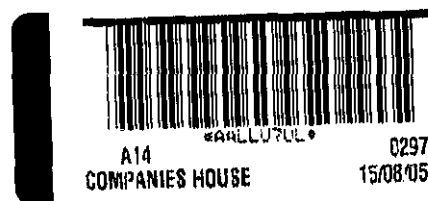


Company Registration Number 4957244

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED
(formerly MITIE (32) Limited)

Report and Financial Statements

Period from 7 November 2003 to 31 March 2005



MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED
(formerly MITIE (32) Limited)

REPORT AND FINANCIAL STATEMENTS 2005

CONTENTS

	Page
Officers and professional advisers	1
Directors' report	2
Independent auditors' report	6
Profit and loss account	7
Balance sheet	8
Cash flow statement	9
Notes to the financial statements	10

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED
(formerly MITIE (32) Limited)

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

C S Acheson
D Freeman
J J Kavanagh
R McGregor-Smith
K Mills
G A Morgans
I R Stewart
I J Thompson

SECRETARY

C K Ross (appointed 7 November 2003)

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

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED
(formerly MITIE (32) Limited)

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the period from 7 November 2003 to 31 March 2005.

On 6 January 2004 the company changed its name from MITIE (32) Limited to MITIE Engineering Services (West Midlands) Limited.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period 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 company's principal activity is the design and installation of electrical and mechanical services in commercial, industrial and domestic premises.

The company's business has developed satisfactorily. The directors consider that the company is in a good position to continue that development.

The company was incorporated on 7 November 2003 and commenced trading on 1 April 2004.

RESULTS AND DIVIDENDS

The profit for the period after taxation amounted to £28,616. The directors recommend that this amount be dealt with as follows:

	£
Ordinary dividends:	
- Final proposed 'A' shares 18.46p per share	14,120
- Final proposed 'B' shares 8p per share	5,880
	<hr/>
Total dividends	20,000
Transfer to reserves	8,616
	<hr/>
	28,616
	<hr/>

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED
(formerly MITIE (32) Limited)

DIRECTORS' REPORT (continued)

DIRECTORS AND THEIR INTERESTS

The directors during the period were as follows:

R McGregor-Smith	(appointed 7 November 2003)
I R Stewart	(appointed 7 November 2003)
G A Morgans	(appointed 8 April 2004)
P J Leech	(appointed 18 January 2005, resigned 9 May 2005)
K Mills	(appointed 18 January 2005)
I J Thompson	(appointed 18 January 2005)
C S Acheson	(appointed 3 February 2005)
D Freeman	(appointed 3 February 2005)
J J Kavanagh	(appointed 3 February 2005)
Instant Companies Limited	(appointed and resigned 7 November 2003)

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

	At 31 March 2005 £1 'B' ordinary shares No.	At date of appointment £1 'B' ordinary shares No.
P J Leech	15,000	15,000
K Mills	15,000	15,000
G A Morgans	15,000	15,000
I J Thompson	15,000	15,000
R McGregor-Smith	1,500	-

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

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

Other directors' interests in the share capital of MITIE Group PLC are as follows:

	At 31 March 2005 2.5p Ordinary shares No.	At date of appointment 2.5p Ordinary shares No.
D Freeman	906,336	906,336

No other director had an interest in the share capital of MITIE Group PLC.

J J Kavanagh has an interest in the share capital of MITIE Engineering Services (Midlands) Limited, details of which are disclosed in the accounts of that company.

I J Thompson holds 800 1p 'B' ordinary shares (800 at date of appointment) in the share capital of MITIE Engineering Services (Swansea) Limited.

No other director had any other interest in the share capital of any other group company.

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED
(formerly MITIE (32) Limited)

DIRECTORS' REPORT (continued)

DIRECTORS AND THEIR INTERESTS (continued)

Share options

		At date of appointment	Granted during the period Options	Price	Exercise period From	To	Exercised during the period Options	Price	At 31 March 2005
I J Thompson	(i)	1,493	-	-	2007	-	-	-	1,493
	(ii)	8,000	-	-	2004	2011	-	-	8,000
	(ii)	7,000	-	-	2006	2013	-	-	7,000
G A Morgans	(i)	2,389	-	-	2007	-	-	-	2,389
	(i)	2,654	-	-	2008	-	-	-	2,654
	(ii)	12,000	-	-	2005	2012	-	-	12,000
	(ii)	7,000	-	-	2006	2013	-	-	7,000

(i) Options under the Savings Related Option Scheme

(ii) Options under the Executive Share Option Scheme

No other director held share options in MITIE Group PLC at the beginning or end of the period.

