

Company Registration Number 4221384

**MITIE INTERIORS LIMITED**

**Report and Financial Statements**

**31 March 2004**

**Deloitte & Touche LLP**  
**Bristol**



**REPORT AND FINANCIAL STATEMENTS 2004**

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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

S O'Boyle  
R McGregor-Smith  
M Quill  
W Robson  
I R Stewart

**SECRETARY**

C K Ross

**REGISTERED OFFICE**

8 Monarch Court  
The Brooms  
Emersons Green  
Bristol  
BS16 7FH

**BANKERS**

HSBC Bank plc  
49 Corn Street  
Bristol  
BS99 7PP

**AUDITORS**

Deloitte & Touche LLP  
Bristol

**DIRECTORS' REPORT**

The directors present their annual report and audited financial statements for the year ended 31 March 2004.

**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 and 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 principal activity of the company during the year was that of fit out and refurbishment of commercial and industrial property in the United Kingdom.

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 £159,761 (2003: loss of £2,725). The directors recommend that this amount be dealt with as follows:

	<b>10 months ended 31 March</b>	
	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Ordinary dividends:		
- Final proposed 'A' ordinary shares 8p (2003: nil)	16,320	-
- Final proposed 'B' ordinary shares 8p (2003: nil)	15,680	-
Transfer to/(from) reserves	127,761	(2,725)
	<u>159,761</u>	<u>(2,725)</u>

**DIRECTORS' REPORT (continued)****DIRECTORS AND THEIR INTERESTS**

The directors during the year were as follows:

S O'Boyle  
 M Quill  
 W Robson  
 I R Stewart  
 Ms R McGregor-Smith (appointed 7 October 2003)  
 D M Telling (resigned 10 October 2003)

The beneficial interests of the directors and their families in the share capital of the company at the beginning of the year or the date of appointment and the end of the year were as follows:

	At 31 March 2004 £1 'B' ordinary shares No.	At 1 April 2003 £1 'B' Ordinary shares No.
S O'Boyle	60,000	60,000
M Quill	60,000	60,000

Messrs W Robson and I R Stewart and Ms R McGregor-Smith are directors of MITIE Group PLC, the parent undertaking, and their interests in the share capital of that company are shown in the financial statements of MITIE Group PLC.

No other directors 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 2004 trade creditors, as a proportion of amounts invoiced from suppliers for the period, represented 59 days (2003: 42 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.

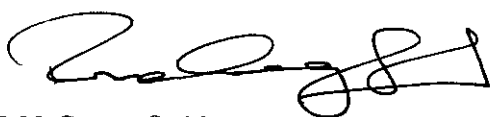
The company recognises the importance of good communications and employee relationships. In each company there is a relationship between the Chief Executive of MITIE Group PLC and individual employees in the company. In these conditions, complex consultative procedures are seldom required to ensure that 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.

**DIRECTORS' REPORT (continued)**

**AUDITORS**

On 1 August 2003, Deloitte & Touche, the company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of Section 26(5) of the Companies Act 1989. 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 read 'R McGregor-Smith', written over a horizontal line.

**R McGregor-Smith**  
Director

29 July 2004

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

### MITIE INTERIORS LIMITED

We have audited the financial statements of MITIE Interiors Limited for the year ended 31 March 2004 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 period 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 2004 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

29 July 2004

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 March 2004**

		<b>Continuing operations</b>	
		<b>10 months</b>	
		<b>ended 31 March</b>	
	<b>Notes</b>	<b>2004</b>	<b>2003</b>
		<b>£</b>	<b>£</b>
<b>TURNOVER</b>	1	4,726,672	1,494,176
Cost of sales		(4,010,895)	(1,200,211)
<b>GROSS PROFIT</b>		715,777	293,965
Administrative expenses		(493,010)	(302,807)
<b>OPERATING PROFIT/(LOSS)</b>	2	222,767	(8,842)
Interest receivable	3	14,506	9,335
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		237,273	493
Tax on profit on ordinary activities	4	(77,512)	(3,218)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>		159,761	(2,725)
Dividends	5	(32,000)	-
<b>RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	11	127,761	(2,725)

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 provided.

