



MITIE CLEANING LIMITED

Report and Balance Sheet

15 March 1997

**Deloitte & Touche
Queen Anne House
69-71 Queen Square
Bristol
BS1 4JP**





REPORT AND BALANCE SHEET 1997

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REPORT AND BALANCE SHEET 1997

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D M Telling
J Astley
M McCarthy
I R Stewart
N R Goodman

SECRETARIES

A F Waters
M O Thomas

REGISTERED OFFICE

The Stable Block
Barley Wood
Wrington
Bristol
BS18 7SA

AUDITORS

Deloitte & Touche
Queen Anne House
69-71 Queen Square
Bristol
BS1 4JP

DIRECTORS' REPORT

The directors present their report and financial statements for the financial year ended 15 March 1997.

These financial statements have been made up to 15 March 1997, being a date not more than seven days after the accounting reference date as permitted by Section 223 of the Companies Act 1985.

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 as at the end of the financial year 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; 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. 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

On 1 April 1995 the company transferred its entire business to the parent undertaking MITIE Group PLC and has not traded since that date.

RESULTS AND DIVIDENDS

The result for the year after taxation amounted to £nil (1996: £nil). The directors do not propose the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors during the year were as follows:

D M Telling	(Chairman)
J Astley	
M McCarthy	
I R Stewart	
N R Goodman	
D J Robertson	(resigned 11 July 1997)
D J L Evans	(resigned 7 October 1996)

No director had a beneficial interest in the share capital of the company at the beginning or end of the financial year.

DIRECTORS' REPORT (continued)

DIRECTORS AND THEIR INTERESTS (continued)

Messrs D M Telling and I R Stewart 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:

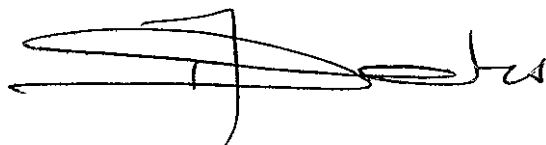
	15 March 1997		16 March 1996	
	10p Ordinary	6% Convertible	25p Ordinary	6% Convertible
	shares	redeemable	shares	redeemable
	Number	unsecured	Number	unsecured
		loan stock		loan stock
		£		£
J Astley	229,610	-	94,244	-
M McCarthy	2,052,485	-	808,632	70,000
N R Goodman	584,575	-	244,500	-
D J Robertson	-	-	5,700	-

No other director held an interest in the share capital of MITIE Group PLC.

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

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



A F Waters
 Secretary

14/8/97



Chartered Accountants

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Queen Anne House
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Bristol BS1 4JP

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AUDITORS' REPORT TO THE MEMBERS OF

MITIE CLEANING LIMITED

We have audited the financial statements on pages 5 to 8 which have been prepared under the accounting policies set out on page 7.

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 15 March 1997 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

18/8/97

DELOITTE & TOUCHE
Chartered Accountants and
Registered Auditors

BALANCE SHEET
15 March 1997

	Notes	1997 £	1996 £
CURRENT ASSETS			
Debtors	3	274,027	274,027
NET ASSETS		<u>274,027</u>	<u>274,027</u>
CAPITAL AND RESERVES			
Called up share capital	4	262,500	262,500
Share premium account		40,500	40,500
Profit and loss account		(28,973)	(28,973)
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>274,027</u>	<u>274,027</u>

These financial statements were approved by the Board of Directors on **14 AUGUST 1997**

Signed on behalf of the Board of Directors



D M Telling
 Director

CASH FLOW STATEMENT
Year ended 15 March 1997

	Note	1997 £	1996 £
Acquisitions and disposals			
Transfer to parent undertaking		-	2,815,361
		<hr/>	<hr/>
Increase in cash in the year	5	-	2,815,361
		<hr/>	<hr/>

NOTES TO THE BALANCE SHEET
Year ended 15 March 1997

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention.

Compliance with accounting standards

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

2. PROFIT AND LOSS ACCOUNT

The company did not trade during the current financial year or preceding financial year and made neither profit nor loss. There are no recognised gains or losses for the current financial year and preceding financial year.

Accordingly no statement of gains and losses or reconciliation of movement in shareholders' funds have been prepared.

3. DEBTORS

	1997 £	1996 £
Amounts owed by parent undertaking and fellow subsidiary undertakings	274,027	274,027

4. CALLED UP SHARE CAPITAL

	1997 Number	1996 £
(1) Authorised		
25p Ordinary shares	2,000,000	500,000
(2) Allotted and fully paid		
	1997 £	1996 £
1,050,000 25p Ordinary shares	262,500	262,500

**5. RECONCILIATION OF NET CASH FLOW TO MOVEMENT
IN NET DEBT**

	1997 £	1996 £
Increase in cash for the year	-	2,815,361
Movement in net debt in the year	-	2,815,361
Net debt at 16 March	-	(2,815,361)
Net debt at 15 March	-	-

**NOTES TO THE BALANCE SHEET****Year ended 15 March 1997****6. 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.

As a wholly owned subsidiary of MITIE Group PLC, MITIE Cleaning Limited, has taken advantage of the exemption from the requirement to disclose related party transactions with MITIE Group PLC and companies within the group.