

2049476

MITE ENGINEERING SERVICES LIMITED

DIRECTORS' REPORT

Directors: D M Telling FCIOS - Chairman  
C Brent  
D Freeman  
W E Harding  
T G Lewis MCIBSE  
J Priddy  
C S Townsend BA ACIS

Secretary: A F Waters FCA ATII

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

REPORT OF THE DIRECTORS

The directors submit their second annual report and financial statements of the company for the year ended 31 March 1989.

REVIEW OF ACTIVITIES

The company provides management and administration services to its subsidiary companies who provide fully integrated engineering services throughout the South of England.

The company became a wholly owned subsidiary of Highgate & Job Group PLC in November 1988.

PROFIT AND DIVIDEND

The profit for the year after taxation was £11,918. This surplus has been transferred to reserves.

DIRECTORATE

Mr D Freeman was appointed a director on 3 June 1988.  
Mr C J Saunders was appointed a director on 25 November 1988 and resigned on 24 May 1989.

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

	<u>31 March 1989</u>	<u>31 March 1988</u>	
D M Telling	-	110,000	
C Brent	-	33,364	
D Freeman	-	-	(date of appointment)
W E Harding	-	64,774	
T G Lewis	-	64,774	
J Priddy	-	33,364	
C S Townsend	-	16,672	

MLTIE ENGINEERING SERVICES LIMITED

DIRECTORS' REPORT continued

AUDITORS

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

BY ORDER OF THE BOARD

A F WATERS

Secretary

21 AUGUST 1989

REPORT OF THE AUDITORS TO THE MEMBERS OF  
MITIE ENGINEERING SERVICES LIMITED

We have audited the accounts set out on pages 4 to 10 in accordance with approved auditing standards. The accounts have been prepared under the historical cost convention as explained in Note 1.

In our opinion the accounts give a true and fair view of the state of affairs of the company 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*

*21 August 1989*

MITLE ENGINEERING SERVICES LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 March 1989

	Notes	1989 £	1988 £
INCOME		76,835	46,153
ADMINISTRATIVE EXPENSES		37,818	14,476
		<hr/>	<hr/>
OPERATING PROFIT	2	39,017	31,677
Interest receivable		78	1,703
Interest payable	3	(23,307)	(17,253)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	15,788	16,127
Taxation	5	3,870	-
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		11,918	16,127
Dividend payable		-	15,622
		<hr/>	<hr/>
Retained profit for the year		11,918	505
		<hr/>	<hr/>

STATEMENT OF RETAINED EARNINGS

Balance brought forward	505	-
Retained profit for the year	11,918	505
	<hr/>	<hr/>
Balance at 31 March 1989	12,423	505
	=====	=====

# MITIE ENGINEERING SERVICES LIMITED

## BALANCE SHEET as at 31 March 1989

	Note	1989 £	1988 £
FIXED ASSETS			
Tangible assets	7	490,108	350,000
Investment in subsidiaries	8	218,165	492,133
		<hr/>	<hr/>
		708,273	842,133
CURRENT ASSETS			
Debtors	10	46,498	27,177
Cash at bank		-	3,837
		<hr/>	<hr/>
		46,498	31,014
CREDITORS: Amounts falling due within one year	11	208,760	289,054
		<hr/>	<hr/>
Net current liabilities		(162,262)	(258,040)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		546,011	584,093
CREDITORS: Amounts falling due after more than one year	12	(187,420)	(237,420)
PROVISION FOR LIABILITIES AND CHARGES	13	-	-
		<hr/>	<hr/>
NET ASSETS		358,591	346,673
		=====	=====
CAPITAL RESERVES			
Called-up share capital	14	277,722	277,722
Revaluation reserve	15	68,446	68,446
Profit and loss account	16	12,423	505
		<hr/>	<hr/>
		358,591	346,673
		=====	=====

Approved by the Board of Directors

Date:

21 August 1989

} Directors

MITIE ENGINEERING SERVICES LIMITED

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

SOURCE OF FUNDS	1989 £	1988 £
Funds generated from operations		
Profit before taxation	15,788	16,127
Funds from other sources		
Shares issued as part consideration for acquisition of subsidiary	-	131,502
Shares issued for cash	-	146,220
Loan Stock issued as part consideration for acquisition of subsidiary	-	150,000
Loan Notes issued	-	87,420
Dividend Received from subsidiary companies	276,357	-
	<hr/> 292,145	<hr/> 531,269
APPLICATION OF FUNDS		
Investments in subsidiaries	2,389	492,133
Purchase of fixed assets	140,108	281,554
Taxation paid	-	-
Dividends paid	15,622	-
	<hr/> 134,026	<hr/> (242,418)
	=====	=====
Arising from movements in:		
Debtors	19,321	27,177
Creditors	162,282	(273,432)
Cash balance	(47,577)	3,837
	<hr/> 134,026	<hr/> (242,418)
	=====	=====

# MITLE ENGINEERING SERVICES LIMITED

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 as modified by the revaluation of freehold property.

