



**GREENCOTE PAINTING CONTRACTORS 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  
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 1997.

### **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 £103,154 (1996: £91,444). The directors recommend that this amount be dealt with as follows:

	£
Ordinary dividends	
- Final proposed £50.00 per share	50,000
Transfer to reserves	53,154
	<hr/>
	103,154
	<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 AND THEIR INTERESTS**

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 are as follows:

	31 March 1997		1 April 1996	
	6% Convertible redeemable		6% Convertible redeemable	
	10p Ordinary shares	unsecured loan stock	25p Ordinary shares	unsecured loan stock
	Number	£	Number	£
J J Corrigan	199,450	-	82,500	-
M Coughlan	1,361,250	-	549,500	60,000
S Green	523,750	-	227,500	2,000

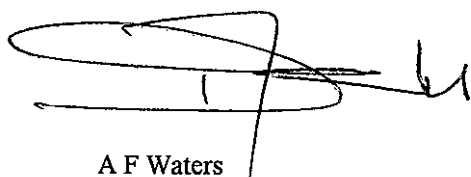
**PAYMENT POLICY**

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. As at 31 March 1997 trade creditors, as a proportion of amounts invoiced from suppliers for the year, represented 58 days.

**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

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 1997 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



**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 March 1997**

	Notes	Continuing operations 1997 £	1996 £
<b>TURNOVER</b>		2,242,670	1,718,340
Cost of sales		(1,822,380)	(1,364,763)
<b>GROSS PROFIT</b>		420,290	353,577
Administrative expenses		(273,903)	(226,998)
<b>OPERATING PROFIT</b>	2	146,387	126,579
Interest receivable	3	8,678	8,300
Interest payable	3	-	(30)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		155,065	134,849
Tax on profit on ordinary activities	4	(51,911)	(43,405)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		103,154	91,444
Dividends	5	(50,000)	(45,000)
<b>RETAINED PROFIT FOR THE YEAR</b>	11	53,154	46,444

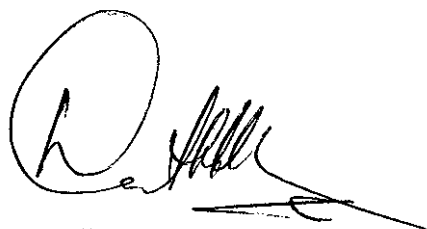
There are no recognised gains and losses for the current financial year or preceding financial year other than as stated in the profit and loss account.

**BALANCE SHEET**  
**31 March 1997**

	Notes	1997		1996	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	6		32,710		43,636
<b>CURRENT ASSETS</b>					
Work in progress	7	345,331		158,111	
Debtors	8	193,484		152,840	
Cash at bank and in hand		192,927		208,266	
		<u>731,742</u>		<u>519,217</u>	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	(548,145)		(399,700)	
<b>NET CURRENT ASSETS</b>			<u>183,597</u>		<u>119,517</u>
<b>NET ASSETS</b>			<u>216,307</u>		<u>163,153</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	10		1,000		1,000
Profit and loss account	11		215,307		162,153
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>			<u>216,307</u>		<u>163,153</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**

	Notes	1997		1996	
		£	£	£	£
<b>Net cash inflow from operating activities</b>	13		76,540		169,780
<b>Returns on investments and servicing of finance</b>					
Interest received		8,832		8,212	
Interest paid		-		(30)	
<b>Net cash inflow from returns on investments and servicing of finance</b>			8,832		8,182
<b>Taxation</b>					
UK corporation tax paid			(50,811)		(31,005)
<b>Capital expenditure</b>					
Payments to acquire tangible fixed assets		(4,900)		(24,981)	
Receipts from sales of tangible fixed assets		-		5,000	
<b>Net cash outflow from capital expenditure</b>			(4,900)		(19,981)
<b>Equity dividends paid</b>			(45,000)		(87,266)
<b>(Decrease)/increase in cash in the year</b>	14		(15,339)		39,710



**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1997**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**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 and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets at the estimated net present value of underlying lease payments and are depreciated in accordance with the above policy. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The finance element of the rental payments is charged to the profit and loss account over the period of the lease or hire purchase contract.

Rentals paid under other leases (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.

**Compliance with accounting standards**

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

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1997**

<b>2. OPERATING PROFIT</b> is stated after charging/(crediting):	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Depreciation	15,826	13,974
Operating lease rentals: land and buildings	7,000	7,000
Auditors' remuneration: audit services	1,250	1,250
Profit on disposal of fixed assets	-	(5,000)
	<hr/>	<hr/>
<b>3. INTEREST</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
<b>(1) Interest receivable</b>		
Bank interest receivable	8,678	8,300
	<hr/>	<hr/>
<b>(2) Interest payable</b>		
Other interest	-	30
	<hr/>	<hr/>
<b>4. TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
<b>UK current year taxation</b>		
UK corporation tax at 33% (1996: 33%)	45,100	44,000
<b>Prior years</b>		
UK corporation tax	6,811	(595)
	<hr/>	<hr/>
	51,911	43,405
	<hr/>	<hr/>
<b>5. DIVIDENDS</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
<b>Ordinary:</b>		
Final proposed of £50.00 (1996: £45.00) per share	50,000	45,000
	<hr/>	<hr/>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1997**

