEREST</b>		
(1) Interest receivable		
Bank interest receivable	<u>17,674</u>	<u>4,575</u>
(2) Interest payable		
Other interest payable	<u>-</u>	<u>17</u>
<b>4. TAXATION</b>		
<b>UK current year taxation</b>		
UK Corporation Tax at 33% (1994: 33%)	92,800	21,700
<b>Prior years</b>		
UK Corporation Tax	(96)	8
<b>Tax on profit on ordinary activities</b>	<u>92,704</u>	<u>21,708</u>
<b>5. DIVIDENDS</b>		
Ordinary:		
Final proposed of 12p (1994: 12p) per share	<u>2,400</u>	<u>2,400</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1995**

**6. TANGIBLE FIXED ASSETS**

<b>(1) Summary</b>	<b>Leasehold property £</b>	<b>Plant £</b>	<b>Office equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>					
1 April 1994	3,000	39,663	35,110	100,916	178,689
Additions	-	-	8,172	23,628	31,800
Group transfers in	-	-	-	10,646	10,646
Disposals	-	-	-	(21,685)	(21,685)
<b>31 March 1995</b>	<b>3,000</b>	<b>39,663</b>	<b>43,282</b>	<b>113,505</b>	<b>199,450</b>
<b>Depreciation</b>					
1 April 1994	1,113	19,128	21,521	52,448	94,210
Charge for the year	212	5,235	5,163	27,171	37,781
Group transfers in	-	-	-	1,638	1,638
Disposals	-	-	-	(20,546)	(20,546)
<b>31 March 1995</b>	<b>1,325</b>	<b>24,363</b>	<b>26,684</b>	<b>60,711</b>	<b>113,083</b>
<b>Net book value</b>					
<b>31 March 1995</b>	<b>1,675</b>	<b>15,300</b>	<b>16,598</b>	<b>52,794</b>	<b>86,367</b>
<b>31 March 1994</b>	<b>1,887</b>	<b>20,535</b>	<b>13,589</b>	<b>48,468</b>	<b>84,479</b>

**(2) Capital commitments**

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

**7. WORK IN PROGRESS**

	<b>1995 £</b>	<b>1994 £</b>
Work in progress	2,785,131	1,315,137
Payments on account	(2,068,467)	(917,550)
	<b>716,664</b>	<b>397,587</b>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1995**

<b>8. DEBTORS</b>	<b>1995</b>	<b>1994</b>
	<b>£</b>	<b>£</b>
Trade debtors	502,837	469,790
Amounts owed by fellow subsidiary undertakings	25,900	-
Other debtors	2,291	3,092
Prepayments and accrued income	6,019	3,149
	<u>537,047</u>	<u>476,031</u>
<b>9. CREDITORS: amounts falling due within one year</b>		
Trade creditors	1,294,155	713,998
Amounts owed to parent undertaking and fellow subsidiary undertakings	46,384	48,482
Corporation tax	92,650	21,526
Other taxes and social security costs	89,167	72,529
Other creditors	457	1,048
Accruals and deferred income	3,954	11,818
Proposed dividend	2,400	2,400
Payments on account	126,606	21,877
	<u>1,655,773</u>	<u>893,678</u>
<b>10. CALLED UP SHARE CAPITAL</b>		
<b>(1) Authorised</b>	<b>Number</b>	<b>1995</b>
		<b>£</b>
£1 Ordinary shares	20,000	20,000
<b>(2) Allotted and fully paid</b>	<b>1995</b>	<b>1994</b>
	<b>£</b>	<b>£</b>
£1 Ordinary shares	20,000	20,000
<b>11. PROFIT AND LOSS ACCOUNT</b>	<b>£</b>	
1 April 1994	68,619	
Retained profit for the year	181,794	
<b>31 March 1995</b>	<u>250,413</u>	

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1995**

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

	1995 £	1994 £
Profit for the financial year	184,194	56,697
Proposed dividend	(2,400)	(2,400)
Net addition to shareholders' funds	181,794	54,297
Opening shareholders' funds	88,619	34,322
Closing shareholders' funds	270,413	88,619

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

Operating profit	259,224	73,847
Depreciation charges	37,781	32,932
Profit on sale of tangible fixed assets	(4,036)	(9,077)
Increase in work in progress	(319,077)	(209,040)
Increase in debtors	(59,208)	(237,515)
Increase in creditors	692,933	339,203
Net cash inflow/(outflow) from operating activities	607,617	(9,650)

**14. CASH AND CASH EQUIVALENTS**

**Balance of cash and cash equivalents**

Cash at bank and in hand	586,108	24,200
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**Change in the balance of cash and cash equivalents**

1 April	24,200	130,865
Net cash inflow/(outflow) for the year	561,908	(106,665)
31 March	586,108	24,200

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1995**

**15. FINANCIAL COMMITMENTS**

**(1) Operating leases**

At 31 March 1995 the company had annual commitments under non-cancellable operating leases as follows:

	1995 £	1994 £
<i>Land and buildings</i>		
Expiry date:		
In over five years	<u>10,750</u>	<u>10,750</u>

**(2) Commitments on behalf of group undertakings**

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

**16. DIRECTORS**

**(1) Emoluments**

The emoluments of directors of the company were:

Fees and other emoluments (including pension contributions and benefits-in-kind)	<u>56,754</u>	<u>48,733</u>
--	---------------	---------------

**(2) Bandings**

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

The chairman	-	-
The highest-paid director	<u>52,974</u>	<u>44,433</u>

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

	Number	Number
£0 - £5,000	<u>2</u>	<u>2</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1995**

**17. EMPLOYEES**

**(1) Number of employees**

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

	1995 Number	1994 Number
Site labour	32	27
Administration and management	14	11
	<hr/> 46	<hr/> 38

**(2) Employment costs**

	£	£
Wages and salaries	758,916	589,553
Social security costs	72,628	58,587
Other pension costs	13,557	9,185
	<hr/> 845,101	<hr/> 657,325

**18. 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.