Monteray Limited

Directors' report and financial statements

Registered number 4054291

For the year ended 31 December 2008

Contents

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2008.

Principal activities and business review

Monteray Limited was formed in 2000 as a joint venture between Carillion Services Limited (51%), Balfour Beatty Workplace Limited (formerly Haden Building Management Limited) (24.5%) and Reliance Facilities Management Limited (24.5%) to provide facilities management services to the UK estate of British Telecommunications plc (BT). A new facilities management contract was signed on 18 January 2008 with a commencement date of 1 February 2008. The contract incorporates an initial service phase commencing 1 February 2008 and full service phase commencing 1 April 2009 for five years, with an option to extend for a further four years.

The services under the contract, which was in place in the prior year and to 31 July 2008, were provided under sub-contract agreements to five companies, four of which were owned by the joint venture partners. On 1 August 2008, the business operations and employees (under TUPE regulations) of those companies were transferred to Monteray Limited to form a single business entity providing services to BT.

In addition to the main contract services, Monteray Limited provides manned guarding and reception services to BT under a separate dedicated security contract. Monteray Limited has sub-contracted this work to a single company. This contract expires on 30 November 2009.

The turnover in relation to both core service as defined in both the facilities and security contracts and variable work during 2008 was £128 million *(2007: £132 million)*. The reduction is due to the tightening of budgets in BT in line with the current economic climate.

The net margin percentage has improved as a result of the changes in service provision on the transfer of business operations during the year to 5.77% *(2007: 4.75%)*.

The principal risks and uncertainties for Monteray are:

- Monteray is a company servicing the needs of only one customer, BT. However, the successful completion of contract negotiations in 2008 resulting in the signing of a new facilities management contract provides the company with a basis for stability and growth for the future.
- The variable works stream is not guaranteed or exclusive and each year the company must actively source opportunities and build relationships with budget holders within the closed BT market if the turnover is to be maintained. The current economic climate may adversely affect those budgets.
- The new contract requires the integration of the five businesses previously sub-contracted to deliver the services into a single business to deliver the new financial and business model. This process was commenced during 2008 and is expected to complete prior to the full service phase commencing 1 April 2009.
- To deliver the new financial and operating model, Monteray Limited commissioned a change of IT systems including new hardware and software which is expected to be successfully completed and fully implemented in 2009.
- The new security contract is due for renewal in November 2009, although Monteray Limited has received a request for information, there is no guarantee of success in securing a further term and thus the principal risk will be that of both turnover and margin reduction.
- Monteray Limited mitigates its Health & Safety Risks by virtue of the fact that it fully complies with all relevant legislation and Approved Codes of Practice.

Profits and dividends

The profit after taxation for the year ended 31 December 2008 was £5,429,000 *(2007: £4,441,000)*.

During the year, a final dividend in relation to 2007 and interim dividend in relation to 2008 was paid totalling £3,200,000 *(2007: £4,500,000)*.

Directors' report *(continued)*

Directors

The directors who served during the year and subsequently were:

RJ Masters	(resigned 27 March 2008)
SP Gibbs	
JC Platt	
P Jones	(resigned 10 January 2008)
G Peattie	(resigned 24 December 2008)
MH Phillips	(appointed 10 January 2008)
JE Skelton	(appointed 27 March 2008, resigned 31 October 2008)
B Nealon	(appointed 31 October 2008)
AD Parker	(appointed 24 December 2008)

Payments to suppliers

It is the policy of the company to agree terms and conditions with its suppliers and for payment to be made on these terms provided suppliers meet their obligations to the company's satisfaction. The company does not apply a general recognised code with regard to the payment of all its suppliers.

The number of days credit outstanding at 31 December 2008 was 16 days *(2007: 1 day).*

Employees

Communication and consultation within working teams takes place, as appropriate, as part of the normal pattern of every operation.

The establishment and maintenance of safe working practices at all work places is of greatest importance to the company and special training in health and safety is provided for all employees.

The company is an active and enthusiastic supporter of training and development for all employees.

Equal opportunities

Monteray Limited is an equal opportunities employer.

It is the policy of the company to give the fullest consideration to the employment needs of all prospective and existing employees. To that end, no job applicant or employee receives less favourable treatment than another on grounds of colour, race, nationality, ethnic or national origin, sex, religion or disability where the work content is commensurate with the individual's particular disability.

