

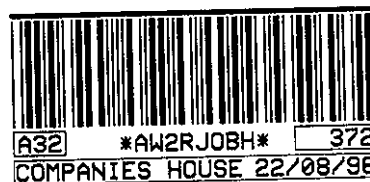


**GREENCOTE PAINTING CONTRACTORS LIMITED**

**Report and Financial Statements**

**31 March 1996**

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





**REPORT AND FINANCIAL STATEMENTS 1996**

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**REPORT AND FINANCIAL STATEMENTS 1996**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

D M Telling  
J J Corrigan  
M Coughlan  
S Green

**SECRETARIES**

A F Waters  
M O Thomas

**REGISTERED OFFICE**

The Stable Block  
Barley Wood  
Wroughton  
Bristol  
BS18 7SA

**BANKERS**

Midland 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 report and financial statements for the year ended 31 March 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**

The principal activity of the company during the year was painting and plastering contractors.

The company's business 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 £91,444 (1995: £70,252). The directors recommend that this amount be dealt with as follows:

	£
Ordinary dividends	
- Final proposed £45 per share	45,000
Transfer to reserves	46,444
	<hr/>
	91,444
	<hr/>

### **FIXED ASSETS**

Details of movements in fixed assets during the year are set out in Note 6 to the financial statements.

**DIRECTORS' REPORT (continued)**

**DIRECTORS**

The directors during the year were as follows:

D M Telling (Chairman)  
 J J Corrigan  
 M Coughlan  
 S Green

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

Mr D M Telling is a director of MITIE Group PLC, the parent undertaking, and his 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 were as follows:

	31 March 1996		1 April 1995	
	25p Ordinary shares Number	6% Convertible redeemable unsecured loan stock £	25p Ordinary shares Number	6% Convertible redeemable unsecured loan stock £
J J Corrigan	82,500	-	82,500	-
M Coughlan	549,500	60,000	574,500	60,000
S Green	227,500	2,000	229,500	2,000

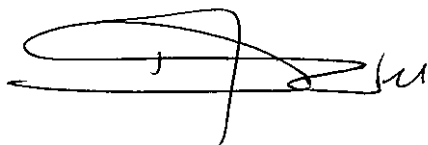
**PAYMENT POLICY**

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.

**AUDITORS**

On 1 February 1996 our auditors changed the name under which they practise to Deloitte & Touche and, accordingly, have signed their report in their new name. 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 August 1996



## Chartered Accountants

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

Telephone: National 0117 921 1622  
International + 44 117 921 1622  
Fax (Gp. 3): 0117 929 2801

### AUDITORS' REPORT TO THE MEMBERS OF GREENCOTE PAINTING CONTRACTORS LIMITED

We have audited the financial statements on pages 5 to 14 which have been prepared under 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 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

*19 August 1996*

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

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 March 1996**

	Notes	Continuing operations 1996 £	1995 £
<b>TURNOVER</b>		1,718,340	1,375,920
Cost of sales		(1,364,763)	(1,098,611)
<b>GROSS PROFIT</b>		353,577	277,309
Administrative expenses		(226,998)	(180,682)
<b>OPERATING PROFIT</b>	2	126,579	96,627
Interest receivable	3	8,300	5,194
Interest payable	3	(30)	(9)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		134,849	101,812
Tax on profit on ordinary activities	4	(43,405)	(31,560)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		91,444	70,252
Dividends	5	(45,000)	(87,266)
<b>TRANSFER TO/(FROM) RESERVES</b>	11	46,444	(17,014)

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**  
**31 March 1996**

	Notes	1996		1995	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	6		43,636		32,629
<b>CURRENT ASSETS</b>					
Work in progress	7	158,111		158,946	
Debtors	8	152,840		105,314	
Cash at bank and in hand		208,266		168,556	
		<u>519,217</u>		<u>432,816</u>	
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(399,700)</u>		<u>(348,736)</u>	
<b>Net current assets</b>			<u>119,517</u>		<u>84,080</u>
<b>NET ASSETS</b>			<u>163,153</u>		<u>116,709</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	10		1,000		1,000
Profit and loss account	11		<u>162,153</u>		<u>115,709</u>
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>			<u>163,153</u>		<u>116,709</u>

