

Company Registration Number 3787709

MITIE BUSINESS SERVICES LIMITED

Report and Financial Statements

31 March 2005



MITIE BUSINESS SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

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MITIE BUSINESS SERVICES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

C S Hale
R McGregor-Smith
M J Oppenheim
M J Smith
I R Stewart

SECRETARY

C K Ross

REGISTERED OFFICE

8 Monarch Court
The Brooms
Emersons Green
Bristol
BS16 7FH

BANKERS

National Westminster Bank plc
32 Corn Street
Bristol
BS99 7UG

AUDITORS

Deloitte & Touche LLP
Bristol

MITIE BUSINESS SERVICES LIMITED

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31 March 2005.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, 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 company provides reprographic and post room facilities to banking, legal and commercial ventures.

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 £1,920,375 (2004: £1,268,651). The directors recommend that this be dealt with as follows:

	£
Dividends paid to holders of the ordinary shares:	
- Final proposed £11.10 (2004: 10p) per 'A' ordinary share	2,831,705
- Final proposed 8p (2004: 8p) per 'A' ordinary share	20,400
- Final proposed 8p (2004: 8p) per 'B' ordinary share	19,600
Transfer from reserves	(951,330)
	<hr/>
	1,920,375
	<hr/>

MITIE BUSINESS SERVICES LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS AND THEIR INTERESTS

The directors during the year were as follows:

C S Hale
R McGregor-Smith
M J Oppenheim
M J Smith
I R Stewart

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

	At 31 March 2005		At 1 April 2004	
	1p 'B' ordinary	£1 Deferred	1p 'B' ordinary	£1 Deferred
	shares No.	shares No.	shares No.	shares No.
M J Oppenheim	65,000	30,000	65,000	30,000
M J Smith	65,000	30,000	65,000	30,000

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

C S Hale, I R Stewart and R McGregor-Smith are directors of MITIE Group PLC, the parent undertaking, and their interests in the share capital of that company and other group companies are shown in the financial statements of MITIE Group PLC.

No other director had an interest in the share capital of MITIE Group PLC or any other group 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 2005 trade creditors, as a proportion of amounts invoiced from suppliers for the year, represented 34 days (2004: 16 days).

EMPLOYEES

The company offers equal opportunities to all applicants for employment whatever their sex, race or religion. Disabled persons are considered for employment, training, career development and promotion on the basis of their attitudes and abilities in common with all employees, providing the disability does not make the particular employment impractical or the employee unable to conform to the stringent regulations which apply to the operations of the company.

The company recognises the importance of good communications and employee relationships. In each company there is a relationship between the Chief Executive of MITIE Group PLC and individual employees in the company. In these conditions, complex consultative procedures are seldom required to ensure that there is an understanding of the purpose of the business and the commercial realities of success. Employees are encouraged to become shareholders through the Savings Related Share Option Scheme.

MITIE BUSINESS SERVICES LIMITED

DIRECTORS' REPORT (continued)

AUDITORS

A resolution to reappoint Deloitte & Touche LLP as the company's auditors will 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 be 'C K Ross', with a horizontal line extending from the end of the signature.

C K Ross
Secretary

19 July 2005

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

MITIE BUSINESS SERVICES LIMITED

We have audited the financial statements of MITIE Business Services Limited for the year ended 31 March 2005 which comprise the profit and loss account, the balance sheet, the cash flow statement and related notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit 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 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

DELOITTE & TOUCHE LLP

Chartered Accountants and Registered Auditors
Bristol

19 July 2005

MITIE BUSINESS SERVICES LIMITED

PROFIT AND LOSS ACCOUNT
Year ended 31 March 2005

	Notes	Continuing operations	
		2005	2004
		£	£
TURNOVER	1	19,833,132	15,595,191
Cost of sales		(15,510,466)	(12,287,575)
GROSS PROFIT		4,322,666	3,307,616
Administrative expenses		(1,645,101)	(1,542,727)
OPERATING PROFIT	2	2,677,565	1,764,889
Interest receivable	3	68,235	65,107
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,745,800	1,829,996
Tax charge on profit on ordinary activities	4	(825,425)	(561,345)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,920,375	1,268,651
Dividends	5	(2,871,705)	(65,600)
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR		(951,330)	1,203,051

There are no recognised gains and losses for the current and preceding financial year other than as stated in the profit and loss account. Accordingly, no statement of total recognised gains and losses has been presented.