Special attention is given to interviewing, selection, recruitment and training to ensure that there is effective implementation of company policy. Promotion is based upon ability, merit and performance taking into account the future needs of the company. Where necessary, training is carried out to assist employees to develop potential.

All aspects of employment are regularly reviewed by management to ensure this policy is achieved.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Directors' report *(continued)*

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG Audit Plc will therefore continue in office.

Approved by the Board on 18 March 2009 and signed on its behalf by:

A Parker
Director

24 Birch Street
Wolverhampton
WV1 4HY

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG

KPMG Audit Plc
2 Cornwall Street
Birmingham
B3 2DL

Independent auditors' report to the members of Monteray Limited

We have audited the financial statements of Monteray Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet, cash flow statement and the related notes. 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 auditor's 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

Independent auditors' report to the members of Monteray Limited *(continued)*

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

18 March 2009

Profit and loss account
for the year ended 31 December 2008

	Note	2008 £000	2007 £000
Turnover	*1*	**128,425**	131,598
Cost of sales		**(117,164)**	(122,599)
Gross profit		**11,261**	8,999
Administrative expenses		**(3,854)**	(2,745)
Operating profit		**7,407**	6,254
Interest receivable	2	**190**	84
Profit on ordinary activities before taxation	*3*	**7,597**	6,338
Tax on profit on ordinary activities	*6*	**(2,168)**	(1,897)
Profit for the financial year	*15*	**5,429**	4,441

All amounts relate to continuing operations.

There were no recognised gains and losses other than the profit for the current year and the profit for the previous year.

Balance sheet
at 31 December 2008

	Note	2008 £000	£000	2007 £000	£000
Fixed assets					
Tangible assets	*8*		**2,241**		24
Current assets					
Debtors	*9*	19,946		9,723	
Cash at bank and in hand		7,083		2,336	
		27,029		12,059	
Creditors: amounts falling due within one year	*10*	**(25,698)**		(10,740)	
Net current assets			**1,331**		1,319
Net assets			**3,572**		1,343
Capital and reserves					
Called up share capital	*13*		-		-
Profit and loss account	*15*		**3,572**		1,343
Equity shareholders' funds	*14*		**3,572**		1,343

These financial statements were approved by the Board of directors on 18 March 2009 and were signed on its behalf by:

A Parker
Director

Cash flow statement
for the year ended 31 December 2008

	Note	2008 £000	2007 £000
Net cash inflow from operating activities	*17*	**11,939**	6,494
Returns on investments and servicing of finance	*17*	**190**	84
Taxation paid		**(1,945)**	(1,845)
Capital expenditure and financial investment	*17*	**(2,237)**	(19)
Equity dividends paid		**(3,200)**	(4,500)
Increase in cash in the year		**4,747**	214
Reconciliation of net cash flow to movement in net funds			
Increase in cash in the year		**4,747**	214
Net funds at the start of the year – cash		**2,336**	2,122
Net funds at the end of the year – cash		**7,083**	2,336

Notes
(forming part of the financial statements)

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK Accounting Standards.

Turnover

Turnover represents the net amount receivable, excluding value added tax for the provision of services supplied to customers during the year. All turnover arises within the UK.

Tangible fixed assets

Depreciation is based on historic cost less the estimated residual value and the estimated useful economic lives of the assets. The estimated economic lives of the plant and machinery held is between 3 and 10 years.

Taxation

The charge for taxation is based on the result for each year and takes into account deferred taxation, calculated in accordance with the requirements of FRS 19 "Deferred tax". Deferred tax assets or liabilities, which arise from timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation, are calculated on a non-discounted full provision basis.

Leased assets

Operating lease rental charges are charged to the profit and loss account in equal annual instalments over the life of the related lease.

Pensions

The company participates in a Carillion group-wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. As the company is unable to identify its share of the scheme's assets and liabilities on a consistent and reasonable basis, the scheme has been accounted for as permitted under FRS 17 as a defined contribution scheme and contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives with the company.

The company also participates in a group wide defined contribution scheme. Contributions to this scheme are charged to the profit and loss account as incurred.

