

Company Number 2161660

**Deloitte  
& Touche**

**MITIE GREENCOTE LIMITED**

**Report and Financial Statements**

**31 March 2001**

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



**REPORT AND FINANCIAL STATEMENTS 2001**

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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

D M Telling  
C Nixon  
W Robson

**SECRETARIES**

A F Waters  
M O Thomas (resigned 4 May 2000)  
C K Ross (appointed 4 May 2000)

**REGISTERED OFFICE**

The Stable Block  
Barley Wood  
Wroughton  
Bristol  
BS40 5SA

**BANKERS**

HSBC Bank plc  
49 Corn Street  
Bristol  
BS99 7PP

**AUDITORS**

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

**DIRECTORS' REPORT**

The directors present their annual report and audited financial statements for the year ended 31 March 2001.

**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 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 principal activity of the company during the year was plastering and refurbishment contractors.

The company's business has developed satisfactorily and the directors consider that the company is in a good position to continue that development.

**RESULTS AND DIVIDENDS**

The profit for the year after taxation amounted to £67,038 (2000: £48,088). The directors recommend that this amount be dealt with as follows:

	£
Ordinary dividends:	
- Final proposed 8p per share	11,560
Transfer to reserves	55,478
	<hr/>
	67,038
	<hr/>

**DIRECTORS' REPORT (continued)****DIRECTORS AND THEIR INTERESTS**

The directors during the year were as follows:

D M Telling  
C Nixon  
W Robson

The beneficial interests of the directors and their families in the share capital of the company at the beginning and end of the year were as follows:

	At 31 March 2001 1p 'B' ordinary shares No.	At 1 April 2000 1p 'B' ordinary shares No.
C Nixon	15,000	15,000

No other director had an interest in the share capital of the company.

Mr D M Telling is a director of MITIE Group PLC, the parent undertaking, and his interest in the share capital of that company is shown in the financial statements of MITIE Group PLC.

Other directors' interests in the share capital of MITIE Group PLC are as follows:

	At 31 March 2001 5p Ordinary shares No.	At 1 April 2000 5p Ordinary shares No.
W Robson	1,002,020	1,100,020

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

**Share Options**

	At 1 April 2000	Granted during the period Options	Price	Exercise period From	To	Exercised during the period Options	Price	At 31 March 2001
C Nixon (i)	5,476	-	-	-	-	-	-	5,476

(i) Options under the Savings Related Option Scheme

Further details of the MITIE Group PLC Share Schemes are given in the accounts of that company.

**PAYMENT POLICY**

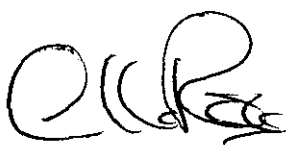
The company's policy is to comply with the terms of payment agreed with a supplier. Where terms are not negotiated, the company endeavours to adhere with the supplier's standard terms. As at 31 March 2001 trade creditors, as a proportion of amounts invoiced from suppliers for the year, represented 62 (2000: 63) days.

**DIRECTORS' REPORT (continued)**

**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 handwritten signature in black ink, appearing to read 'C K Ross', with a stylized flourish at the end.

C K Ross  
Secretary

20 August 2001

## **AUDITORS' REPORT TO THE MEMBERS OF**

### **MITIE GREENCOTE LIMITED**

We have audited the financial statements on pages 6 to 15 which have been prepared under the accounting policies set out on page 9.

#### **Respective responsibilities of directors and auditors**

As described on page 2, the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 United Kingdom 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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**DELOITTE & TOUCHE**  
Chartered Accountants and  
Registered Auditors

20 August 2001

**PROFIT AND LOSS ACCOUNT**  
Year ended 31 March 2001

	Notes	Continuing operations	
		2001	2000
		£	£
<b>TURNOVER</b>	1	3,716,427	2,593,265
Cost of sales		(3,176,620)	(2,163,316)
<b>GROSS PROFIT</b>		539,807	429,949
Administrative expenses		(428,559)	(344,836)
<b>OPERATING PROFIT</b>	2	111,248	85,113
Interest payable	3	(10,997)	(12,531)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		100,251	72,582
Tax on profit on ordinary activities	4	(33,213)	(24,494)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		67,038	48,088
Dividends	5	(11,560)	(11,560)
<b>RETAINED PROFIT FOR THE YEAR</b>	12	55,478	36,528

There are no recognised gains and losses for the current financial year or preceding financial year other than as stated in the profit and loss account.



**BALANCE SHEET**  
At 31 March 2001

	Notes	2001		2000	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	6		57,442		63,772
<b>CURRENT ASSETS</b>					
Work in progress	7	235,916		349,538	
Debtors	8	835,789		690,712	
Cash at bank and in hand		1,000		1,000	
		1,072,705		1,041,250	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	(829,670)		(860,023)	
<b>NET CURRENT ASSETS</b>			243,035		181,227
<b>NET ASSETS</b>			300,477		244,999
<b>CAPITAL AND RESERVES</b>					
Called up share capital	10		1,445		1,445
Share premium account	11		44,055		44,055
Profit and loss account	12		254,977		199,499
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	13		300,477		244,999

These financial statements were approved by the Board of Directors on 20 August 2001.