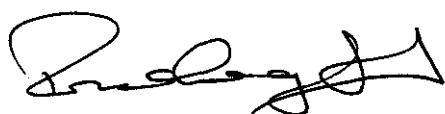


**BALANCE SHEET**  
**At 31 March 2004**

	Notes	2004	2003
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	6	14,857	22,293
<b>CURRENT ASSETS</b>			
Work in progress	7	-	-
Debtors	8	1,608,809	421,031
Cash at bank and in hand		977,978	491,006
		<u>2,586,787</u>	<u>912,037</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	<u>(2,076,608)</u>	<u>(537,055)</u>
<b>NET CURRENT ASSETS</b>		<u>510,179</u>	<u>374,982</u>
<b>NET ASSETS</b>		<u>525,036</u>	<u>397,275</u>
<b>SHARE CAPITAL AND RESERVES</b>			
Called up share capital	10	400,000	400,000
Profit and loss account	11	125,036	(2,725)
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	12	<u>525,036</u>	<u>397,275</u>

These financial statements were approved by the Board of Directors on 29 July 2004.

Signed on behalf of the Board of Directors



**R McGregor-Smith**  
 Director

**CASH FLOW STATEMENT**  
**Year ended 31 March 2004**

		<b>10 months ended 31 March</b>	
	<b>Notes</b>	<b>2004</b>	<b>2003</b>
		<b>£</b>	<b>£</b>
<b>Net cash inflow from operating activities</b>	13	518,220	103,644
<b>Returns on investments and servicing of finance</b>			
Interest received		13,555	8,416
<b>Taxation</b>			
UK corporation tax (paid)/received		(40,648)	11,250
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		(4,155)	(32,304)
<b>Financing</b>			
Issue of ordinary share capital		-	400,000
<b>Increase in cash in the year</b>	15	<u>486,972</u>	<u>491,006</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2004**

**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.

**Accounting developments**

The Group has adopted FRS 5 Application Note G during the year as this is the first year for which it is applicable. It is considered appropriate under this Application Note that the Group now recognises revenue in respect of its performance under contracts as they progress where, in prior periods, revenue was only recognised on certain contracts for contract work completed in the year. The effect of implementing the Application Note is to decrease the current year turnover and cost of sales by £1,815,615 with no effect on profit after tax, and increase the prior year turnover and cost of sales by £251,385 with no effect on profit after tax. Where appropriate, contract work in progress, trade debtors and amounts recoverable on contracts have been restated in respect of the prior year in order to make them comparable with the classifications being used this year.

**Turnover**

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

**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:

Leasehold improvements	3 to 5 years
Office equipment	3 to 10 years

**Long term contracts**

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts receivable as progress payments on account. Excess progress payments are included in creditors as payments on account. Cumulative costs incurred net of amounts transferred to cost of sales, less provision for contingencies and anticipated future losses on contracts, are included as long-term contract balances in stock.

*Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of the total contract value which costs incurred to date bear to total expected costs for that contract.*

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2004

## 1. ACCOUNTING POLICIES (continued)

## Deferred taxation

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 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.

## 2. OPERATING LOSS is stated after charging:

	10 months ended 31 March	
	2004	2003
	£	£
Depreciation	11,591	10,011
Auditors' remuneration - audit services	2,850	900
Operating lease rentals - land and buildings	34,775	20,959
	<u>          </u>	<u>          </u>

## 3. INTEREST RECEIVABLE

	10 months ended 31 March	
	2004	2003
	£	£
Bank interest	14,506	9,335
	<u>          </u>	<u>          </u>

## 4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	10 months ended 31 March	
	2004	2003
	£	£
(a) Analysis of charge in year		
United Kingdom corporation tax at 30% (2003: 30%)	75,864	3,799
Adjustment in respect of prior years	1,124	-
	<u>          </u>	<u>          </u>
Total current tax (note 4(b))	76,988	3,799
Deferred taxation:		
Timing differences - origination and reversal	(2,042)	(581)
Adjustment in respect of prior years	2,566	-
	<u>          </u>	<u>          </u>
Tax on profit on ordinary activities	<u>77,512</u>	<u>3,218</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2004**