MITIE BUSINESS SERVICES LIMITED

BALANCE SHEET At 31 March 2005

	Notes	2005		2004	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		53,609		54,234
CURRENT ASSETS					
Stocks	7	504		19,270	
Debtors	8	4,310,992		3,460,400	
Cash at bank and in hand		2,640,767		2,300,742	
		6,952,263		5,972,412	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(5,552,366)		(3,426,397)	
NET CURRENT ASSETS			1,399,897		2,354,015
PROVISION FOR LIABILITIES AND CHARGES	10		(3,649)		(7,062)
NET ASSETS			1,449,857		2,401,187
CAPITAL AND RESERVES					
Called up share capital	11		325,000		325,000
Share premium account	12		184,669		184,669
Profit and loss account	12		940,188		1,891,518
TOTAL SHAREHOLDERS' FUNDS	12		1,449,857		2,401,187
Shareholders' funds are represented by:					
Attributable to non-equity shareholders			320,000		320,000
Attributable to equity shareholders			1,129,857		2,081,187
			1,449,857		2,401,187

These financial statements were approved by the Board of Directors on 19 July 2005.

Signed on behalf of the Board of Directors



R McGregor-Smith
Director

MITIE BUSINESS SERVICES LIMITED

CASH FLOW STATEMENT

Year ended 31 March 2005

	Notes	2005		2004	
		£	£	£	£
Net cash inflow from operating activities	13		1,012,094		620,190
Returns on investments and servicing of finance					
Interest received			68,235		62,828
Taxation					
UK corporation tax paid			(670,951)		(386,165)
Capital expenditure					
Payments to acquire tangible fixed assets		(29,393)		(11,013)	
Net cash outflow from capital expenditure			(29,393)		(11,013)
Equity dividends paid			(39,960)		(40,000)
Increase in cash in the year	15		<u>340,025</u>		<u>245,840</u>

MITIE BUSINESS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 March 2005**

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

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

Turnover from bundled contracts consists of various components which operate independently of each other and for which reliable fair values can be established. Accordingly, each component is accounted for separately as if it were an individual contractual arrangement.

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	up to 5 years
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Stocks

Stocks are stated at the lower of cost and net realisable value.

Leasing commitments

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

Tax

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

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.

MITIE BUSINESS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2005

2. OPERATING PROFIT is stated after charging:	2005	2004
	£	£
Depreciation	30,018	26,122
Auditors' remuneration - audit services	4,800	6,028
Operating lease rentals - plant and machinery	383,337	491,324
	<u> </u>	<u> </u>
3. INTEREST RECEIVABLE	2005	2004
	£	£
Bank interest	68,235	65,107
	<u> </u>	<u> </u>
4. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES	2005	2004
(a) Analysis of charge in year	£	£
United Kingdom corporation tax at 30% (2004: 30%)	827,890	552,348
Adjustment in respect of prior years	948	1,532
Total current tax (note 4(b))	828,838	553,880
Deferred taxation:		
Timing differences - origination and reversal	(2,312)	(1,184)
Adjustment in respect of prior years	(1,101)	8,649
Tax on profit on ordinary activities	825,425	561,345
	<u> </u>	<u> </u>

MITIE BUSINESS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2005

4. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES (continued)

(b) Factors affecting tax charge in year

The tax assessed for the year differs from that resulting from applying the standard rate of corporation tax in the UK of 30% (2004: 30%). The differences are as follows:

	2005 £	2004 £
Profit on ordinary activities before tax	<u>2,745,800</u>	<u>1,829,996</u>
	£	£
Tax at 30% thereon	823,740	548,999
Expenses not deductible for tax purposes	1,838	2,219
Capital allowances in excess of depreciation	3,413	1,184
Other	(1,101)	(54)
Adjustment in respect of prior years	<u>948</u>	<u>1,532</u>
Current tax charge for the year (note 4(a))	<u>828,838</u>	<u>553,880</u>

(c) Factors affecting future tax charges

The company is not aware of any matters that will materially affect the future tax charge.

5. DIVIDENDS

	2005 £	2004 £
Equity shares:		
Final proposed dividend of £11.18 (2004: £0.18) per 1p 'A' ordinary share	2,852,105	32,144
Final proposed dividend of £0.08 (2004: £0.08) per 1p 'B' ordinary share	<u>19,600</u>	<u>33,456</u>
	<u>2,871,705</u>	<u>65,600</u>

MITIE BUSINESS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2005

6. TANGIBLE FIXED ASSETS

	Office equipment £
Cost	
At 1 April 2004	113,749
Additions	29,393
	<hr/>
At 31 March 2005	143,142
	<hr/>
Depreciation	
At 1 April 2004	59,515
Charge for the year	30,018
	<hr/>
At 31 March 2005	89,533
	<hr/>
Net book value	
At 31 March 2005	53,609
	<hr/>
At 31 March 2004	54,234
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Capital commitments

There were no capital commitments at 31 March 2005 (2004: nil).

