

**Touche
Ross**

Deloitte Touche
Tohmatsu
International



Registrar

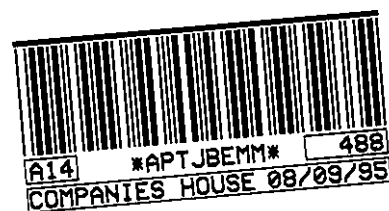
Company Number 2161660

GREENCOTE PAINTING CONTRACTORS LIMITED

Report and Financial Statements

31 March 1995

**Touche Ross & Co.
Queen Anne House
69-71 Queen Square
Bristol
BS1 4JP**



REPORT AND FINANCIAL STATEMENTS 1995**CONTENTS**

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REPORT AND FINANCIAL STATEMENTS 1995

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D M Telling
J J Corrigan
M Coughlan
S Green

SECRETARY

A F Waters

REGISTERED OFFICE

The Stable Block
Barley Wood
Wroughton
Bristol
BS18 7SA

BANKERS

Midland Bank plc
49 Corn Street
Bristol
BS99 7PP

AUDITORS

Touche Ross & Co.
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 1995.

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 and of the profit or loss 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 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 £70,252 (1994: £79,322). The directors recommend that this amount be dealt with as follows:

	£
Ordinary dividends	87,266
- Final proposed £87.27 per share	(17,014)
Transfer from reserves	<u>70,252</u>

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
M O Thomas (resigned 13 June 1994)

No director held a beneficial interest in the shares of the company at the beginning and 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 1995		1 April 1994	
	25p Ordinary shares Number	6% Convertible redeemable unsecured loan stock £	50p Ordinary shares Number	6% Convertible redeemable unsecured loan stock £
J J Corrigan	82,500	-	41,250	-
M Coughlan	574,500	60,000	362,250	60,000
S Green	229,500	2,000	116,250	2,000

AUDITORS

The Bristol Partnership of BDO Binder Hamlyn merged their practice with Touche Ross & Co. on 5 October 1994 and now carry on business under the name of Touche Ross & Co. The directors consented to the appointment of the Bristol Partnership of BDO Binder Hamlyn as auditors of the company being treated as extending to Touche Ross & Co. A resolution to re-appoint Touche Ross & Co. as auditors will be proposed at the Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



A F Waters
Secretary

16 August 1995



Chartered Accountants

Touche Ross & Co.
Queen Anne House
69-71 Queen Square
Bristol BS1 4JP

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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 13 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 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Touche Ross sb.

21 Aug 1995

Chartered Accountants and
Registered Auditors

PROFIT AND LOSS ACCOUNT
Year ended 31 March 1995

	Notes	Continuing operations 1995 £	1994 £
TURNOVER		1,375,920	1,181,011
Cost of sales		(1,098,611)	(925,690)
GROSS PROFIT		277,309	255,321
Administrative expenses		(180,682)	(138,306)
OPERATING PROFIT	2	96,627	117,015
Interest receivable	3	5,194	3,902
Interest payable	3	(9)	(501)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		101,812	120,416
Tax on profit on ordinary activities	4	(31,560)	(41,094)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		70,252	79,322
Transfer from/(to) reserves	11	17,014	(39,822)
DIVIDENDS	5	(87,266)	(39,500)

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


GREENCOTE PAINTING CONTRACTORS LIMITED

BALANCE SHEET
31 March 1995

	Notes	1995		1994	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		32,629		12,204
CURRENT ASSETS					
Work in progress	7	158,946		149,320	
Debtors	8	105,314		83,756	
Cash at bank and in hand		168,556		183,821	
		<u>432,816</u>		<u>416,897</u>	
CREDITORS: amounts falling due within one year	9	<u>(348,736)</u>		<u>(295,378)</u>	
Net current assets			<u>84,080</u>		<u>121,519</u>
NET ASSETS			<u>116,709</u>		<u>133,723</u>
CAPITAL AND RESERVES					
Called up share capital	10		1,000		1,000
Profit and loss account	11		115,709		132,723
TOTAL EQUITY SHAREHOLDERS' FUNDS			<u>116,709</u>		<u>133,723</u>

These financial statements were approved by the Board of Directors on 16 August 1995.

Signed on behalf of the Board of Directors


D-M Telling
Director



CASH FLOW STATEMENT
Year ended 31 March 1995

	Notes	1995		1994	
		£	£	£	£
Net cash inflow from operating activities	13		87,770		168,139
Returns on investments and servicing of finance					
Interest received		5,086		3,589	
Interest paid		(9)		(501)	
Dividends paid		<u>(39,500)</u>		<u>(1,500)</u>	
Net cash (outflow)/inflow from returns on investments and servicing of finance			(34,423)		1,588
Taxation					
UK Corporation tax paid			(40,624)		(15,930)
Investing activities					
Purchase of tangible fixed assets		(32,969)		(250)	
Sale of tangible fixed assets		<u>4,981</u>		<u>-</u>	
Net cash outflow from investing activities			<u>(27,988)</u>		<u>(250)</u>
(Decrease)/increase in cash and cash equivalents	14		<u>(15,265)</u>		<u>153,547</u>



NOTES TO THE ACCOUNTS
Year ended 31 March 1995

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 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 valued at the cost of direct materials and labour plus a percentage of the attributable overheads. Full provision is made for foreseeable losses.