Signed on behalf of the Board of Directors



D M Telling  
Director

**CASH FLOW STATEMENT**  
**Year ended 31 March 2001**

	Notes	2001		2000	
		£	£	£	£
<b>Net cash inflow/(outflow) from operating activities</b>	14		99,721		(86,019)
<b>Returns on investments and servicing of finance</b>					
Interest paid			(11,062)		(11,908)
<b>Taxation</b>					
UK corporation tax paid			(24,033)		(37,219)
<b>Capital expenditure</b>					
Payments to acquire tangible fixed assets		(24,802)		(40,928)	
Receipts from disposal of tangible fixed assets		2,700		524	
<b>Net cash outflow from capital expenditure</b>			(22,102)		(40,404)
<b>Financing</b>					
Issue of ordinary shares			-		44,500
<b>Equity dividends paid</b>			(11,560)		(30,000)
<b>Increase/(decrease) in cash in the year</b>	16		<u>30,964</u>		<u>(161,050)</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2001****1. ACCOUNTING POLICIES****Accounting convention**

The financial statements are prepared under the historical cost convention and are prepared in accordance with applicable accounting standards.

**Turnover**

Turnover represents the total, excluding sales taxes, receivable in respect of goods and services supplied and contract work completed in the year. All turnover arises within the United Kingdom, from the company's principal activity.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost 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:

Office equipment	3 to 10 years
Motor vehicles	4 years

**Leasing commitments**

Rentals paid under operating leases are charged against income on a straight-line basis over the lease term.

**Work in progress**

Work in progress is stated at the lower of cost (including appropriate overheads) and net realisable value. Provision is made for foreseeable losses.

**Deferred taxation**

Provision is made for deferred taxation using the liability method in respect of timing differences to the extent that liabilities will crystallise in the foreseeable future.

**Pension costs**

Pension costs represent amounts paid to one of the group's pension schemes. Details of the schemes are given in the financial statements of MITIE Group PLC.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2001**

<b>2. OPERATING PROFIT</b> is stated after charging/(crediting):	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Depreciation	29,783	21,895
Operating lease rentals - land and buildings	14,305	-
Auditors' remuneration - audit services	2,500	2,500
(Profit)/loss on disposal of tangible fixed assets	(1,351)	375
	<u>29,237</u>	<u>24,770</u>
 <b>3. INTEREST PAYABLE</b>	 <b>2001</b>	 <b>2000</b>
	<b>£</b>	<b>£</b>
Bank interest	10,997	12,531
	<u>10,997</u>	<u>12,531</u>
 <b>4. TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	 <b>2001</b>	 <b>2000</b>
	<b>£</b>	<b>£</b>
<b>UK current year taxation</b>		
UK corporation tax at 30% (2000: 30%)	33,256	24,000
<b>Prior years</b>		
UK corporation tax	(43)	494
	<u>33,213</u>	<u>24,494</u>
 <b>5. DIVIDENDS</b>	 <b>2001</b>	 <b>2000</b>
	<b>£</b>	<b>£</b>
Final proposed:		
1p 'A' ordinary shares 8p (2000: 8p) per share	8,000	8,000
1p 'B' ordinary shares 8p (2000: 8p) per share	3,560	3,560
	<u>11,560</u>	<u>11,560</u>

**NOTES TO THE ACCOUNTS**  
Year ended 31 March 2001**6. TANGIBLE FIXED ASSETS**

Summary	Office equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 April 2000	17,556	97,228	114,784
Additions	6,302	18,500	24,802
Disposals	-	(16,154)	(16,154)
At 31 March 2001	23,858	99,574	123,432
<b>Depreciation</b>			
At 1 April 2000	9,259	41,753	51,012
Charge for the year	5,378	24,405	29,783
Disposals	-	(14,805)	(14,805)
At 31 March 2001	14,637	51,353	65,990
<b>Net book value</b>			
At 31 March 2001	9,221	48,221	57,442
At 31 March 2000	8,297	55,475	63,772

**Capital commitments**

At 31 March 2001 the directors had authorised capital expenditure of nil (2000: nil).

