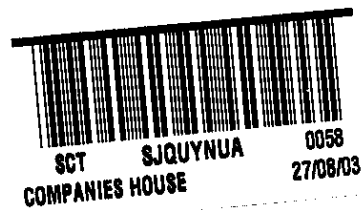


**MITIE LINDSAY LIMITED**

**Report and Financial Statements**

**31 March 2003**

**Deloitte & Touche  
Bristol**



**REPORT AND FINANCIAL STATEMENTS 2003**

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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

D M Telling  
I R Stewart  
W Robson

**SECRETARY**

C K Ross

**REGISTERED OFFICE**

35 Duchess Road  
Rutherglen  
Glasgow  
G73 1AU

**BANKERS**

Royal Bank of Scotland  
1 Moncrieff Street  
Paisley  
Glasgow  
PA3 2AW

**AUDITORS**

Deloitte & Touche  
Bristol

**DIRECTORS' REPORT**

The directors present their annual report and audited financial statements for the year ended 31 March 2003.

**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 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 contracting services including industrial painting and scaffolding.

Due to a continuing transfer of trade the directors have decided to wind down the trade of MITIE Lindsay Limited. All existing contracts in the industrial painting trade will be honoured whilst the trade and assets of the scaffolding business have been transferred to MITIE Generation Limited as from 20 January 2003.

**RESULTS AND DIVIDENDS**

The loss for the year after taxation amounted to £936,662 (2002: £996,877). An interim dividend was not paid during the year (2002: nil) and the directors do not propose the payment of a final dividend.

The company enjoys the support of its parent undertaking.

**DIRECTORS AND THEIR INTERESTS**

The directors during the year and subsequently were as follows:

D M Telling	
I R Stewart	
W Robson	(appointed 24 June 2003)
B J Cloughley	(resigned 11 April 2003)
A J Thomson	(resigned 3 March 2003)
D G Lindsay	(resigned 1 July 2002)

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

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

	At 31 March 2003 £1 Ordinary shares No.	At 1 April 2002 £1 Ordinary shares No.
B J Cloughley	261	261

No other director held a beneficial interest in the shares of the company or any other group company, except as disclosed below.

Messrs D M Telling and I R Stewart 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.

**Share Options**

	At 1 April 2002	Granted during the period Options	Price	Exercise period From	To	Exercised during the period Options	Price	At 31 March 2003
B J Cloughley (i)	1,296	-	-	-	-	-	-	1,296

(i) Options under the Savings Related Option Scheme

Further details of the MITIE Group PLC Share Schemes are given in the accounts of that company.

**POLITICAL AND CHARITABLE CONTRIBUTIONS**

During the year the company made no political or charitable contributions (2002: nil).

**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 2003 trade creditors, as a proportion of amounts invoiced from suppliers for the year, represented 41 days (2002: 64 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.

**DIRECTORS' REPORT (continued)**

**AUDITORS**

Deloitte & Touche has informed the directors that they are intending to transfer their business to a limited liability partnership, incorporated under the Limited Liability Partnerships Act 2000, to be known as Deloitte & Touche LLP. It is the current intention of the directors to use the company's statutory power to give consent to the appointment of Deloitte & Touche being treated as extending to Deloitte & Touche LLP at the appropriate time.

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board

A handwritten signature in black ink, appearing to be 'C K Ross', with a stylized flourish at the end.

**C K Ross**  
Secretary

2 July 2003

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF****MITIE LINDSAY LIMITED**

We have audited the financial statements of MITIE Lindsay Limited for the year ended 31 March 2003 which comprise the profit and loss account, the balance sheet, the cash flow statement and related notes 1 to 23. 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 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**DELOITTE & TOUCHE**

Chartered Accountants and Registered Auditors  
Bristol

4 July 2003

**PROFIT AND LOSS ACCOUNT**

Year ended 31 March 2003

	Notes	Continuing operations	
		2003	2002
		£	£
<b>TURNOVER</b>	2	2,978,615	6,746,280
Cost of sales		(3,020,142)	(5,831,475)
<b>GROSS (LOSS)/PROFIT</b>		(41,527)	914,805
Administrative expenses		(1,177,917)	(2,178,469)
<b>OPERATING LOSS</b>	3	(1,219,444)	(1,263,664)
Interest receivable	4	61,063	30,012
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(1,158,381)	(1,233,652)
Tax credit on loss on ordinary activities	5	221,719	236,775
<b>LOSS AFTER TAXATION AND RETAINED LOSS FOR THE FINANCIAL YEAR</b>	13	(936,662)	(996,877)

