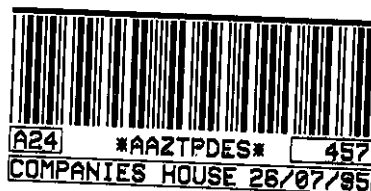


**GBM SERVICES LIMITED**  
(Registered Number: 2078208)

**DIRECTORS' REPORT AND ACCOUNTS**

**31 DECEMBER 1994**



## **GBM SERVICES LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1994**

The directors have pleasure in submitting their report and the audited consolidated financial statements of the company and its subsidiaries for the year ended 31 December 1994.

#### **ACTIVITIES AND REVIEW OF THE BUSINESS**

The company's principal activity is the provision of office cleaning services. The directors believe that the company has performed satisfactorily during the year and will continue to do so in the future.

#### **DIVIDENDS AND RESULTS**

The directors recommend an interim dividend of £100,000 (1993: £200,000) and a final dividend of £100,000 (1993: £100,000). The profit for the year of £72,696 has been taken to reserves (1993 : £76,379 loss).

#### **DIRECTORS AND DIRECTORS' INTERESTS**

The Directors who held office during the year and their interests were:

	<u>Number of £1 ordinary shares held</u>	
	<u>1 January 1994</u>	<u>31 December 1994</u>
J Pyner	250	250
DW Ogden	130	130
FT Fitzgerald	90	90
DJ Buckley	20	20
R Lane-Smith	-	-

There were no unexercised share options at 31 December 1994.

#### **CLOSE COMPANY STATUS**

In the opinion of the directors the company is a close company within the meaning of Section 414 of the Income and Corporation Taxes Act 1988. There has been no change in this respect since the end of the financial year.

#### **EMPLOYEES**

The company is mindful of its responsibilities in respect of disabled persons and gives active encouragement to their employment when a suitable vacancy occurs. Continuity of employment is maintained wherever possible for those becoming disabled, with redeployment or retraining being offered where necessary. Promotion of employees is entirely on merit; disability is not a factor, providing an individual can satisfy the requirements of the job.

## **GBM SERVICES LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1994 (Continued)**

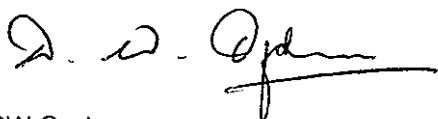
#### **EMPLOYEES (Continued)**

Throughout the company there is close consultation between management and other employees on matters of concern. Overall, the company endeavours to keep its employees well informed about the progress and position of the company in order that they may participate fully in these matters.

#### **AUDITORS**

Price Waterhouse have indicated their willingness to continue in office and a resolution proposing their reappointment will be proposed at the Annual General Meeting.

By Order of the Board

A handwritten signature in dark ink, appearing to read 'D. W. Ogden', with a long horizontal flourish extending to the right.

DW Ogden  
Secretary  
London

19 May 1995

## **GBM SERVICES LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company and the group at the end of the financial year and of the profit or loss of the company and the group for the period to that date. In preparing those financial statements the directors are required:

- to select suitable accounting policies and apply them consistently;
- to make judgements and estimates that are reasonable and prudent;
- to state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained to the financial statements;
- to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the group will continue in business

The directors have responsibility for ensuring that the company and the group keeps accounting records which disclose with reasonable accuracy the financial position of the company and the group and which enable them to ensure that the financial statements of the group comply with the Companies Act 1985. The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and the group and to prevent and detect fraud and other irregularities.

*Price Waterhouse*



## AUDITORS' REPORT TO THE SHAREHOLDERS OF GBM SERVICES LIMITED

We have audited the financial statements on pages 5 to 17 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

### Respective responsibilities of directors and auditors

As described on page 3, 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 Group'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 affairs of the Company and the Group as at 31 December 1994 and the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PRICE WATERHOUSE  
Chartered Accountants  
and Registered Auditors  
London