These financial statements were approved by the Board of Directors on 14 August 1996

Signed on behalf of the Board of Directors



D M Telling  
 Director



**CASH FLOW STATEMENT**  
**Year ended 31 March 1996**

	Notes	1996		1995	
		£	£	£	£
<b>Net cash inflow from operating activities</b>	13		169,780		87,770
<b>Returns on investments and servicing of finance</b>					
Interest received		8,212		5,086	
Interest paid		(30)		(9)	
Dividends paid		<u>(87,266)</u>		<u>(39,500)</u>	
<b>Net cash outflow from returns on investments and servicing of finance</b>			(79,084)		(34,423)
<b>Taxation</b>					
UK Corporation tax paid			(31,005)		(40,624)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(24,981)		(32,969)	
Sale of tangible fixed assets		<u>5,000</u>		<u>4,981</u>	
<b>Net cash outflow from investing activities</b>			<u>(19,981)</u>		<u>(27,988)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>	14		<u>39,710</u>		<u>(15,265)</u>



**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1996**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements are prepared under the historical cost convention and 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.

**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	4 to 5 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 valued at the cost of direct materials and labour plus a percentage of the attributable overheads. Full 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 1996**

<b>2. OPERATING PROFIT</b> is stated after charging/(crediting):	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Depreciation	13,974	11,211
Operating lease rentals: land and buildings	10,510	7,000
Auditors' remuneration: audit services	1,250	1,250
Profit on disposal of fixed assets	(5,000)	(3,648)
	<u>          </u>	<u>          </u>
 <b>3. INTEREST</b>	 <b>1996</b>	 <b>1995</b>
	<b>£</b>	<b>£</b>
<b>(1) Interest receivable</b>		
Bank interest receivable	8,300	5,194
	<u>          </u>	<u>          </u>
 <b>(2) Interest payable</b>		
Other interest	30	9
	<u>          </u>	<u>          </u>
 <b>4. TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	 <b>1996</b>	 <b>1995</b>
	<b>£</b>	<b>£</b>
<b>UK current year taxation</b>		
UK Corporation Tax at 33% (1995: 33%)	44,000	31,600
 <b>Prior years</b>		
UK Corporation Tax	(595)	(40)
	<u>          </u>	<u>          </u>
	43,405	31,560
	<u>          </u>	<u>          </u>
 <b>5. DIVIDENDS</b>	 <b>1996</b>	 <b>1995</b>
	<b>£</b>	<b>£</b>
<b>Ordinary:</b>		
Final proposed of £45.00 (1995: £87.27) per share	45,000	87,266
	<u>          </u>	<u>          </u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1996**

**6. TANGIBLE FIXED ASSETS**

**(1) Summary**

	<b>Office equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>			
1 April 1995	5,671	63,161	68,832
Additions	8,081	16,900	24,981
Disposals	-	(12,000)	(12,000)
<b>31 March 1996</b>	<b>13,752</b>	<b>68,061</b>	<b>81,813</b>
<b>Depreciation</b>			
1 April 1995	3,098	33,105	36,203
Charge for the year	1,973	12,001	13,974
Disposals	-	(12,000)	(12,000)
<b>31 March 1996</b>	<b>5,071</b>	<b>33,106</b>	<b>38,177</b>
<b>Net book value</b>			
<b>31 March 1996</b>	<b>8,681</b>	<b>34,955</b>	<b>43,636</b>
 31 March 1995	 2,573	 30,056	 32,629

**(2) Capital commitments**

At 31 March 1996 the directors had authorised capital expenditure of £20,000 (1995: £24,000).