7. STOCKS

	2005 £	2004 £
Stocks and work in progress	504	19,270
	<hr/>	<hr/>

8. DEBTORS

	2005 £	2004 £
Trade debtors	3,718,858	2,437,678
Amounts owed by group undertakings	443,428	723,280
Other debtors	60,901	60,104
Prepayments and accrued income	87,805	239,338
	<hr/>	<hr/>
	4,310,992	3,460,400
	<hr/>	<hr/>

MITIE BUSINESS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2005

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2005 £	2004 £
Trade creditors	785,280	470,394
Amounts owed to group undertakings	37,027	32,222
Corporation tax	491,575	333,690
Other taxes and social security costs	925,504	778,965
Other creditors	1,059	3,404
Accruals and deferred income	1,438,065	1,742,122
Proposed dividend	1,873,856	65,600
	<u>5,552,366</u>	<u>3,426,397</u>

Following a review of balance sheet classifications, individual balances have been reclassified. As a result, accrued expenses of £1,714,435 have been reclassified out of trade creditors into accruals and deferred income in the prior financial year so as to provide consistent comparatives.

10. PROVISION FOR LIABILITIES AND CHARGES	2005 £
Deferred taxation	
At 1 April 2004	7,062
Credit to profit and loss account	(3,413)
At 31 March 2005	<u>3,649</u>

The deferred taxation relates to capital allowances in excess of depreciation.

11. CALLED UP SHARE CAPITAL	2005 £	2004 £
Authorised		
500,000 £1 Deferred shares	500,000	500,000
255,000 1p 'A' ordinary shares	2,550	2,550
245,000 1p 'B' ordinary shares	2,450	2,450
	<u>505,000</u>	<u>505,000</u>
	£	£
Allotted and fully paid		
320,000 £1 Deferred shares	320,000	320,000
255,000 1p 'A' ordinary shares	2,550	2,550
245,000 1p 'B' ordinary shares	2,450	2,450
	<u>325,000</u>	<u>325,000</u>

The deferred shares carry no rights except on a return of capital where after payment of all the company's liabilities, the holders of the deferred shares would be entitled to the par value (together with any premium paid on subscription).

MITIE BUSINESS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2005

11. CALLED UP SHARE CAPITAL (continued)

The rights attaching to the 'A' and 'B' 1p ordinary shares are as follows:

Income

Dividends are declared on the following basis:

- (i) the profits available for distribution should be applied first in paying to the holders of the 'A' shares and the 'B' shares a dividend that the board should decide;
- (ii) secondly in paying a cumulative dividend to the holders of the 'A' shares which comprises of one half of the profits available for distribution after the payment of the dividend in (i); and
- (iii) thirdly in paying a dividend pari passu to the holders of the 'A' and 'B' shares.

Capital

On a return of capital, the assets of the company will be distributed equally to all 1p ordinary shareholders.

Voting

Each 'A' and 'B' share will carry one vote.

12. COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES

	Share capital £	Share premium account £	Profit and loss account £	2005 Total £	2004 Total £
At 1 April 2004	325,000	184,669	1,891,518	2,401,187	1,198,136
Profit for the financial year	-	-	1,920,375	1,920,375	1,268,651
Dividends	-	-	(2,871,705)	(2,871,705)	(65,600)
At 31 March 2005	<u>325,000</u>	<u>184,669</u>	<u>940,188</u>	<u>1,449,857</u>	<u>2,401,187</u>

MITIE BUSINESS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2005

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

	2005	2004
	£	£
Operating profit	2,677,565	1,764,889
Depreciation charges	30,018	26,122
Decrease/(increase) in stocks	18,766	(3,924)
Increase in debtors	(838,669)	(1,403,606)
Decrease / (Increase) in creditors	(875,586)	236,709
Net cash inflow from operating activities	1,012,094	620,190

14. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2004	Cash flow	At 31 March 2005
	£	£	£
Cash at bank and in hand	2,300,742	340,025	2,640,767

15. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2005	2004
	£	£
Increase in cash being movement in net funds in year	340,025	245,840
Net funds at beginning of year	2,300,742	2,054,902
Net funds at end of year	2,640,767	2,300,742

MITIE BUSINESS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2005

16. FINANCIAL COMMITMENTS

Operating leases

At 31 March 2005 the company had annual commitments under non-cancellable operating leases as follows:

	2005		2004	
	Land and buildings £	Other £	Land and buildings £	Other £
Expiry date:				
- within one year	-	56,243	-	73,249
- between two and five years	-	723,884	-	532,199
- in over five years	48,262	-	48,262	-
	<u>48,262</u>	<u>780,307</u>	<u>48,262</u>	<u>605,448</u>

Commitments on behalf of group undertakings

The company is party with other group undertakings to cross-guarantees of each other's bank overdrafts. As at 31 March 2005, the overall commitment was nil (2004: nil).