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 1995

2. OPERATING PROFIT is stated after charging/(crediting):	1995	1994
	£	£
Depreciation	11,211	10,687
Operating lease rentals: land and buildings	7,000	3,500
Auditors' remuneration: audit services	1,250	1,250
Profit on disposal of fixed assets	(3,648)	-
	<u> </u>	<u> </u>
3. INTEREST		
(1) Interest receivable		
Bank interest receivable	<u>5,194</u>	<u>3,902</u>
(2) Interest payable		
Other interest	<u>9</u>	<u>501</u>
4. TAXATION		
UK current year taxation		
UK Corporation Tax at 33% (1994: 33%)	31,600	41,100
Prior years		
UK Corporation Tax	<u>(40)</u>	<u>(6)</u>
Tax on profit on ordinary activities	<u>31,560</u>	<u>41,094</u>
5. DIVIDENDS		
Ordinary:		
Final proposed of £87.27 (1994: £39.50) per share	<u>87,266</u>	<u>39,500</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 1995

6. TANGIBLE FIXED ASSETS

(1) Summary

	Office equipment £	Motor vehicles £	Total £
Cost			
1 April 1994	4,096	51,354	55,450
Additions	1,575	31,394	32,969
Disposals	-	(19,587)	(19,587)
31 March 1995	5,671	63,161	68,832
Depreciation			
1 April 1994	2,786	40,460	43,246
Charge for the year	312	10,899	11,211
Disposals	-	(18,254)	(18,254)
31 March 1995	3,098	33,105	36,203
Net book value			
31 March 1995	2,573	30,056	32,629
31 March 1994	1,310	10,894	12,204

(2) Capital commitments

At 31 March 1995 the directors had authorised capital expenditure of Nil (1994: Nil).

7. WORK IN PROGRESS

	1995 £	1994 £
Work in progress	429,829	395,393
Payments in advance	(270,883)	(246,073)
	158,946	149,320

8. DEBTORS

Trade debtors	103,519	79,561
Other debtors	1,795	4,195
	105,314	83,756

NOTES TO THE ACCOUNTS
Year ended 31 March 1995

9. CREDITORS: amounts falling due within one year	1995	1994
	£	£
Payments on account	4,271	10,026
Trade creditors	169,140	146,899
Corporation tax	31,600	40,664
Other taxes and social security costs	43,416	45,041
Other creditors	-	138
Accruals and deferred income	13,043	13,110
Proposed dividend	87,266	39,500
	<u>348,736</u>	<u>295,378</u>
 10. CALLED UP SHARE CAPITAL		
	1995	
(1) Authorised	Number	£
£1 Ordinary shares	<u>1,000</u>	<u>1,000</u>
 (2) Allotted and fully paid	1995	1994
	£	£
£1 Ordinary shares	<u>1,000</u>	<u>1,000</u>
 11. PROFIT AND LOSS ACCOUNT	£	
1 April 1994	132,723	
Transfer from reserves	(17,014)	
 31 March 1995	<u>115,709</u>	
 12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	1995	1994
	£	£
Profit for the financial year	70,252	79,322
Proposed dividend	(87,266)	(39,500)
 Net (reduction in)/addition to shareholders' funds	<u>(17,014)</u>	<u>39,822</u>
Opening shareholders' funds	133,723	93,901
 Closing shareholders' funds	<u>116,709</u>	<u>133,723</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 1995

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

	1995	1994
	£	£
Operating profit	96,627	117,015
Depreciation charges	11,211	10,687
Profit on sale of tangible fixed assets	(3,648)	-
Increase in work in progress	(9,626)	(44,931)
Increase in debtors	(21,450)	(6,226)
Increase in creditors	14,656	91,594
Net cash inflow from operating activities	<u>87,770</u>	<u>168,139</u>

14. CASH AND CASH EQUIVALENTS

Balance of cash and cash equivalents

Cash in hand and at bank	<u>168,556</u>	<u>183,821</u>
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Change in the balance of cash and cash equivalents

1 April	183,821	30,274
Net cash (outflow)/inflow for year	<u>(15,265)</u>	<u>153,547</u>
31 March	<u>168,556</u>	<u>183,821</u>

15. FINANCIAL COMMITMENTS

(1) Operating leases

At 31 March 1995 the company had annual commitments under non-cancellable operating leases as follows:

Land and buildings

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 1995

16. DIRECTORS

(1) Emoluments

	1995 £	1994 £
The emoluments of directors of the company were:		
Fees and other emoluments (including pension contributions and benefits-in-kind)	<u>67,866</u>	<u>63,210</u>

(2) Bandings

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

The chairman	-	-
The highest-paid director	<u>35,703</u>	<u>32,649</u>

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

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

17. EMPLOYEES

(1) Number of employees

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

Site labour	27	27
Administration and management	<u>5</u>	<u>6</u>
	<u>32</u>	<u>33</u>

(2) Employment costs

	£	£
Wages and salaries	360,730	373,185
Social security costs	30,576	31,115
Other pension costs	<u>4,608</u>	<u>4,220</u>
	<u>395,914</u>	<u>408,520</u>

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.