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Touche**

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REGISTRAR

Company Number 2135450

MITIE MAINTENANCE (SOUTH EAST) LIMITED
(formerly MITIE Maintenance Limited)

Report and Financial Statements

31 March 1997

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





REPORT AND FINANCIAL STATEMENTS 1997

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REPORT AND FINANCIAL STATEMENTS 1997

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D M Telling
I R Stewart
W E Harding
R G Brown
A F Waters
L Malpass
P G Townsend
D Burke

SECRETARIES

A F Waters
M O Thomas

REGISTERED OFFICE

The Stable Block
Barley Wood
Wroughton
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 year ended 31 March 1997.

The company changed its name from MITIE Maintenance Limited to MITIE Maintenance (South East) Limited on 11 November 1996.

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 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 (1996: £nil). The company enjoys the support of its parent undertaking MITIE Group PLC.

DIRECTORS AND THEIR INTERESTS

The directors during the year were as follows:

D M Telling
I R Stewart
W E Harding
R G Brown
A F Waters
L Malpass
P G Townsend
D Burke
M Gemson (resigned 30 September 1996)

DIRECTORS' REPORT (continued)

DIRECTORS AND THEIR INTERESTS (continued)

Messrs D M Telling, I R Stewart and W E Harding are directors of MITIE Group PLC 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:

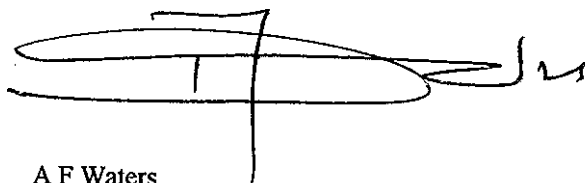
	31 March 1997		1 April 1996	
	10p Ordinary shares Number	6% Convertible redeemable unsecured loan stock £	25p Ordinary shares Number	6% Convertible redeemable unsecured loan stock £
A F Waters	391,910	-	156,650	3,414
L Malpass	137,500	-	55,000	-
D Burke	137,700	-	56,480	-

No other director had 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 MAINTENANCE (SOUTH EAST) LIMITED (formerly MITIE Maintenance 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 31 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



MITIE MAINTENANCE (SOUTH EAST) LIMITED
 (formerly MITIE Maintenance Limited)

BALANCE SHEET
31 March 1997

	Notes	1997 £	1996 £
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	3	(161,842)	(161,842)
NET LIABILITIES		<u>(161,842)</u>	<u>(161,842)</u>
CAPITAL AND RESERVES			
Called up share capital	4	100	100
Profit and loss account		(161,942)	(161,942)
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>(161,842)</u>	<u>(161,842)</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 31 March 1997

	Note	1997 £	1996 £
Acquisitions and disposals			
Transfer of business to parent undertaking		-	507,539
Increase in cash in the year	5	-	507,539



NOTES TO THE ACCOUNTS
Year ended 31 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.

Going concern

The financial statements have been prepared on the going concern basis.

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. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997 £	1996 £
Amounts owed to parent undertaking and fellow subsidiary undertakings	<u>161,842</u>	<u>161,842</u>

4. CALLED UP SHARE CAPITAL

	1997	
(1) Authorised	Number	£
£1 Ordinary shares	<u>1,000</u>	<u>1,000</u>
(2) Allotted and fully paid	1997 £	1996 £
£1 Ordinary shares	<u>100</u>	<u>100</u>



NOTES TO THE ACCOUNTS
Year ended 31 March 1997

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

	1997 £	1996 £
Increase in cash for the year	-	507,539
Movement in net debt in the year	-	507,539
Net debt at 1 April	-	(507,539)
Net debt at 31 March	-	-

6. DIRECTORS

The directors received no emoluments during the year (1996: £nil).

7. 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 Maintenance (South East) Limited, has taken advantage of the exemption from the requirement to disclose related party transactions with MITIE Group PLC and companies within the group.