2 Interest receivable

	2008	2007
	£000	£000
Bank interest receivable	**190**	84

Notes *(continued)*

3 Profit on ordinary activities before taxation

	2008 £000	2007 £000
Profit on ordinary activities before taxation is stated		
after charging		
Depreciation	12	12
Auditors' remuneration - audit	20	11
Rentals under operating leases:		
IT equipment	76	-
Hire of vehicles	1,046	48
Loss on disposal of fixed assets	8	-

4 Directors' remuneration

The directors neither received nor waived any remuneration during the current or preceding financial year.

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows:

	Number of employees 2008	2007
Contract	890	-
Administration	99	28
	989	28

The aggregate payroll costs of these persons were as follows:

	2008 £000	2007 £000
Wages and salaries	18,293	1,249
Social security costs	2,012	140
Other pension costs (see note 16)	199	69
	20,504	1,458

Notes *(continued)*

6 Tax on profit on ordinary activities

(a) Analysis of taxation charge in the year

The taxation charge is based on the profit for the year as follows:

	2008 £000	2007 £000
UK corporation tax		
Current tax on income for the year	2,171	1,903
Adjustment in respect of prior periods	-	(7)
Total current tax	2,171	1,896
Deferred tax (see note 12)		
Origination/reversal of timing differences	(3)	1
Total deferred tax	(3)	1
Tax on profit on ordinary activities	2,168	1,897

(b) Reconciliation of current taxation charge

The UK mainstream corporation tax rate fell from 30% to 28% from 1 April 2008. The effective standard rate for the year is therefore 28.5% *(2007: 30%)*. The actual tax rate differs to the standard rate for the reasons set out below:

	2008 £000	2007 £000
Current tax reconciliation		
Profit on ordinary activities before tax	7,597	6,338
Tax on profit on ordinary activities at UK standard rate of corporation tax of 28.5% *(2007: 30%)*	2,165	1,901
Effects of		
Permanently disallowable expenses	3	2
Adjustments to tax charge in respect of previous periods	-	(7)
Accelerated capital allowances	3	-
Current tax charge for the year (note 6(a))	2,171	1,896

(c) Factors that may affect future current and total tax charges

The company's future tax charge will be affected by its ability to utilise the deferred tax asset set out in note 12.

7 Dividends paid

	2008 £000	2007 £000
Final dividend paid at £10,000 per share *(2007: £11,500 per share)*	2,000	2,300
Interim dividend paid at £6,000 per share *(2007: £11,000 per share)*	1,200	2,200
	3,200	4,500

Notes *(continued)*

8 Tangible fixed assets

	Plant, machinery and vehicles £000	Assets under construction £000	Total £000
Cost			
At beginning of year	84	-	84
Additions	2	2,235	2,237
Disposals	(78)	-	(78)
At end of year	8	2,235	2,243
Depreciation			
At beginning of year	60	-	60
Provided during the year	12	-	12
Disposals	(70)	-	(70)
At end of year	2	-	2
Net book value			
At 31 December 2008	**6**	**2,235**	**2,241**
At 31 December 2007	24	-	24

Assets under construction, £2,235,000 *(2007: £Nil)* relates to the introduction of a new IT platform, including associated software and hardware. At 31 December 2008, the system was still in development.

9 Debtors

	2008 £000	2007 £000
Amounts falling due within one year		
Trade debtors	**6,811**	470
Amounts owed by group undertakings	**342**	1
Other debtors	**-**	37
Deferred taxation (see note 12)	**7**	4
Prepayments and accrued income	**12,786**	9,211
	19,946	9,723

Notes *(continued)*

10 Creditors: amounts falling due within one year

	2008 £000	2007 £000
Trade creditors	**4,572**	160
Amounts owed to group undertakings	**3,143**	2,915
Amounts owed to other related parties	**5,399**	5,005
Corporation tax	**1,271**	1,045
Other taxation and social security	**2,040**	266
Other creditors	**120**	53
Accruals	**9,153**	1,296
	25,698	10,740

11 Financial and capital commitments

	2008 £000	2007 £000
Commitments for capital expenditure	**751**	-

Commitments for capital expenditure relates to a contract for the provision of a new IT platform, including software and hardware.