Further details of the MITIE Group PLC share scheme are given in the accounts of that 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 to the supplier's standard terms. As at 31 March 2005 trade creditors, as a proportion of amounts invoiced from suppliers for the period, represented 62 days.

In the industry in which the company operates credit periods are frequently extended by agreement. The company's creditor days are a reflection of this custom.

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 ENGINEERING SERVICES (WEST MIDLANDS) LIMITED
(formerly MITIE (32) Limited)

DIRECTORS' REPORT (continued)

AUDITORS

Pursuant to Section 386 Companies Act 1985, an elective resolution was passed on 14 March 2005 dispensing with the requirement to appoint auditors annually. Therefore Deloitte & Touche LLP are deemed to continue as auditors.

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 long horizontal stroke extending to the right.

C K Ross
Secretary

19 July 2005

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED (formerly MITIE (32) Limited)

We have audited the financial statements of MITIE Engineering Services (West Midlands) Limited for the period from 7 November 2003 to 31 March 2005 which comprise the profit and loss account, the balance sheet, the cash flow statement and related notes 1 to 20. 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 period 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 ENGINEERING SERVICES (WEST MIDLANDS) LIMITED
(formerly MITIE (32) Limited)

PROFIT AND LOSS ACCOUNT

Period from 7 November 2003 to 31 March 2005

	Notes	Continuing operations 7 November 2003 to 31 March 2005 £
TURNOVER	1	2,667,542
Cost of sales		(2,155,579)
GROSS PROFIT		511,963
Administrative expenses		(473,809)
OPERATING PROFIT	2	38,154
Interest receivable	3	11,226
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		49,380
Tax on profit on ordinary activities	4	(20,764)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		28,616
Dividends	5	(20,000)
RETAINED PROFIT FOR THE FINANCIAL PERIOD	11	8,616

There are no recognised gains and losses for the current financial period other than as stated in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses is presented.

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED
(formerly MITIE (32) Limited)

BALANCE SHEET
At 31 March 2005

	Notes	2005 £	£
FIXED ASSETS			
Tangible assets	6		54,237
CURRENT ASSETS			
Debtors	7	408,640	
Cash at bank and in hand		205,147	
		<u>613,787</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	<u>(508,074)</u>	
NET CURRENT ASSETS			<u>105,713</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			159,950
PROVISIONS FOR LIABILITIES AND CHARGES	9		<u>(1,334)</u>
NET ASSETS			<u>158,616</u>
SHARE CAPITAL AND RESERVES			
Called up share capital	10	150,000	
Profit and loss account	11	8,616	
TOTAL EQUITY SHAREHOLDERS' FUNDS	11	<u>158,616</u>	

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 ENGINEERING SERVICES (WEST MIDLANDS) LIMITED
(formerly MITIE (32) Limited)

CASH FLOW STATEMENT

Period from 7 November 2003 to 31 March 2005

	Notes	7 November 2003 to 31 March 2005 £
Net cash inflow from operating activities	12	128,689
Returns on investments and servicing of finance		
Interest received		10,506
Taxation		
UK corporation tax paid		(12,705)
Capital expenditure		
Payments to acquire tangible fixed assets		(71,343)
Financing		
Issue of ordinary share capital		150,000
Increase in cash in the period	14	<u>205,147</u>

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED
(formerly MITIE (32) Limited)

NOTES TO THE FINANCIAL STATEMENTS
Period from 7 November 2003 to 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 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:

Plant and office equipment	3 to 10 years
Motor vehicles	4 years

Leasing and hire purchase commitments

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

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.

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED
(formerly MITIE (32) Limited)

NOTES TO THE FINANCIAL STATEMENTS
Period from 7 November 2003 to 31 March 2005

1. ACCOUNTING POLICIES (continued)

Tax

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by 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 defined benefit pension schemes. Details of the schemes are given in the financial statements of MITIE Group PLC.