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



	Notes	2003	2002
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	6	-	1,275,144
Investments	7	-	2
		<u>-</u>	<u>1,275,146</u>
<b>CURRENT ASSETS</b>			
Stock	8	11,820	218,364
Debtors	9	274,282	1,795,922
Cash at bank and in hand		2,777,445	1,307,267
		<u>3,063,547</u>	<u>3,321,553</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	10	<u>(3,374,542)</u>	<u>(1,183,694)</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(310,995)</u>	<u>2,137,859</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(310,995)</u>	<u>3,413,005</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	11	<u>-</u>	<u>(2,787,338)</u>
<b>NET (LIABILITIES)/ASSETS</b>		<u>(310,995)</u>	<u>625,667</u>
<b>SHARE CAPITAL AND RESERVES</b>			
Called up share capital	12	6,522	6,522
Capital redemption reserve		2,261	2,261
Profit and loss account	13	<u>(319,778)</u>	<u>616,884</u>
<b>TOTAL EQUITY SHAREHOLDERS' (DEFICT)/FUNDS</b>	14	<u>(310,995)</u>	<u>625,667</u>

Signed on behalf of the Board of Directors

**W Robson**  
Director

**CASH FLOW STATEMENT**  
Year ended 31 March 2003

	Notes	£	2003 £	£	2002 £
<b>Net cash inflow from operating activities</b>	15		31,864		426,497
<b>Returns on investments and servicing of finance</b>					
Interest received			64,924		30,429
<b>Taxation</b>					
UK corporation tax received/(paid)		324,966		(135,206)	
Advance corporation tax received		-		480,700	
<b>Tax received</b>			324,966		345,494
<b>Capital expenditure</b>					
Payments to acquire tangible fixed assets		-		(121,187)	
Receipts from disposal of tangible fixed assets		1,048,424		228,844	
<b>Net cash inflow from capital expenditure</b>			1,048,424		107,657
<b>Increase in cash in the year</b>	17		1,470,178		910,077

**NOTES TO THE ACCOUNTS****Year ended 31 March 2003****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.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost. 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 life, as follows:

Plant and machinery and fixtures and fittings	up to 14 years
Motor vehicles	4 years

**Investments**

Investments held as fixed assets are stated at cost less provision for any impairment.

**Stocks**

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value as follows:

Raw materials, consumables and goods for resale	- purchase cost on a first-in, first-out basis
Work in progress and finished goods	- cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

**NOTES TO THE ACCOUNTS****Year ended 31 March 2003****1. ACCOUNTING POLICIES (continued)****Long-term contracts**

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit is included on a prudent basis to reflect the proportion of the work carried out at the period end, by recording turnover and related costs (as defined in stocks above) as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Full provision is made for losses on all contracts in the period in which they are first foreseen.

**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 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.*

**Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

**Leasing commitments**

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

**Pension costs**

Pension costs represent amounts paid to one of the group's pension schemes. Details of schemes are given in the financial statements of MITIE Group PLC.

**NOTES TO THE ACCOUNTS**

Year ended 31 March 2003

**2. TURNOVER**

Turnover which is stated net of value added tax, represents amounts invoiced to third parties, except in respect of long-term contracts where turnover represents the sales value of work done in the period, including estimates in respect of amounts not invoiced. Turnover in respect of long-term contracts is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for the contract.

Turnover is attributable to the principal activity of contracting services. An analysis of turnover by geographical market is given below:

	2003 £	2002 £
United Kingdom	2,978,615	6,611,500
Rest of the World	-	134,780
	<u>2,978,615</u>	<u>6,746,280</u>

**3. OPERATING LOSS is stated after charging/(crediting):**

	2003 £	2002 £
Depreciation	234,990	367,694
Profit on disposal of tangible fixed assets	(8,270)	(32,165)
Auditors' remuneration - audit services	3,000	815
Hire of plant and equipment	148,117	170,701
Rentals under other operating leases	159,364	143,475
	<u>537,191</u>	<u>649,510</u>

**4. INTEREST RECEIVABLE**

	2003 £	2002 £
Bank deposits	58,853	30,012
Other interest	2,210	-
	<u>61,063</u>	<u>30,012</u>