Non-cancellable operating lease rentals are payable as follows:

	2008 Other £000	Vehicles £000	Total £000	2007 Other £000	Vehicles £000	Total £000
Within one year	**-**	**1,259**	**1,259**	-	-	-
Between one and five years	**2,387**	**367**	**2,754**	-	-	-
Over five years	**597**	**-**	**597**	-	-	-
	2,984	**1,626**	**4,610**	-	-	-

The company leases vehicles for operational purposes and leases typically run for a period of three to five years. None of the leases includes contingent rentals. The company leases IT equipment for operational purposes, the lease runs until March 2014.

12 Deferred taxation

The deferred tax asset comprises:

	Deferred tax £000
At the beginning of year	4
Origination of timing differences	3
At end of year	7

Deferred tax arises due to depreciation in excess of capital allowances.

Notes *(continued)*

13 Share capital

	2008 £	2007 £
Authorised, allotted, called up and fully paid:		
200 shares of £1 each	**200**	200

14 Reconciliation of movements in equity shareholders' funds

	2008 £000	2007 £000
Profit for the financial year	**5,429**	4,441
Dividends paid	**(3,200)**	(4,500)
Net increase/(decrease) in shareholders' funds	**2,229**	(59)
Equity shareholders' funds at beginning of year	**1,343**	1,402
Equity shareholders' funds at end of year	**3,572**	1,343

15 Reconciliation of movement on reserves

	2008 £000	2007 £000
Profit for the financial year	**5,429**	4,441
Dividends paid	**(3,200)**	(4,500)
Profit and loss reserve at start of year	**1,343**	1,402
Profit and loss reserve at end of year	**3,572**	1,343

16 Pensions

The company contributes to the following pension schemes:

(i) **Carillion Staff Pension Scheme** The company is a member of the Carillion Staff Pension Scheme providing benefits based on final pensionable pay. Because the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17: "Retirement benefits", the scheme has been accounted for, in these financial statements, as if the scheme was a defined contribution scheme.

The latest full actuarial valuation was carried out at 31 December 2005 and was updated for FRS 17 purposes to 31 December 2008 by a qualified independent actuary. The surplus in the scheme at 31 December 2008 was £24.8 million net of deferred tax *(2007: £2.2 million deficit)*. The contribution for the year was £32,123 *(2007: £58,669)*. It has been agreed that an employee rate of 20.1% of pensionable pay will apply in future years.

(ii) The company is a member of two defined contribution pension schemes. The pension cost charges for the period represent contributions payable by the company to the schemes and amounted to £167,248 *(2007: £10,736)*.

Notes *(continued)*

17 Analysis of cash flows

	2008	2007
	£000	£000
Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	7,407	6,254
Depreciation	12	12
Loss on disposal of fixed assets	8	-
	7,427	6,266
(Increase)/decrease in debtors	(10,220)	4,312
Increase/(decrease) in creditors	14,732	(4,084)
Net cash inflow from operating activities	11,939	6,494
Interest received		
Returns on investment and servicing of finance	190	84
Capital expenditure		
Payment to acquire tangible fixed assets	2,237	19

18 Related party disclosures

The company is controlled by Carillion Services Limited, its immediate parent company.

At 31 December 2008 and 31 December 2007 the material balances outstanding and transaction totals with related parties, other than dividends, were as follows:

2008

	Debtors	Creditors	Included in cost of sales	Included in turnover
	£000	£000	£000	£000
Related party				
Carillion Services Limited	-	2,520	24,573	-
Reliance Facilities Management Limited	-	49	16,320	-
Balfour Beatty Workplace Limited (formerly Haden Building Management Limited)	-	652	17,618	-
Reliance Security Services Limited	-	4,606	16,930	-
Balfour Beatty Fleet Services Limited	-	92	414	-
Building Enviromental Hygiene Limited	-	-	62	-
Carillion Aqumen Management Services Limited	-	2	35	-
Carillion Construction Limited	-	340	1,526	-
Carillion Fleet Management	327	-	583	-
Carillion Insurance Advisors	-	-	204	-
Carillion Managed Services Limited	-	181	938	-
Carillion Regional Building	-	100	108	-
Planned Maintenance Engineering Limited	15	-	408	-
Reliance Consultancy Services UK Limited	-	-	3	-

Notes *(continued)*

18 Related party disclosures *(continued)*

2007

	Debtors	Creditors	Included in cost of sales	Included in turnover
	£000	£000	£000	£000
Related party				
Carillion Services Limited	1	2,915	49,387	2
Reliance Facilities Management Limited	-	2,072	29,040	2
Balfour Beatty Workplace Limited (formerly Haden Building Management Limited)	-	1,544	26,682	2
Reliance Security Services Limited	-	1,389	1,389	-

The share capital of the company is held 51% by Carillion Services Limited and 24.5% each by Balfour Beatty Workplace Limited (formerly Haden Building Management Limited) and Reliance Facilities Management Limited.