**7. WORK IN PROGRESS**

	<b>1996 £</b>	<b>1995 £</b>
Work in progress	667,426	429,829
Cash received on account	(509,315)	(270,883)
	<b>158,111</b>	<b>158,946</b>

**8. DEBTORS**

	<b>1996 £</b>	<b>1995 £</b>
Trade debtors	145,618	103,519
Other debtors	5,033	1,795
Amounts due from fellow subsidiaries	2,189	-
	<b>152,840</b>	<b>105,314</b>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1996**

<b>9. CREDITORS: amounts falling due within one year</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Payments on account	22,675	4,271
Trade creditors	223,205	169,140
Corporation tax	44,000	31,600
Other taxes and social security costs	49,243	43,416
Other creditors	262	-
Accruals and deferred income	15,315	13,043
Proposed dividend	45,000	87,266
	<u>399,700</u>	<u>348,736</u>
 <b>10. CALLED UP SHARE CAPITAL</b>		
<b>(1) Authorised</b>	<b>Number</b>	<b>1996</b>
		<b>£</b>
£1 Ordinary shares	<u>1,000</u>	<u>1,000</u>
 <b>(2) Allotted and fully paid</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
£1 Ordinary shares	<u>1,000</u>	<u>1,000</u>
 <b>11. PROFIT AND LOSS ACCOUNT</b>	<b>£</b>	
1 April 1995	115,709	
Retained profit for the year	<u>46,444</u>	
<b>31 March 1996</b>	<u>162,153</u>	
 <b>12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	91,444	70,252
Proposed dividend	<u>(45,000)</u>	<u>(87,266)</u>
Net addition/(reduction) in shareholders' funds	46,444	(17,014)
Opening shareholders' funds	<u>116,709</u>	<u>133,723</u>
<b>Closing shareholders' funds</b>	<u>163,153</u>	<u>116,709</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1996**

**13. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Operating profit	126,579	96,627
Depreciation charges	13,974	11,211
Profit on disposal of tangible fixed assets	(5,000)	(3,648)
Decrease/(increase) in work in progress	835	(9,626)
Increase in debtors	(47,438)	(21,450)
Increase in creditors	80,830	14,656
<b>Net cash inflow from operating activities</b>	<b>169,780</b>	<b>87,770</b>

**14. CASH AND CASH EQUIVALENTS**

	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
<b>Balance of cash and cash equivalents</b>		
Cash in hand and at bank	208,266	168,556
<b>Change in the balance of cash and cash equivalents</b>		
1 April	168,556	183,821
Net cash inflow/(outflow) for the year	39,710	(15,265)
<b>31 March</b>	<b>208,266</b>	<b>168,556</b>

**15. FINANCIAL COMMITMENTS**

**(1) Operating leases**

At 31 March 1996 the company had annual commitments under non-cancellable operating leases as follows:

<u><b>Land and buildings</b></u>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Expiry date:		
- within one year	10,510	7,000

**(2) 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 ACCOUNTS**  
**Year ended 31 March 1996**

**16. DIRECTORS**

**(1) Emoluments**

	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
The emoluments of directors of the company were:		
Fees and other emoluments (including pension contributions and benefits-in-kind)	76,192	67,866

**(2) Bandings**

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

The chairman	-	-
The highest-paid director	40,322	35,703

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

	<b>Number</b>	<b>Number</b>
£0 - £5,000	1	2
£25,001 - £30,000	-	1
£30,001 - £35,000	1	-

**17. EMPLOYEES**

**(1) Number of employees**

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

	<b>1996</b>	<b>1995</b>
	<b>Number</b>	<b>Number</b>
Site labour	30	27
Administration and management	7	5
	37	32

**(2) Employment costs**

	<b>£</b>	<b>£</b>
Wages and salaries	388,027	360,730
Social security costs	28,290	30,576
Other pension costs	7,081	4,608
	423,398	395,914

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1996**

**18. 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.