19 May 1995

# GBM SERVICES LIMITED

## GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1994

	<u>Note</u>	<u>1994</u> £	<u>1993</u> £
<b>TURNOVER</b>			
Continuing operations		12,404,313	10,214,865
Acquisitions		<u>-</u>	<u>816,437</u>
Cost of sales	3	12,404,313 <u>(9,736,641)</u>	11,031,302 <u>(8,582,627)</u>
<b>GROSS PROFIT</b>		2,667,672	2,448,675
Administrative expenses		<u>(2,248,088)</u>	<u>(2,119,055)</u>
<b>OPERATING PROFIT</b>			
Continuing operations		419,584	338,084
Acquisitions		<u>-</u>	<u>(8,464)</u>
Interest receivable and similar income		419,584	329,620
Interest payable and similar charges	8	43,354 <u>(8,876)</u>	67,992 <u>(7,450)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	454,062	390,162
Taxation	6	<u>(181,366)</u>	<u>(166,541)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		272,696	223,621
Dividends paid and proposed	7	<u>(200,000)</u>	<u>(300,000)</u>
<b>RETAINED PROFIT/(LOSS) FOR THE YEAR</b>		72,696	(76,379)
<b>RETAINED PROFIT BROUGHT FORWARD</b>		<u>370,981</u>	<u>447,360</u>
<b>RETAINED PROFIT CARRIED FORWARD</b>		<u>443,677</u>	<u>370,981</u>

There are no recognised gains or losses in 1993 and 1994 other than the profit/(loss) for the year.


The notes on pages 9 to 17 form part of these accounts.

# GBM SERVICES LIMITED

## GROUP BALANCE SHEET - 31 DECEMBER 1994

	Note	<u>1994</u> £	<u>1993</u> £
<b>FIXED ASSETS</b>			
Tangible assets	9	45,539	88,058
<b>CURRENT ASSETS</b>			
Debtors	10	1,407,021	1,380,983
Cash at bank and in hand		<u>1,095,167</u>	<u>977,387</u>
		2,502,188	2,358,370
<b>CREDITORS (amounts falling due within one year)</b>	11	<u>(2,002,293)</u>	<u>(1,961,278)</u>
<b>NET CURRENT ASSETS</b>		<u>499,895</u>	<u>397,092</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		545,434	485,150
<b>CREDITORS (amounts falling due after more than one year)</b>	12	<u>(1,267)</u>	<u>(13,679)</u>
<b>TOTAL NET ASSETS</b>		<u>544,167</u>	<u>471,471</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital			
Equity	14	1,000	1,000
Non equity	14	99,490	99,490
Profit and loss account (all attributable to equity)		<u>443,677</u>	<u>370,981</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>	15	<u>544,167</u>	<u>471,471</u>

Approved by the Board on 19 May 1995

  
 .....  
 Director  
 J Pyner

The notes on pages 9 to 17 form part of these accounts.

# GBM SERVICES LIMITED

## COMPANY BALANCE SHEET - 31 DECEMBER 1994

	Note	1994 £	1993 £
<b>FIXED ASSETS</b>			
Tangible assets	9	28,415	53,844
Investment in subsidiaries		81	81
<b>CURRENT ASSETS</b>			
Debtors	10	1,337,798	1,283,725
Cash at bank and in hand		<u>1,005,863</u>	<u>920,465</u>
		2,343,661	2,204,190
<b>CREDITORS (amounts falling due within one year)</b>	11	<u>(1,597,501)</u>	<u>(1,470,275)</u>
<b>NET CURRENT ASSETS</b>		<u>746,160</u>	<u>733,915</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>774,656</u>	<u>787,840</u>
<b>TOTAL NET ASSETS</b>		<u>774,656</u>	<u>787,840</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital			
Equity	14	1,000	1,000
Non equity	14	99,490	99,490
Profit and loss account (all attributable to equity)		<u>674,166</u>	<u>687,350</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>	15	<u>774,656</u>	<u>787,840</u>

Approved by the Board on 19 May 1995

Director

J Pyner

The notes on pages 9 to 17 form part of these accounts.



# GBM SERVICES LIMITED

## GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1994

	Note	<u>1994</u> £	<u>1993</u> £
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	16	484,635	235,502
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>			
Interest received		43,354	67,992
Interest paid		(3,922)	(7,450)
Dividends paid		(100,000)	(300,000)
Interest element of finance lease rental payments		<u>(4,954)</u>	<u>(1,250)</u>
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>		(65,522)	(240,708)
<b>TAXATION</b>			
Corporation tax paid		<u>(157,605)</u>	<u>(113,091)</u>
<b>TAX PAID</b>		(157,605)	(113,091)
<b>INVESTING ACTIVITIES</b>			
Payments to acquire tangible fixed assets		(91,079)	(135,495)
Proceeds from sale of tangible fixed assets		7,676	3,000
Purchase of subsidiary undertaking acquired)	17	<u>-</u>	<u>(185,562)</u>
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		<u>(83,403)</u>	<u>(318,057)</u>
<b>NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		178,105	(436,354)
<b>FINANCING</b>			
Capital element of finance lease rental		<u>(18,261)</u>	<u>-</u>
<b>NET CASH OUTFLOW FROM FINANCING</b>		<u>(18,261)</u>	<u>-</u>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	18, 19	<u>159,844</u>	<u>(436,354)</u>

The notes on pages 9 to 17 form part of these accounts.