### CONSOLIDATED ACCOUNTS

Consolidated accounts for the group have not been prepared as this company is a wholly owned subsidiary of another company, registered in Scotland, and who have prepared consolidated accounts for the group.

### TURNOVER

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

### DEPRECIATION

Freehold and long leasehold buildings are not depreciated as it is the company's policy to maintain such buildings to a high standard.

### 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.

## 2. TURNOVER

	1989 £	1988 £
Management Fees	37,835	25,000
	=====	=====

## 3. INTEREST PAYABLE

	£	£
Bank loans and overdrafts repayable within five years	5,538	-
Loan Notes and Loan Stock	17,472	17,253
Other interest	297	-
	<hr/>	<hr/>
	23,307	17,253
	=====	=====
	£	£

## 4. PROFIT ON ORDINARY ACTIVITIES

This is stated after charging:  
Auditors remuneration

500 100

And after receiving:  
Rents receivable

35,000 500  
=====

# MITIE ENGINEERING SERVICES LIMITED

## NOTES TO THE ACCOUNTS for the year ended 31 March 1989

5. <u>TAXATION</u>	1989 £	1988 £	
UK Corporation tax at 35%			
- current year	3,870	-	
Deferred taxation (credit)/charge	-	-	
	<hr/>	<hr/>	
	3,870	-	
	=====	=====	
6. <u>DIRECTORS AND EMPLOYEES</u>	£	£	
Staff costs	NIL	NIL	
	=====	=====	
	<u>Number</u>	<u>Number</u>	
The average number of persons employed during the year	NIL	NIL	
	=====	=====	
	£	£	
The remuneration paid to directors was	NIL	NIL	
	=====	=====	
7. <u>TANGIBLE ASSETS</u>			
	Freehold Property	Long Leasehold Property	Total
	<hr/>	<hr/>	<hr/>
	£	£	£
COST .			
Balance brought forward	350,000	-	350,000
Additions	-	140,108	140,108
	<hr/>	<hr/>	<hr/>
Balance carried forward at valuation	350,000	-	350,000
at cost	-	140,108	140,108
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
Balance on acquisition	-	-	-
Charge for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Balance carried forward	-	-	-
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
31 March 1989	350,000	140,108	490,108
	<hr/>	<hr/>	<hr/>
31 March 1988	350,000	-	350,000
	<hr/>	<hr/>	<hr/>

The freehold property was valued as at 31 March 1988 by Messrs. Chesterton Chartered Surveyors, on the basis of open market value.



# MITIE ENGINEERING SERVICES LIMITED

## NOTES TO THE ACCOUNTS for the year ended 31 March 1989

8. <u>INVESTMENT IN SUBSIDIARIES</u>		1989	1988
	<u>Proportion held</u>	£	£
Priddy Group Ltd	100% (Dormant)	197,702	471,733
Priddy Engineering Services (South West) Ltd	51% Trading	20,400	20,400
Priddy Engineering Services (Bristol) Ltd	100% Trading	63	-
		<hr/>	<hr/>
		218,165	492,133
		=====	=====

The trading companies are involved in the installation of Electrical and Mechanical Services. All subsidiary companies are incorporated in England.

9. <u>DEBTORS</u>		1989	1988
		£	£
Trade debtors		1,691	-
Other debtors		2	251
Value added tax		8,468	-
Advance Corporation Tax recoverable		-	5,207
Amounts due from subsidiary companies		36,337	21,719
		<hr/>	<hr/>
		46,498	27,177
		<hr/>	<hr/>

10. <u>CREDITORS</u> - amounts falling due within one year		£	£
Bank overdraft		43,740	-
Corporation tax		5,207	5,207
Other creditors		-	1,250
Accruals		4,252	4,851
Dividends		-	15,622
Amounts due to subsidiary companies		155,561	262,124
		<hr/>	<hr/>
		208,760	289,054
		<hr/>	<hr/>

11. <u>CREDITORS</u> - amounts falling due after more than one year		£	£
3% Loan Notes repayable 31 Dec 1992		87,420	87,420
10.8% Unsecured Loan Stock 1990		100,000	150,000
		<hr/>	<hr/>
		187,420	237,420
		<hr/>	<hr/>

# MITIE ENGINEERING SERVICES LIMITED

## NOTES TO THE ACCOUNTS for the year ended 31 March 1989

<u>12. SHARE CAPITAL</u>	Authorised	1989 Allotted and fully paid	1988
Shares of £1 each	500,000	277,722	277,722

The authorised share capital was increased to £500,000 by an Ordinary Resolution passed on 8 August 1988. The entire issued share capital was acquired by Highgate & Job Group PLC, a company incorporated in Scotland, on 25 November 1988. This company is the ultimate holding company at the balance sheet date.

<u>13. REVALUATION RESERVE</u>	1989 £	1988 £
Surplus arising on revaluation of freehold property	68,446 =====	68,446 =====

## 14. CAPITAL COMMITMENTS

Capital expenditure authorised and not provided in the accounts is as follows:

	£	£
Contracted	-	-
Authorised but not contracted	-	120,000
	-----	-----
	-	120,000
	=====	=====