## NOTES TO THE ACCOUNTS

Year ended 31 March 2003

## 5. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	2003 £	2002 £
<b>(a) Analysis of charge in year</b>		
United Kingdom corporation tax at 30% (2002: 30%)	221,719	-
Adjustment in respect of prior years	-	141,953
<b>Total current tax (note 5(b))</b>	<b>221,719</b>	<b>141,953</b>
Deferred taxation:		
Adjustment in respect of prior years	-	94,822
<b>Tax credit on loss on ordinary activities</b>	<b>221,719</b>	<b>236,775</b>

**(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% (2002: 30%). The differences are as follows:

	£	£
Loss on ordinary activities before tax	(1,158,381)	(1,233,652)
	£	£
Tax at 30% thereon	347,514	370,095
Expenses not deductible for tax purposes	(819)	(2,810)
Capital allowances in excess of depreciation	(54,351)	(87,231)
Profit on disposal of tangible fixed assets	2,481	-
Movement in short-term timing differences	-	9,649
Utilisation of tax losses	-	(276,538)
Loss carry forward	(73,106)	(13,165)
Prior period adjustments	-	141,953
<b>Current tax charge for the year (note 5(a))</b>	<b>221,719</b>	<b>141,953</b>

**(c) Factors affecting future tax charges**

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

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2003****6. TANGIBLE FIXED ASSETS**

	<b>Plant and machinery, fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2002	3,485,086	434,413	3,919,499
Transfers out	(1,667,439)	(31,605)	(1,699,044)
Disposals	(1,817,647)	(402,808)	(2,220,455)
At 31 March 2003	-	-	-
<b>Depreciation</b>			
At 1 April 2002	2,282,737	361,618	2,644,355
Charge for the year	201,368	33,622	234,990
Transfers out	(815,313)	(29,565)	(844,878)
Disposals	(1,668,792)	(365,675)	(2,034,467)
At 31 March 2003	-	-	-
<b>Net book value</b>			
At 31 March 2003	-	-	-
At 31 March 2002	1,202,349	72,795	1,275,144

**Capital commitments**

At 31 March 2003 the directors had contracted commitments for future capital expenditure of nil (2002: nil).

**7. INVESTMENTS**

	<b>£</b>
<b>Cost</b>	
At 1 April 2002	2
Impairment	(2)
At 31 March 2003	-

During the year, cost relating to the 100% holding in the share capital of Ablyn Limited was written off.

The company has taken advantage of Section 228 of the Companies Act 1985 and therefore no consolidated financial statements have been prepared.

These financial statements therefore present information about the company alone. Consolidated group accounts have been prepared by the ultimate parent company, MITIE Group PLC.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2003**

<b>8. STOCKS</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Work in progress	<u>11,820</u>	<u>218,364</u>

There is no material difference between the replacement costs of stocks and the amounts as stated above.

<b>9. DEBTORS</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Trade debtors	60,363	1,422,712
Amounts owed by group undertakings	-	89,663
Other debtors	157,200	123,581
Corporation tax recoverable	56,719	159,966
	<u>274,282</u>	<u>1,795,922</u>

<b>10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Trade creditors	307,511	737,925
Amounts owed to group undertakings	2,795,830	48,188
Other taxation and social security	29,454	148,280
Other creditors	4,791	2,353
Accruals and deferred income	236,956	246,948
	<u>3,374,542</u>	<u>1,183,694</u>

<b>11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	<u>-</u>	<u>2,787,338</u>



## NOTES TO THE ACCOUNTS

Year ended 31 March 2003

<b>12. CALLED UP SHARE CAPITAL</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
15,000 £1 Ordinary shares	15,000	15,000
	<u>          </u>	<u>          </u>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
6,522 £1 Ordinary shares	6,522	6,522
	<u>          </u>	<u>          </u>
<b>13. PROFIT AND LOSS ACCOUNT</b>	<b>£</b>	
At 1 April 2002	616,884	
Retained loss for the financial year	(936,662)	
	<u>          </u>	
At 31 March 2003	(319,778)	
	<u>          </u>	
<b>14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Opening shareholders' funds	625,667	1,622,544
Loss for the financial year	(936,662)	(996,877)
	<u>          </u>	<u>          </u>
Closing shareholders' funds	(310,995)	625,667
	<u>          </u>	<u>          </u>
<b>15. RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Operating loss	(1,219,444)	(1,263,664)
Investment impairment	2	-
Depreciation	234,990	367,694
Profit on disposal of tangible fixed assets	(8,270)	(32,165)
Decrease in stocks	206,544	974,298
Decrease in debtors	1,414,532	1,024,258
Decrease in creditors	(596,490)	(643,924)
	<u>          </u>	<u>          </u>
Net cash inflow from operating activities	31,864	426,497
	<u>          </u>	<u>          </u>