# GBM SERVICES LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994

### 1 ACCOUNTING POLICIES

#### (a) Accounting convention

The accounts are drawn up in accordance with applicable accounting standards under the historical cost convention.

#### (b) Basis of consolidation

The Group accounts include the accounts of the company and its subsidiaries made up to 31 December 1994.

#### (c) Depreciation

Depreciation is provided on a straight line basis to write off the cost of tangible fixed assets over their expected useful lives. Annual rates of depreciation are:

Plant and machinery	50%
Fixtures and fittings	50%
Motor vehicles	50%

Fully depreciated assets are written off in the year in which they have been fully depreciated.

#### (d) Leased assets

Assets held under finance leases and hire purchase contracts are capitalised at the estimated fair value at date of inception of each lease or contract. The assets are depreciated over their expected useful lives. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding.

Rentals payable under operating leases are charged to the profit and loss account as accrued.

#### (e) Deferred taxation

Deferred taxation liability is provided on all timing differences between the accounting and taxation treatment of income and expense, unless they are expected to be deferred indefinitely in the foreseeable future. Deferred taxation asset is only recognised when it is expected to be recoverable beyond any reasonable doubt.

#### (f) Goodwill

Goodwill arising on acquisitions is taken directly to reserves

## GBM SERVICES LIMITED

### NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (Continued)

#### 2 PARENT UNDERTAKING PROFIT

The parent undertaking has taken advantage of the provisions of section 228 (7) of the Companies Act 1985 not to produce a separate profit and loss account. The amount of profit after taxation for the year dealt with in the Group profit and loss account is £186,816 (1993: £228,658). There were no recognised gains or losses other than the profit or loss for the year, in 1993 and 1994.

#### 3 TURNOVER

Turnover represents the invoiced value of services provided to customers excluding value added tax.

#### 4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is arrived at after charging/(crediting):

	<u>Group</u>		<u>Company</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£	£	£	£
Staff costs:				
Wages and salaries	8,880,460	8,107,008	6,403,336	6,176,921
Social and security costs	556,743	543,410	463,180	470,780
Other pension costs	284,673	227,894	246,174	211,804
Depreciation	129,348	144,349	82,261	109,105
Auditors' remuneration - for audit services	21,882	16,832	15,000	15,842
- for non-audit services	4,532	4,660	4,532	4,660
Operating lease rental expense	174,031	130,879	89,425	81,324
Profit on sale of tangible fixed assets	(3,425)	(3,000)	(1,000)	-

#### 5 DIRECTORS' EMOLUMENTS

	<u>1994</u>	<u>1993</u>
	£	£
Total emoluments paid to directors of the company	<u>401,789</u>	<u>449,376</u>
Highest paid director's emoluments excluding pensions	<u>120,000</u>	<u>106,400</u>

# GBM SERVICES LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (Continued)

The directors earned emoluments (excluding pensions) in the following ranges:

	<u>1994</u>	<u>1993</u>
	Number	Number
£0 - £5,000	2	1
£45,001 - £50,000	-	1
£60,001 - £65,000	1	1
£85,001 - £90,000	-	1
£90,001 - £95,000	1	-
£105,001 - £110,000	-	1
£115,001 - £120,000	1	-

## 6 TAXATION

	<u>1994</u>	<u>1993</u>
	£	£
UK Corporation tax at 33% (1993 - 33%)		
- GBM Services Scotland - 25% (1993 - 25%)		
- Civic Maintenance Services - 29% effective (1993 - Nil)	182,769	165,000
(Credit)/charge in respect of (over)/under provision in prior years	<u>(1,403)</u>	<u>1,541</u>
	<u>181,366</u>	<u>166,541</u>

## 7 DIVIDENDS

The amount of dividends paid and proposed on the company's ordinary shares during the year were:

	<u>1994</u>	<u>1993</u>
	£	£
Paid	-	200,000
Proposed	<u>200,000</u>	<u>100,000</u>
	<u>200,000</u>	<u>300,000</u>

## 8 INTEREST PAYABLE

	<u>Group</u>		<u>Company</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£	£	£	£
Interest payable on bank loans, overdrafts and other loans (repayable within 5 years)	3,922	7,450	1,141	1,187
Finance charges payable - finance leases and hire purchase contracts	<u>4,954</u>	-	-	-
	<u>8,876</u>	<u>7,450</u>	<u>1,141</u>	<u>1,187</u>