**6. TANGIBLE FIXED ASSETS**

**(1) Summary**

	<b>Office equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>			
1 April 1996	13,752	68,061	81,813
Additions	-	4,900	4,900
<b>31 March 1997</b>	<b>13,752</b>	<b>72,961</b>	<b>86,713</b>
<b>Depreciation</b>			
1 April 1996	5,071	33,106	38,177
Charge for the year	2,629	13,197	15,826
<b>31 March 1997</b>	<b>7,700</b>	<b>46,303</b>	<b>54,003</b>
<b>Net book value</b>			
<b>31 March 1997</b>	<b>6,052</b>	<b>26,658</b>	<b>32,710</b>
<b>31 March 1996</b>	<b>8,681</b>	<b>34,955</b>	<b>43,636</b>

**(2) Capital commitments**

At 31 March 1997 the directors had authorised capital expenditure of £30,500 (1996: £20,000).

**7. WORK IN PROGRESS**

	<b>1997 £</b>	<b>1996 £</b>
Work in progress	703,525	667,426
Cash received on account	(358,194)	(509,315)
	<b>345,331</b>	<b>158,111</b>

**8. DEBTORS**

	<b>1997 £</b>	<b>1996 £</b>
Trade debtors	189,715	145,618
Other debtors	3,769	5,033
Amounts owed by parent undertaking and fellow subsidiary undertakings	-	2,189
	<b>193,484</b>	<b>152,840</b>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1997**

<b>9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Trade creditors	380,258	223,205
Other creditors	1,863	262
Other taxes and social security costs	49,827	49,243
Accruals and deferred income	20,693	15,315
Payments on account	404	22,675
Corporation tax	45,100	44,000
Proposed dividend	50,000	45,000
	<u>548,145</u>	<u>399,700</u>
 <b>10. CALLED UP SHARE CAPITAL</b>		
<b>(1) Authorised</b>	<b>Number</b>	<b>1997</b>
		<b>£</b>
£1 Ordinary shares	<u>1,000</u>	<u>1,000</u>
 <b>(2) Allotted and fully paid</b>	<b>1997</b>	<b>1996</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 1996	162,153	
Retained profit for the year	<u>53,154</u>	
<b>31 March 1997</b>	<u>215,307</u>	
 <b>12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	103,154	91,444
Proposed dividend	<u>(50,000)</u>	<u>(45,000)</u>
Net addition in shareholders' funds	53,154	46,444
Opening shareholders' funds	<u>163,153</u>	<u>116,709</u>
<b>Closing shareholders' funds</b>	<u>216,307</u>	<u>163,153</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1997**

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

	1997 £	1996 £
Operating profit	146,387	126,579
Depreciation charges	15,826	13,974
Profit on disposal of tangible fixed assets	-	(5,000)
(Increase)/decrease in work in progress	(187,220)	835
Increase in debtors	(40,798)	(47,438)
Increase in creditors	142,345	80,830
<b>Net cash inflow from operating activities</b>	<u>76,540</u>	<u>169,780</u>

**14. RECONCILIATION OF NET CASH FLOW TO MOVEMENT  
 IN NET FUNDS**

	1997 £	1996 £
(Decrease)/increase in cash in the year	(15,339)	39,710
Movement in net funds in the year	(15,339)	39,710
Net funds at 1 April	208,266	168,556
<b>Net funds at 31 March</b>	<u>192,927</u>	<u>208,266</u>

**15. FINANCIAL COMMITMENTS**

**(1) Operating leases**

At 31 March 1997 the company had annual commitments under non-cancellable operating leases as follows:

<i>Land and buildings</i>	1997 £	1996 £
Expiry date - within one year	<u>7,000</u>	<u>7,000</u>

**(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 1997**

**16. DIRECTORS**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
The emoluments of directors of the company were:		
Fees and other emoluments (excluding pension contributions but including benefits-in-kind)	75,572	72,570
	<u>          </u>	<u>          </u>
	<b>Number</b>	<b>Number</b>
The number of directors who were members of a defined benefit pension scheme	2	2
	<u>          </u>	<u>          </u>

Mr D M Telling is also a director of MITIE Group PLC and his pension details are disclosed in the group accounts. Mr M Coughlan is paid for his services by another group company Multicote Painting Contractors Limited and his pension details are disclosed in these accounts.

**17. EMPLOYEES**

**(1) Number of employees**

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

	<b>1997</b>	<b>1996</b>
	<b>Number</b>	<b>Number</b>
Site labour	43	30
Administration and management	8	7
	<u>          </u>	<u>          </u>
	51	37
	<u>          </u>	<u>          </u>

**(2) Employment costs**

	<b>£</b>	<b>£</b>
Wages and salaries	533,133	388,027
Social security costs	44,729	28,290
Other pension costs	6,308	7,081
	<u>          </u>	<u>          </u>
	584,170	423,398
	<u>          </u>	<u>          </u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1997**

**18. PARENT UNDERTAKING**

The directors regard MITIE Group PLC, a company registered 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.

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