<b>7. WORK IN PROGRESS</b>	<b>2001 £</b>	<b>2000 £</b>
Work in progress	948,841	1,247,634
Payments received on account	(712,925)	(898,096)
	<u>235,916</u>	<u>349,538</u>
<b>8. DEBTORS</b>	<b>2001 £</b>	<b>2000 £</b>
Trade debtors	796,784	637,379
Other debtors	39,005	53,333
	<u>835,789</u>	<u>690,712</u>

**NOTES TO THE ACCOUNTS**  
Year ended 31 March 2001

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2001	2000
	£	£
Bank overdraft	265,140	296,104
Payments on account	2,121	1,978
Trade creditors	481,056	485,269
Corporation tax	22,454	13,274
Other taxes and social security costs	39,440	42,645
Other creditors	135	272
Accruals and deferred income	7,764	8,921
Proposed dividend	11,560	11,560
	<u>829,670</u>	<u>860,023</u>

10. CALLED UP SHARE CAPITAL	2001 and 2000	
	No.	£
Authorised		
1p 'A' ordinary shares	9,950,000	99,500
1p 'B' ordinary shares	50,000	500
	<u>10,000,000</u>	<u>100,000</u>

	No.	£
Allotted and fully paid		
1p 'A' ordinary shares	100,000	1,000
1p 'B' ordinary shares	44,500	445
	<u>144,500</u>	<u>1,445</u>

11. SHARE PREMIUM ACCOUNT	£
At 1 April 2000 and 31 March 2001	<u>44,055</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2001****12. PROFIT AND LOSS ACCOUNT**

	£
At 1 April 2000	199,499
Retained profit for the year	55,478
	<hr/>
At 31 March 2001	254,977
	<hr/>

**13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2001 £	2000 £
Profit for the financial year	67,038	48,088
Increase in share capital	-	44,500
Proposed dividend	(11,560)	(11,560)
	<hr/>	<hr/>
Net addition in shareholders' funds	55,478	81,028
Opening shareholders' funds	244,999	163,971
	<hr/>	<hr/>
Closing shareholders' funds	300,477	244,999
	<hr/>	<hr/>

**14. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	2001 £	2000 £
Operating profit	111,248	85,113
Depreciation charges	29,783	21,895
(Profit)/loss on disposal of tangible fixed assets	(1,351)	375
Decrease/(increase) in work in progress	113,622	(85,211)
Increase in debtors	(145,077)	(166,490)
(Decrease)/increase in creditors	(8,504)	58,299
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	99,721	(86,019)
	<hr/>	<hr/>

**15. ANALYSIS OF CHANGES IN NET DEBT**

	At 1 April 2000 £	Cash flow £	At 31 March 2001 £
Cash at bank and in hand	1,000	-	1,000
Overdraft	(296,104)	30,964	(265,140)
	<hr/>	<hr/>	<hr/>
	(295,104)	30,964	(264,140)
	<hr/>	<hr/>	<hr/>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2001****16. RECONCILIATION OF NET CASH FLOW TO MOVEMENT  
IN NET DEBT**

	<b>2001</b> <b>£</b>	<b>2000</b> <b>£</b>
Increase/(decrease) in cash in the year	30,964	(161,050)
Movement in net debt in the year	30,964	(161,050)
Net debt at beginning of year	(295,104)	(134,054)
<b>Net debt at end of year</b>	<b>(264,140)</b>	<b>(295,104)</b>

**17. FINANCIAL COMMITMENTS****Operating leases**

At 31 March 2001 the company had annual commitments under non-cancellable operating leases amounting to £18,800 (2000: nil) expiring after more than five years.

**Commitments on behalf of the group undertakings**

The company is party with other group undertakings to cross-guarantees of each other's bank overdrafts. As at 31 March 2001, the overall commitment was nil (2000: nil).

**18. DIRECTORS**

	<b>2001</b> <b>£</b>	<b>2000</b> <b>£</b>
The emoluments of directors of the company were:		
Fees and other emoluments (excluding pension contributions but including benefits-in-kind)	35,566	31,600
	<b>No.</b>	<b>No.</b>
The number of directors who were members of a defined benefit pension scheme	1	1

Mr D M Telling is also a director of MITIE Group PLC and his emoluments and pension details are disclosed in the group accounts. Mr W Robson is paid for his services by MITIE Property Services Limited. It is not practicable to allocate their remuneration between their services as directors of MITIE Greencote Limited and their services as directors of other group companies.



**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2001****19. EMPLOYEES****Number of employees**

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

	2001 No.	2000 No.
Site labour	71	65
Administration and management	12	8
	<u>83</u>	<u>73</u>
<b>Employment costs</b>	<b>£</b>	<b>£</b>
Wages and salaries	1,280,616	1,078,997
Social security costs	114,293	94,309
Other pension costs	9,292	3,375
	<u>1,404,201</u>	<u>1,176,681</u>

**20. RELATED PARTY TRANSACTIONS**

MITIE Group PLC is the holder of 100,000 ordinary shares and is a 69.2% shareholder in MITIE Greencote Limited.

During the year, the company provided plastering and refurbishment services of £3,401 to companies within MITIE Group PLC on normal commercial terms.

During the year the company paid management charges of £62,000 to MITIE Group PLC and £3,000 to MITIE Property Services (North East) Limited.

**21. PARENT UNDERTAKING AND CONTROLLING PARTY**

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