



BDO Binder Hamlyn
Chartered Accountants

REGISTRAR

MITIE BUILDING MAINTENANCE LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

for the year ended
31 March 1993



Company Number 2135450



Ayr Bacup Belfast Birmingham Bristol Bury St Edmunds
Cardiff Croydon Edinburgh Enniskillen Glasgow Leeds
London Manchester Newbury Newcastle Newmarket
Norwich Nottingham Poole Rochdale St Albans Salicoats
Stoke-on-Trent Stranraer Wolverhampton

DIRECTORS

D M Telling
W E Harding
R G Brown
A F Waters

SECRETARY

A F Waters

REGISTERED OFFICE

The Stable Block
Barley Wood
Wroughton
Avon BS18 7SA

COMPANY NUMBER

2135450

AUDITORS

BDO Binder Hamlyn
Broad Quay House
Broad Quay
Bristol BS1 4PQ

DIRECTORS' REPORT
for the year ended 31 March 1993

FINANCIAL STATEMENTS

The directors present their report and financial statements for the year ended 31 March 1993. The ultimate parent undertaking is MITIE Group PLC, which is incorporated in Scotland.

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

- (1) select suitable accounting policies and then apply them consistently;
- (2) make judgements and estimates that are reasonable and prudent;
- (3) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- (4) 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 maintaining 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 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 to act as the administrative office to its subsidiary undertakings.

RESULTS

The loss for the year after taxation amounted to £24,776. The company enjoys the support of its parent undertaking.

FIXED ASSETS

Details of movements in fixed assets during the year are set out in Note 5 to the financial statements.

DIRECTORS' REPORT
for the year ended 31 March 1993 (continued)**DIRECTORS**

The directors during the year were as stated on page 1.

No directors had an interest in the shares of the company.

Messrs W E Harding and D M Telling are directors of MITIE Group PLC, the ultimate parent company, 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 1993		1 April 1992	
	50p Ordinary shares Number	6% convertible redeemable unsecured loan stock £	50p Ordinary shares Number	6% convertible redeemable unsecured loan stock £
A F Waters	71,170	3,414	71,170	3,414

No other director had an interest in the shares of that company.

AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution proposing that BDO Binder Hamlyn be re-appointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 18th August 1993



A F Waters
Secretary

AUDITORS' REPORT
to the members of MITIE Building Maintenance Limited

We have audited the financial statements on pages 5 to 12 which have been prepared on the basis of 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.

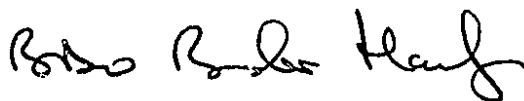
Basis of opinion

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 1993 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants
Registered Auditors
18th August 1993

MITIE BUILDING MAINTENANCE LIMITED

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PROFIT AND LOSS ACCOUNT
for the year ended 31 March 1993

	Notes	1993 £	1992 £
Turnover		-	-
Administrative expenses		<u>17,607</u>	<u>(22,489)</u>
Operating (loss)/profit	2	(17,607)	22,489
Interest payable	3	<u>20,061</u>	<u>22,489</u>
Loss on ordinary activities before taxation		(37,668)	-
Tax on loss on ordinary activities	4	<u>(12,892)</u>	<u>3,275</u>
Retained loss for the year	11	<u>(24,776)</u>	<u>(3,275)</u>

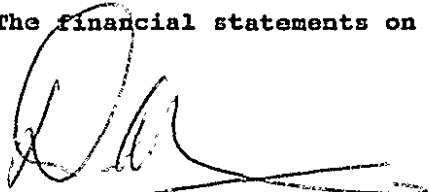
MITIE BUILDING MAINTENANCE LIMITED

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BALANCE SHEET
as at 31 March 1993