**4. TAX 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% (2003: 30%). The differences are as follows:

	£	£
Profit on ordinary activities before tax	237,273	493
	<u>          </u>	<u>          </u>
	£	£
Tax at 30% thereon	71,181	148
Expenses not deductible for tax purposes	2,641	3,070
Capital allowances in excess of depreciation	1,990	581
Other timing differences	52	-
Adjustment in respect of prior years	1,124	-
	<u>          </u>	<u>          </u>
<b>Current tax charge for the year (note 4(a))</b>	<b>76,988</b>	<b>3,799</b>
	<u>          </u>	<u>          </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**

	10 months ended 31 March	
	2004	2003
	£	£
Final proposed:		
'A' ordinary share 8p (2003: nil)	16,320	-
'B' ordinary share 8p (2003: nil)	15,680	-
	<u>          </u>	<u>          </u>
	32,000	-
	<u>          </u>	<u>          </u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2004**

**6. TANGIBLE FIXED ASSETS**

Summary	Leasehold improvements £	Office equipment £	Total £
<b>Cost</b>			
At 1 April 2003	22,448	9,856	32,304
Additions	-	4,155	4,155
At 31 March 2004	22,448	14,011	36,459
<b>Depreciation</b>			
At 1 April 2003	7,483	2,528	10,011
Charge for the year	7,483	4,108	11,591
At 31 March 2004	14,966	6,636	21,602
<b>Net book value</b>			
At 31 March 2004	7,482	7,375	14,857
At 31 March 2003	14,965	7,328	22,293

**Capital commitments**

At 31 March 2004 the directors had authorised capital expenditure of nil (2003: nil).

**7. WORK IN PROGRESS**

	2004 £	2003 £
Work in progress	-	-

Following the implementation of FRS 5 Application Note G, £85,237 of work in progress has been reclassified in the prior year to trade debtors and amounts recoverable on contracts in order to make them comparable with the classifications being used this year. There has been no change to the overall total for current assets as a result of this.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2004**

<b>8. DEBTORS</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,041,276	123,321
Amounts recoverable on contracts	555,263	210,000
Amounts owed by group undertakings	3,600	52,279
Prepayments and accrued income	8,612	34,850
Deferred tax asset	58	581
	<u>1,608,809</u>	<u>421,031</u>

A deferred tax asset of £58 has been recognised at 31 March 2004 (2003: £581). This asset relates to negative accelerated capital allowances. The directors are of the opinion that suitable profits will be available in the periods in which these differences will reverse. The amount charged to the profit and loss account in the year was £524 (2003: credit of £581).

Following the implementation of FRS 5 Application Note G, £85,237 of work in progress has been reclassified in the prior year to trade debtors and amounts recoverable on contracts in order to make them comparable with the classifications being used this year. There has been no change to the overall total for current assets as a result of this.

<b>9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Trade creditors	1,813,469	481,909
Corporation tax	51,390	15,049
Other taxes and social security costs	129,720	27,869
Accruals and deferred income	50,029	12,228
Proposed dividends	32,000	-
	<u>2,076,608</u>	<u>537,055</u>

<b>10. CALLED UP SHARE CAPITAL</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
400,000 £1 'A' ordinary shares	400,000	400,000
400,000 £1 'B' ordinary shares	400,000	400,000
	<u>800,000</u>	<u>800,000</u>
	<b>£</b>	<b>£</b>
<b>Allotted and fully paid</b>		
204,000 £1 'A' ordinary shares	204,000	204,000
196,000 £1 'B' ordinary shares	196,000	196,000
	<u>400,000</u>	<u>400,000</u>

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2004

## 10. CALLED UP SHARE CAPITAL (continued)

## Rights attached to shares

The holders of the £1 'A' ordinary shares and the £1 'B' ordinary shares are entitled to a dividend as decided by the Board. Thereafter, MITIE Group PLC, the holder of the £1 'A' ordinary shares, is entitled to one half of the company's annual profits available for distribution less the above amount already paid, together with any arrears of such cumulative dividends unpaid from any previous financial year.

Thereafter, the balance of profits available for distribution may be distributed amongst the holders of each class of share pari passu.

Both classes of shareholder have equal voting rights.