19 Ultimate holding company

The company's ultimate controlling company is Carillion plc which is incorporated in Great Britain and registered in England and Wales.

Copies of the group financial statements of Carillion plc are available from 24 Birch Street, Wolverhampton, WV1 4HY.

Competency Hierarchy

Using the MOD system, there are 5 areas of competency:

1. Electrical
2. Mechanical
3. Confined Spaces
4. Working at Heights
5. Petroleum products

The CFM Operational Development Team has decided to split out Legionella from the Mechanical heading and treat that separately. The competency hierarchy has an Authorising Engineer at the top of each discipline and so Pat Raynor is now the AE (Legionella). This is good as the AE should be as independent as possible. There is a Co-ordinating Authorising Engineer – Pete Adams – who works for Carillion Integrated Solutions. He would approve the appointment of any AEs as far as I understand.

On the Mapeley Account, I have volunteered to become the AE (Electrical) and have begun my training. I have completed the AE Foundation Course and the IEE Regulations Course. I have the full AE course booked in for the end of June. I plan to do the AP (Electrical) course later this year to complete the formal training. As I understand it, I will have to have a degree of site familiarity to complete my competence but as yet I'm unsure as to what level this needs to be. Hopefully, later this year I can be appointed as AE (Electrical) for the Account.

I have funding to recruit another engineer to work for me (although the budget seems to be low for a professional level person) and my thinking was to ensure that this person could become the AE (Mechanical) for the Account. I think we could cover off the remaining disciplines by choosing other people in the management team to act as AEs for these areas as they are less technical I think and can be awarded after attendance on the relevant training course but this should be confirmed. I think any safety professional could take on roles 3, 4 or 5.

The next level in the hierarchy was the Authorised Person who is appointed by the AE. The APs then appoint the final level which is Skilled Person i.e. the "engineers" doing the work.

My thinking in terms of APs has not gone much further than the Electrical discipline as I'm not experienced enough in the contract to see just how much mechanical work would justify the involvement of an AP. This depends on the levels of risk involved. I know that for electrical, the high risk systems are systems like HV, UPS, Generators and LV working on main distribution boards. I'm less aware of the mechanical equivalent and if Legionella is separate then this simplifies matters. Lifts, Chillers, Gas systems etc are all possible areas for AP (Mechanical) involvement but this needs to be confirmed. The TSMs are the obvious candidates for AP (Electrical) and this fits in well with their role of ensuring work gets done properly.

I was planning to start them on AP training pretty soon after they are appointed so that the AE and AP training runs in parallel. I could soon be in a position to appoint them early in 2010 if all went well. They could also work towards the appointment of their skilled Persons in the same way – using the competency matrix to identify training for the PDRs and putting this in place to run concurrently with the AE and AP training. This was there could be a "domino" effect in the appointments throughout 2010.

More work needs to be done on the mechanical requirements to identify what is specifically required by the Account. Of the other 3 disciplines, Petroleum Products is probably the least demanding as I think it would only cover oil storage. I'm not sure where LPG installations sit – probably in the mechanical area. Petroleum Products might reasonably be attached to the AE (Mechanical) as a dual role. The SMT needs to resolve where we get the Working at heights and Confined Spaces AEs from.

The consequence of implementing these changes are two fold. One is the emphasis on training which has costs in terms of paying for coverage needed to release people as well as the training itself. The second is the effect on the operation. Such detailed control will inevitable have a slowing-down effect due to the permissions involved. Competency of staff and sub-contractors will *have* to be suitable for the work they are undertaking in order for them to get permission to continue. This will have a knock-on effect to staff resources although until we have done a labour loading exercise on the ppm and reactive work for all of the assets, we won't accurately know if these safe systems of work can be absorbed or not.

It would also make sense to use this control system in a wider sense to control sub-contractors activities through the lower level permits e.g. Access to plant rooms and roofs etc. The benefit would be the improved confidence in safe systems of work and hopefully that quality of work is assured.