# GBM SERVICES LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (Continued)

9

### TANGIBLE FIXED ASSETS

Group	Plant & Machinery £	Office Equipment £	Motor Vehicles £	Total £
<u>Cost</u>				
1 January 1994	72,332	13,567	180,037	265,936
Additions	44,699	3,472	42,908	91,079
Disposals/Write offs	(72,332)	(13,567)	(180,037)	(265,936)
31 December 1994	<u>44,699</u>	<u>3,472</u>	<u>42,908</u>	<u>91,079</u>
<u>Depreciation</u>				
1 January 1994	36,167	6,784	134,927	177,878
Charge for year	58,514	8,520	62,314	129,348
Disposals/Write offs	(72,332)	(13,567)	(175,787)	(261,686)
31 December 1994	<u>22,349</u>	<u>1,737</u>	<u>21,454</u>	<u>45,540</u>
<u>Net book value</u>				
31 December 1994	<u>22,350</u>	<u>1,735</u>	<u>21,454</u>	<u>45,539</u>
31 December 1993	<u>36,165</u>	<u>6,783</u>	<u>45,110</u>	<u>88,058</u>

# GBM SERVICES LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (Continued)

### 9 TANGIBLE FIXED ASSETS (Continued)

#### Company

	Plant & Machinery	Office Equipment	Motor Vehicles	Total
<u>Cost</u>	£	£	£	£
1 January 1994	29,693	11,995	155,817	197,505
Additions	14,946	3,278	38,608	56,832
Disposals/Write offs	(29,693)	(11,995)	(155,817)	(197,505)
31 December 1994	<u>14,946</u>	<u>3,278</u>	<u>38,608</u>	<u>56,832</u>
<u>Depreciation</u>				
1 January 1994	14,847	5,997	122,817	143,661
Charge for year	22,319	7,638	52,304	82,261
Disposals/Write offs	(29,693)	(11,995)	(155,817)	(197,505)
31 December 1994	<u>7,473</u>	<u>1,640</u>	<u>19,304</u>	<u>28,417</u>
<u>Net book value</u>				
31 December 1994	<u>7,473</u>	<u>1,638</u>	<u>19,304</u>	<u>28,415</u>
31 December 1993	<u>14,846</u>	<u>5,998</u>	<u>33,000</u>	<u>53,844</u>

### 10 DEBTORS

	<u>Group</u>		<u>Company</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£	£	£	£
Trade debtors	1,310,408	1,211,793	943,007	744,761
Advance corporation tax recoverable	50,000	87,098	50,000	87,098
Amounts owed by Group undertakings (falling due after more than one year)	-	-	303,666	384,288
Other debtors	46,613	48,076	41,125	37,110
Prepayments and accrued income	-	<u>34,016</u>	-	<u>30,468</u>
	<u>1,407,021</u>	<u>1,380,983</u>	<u>1,337,798</u>	<u>1,283,725</u>

# GBM SERVICES LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (Continued)

### 11 CREDITORS (amounts falling due within one year)

	Group		Company	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£	£	£	£
Bank loans and overdrafts	49,707	91,771	32,452	-
Trade creditors	342,337	374,218	256,160	258,401
Other creditors including social security	782,497	782,712	655,430	635,762
Taxation	157,769	134,008	115,185	123,585
Advance corporation tax payable	50,000	87,098	50,000	87,098
Accruals	409,481	375,121	288,274	265,429
Finance leases	10,502	16,350	-	-
Proposed dividend	<u>200,000</u>	<u>100,000</u>	<u>200,000</u>	<u>100,000</u>
	<u>2,002,293</u>	<u>1,961,278</u>	<u>1,597,501</u>	<u>1,470,275</u>

### 12 CREDITORS (amounts falling due after more than one year)

	<u>1994</u>	<u>1993</u>
	£	£
Group		
Finance leases (all due within 5 years)	<u>1,267</u>	<u>13,679</u>

### 13 COMMITMENTS UNDER OPERATING LEASES

At 31 December 1994 there were commitments under operating leases for the next year as set out below:

	Group and company		Company	
	Motor Vehicles			
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£	£	£	£
Operating leases expiring within one year	76,280	79,326	76,280	79,326
Operating leases expiring within two to five years	<u>69,853</u>	<u>40,042</u>	<u>69,853</u>	<u>40,042</u>
	<u>146,133</u>	<u>119,368</u>	<u>146,133</u>	<u>119,368</u>