## 11. PROFIT AND LOSS ACCOUNT

	£
At 1 April 2003	(2,725)
Retained profit for the financial year	127,761
	<hr/>
At 31 March 2004	125,036
	<hr/>

## 12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	10 months ended 31 March	
	2004	2003
	£	£
Profit/(loss) for the financial year	159,761	(2,725)
Issue of ordinary shares	-	399,999
Proposed dividends	(32,000)	-
	<hr/>	<hr/>
Net addition to shareholders' funds	127,761	397,274
Opening shareholders' funds	397,275	1
	<hr/>	<hr/>
Closing shareholders' funds	525,036	397,275
	<hr/>	<hr/>



**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2004**

**13. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>10 months ended 31 March</b>	
	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Operating profit/(loss)	222,767	(8,842)
Depreciation charges	11,591	10,011
Increase in debtors	(1,187,351)	(419,531)
Increase in creditors	1,471,213	522,006
<b>Net cash inflow from operating activities</b>	<b>518,220</b>	<b>103,644</b>

**14. ANALYSIS OF CHANGES IN NET FUNDS**

	<b>2003</b>	<b>Cash flow</b>	<b>2004</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	491,006	486,972	977,978

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

	<b>10 months ended 31 March</b>	
	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Increase in cash in the period	486,972	491,006
Net funds at beginning of period	491,006	-
<b>Net funds at end of year</b>	<b>977,978</b>	<b>491,006</b>

**16. FINANCIAL COMMITMENTS**

**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 2004, the overall commitment was nil (2003: nil).

**Operating leases**

At 31 March 2004 the company had annual commitments of £21,924 (2003: £21,924) under non-cancellable operating leases of land and buildings expiring within two to five years.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2004**

**17. DIRECTORS**

	<b>10 months ended 31 March</b>	
	<b>2004</b>	<b>2003</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)	<u>160,545</u>	<u>124,667</u>

No directors were members of a defined benefit pension scheme (2003: no directors).

Messrs W Robson and I R Stewart and Ms R McGregor-Smith are also directors of MITIE Group PLC and their emoluments and pension details are disclosed in the group accounts. It is not practicable to allocate their remuneration between their services as directors of MITIE Interiors Limited and their services as directors of other group companies.

**18. EMPLOYEES**

**Number of employees**

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

	<b>10 months ended 31 March</b>	
	<b>2004</b>	<b>2003</b>
	<b>No.</b>	<b>No.</b>
Administration and management	<u>8</u>	<u>4</u>
<b>Employment costs (including directors)</b>	<b>£</b>	<b>£</b>
Wages and salaries	326,602	173,294
Social security costs	38,656	19,607
Other pension costs	16,610	-
	<u>381,868</u>	<u>192,901</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2004**

**19. RELATED PARTY TRANSACTIONS**

MITIE Group PLC is a 62% shareholder of MITIE Interiors Limited.

Management charges of £11,750 (2003: £10,000) were paid to MITIE Property Services (London) Limited.

During the year, the company supplied services to MITIE Business Services Limited totalling £6,542 (2003: £67,057).

During the year, the company supplied services to MITIE Engineering Services (Eastern) Limited totalling nil (2003: £192,493) of which nil (2003: £44,493) is included in debtors at the year end.

During the year, the company supplied services to MITIE Property Services (North West) Limited totalling nil (2003: £10,000).

During the year, the company supplied services to MITIE Group Limited totalling £142,453 (2003: nil).

During the year, the company supplied services to MITIE Property Investment Limited totalling £3,600 (2003: £nil) of which £3,600 (2003: £nil) is included in debtors at the year end.

Management charges of £23,000 (2003: nil) were paid to MITIE Property Services Limited.

**20. PENSION ARRANGEMENTS**

The company participates in the MITIE Group PLC Pension Scheme. This is a defined multi-employer scheme, the assets and 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% (2003:10%) and 7.5% (2003: 7.5%) for the group and employees respectively.

An updated FRS17 valuation of the scheme as at 31 March 2004 indicated that the scheme was 85% funded.

**21. PARENT UNDERTAKING AND CONTROLLING PARTY**

The directors consider MITIE Group PLC, a company registered in Scotland, to be 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.