17. DIRECTORS

	2005 £	2004 £
The emoluments of directors of the company were:		
Fees and other emoluments (including benefits-in-kind)	<u>363,100</u>	<u>291,800</u>
	£	£
The highest paid director	<u>186,800</u>	<u>145,900</u>
	No.	No.
The number of directors who were members of a defined benefit pension scheme	<u>1</u>	<u>1</u>

C S Hale, I R Stewart and R McGregor-Smith are directors of MITIE Group PLC and their emoluments and pension details are disclosed in the group accounts.

Where the directors are remunerated by other group companies for their services to the group as a whole, it is not practicable to allocate their remuneration between their services as directors of MITIE Business Services Limited and their services as directors of other group companies.

MITIE BUSINESS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2005

18. EMPLOYEES

Number of employees

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

	2005 No.	2004 No.
Operatives	435	320
Administration and management	15	15
	<u>450</u>	<u>335</u>
Employment costs	£	£
Wages and salaries	8,926,895	7,561,301
Social security costs	899,430	710,712
Pensions costs	125,705	133,368
	<u>9,952,030</u>	<u>8,405,381</u>

19. PENSION ARRANGEMENTS

The company participates in the MITIE Group PLC Pension Scheme. This is a defined benefit multi-employer scheme, the assets of liabilities of which are held independently from the group. The company is unable to identify its share of the underlying assets and liabilities of the scheme and accordingly accounts for the scheme as if it were a defined contribution scheme.

Contributions to the scheme for the period are shown in note 18 and the agreed contribution rate for the next 12 months is 10% (2004: 10%) and 7.5% (2004: 7.5%) for the group and employees respectively.

The next actuarial valuation which was due on 6 April 2005 is currently being prepared. The 2002 actuarial valuation, which was performed on 6 April 2002 by a professionally qualified actuary, showed that the actuarial value of the assets represented 87% of the benefits that had accrued to members after allowing for expected future increases in earnings.

An updated Financial Reporting Standard 17 valuation of the scheme as at 31 March 2005 indicated that the scheme was 85% funded.

MITIE BUSINESS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2005

20. RELATED PARTY TRANSACTIONS

MITIE Group PLC is a 51% shareholder of the company.

	Goods and services provided by £	Goods and services provided to £	Management charges from £	Debtor balance at year end £	Creditor balance at year end £
MITIE Group PLC	144,342	84,231	132,556	4,196	-
Cole Motors Limited	5,304	-	-	-	1,381
MITIE Catering Limited	-	5,634	-	6,200	-
MITIE Catering (London) Limited	-	7,756	-	7,530	-
MITIE Cleaning (South East) Limited	37,922	-	-	-	13,514
MITIE Cleaning Limited	2,436	-	-	-	2,243
MITIE Engineering Maintenance Limited	149	1,363,485	-	234,040	-
MITIE Engineering Maintenance (South West) Limited	-	771	-	906	-
MITIE Engineering Services Limited	-	3,937	-	-	-
MITIE Interiors Limited	-	31,074	-	1,355	-
MITIE Managed Services (North and Scotland) Limited	93,383	6,433	-	-	-
MITIE Managed Services (Southern) Limited	395	1,015,661	-	180,756	464
MITIE Property Investments Limited	88,274	3,375	-	8,445	-
MITIE Trident Security Limited	58,163	17,370	-	-	19,425

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. MITIE Group PLC is both the smallest and largest group for which group accounts are prepared. Copies of the group financial statements can be obtained from the Company Secretary at the registered office.

MITIE BUSINESS SERVICES LIMITED

DETAILED PROFIT AND LOSS ACCOUNT
Year ended 31 March 2005

	2005 £	2004 £
TURNOVER	19,833,132	15,595,191
COST OF SALES		
Labour	9,625,061	9,370,560
Materials	365,383	935,381
Services	5,501,590	1,930,115
Travelling	18,432	51,519
	(15,510,466)	(12,287,575)
GROSS PROFIT	4,322,666	3,307,616
ADMINISTRATIVE EXPENSES		
Management charges payable	138,346	179,332
Salaries, including directors' salaries	1,042,797	947,969
Rent and rates	80,593	74,300
Light and heat	6,040	4,033
Insurance	117,697	83,553
Telephone	14,254	20,597
Postage, stationery and advertising	66,391	42,932
Entertaining	6,128	7,398
Repairs and renewals	13,895	14,867
Computer costs	23,691	24,675
Motor expenses and travel	11,476	18,352
Trade subscriptions	1,702	504
Bank charges	1,704	15
Audit and accountancy	4,800	6,028
Sundry expenses	95	529
Legal and professional	22,038	1,670
Depreciation	30,018	26,122
Education and training	63,436	89,851
	(1,645,101)	(1,542,727)
OPERATING PROFIT	2,677,565	1,764,889