# GBM SERVICES LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (Continued)

### 14 CALLED UP SHARE CAPITAL

	<u>1994</u>	<u>1993</u>
	£	£
Authorised, allotted and fully paid:		
<u>Equity</u>		
1,000 ordinary shares of £1 each	1,000	1,000
<u>Non-equity</u>		
99,490 non-voting nil coupon preference shares of £1 each	<u>99,490</u>	<u>99,490</u>
	<u>100,490</u>	<u>100,490</u>

### 15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>Group</u>		<u>Company</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£	£	£	£
Profit for the financial year	272,696	223,621	186,816	228,658
Dividends	<u>(200,000)</u>	<u>(300,000)</u>	<u>(200,000)</u>	<u>(300,000)</u>
	72,696	(76,379)	(13,184)	(71,342)
Goodwill written off on acquisition of CMS	<u>-</u>	<u>(177,051)</u>	<u>-</u>	<u>-</u>
	72,696	(253,430)	(13,184)	(71,342)
Opening shareholders' funds	<u>471,471</u>	<u>724,901</u>	<u>787,840</u>	<u>859,182</u>
Closing shareholders' funds	<u>544,167</u>	<u>471,471</u>	<u>774,656</u>	<u>787,840</u>
Attributable to ordinary shareholders'	<u>444,677</u>	<u>371,981</u>	<u>675,166</u>	<u>688,350</u>
Attributable to preference shareholders	<u>99,490</u>	<u>99,490</u>	<u>99,490</u>	<u>99,490</u>



# GBM SERVICES LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (Continued)

### 16 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>1994</u>	<u>1993</u>
	£	£
Operating profit	419,584	329,620
Depreciation	129,348	144,349
Decrease/(increase) in debtors	(63,136)	(396,466)
(Decrease) increase in creditors	2,264	160,999
Profit on sale of tangible fixed assets	(3,425)	(3,000)
Net cash inflow from operating activities	<u>484,635</u>	<u>235,502</u>

### 17 ANALYSIS OF THE NET OUTFLOW OF CASH AND CASH EQUIVALENTS IN RESPECT OF PURCHASE OF SUBSIDIARY UNDERTAKING

	<u>1994</u>	<u>1993</u>
	£	£
Cash consideration	-	(1)
Cash at bank and in hand acquired	-	1,253
Bank overdraft of subsidiary undertaking	-	(186,814)
Net cash outflow in respect of purchase of subsidiary	<u>-</u>	<u>(185,562)</u>

### 18 ANALYSIS OF CHANGE IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	<u>1994</u>	<u>1993</u>
	£	£
Balance at 1 January	885,616	1,321,970
Net cash inflow (outflow)	<u>159,844</u>	<u>(436,354)</u>
Balance at 31 December	<u>1,045,460</u>	<u>885,616</u>

### 19 ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	<u>1994</u>	<u>1993</u>	Change in year
	£	£	£
Cash at bank and in hand	1,095,167	977,387	117,780
Bank overdraft	<u>(49,707)</u>	<u>(91,771)</u>	<u>42,064</u>
	<u>1,045,460</u>	<u>885,616</u>	<u>159,844</u>

## **GBM SERVICES LIMITED**

### **NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (Continued)**

#### **20 PENSION COSTS**

Until March 1994 the company operated a defined benefit pension scheme which was funded through a separate trustee administered fund. Contributions to the fund, which were charged against profit, were based upon actuarial advice following the most recent valuation of the fund on 6 April 1991 based on the actuarial tables and actual value of the Fund calculated by the trustees at that date. At the date of the valuation there was no funding deficiency. In March 1994 Chambers and Newman, pension fund advisers allocated the amounts held by the fund to the existing members of the pension scheme. A money-purchase, defined contribution scheme was then set up in place of the previous fund. The scheme is attributable to employees of GBM (Services) Ltd, GBM (Scotland) Ltd and Civic Maintenance Services Ltd.

#### **21 EMPLOYEES**

The average number of persons employed during the year was 2,069 (1993: 2,228) by the group, and 1,172 (1993 : 1,244) by the company.

#### **22 SUBSIDIARY UNDERTAKINGS**

The company has two subsidiaries, GBM Services (Scotland) Limited registered in England, in which it holds 80% of the company's ordinary share capital and Civic Maintenance Services Limited in which it holds 100% of the ordinary share capital. The principal activity of the subsidiaries is the provision of cleaning services.

The company recognises and provides against any losses attributable to the minority interest of the GBM Services (Scotland) Limited.

Both subsidiaries are included in the consolidated financial statements (Civic Maintenance Services Ltd from 1 July 1993), being accounted for via the acquisition method.