

ABLYN LIMITED

Report and Financial Statements

For the period from 1 July 1999 to 31 March 2000

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



REPORT AND FINANCIAL STATEMENTS 2000

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D M Telling
D G Lindsay

SECRETARY

A F Waters
C K Ross (appointed 4 May 2000)

REGISTERED OFFICE

The Stable Block
Barley Wood
Wrington
Bristol
BS40 5SA

AUDITORS

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

DIRECTORS' REPORT

The directors present their report and audited financial statements for the period from 1 July 1999 to 31 March 2000.

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 ACTIVITIES AND REVIEW OF THE BUSINESS

The company's principal activities were those of marine and industrial painting.

The company was owned equally by MITIE Lindsay Limited and Ablyn Access Limited until 1 November 1999 when MITIE Lindsay Limited acquired full control of the company. On 1 November 1999 the trade and assets were transferred to MITIE Lindsay Limited.

RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £61,967 (1999: £22,293). The directors do not propose the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors during the period were as follows:

D M Telling
D G Lindsay
D C Simon (resigned 11 November 1999)

None of the directors had an interest in the company at the beginning or end of the period.

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.

DIRECTORS' REPORT (continued)**DIRECTORS**

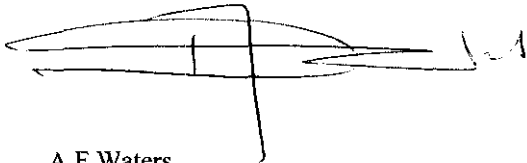
Mr D G Lindsay's interests in the share capital of MITIE Group PLC are as follows:

	At 31 March 2000 5p Ordinary shares No.	At 1 July 1999 5p Ordinary shares No.
D G Lindsay	75,000	25,000

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

20 February 2001

**AUDITORS' REPORT TO THE MEMBERS OF
ABLYN LIMITED**

We have audited the financial statements on pages 5 to 10 which have been prepared under the accounting policies set out on page 7.

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 2000 and of its loss for the period from 1 July 1999 to 31 March 2000 and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

DELOITTE & TOUCHE
Chartered Accountants and
Registered Auditors

27 February 2001

PROFIT AND LOSS ACCOUNT

For the period from 1 July 1999 to 31 March 2000

	Notes	1 July 1999 to 31 March 2000 £	29 June 1998 to 30 June 1999 £
TURNOVER	1	91,292	357,446
Cost of sales		(44,774)	(141,997)
GROSS PROFIT		46,518	215,449
Administrative expenses		(107,887)	(236,455)
OPERATING LOSS	2	(61,369)	(21,006)
Interest payable and similar charges	3	(598)	(1,287)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(61,967)	(22,293)
Tax on loss on ordinary activities	4	-	-
RETAINED LOSS FOR THE PERIOD		(61,967)	(22,293)

The results for the period relate to discontinued activities.

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 2000

	Notes	At 31 March 2000		At 30 June 1999	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		-		14,843
CURRENT ASSETS					
Stocks		-		21,250	
Debtors	6	2		93,590	
Cash at bank and in hand		-		545	
			2	115,385	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	7	(84,260)		(152,519)	
NET CURRENT LIABILITIES					
			(84,258)		(37,134)
TOTAL ASSETS LESS CURRENT LIABILITIES					
			(84,258)		(22,291)
CAPITAL AND RESERVES					
Called up share capital	8		2		2
Profit and loss account			(84,260)		(22,293)
TOTAL EQUITY SHAREHOLDERS' FUNDS					
			(84,258)		(22,291)

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

Signed on behalf of the Board of Directors



D M Telling
Director

NOTES TO THE ACCOUNTS

For the period from 1 July 1999 to 31 March 2000

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 net invoiced sales of goods, excluding value added tax. All turnover arises in the United Kingdom.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life as follows:

Fixtures and fittings	15% on reducing balance
Motor vehicles	25% on reducing balance
Computer equipment	20% on cost

Stocks

Work in progress is valued at the lower of cost and net realisable value. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

2. OPERATING LOSS is stated after charging:

	1 July 1999 to 31 March 2000 £	29 June 1998 to 30 June 1999 £
Depreciation - owned assets	1,465	3,774

3. INTEREST PAYABLE

	1 July 1999 to 31 March 2000 £	29 June 1998 to 30 June 1999 £
Bank interest	598	559
Hire purchase interest	-	728
	598	1,287

NOTES TO THE ACCOUNTS

For the period from 1 July 1999 to 31 March 2000

4. TAXATION

No liability to United Kingdom corporation tax arose on ordinary activities for the period.

5. TANGIBLE FIXED ASSETS

Summary	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost				
At 1 July 1999	687	15,700	2,230	18,617
Disposals	(687)	(15,700)	(2,230)	(18,617)
At 31 March 2000	-	-	-	-
Depreciation				
At 1 July 1999	94	3,271	409	3,774
Charge for the period	143	1,047	275	1,465
Disposals	(237)	(4,318)	(684)	(5,239)
At 31 March 2000	-	-	-	-
Net book value				
At 31 March 2000	-	-	-	-
At 30 June 1999	593	12,429	1,821	14,843

6. DEBTORS

	31 March 2000 £	30 June 1999 £
Amounts falling due within one year:		
Trade debtors	-	83,522
Amounts owed by fellow subsidiary undertakings	2	-
Other debtors	-	10,068
	2	93,590

NOTES TO THE ACCOUNTS

For the period from 1 July 1999 to 31 March 2000

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31 March 2000	30 June 1999
	£	£
Bank loans and overdrafts	-	18,945
Trade creditors	-	37,736
Amounts owed to fellow subsidiary undertakings	84,260	42,379
Hire purchase	-	4,127
Other creditors	-	49,332
	<u>84,260</u>	<u>152,519</u>

8. CALLED UP SHARE CAPITAL

	1999 and 2000	
	No.	£
Authorised		
£1 Ordinary shares	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
	31 March 2000	30 June 1999
	£	£
Allotted, issued and fully paid		
£1 Ordinary shares	2	2
	<u>2</u>	<u>2</u>

9. DIRECTORS

Mr D M Telling is remunerated by MITIE Group PLC for his services to the group as a whole, it is not practicable to allocate his remuneration between his services as director of Ablyn Limited and his services as a director of other group companies. His emoluments and pension details are disclosed in the accounts of the parent company.

Mr D G Lindsay is remunerated by MITIE Lindsay Limited for his services to the group as a whole, it is not practicable to allocate his remuneration between his services as director of Ablyn Limited and his services as a director of other group companies. His emoluments and pension details are disclosed in the accounts of the parent company.

NOTES TO THE ACCOUNTS

For the period from 1 July 1999 to 31 March 2000

10. EMPLOYEES**Number of employees**

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

	31 March 2000 No.	30 June 1999 No.
Administration	-	-
Site labour	13	9
	<u>13</u>	<u>9</u>
Employment costs	£	£
Wages and salaries	85,811	168,056
Social security costs	12,046	11,431
	<u>97,857</u>	<u>179,487</u>

11. RELATED PARTY TRANSACTIONS

During the period the trade and assets of Ablyn Limited being a deficit of £84,260 were transferred to MITIE Lindsay Limited, this sum remains outstanding at the period end.

During the period £13,302 of sales and £11,300 of purchases were made with MITIE Lindsay Limited on an arms length basis. No amounts remain outstanding at the period end.

12. 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.