2. OPERATING PROFIT is stated after charging: **2005**
£

Depreciation on owned assets	17,106
Auditors' remuneration - audit services	1,000
Operating lease rentals – land and buildings	<u>25,614</u>

3. INTEREST RECEIVABLE **2005**
£

Bank interest	<u>11,226</u>
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MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED
(formerly MITIE (32) Limited)

NOTES TO THE FINANCIAL STATEMENTS
Period from 7 November 2003 to 31 March 2005

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2005
	£
(a) Analysis of charge in period	
United Kingdom corporation tax at 30% (note 4(b))	19,430
Deferred taxation:	
Timing differences - origination and reversal	1,334
Tax on profit on ordinary activities	<u><u>20,764</u></u>

(b) Factors affecting tax charge in period

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

	2005
	£
Profit on ordinary activities before tax	<u>49,380</u>
	£
Tax at 30% thereon	14,814
Expenses not deductible for tax purposes	5,950
Capital allowances greater than depreciation	<u>(1,334)</u>
Current tax charge for the period (note 4(a))	<u><u>19,430</u></u>

(c) Factors affecting future tax charges

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

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED
(formerly MITIE (32) Limited)

NOTES TO THE FINANCIAL STATEMENTS
Period from 7 November 2003 to 31 March 2005

5. DIVIDENDS **2005**
£

Final proposed:	
'A' ordinary shares of 18.46p per share	14,120
'B' ordinary shares of 8p per share	5,880
	<u>20,000</u>

6. TANGIBLE FIXED ASSETS

	Plant and office equipment £	Motor vehicles £	Total £
Cost			
Additions	21,384	38,075	59,459
Transfers in	-	26,982	26,982
	<u>21,384</u>	<u>65,057</u>	<u>86,441</u>
At 31 March 2005	21,384	65,057	86,441
Depreciation			
Charge for the period	3,364	13,742	17,106
Transfers in	-	15,098	15,098
	<u>3,364</u>	<u>28,840</u>	<u>32,204</u>
At 31 March 2005	3,364	28,840	32,204
Net book value			
At 31 March 2005	<u>18,020</u>	<u>36,217</u>	<u>54,237</u>

Capital commitments

At 31 March 2005 the directors had authorised capital expenditure of nil.

7. DEBTORS **2005**
£

Trade debtors	308,992
Amounts recoverable on contracts	69,237
Amounts owed by group undertakings	6,513
Other debtors	23,898
	<u>408,640</u>

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED
(formerly MITIE (32) Limited)

NOTES TO THE FINANCIAL STATEMENTS
Period from 7 November 2003 to 31 March 2005

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2005
	£
Payments on account	6,092
Trade creditors	370,083
Amounts owed to group undertakings	50,434
Corporation tax	6,725
Other taxes and social security costs	9,410
Accruals and deferred income	44,407
Other creditors	923
Proposed dividends	20,000
	<u>508,074</u>

9. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation	£
Profit and loss account	1,334
At 31 March 2005	<u>1,334</u>

The amount of deferred taxation provided in the financial statements represents:

	£
Capital allowances in excess of depreciation	<u>1,334</u>

There are no unprovided deferred taxation liabilities.

10. CALLED UP SHARE CAPITAL	2005
	£
Authorised	
153,000 £1 'A' ordinary shares	153,000
147,000 £1 'B' ordinary shares	147,000
	<u>300,000</u>
	£
Allotted and fully paid	
76,500 £1 'A' ordinary shares	76,500
73,500 £1 'B' ordinary shares	73,500
	<u>150,000</u>

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED
(formerly MITIE (32) Limited)

NOTES TO THE FINANCIAL STATEMENTS
Period from 7 November 2003 to 31 March 2005

10. CALLED UP SHARE CAPITAL (continued)

During the period the company allotted 76,500 £1 'A' ordinary shares and 73,500 £1 'B' ordinary shares.

The rights attaching to the 'A' and 'B' £1 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 £1 ordinary shareholders.