	Notes	£	1993	£	£	1992	£
FIXED ASSETS							
Tangible assets	5		60,731			64,433	
Investments	6		<u>326,000</u>			<u>316,000</u>	
			386,731			380,433	
CURRENT ASSETS							
Debtors	7	73,500			373,279		
Cash at bank and in hand		<u>69</u>			<u>437</u>		
		73,569			373,716		
CREDITORS: amounts falling due within one year	8	<u>488,336</u>			<u>757,409</u>		
Net Current Liabilities			(414,767)			(383,693)	
Net Liabilities			<u>(28,036)</u>			<u>(3,260)</u>	
CAPITAL AND RESERVES							
Called up share capital	10		81			81	
Profit and loss account	11		<u>(28,117)</u>			<u>(3,341)</u>	
			<u>(28,036)</u>			<u>(3,260)</u>	

The financial statements on pages 5 to 12 were approved by the Board on 18th August 1993


D M Telling
Director

HITIE BUILDING MAINTENANCE LIMITED

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CASH FLOW STATEMENT for the year ended 31 March 1993

	Notes	£	1993	£	£	1992	£
NET CASH INFLOW/(OUTFLOW)							
FROM OPERATING ACTIVITIES	12		345,299			(306,853)	
RETURNS ON INVESTMENTS AND							
SERVICING OF FINANCE							
Interest paid		(21,746)			(20,284)		
NET CASH OUTFLOW FROM RETURNS							
ON INVESTMENTS AND SERVICING							
OF FINANCE			(21,746)			(20,284)	
TAX PAID			(3,383)				
INVESTING ACTIVITIES							
Purchase of tangible fixed							
assets		(41,511)			(84,747)		
Sale of tangible fixed assets		21,322			-		
Investments		(10,000)			-		
NET CASH OUTFLOW FROM							
INVESTING ACTIVITIES			(30,189)			(84,747)	
INCREASE/(DECREASE) IN CASH							
AND CASH EQUIVALENTS	13		289,981			(411,884)	

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1993

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention.

As the ultimate parent undertaking has pledged to provide continuing support if necessary to enable the company to continue trading, the financial statements have been prepared on a going concern basis.

Consolidated accounts

Consolidated accounts for the group have not been prepared as this company is exempt under S228 of Companies Act 1985, being a wholly owned subsidiary of another company, registered in Scotland, who have prepared consolidated accounts for the group.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation, 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:

Plant and office equipment	4 - 10 years
Motor vehicles	4 years

Compliance with accounting standards

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

2. OPERATING (LOSS)/PROFIT is stated after charging:	1993 £	1992 £
Depreciation	23,891	20,314
Auditors' remuneration	<u>1,000</u>	<u>600</u>
3. INTEREST PAYABLE		
Bank interest payable	<u>20,061</u>	<u>22,489</u>
4. TAXATION		
UK current year taxation	-	4,000
UK corporation tax at 33%	725	(725)
Deferred tax	(13,000)	-
Group relief	(12,275)	3,275
Prior years	(617)	-
UK corporation tax	<u>(12,892)</u>	<u>3,275</u>
Tax on loss on ordinary activities		

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1993 (continued)

5. TANGIBLE FIXED ASSETS

(a) Summary	Office equipment £	Plant and equipment £	Motor vehicles £	Total £
Cost				
1 April 1992	33,593	1,797	49,375	84,765
Additions	13,354	590	15,175	29,119
Intra-group transfers	4,971	-	(23,980)	(19,009)
31 March 1993	<u>51,918</u>	<u>2,387</u>	<u>40,570</u>	<u>94,875</u>
Depreciation				
1 April 1992	4,965	154	15,213	20,332
Charge for the year	10,127	566	13,198	23,891
Intra-group transfers	935	-	(11,014)	(10,079)
31 March 1993	<u>16,027</u>	<u>720</u>	<u>17,397</u>	<u>34,144</u>
Net book value				
31 March 1993	<u>35,891</u>	<u>1,667</u>	<u>23,173</u>	<u>60,731</u>
31 March 1992	<u>28,628</u>	<u>1,643</u>	<u>34,162</u>	<u>64,433</u>

(b) Capital commitments

At 31 March 1993 the directors had authorised capital expenditure of £Nil (1992: £Nil).