## NOTES TO THE ACCOUNTS

Year ended 31 March 2003

## 16. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2002 £	Cash flow £	Non-cash changes £	At 31 March 2003 £
Cash at bank and in hand	1,307,267	1,470,178	-	2,777,445
Debt due after more than one year	(2,787,338)	-	2,787,338	-
	<u>(1,480,071)</u>	<u>1,470,178</u>	<u>2,787,338</u>	<u>2,777,445</u>

17. RECONCILIATION OF NET CASH FLOW TO MOVEMENT  
IN NET DEBT

	2003 £	2002 £
Increase in cash in the year	1,470,178	910,077
Cash inflow from decrease in debt	-	5
<i>Movement in net funds in the year</i>	<u>1,470,178</u>	<u>910,082</u>
Net debt at the beginning of year	(1,480,071)	(2,390,153)
<b>Net debt at end of year</b>	<u>(9,893)</u>	<u>(1,480,071)</u>

## 18. FINANCIAL COMMITMENTS

## Operating leases

At 31 March 2003 the company had annual commitments under non-cancellable operating leases as follows:

	2003		2002	
	Land and buildings £	Other £	Land and buildings £	Other £
Expiry date:				
- within one year	7,162	-	163,139	365
- between two and five years	-	-	7,000	648
	<u>7,162</u>	<u>-</u>	<u>170,139</u>	<u>1,013</u>

## Commitments on behalf of the group undertakings

The company is party with other group undertakings to cross-guarantees of each other's bank overdrafts. As at 31 March 2003, the overall commitment was nil (2002: nil).

**NOTES TO THE ACCOUNTS**

Year ended 31 March 2003

<b>19. DIRECTORS</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Emoluments	119,278	211,439
Payments to defined contribution pension schemes	-	21,967
	<u>119,278</u>	<u>233,406</u>
	<b>No.</b>	<b>No.</b>
Number of directors who were members of a defined contribution pension scheme	-	3
	<u>-</u>	<u>3</u>
The amounts in respect of the highest paid director are as follows:	<b>£</b>	<b>£</b>
Emoluments	<u>119,278</u>	<u>85,700</u>
	<b>£</b>	<b>£</b>
Payments to defined contribution pension schemes	<u>-</u>	<u>3,859</u>

Messrs D M Telling and I R Stewart are directors of MITIE Group PLC. Their emoluments and pension details are disclosed in the group accounts. Where the directors are remunerated by MITIE Group PLC for their services to the group as a whole, it is not practicable to allocate their remuneration between their services as directors of MITIE Lindsay Limited and their services as directors of other group companies. Mr G Lindsay was remunerated by MITIE Hydrocat Limited and his emoluments are disclosed in those accounts. Mr B Cloughley was remunerated by MITIE Property Services Limited and his emoluments are disclosed in those accounts.

**NOTES TO THE ACCOUNTS**

Year ended 31 March 2003

**20. EMPLOYEES****Number of employees**

The average weekly number of employees (including directors) during the year was as follows:

	2003 No.	2002 No.
Production staff	82	134
Management and administration staff	11	21
	<u>93</u>	<u>155</u>
<b>Employment costs (including directors)</b>	<b>£</b>	<b>£</b>
Wages and salaries	2,143,832	4,308,956
Social security costs	180,836	273,661
Other pension costs	14,835	40,522
	<u>2,339,503</u>	<u>4,623,139</u>

**21. RELATED PARTY TRANSACTIONS**

MITIE Group PLC is the holder of 6,261 ordinary shares and is a 96% shareholder in MITIE Lindsay Limited. Advantage has been taken of the exception from the requirement to disclose related party transactions with MITIE Group PLC and companies within the group.

**22. PENSION ARRANGEMENTS**

For the purposes of Financial Reporting Standard 17, the company has been unable to identify its share of the underlying assets and liabilities in the main group scheme, the MITIE Group Pension Scheme, on a consistent and reasonable basis. Therefore, following full implementation of FRS17, the company will account for contributions to the scheme as if it were a defined contribution scheme. At 5 April 2003, the valuation of the scheme for the purposes of FRS17 showed a net pension liability as set out in the report and accounts of MITIE Group PLC.

**23. 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.