Voting

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

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

	Share capital £	Profit and loss account £	2005 Total £
Issue of ordinary shares	150,000	-	150,000
Retained profit for the financial period	-	8,616	8,616
At 31 March 2005	150,000	8,616	158,616

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED
(formerly MITIE (32) Limited)

NOTES TO THE FINANCIAL STATEMENTS
Period from 7 November 2003 to 31 March 2005

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

	2005 £
Operating profit	38,154
Depreciation charges	17,106
Increase in debtors	(407,920)
Increase in creditors	481,349
Net cash inflow from operating activities	<u>128,689</u>

13. ANALYSIS OF CHANGES IN NET FUNDS

	At 7 November 2003 £	Cash flow £	At 31 March 2005 £
Cash at bank and in hand	<u>-</u>	<u>205,147</u>	<u>205,147</u>

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

	2005 £
Increase in cash in the period	205,147
Net funds at end of period	<u>205,147</u>

15. FINANCIAL COMMITMENTS

Operating leases

At 31 March 2005 the company had no annual commitments under non cancellable operating leases.

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.

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED
(formerly MITIE (32) Limited)

NOTES TO THE FINANCIAL STATEMENTS
Period from 7 November 2003 to 31 March 2005

16. DIRECTORS

	2005
	£
The emoluments of directors of the company were:	
Fees and other emoluments (excluding pension contributions but including benefits-in-kind)	83,444

	No.
The number of directors paid by the company who were members of a defined benefit pension scheme	2

C S Acheson, I R Stewart and R McGregor-Smith are remunerated by MITIE Group PLC, D Freeman is remunerated by MITIE Engineering Services Limited and J J Kavanagh is remunerated by MITIE Engineering Services (Midlands) Limited. It is not practicable to allocate their remuneration between their services as directors of MITIE Engineering Services (West Midlands) Limited and their services as directors of other group companies.

C S Acheson, 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.

No directors exercised share options in the shares of the ultimate holding company, MITIE Group PLC, during the period.

17. EMPLOYEES

Number of employees

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

	2005
	No.
Administration and management	7
	<hr/>
Employment costs (including directors)	£
Wages and salaries	255,128
Social security costs	30,946
Pension costs	8,200
	<hr/>
	294,274
	<hr/>

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED
(formerly MITIE (32) Limited)

NOTES TO THE FINANCIAL STATEMENTS
Period from 7 November 2003 to 31 March 2005

18. RELATED PARTY TRANSACTIONS

MITIE Group PLC is a 59% shareholder of MITIE Engineering Services (West Midlands) Limited.

MITIE Engineering Services (West Midlands) Limited paid management charges of £29,000 to companies within MITIE Group PLC. No amounts remained outstanding in respect of these charges at the period end.

During the period, MITIE Engineering Services (West Midlands) Limited provided goods and services amounting to £8,551 to companies within the MITIE Group PLC on normal commercial terms. An amount of £6,513 is included in debtors in respect of these services at the period end.

During the period, MITIE Engineering Services (West Midlands) Limited purchased goods and services amounting to £189,941 from companies within the MITIE Group PLC on normal commercial terms. An amount of £50,434 is included in creditors in respect of these charges at the period end.

During the period MITIE Engineering Services (West Midlands) Limited purchased fixed assets at net book value of £11,884 from a company within the MITIE Group PLC. No amounts remained outstanding in respect of these purchases at the period end.

19. PENSION ARRANGEMENTS

The company participates in the MITIE Group PLC Pension Scheme. This is a defined benefit 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 17 and the agreed contribution rate for the next 12 months is 10% and 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.

20. 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 ENGINEERING SERVICES (WEST MIDLANDS) LIMITED
(formerly MITIE (32) Limited)

DETAILED PROFIT AND LOSS ACCOUNT
Period from 7 November 2003 to 31 March 2005

	2005
	£
TURNOVER	2,667,542
Cost of sales	(2,155,579)
GROSS PROFIT	<u>511,963</u>
ADMINISTRATIVE EXPENSES	
Management charges payable	29,000
Salaries, including directors' salaries	295,843
Rent and rates	35,965
Light and heat	1,618
Insurance	10,461
Telephone	5,142
Postage, stationery and advertising	7,643
Entertaining	11,844
Repairs and renewals	611
Motor expenses	22,543
Computer services	12,865
Trade subscriptions	300
Education and training	1,294
Bank charges	603
Audit fee	1,000
Legal and professional	13,033
Sundry expenses	6,938
Depreciation	17,106
	<u>(473,809)</u>
OPERATING PROFIT	<u><u>38,154</u></u>