6. INVESTMENTS

During the year the company acquired an interest in MITIE Support Services Limited. At 31 March 1993 investments in subsidiaries were as follows:

	1993 £1 Ordinary shares Number	Proportion of share capital held %
MITIE Support Services Limited	25,000	25
MITIE Building Maintenance (North West) Limited	60,000	60
MITIE Building Maintenance (North East) Limited	60,000	60
MITIE Building Maintenance (South East) Limited	65,000	66
MITIE Building Maintenance (London) Limited	65,000	68
MITIE Building Maintenance (Scotland) Limited	51,000	52

All of the above companies are registered in England and are involved in the provision of building maintenance services. The cost of these investments at 31 March 1993 is £326,000 (1992: £316,000).

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MITIE BUILDING MAINTENANCE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 1993 (continued)

7. DEBTORS	1993 £	1992 £
Amounts owed by parent undertaking and fellow subsidiary undertakings	60,000	367,329
Other debtors	-	4,488
Prepayments and accrued income	500	1,462
Corporation tax recoverable	13,000	-
	<u>73,500</u>	<u>373,279</u>

8. CREDITORS: amounts falling due within one year		
Bank overdraft	121,957	412,306
Amounts owed to parent undertaking and fellow subsidiary undertakings	353,151	315,748
Corporation tax	-	4,000
Other taxes and social security costs	8,515	14,938
Accruals and deferred income	4,713	10,417
	<u>488,336</u>	<u>757,409</u>

9. DEFERRED TAX	£
1 April 1992	(725)
Transfer to profit and loss account	<u>725</u>
31 March 1993	<u>-</u>

The total potential deferred tax liability is as follows:

	Potential 1993 £	1992 £
Accelerated capital allowances	150	(1,145)
Other timing differences	<u>(175)</u>	<u>(725)</u>
	<u>(25)</u>	<u>(1,870)</u>

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MITIE BUILDING MAINTENANCE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 1993 (continued)

10. SHARE CAPITAL

Authorised and allotted share capital	Authorised		Allotted, called up and fully paid	
	1993 Number	1992 Number	1993 £	1992 £
£1 Ordinary	<u>1,000</u>	<u>1,000</u>	<u>81</u>	<u>81</u>

11. PROFIT AND LOSS ACCOUNT

1 April 1992	£
Loss for the year	(3,341)
	<u>(24,776)</u>
31 March 1993	<u>(28,117)</u>

12. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	1993 £	1992 £
Operating (loss)/profit	(17,607)	22,489
Depreciation charges	23,891	20,314
Decrease/(increase) in debtors	312,054	(372,554)
Increase in creditors	<u>26,961</u>	<u>22,898</u>
Net cash inflow/(outflow) from operating activities	<u>345,299</u>	<u>(306,853)</u>

13. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS

	1993 £	1992 £	Change £
Cash at bank and in hand	69	437	(368)
Bank overdrafts	<u>(121,957)</u>	<u>(412,306)</u>	<u>290,349</u>
	<u>(121,888)</u>	<u>(411,869)</u>	<u>289,981</u>

14. FINANCIAL COMMITMENTS

(a) Operating leases - land and buildings

At 31 March 1993 the company had no annual commitments under non-cancellable operating leases.

(b) Commitments on behalf of group undertakings

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1993 (continued)

15. DIRECTORS

(a) Emoluments

	1993 £	1992 £
The emoluments of directors of the company were:		
Fees and other emoluments (including pension contributions and benefits-in-kind)	-	57,286

(b) Bandings

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

The chairman	-	-
The highest-paid director	-	53,536

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

	Number	Number
£0 - £5,000	3	2

16. EMPLOYEES

(a) Number of employees

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

Administration and management	5	5
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(b) Employment costs

	£	£
Wages and salaries	141,683	166,373
Social security costs	12,163	16,161
Other pension costs	6,205	8,347
	160,051	190,881

17. ULTIMATE PARENT UNDERTAKING

The directors regard MITIE Group PLC, a company incorporated in Scotland, as the company's ultimate parent undertaking. Copies of the group financial statements can be obtained from the company secretary at the registered office.