

Company Registration Number SC 28523

MITIE LINDSAY LIMITED

Report and Financial Statements

31 March 2005



MITIE LINDSAY LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

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MITIE LINDSAY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R McGregor-Smith
W Robson
I R Stewart

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 LLP
Bristol

MITIE LINDSAY LIMITED

DIRECTORS' REPORT

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company 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 contracting services including industrial painting.

Following the directors' decision to wind down the trade of MITIE Lindsay Limited, the company ceased to trade on 31 March 2004, all contractual obligations having been honoured. The profit for the current year is a result of the reversal of provisions no longer required and bank interest received.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £105,093 (2004: £387,795). An interim dividend was not paid during the year (2004: 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:

R McGregor-Smith
W Robson
I R Stewart

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

MITIE LINDSAY LIMITED

DIRECTORS' REPORT (continued)

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company made no political or charitable contributions (2004: 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 2005, trade creditor days were nil (2004: nil days), as the company had ceased trading.

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 horizontal line underneath.

C K Ross
Secretary

19 July 2005

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 2005 which comprise the profit and loss account, the balance sheet, the cash flow statement and related notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of directors and auditors

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

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

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

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

DELOITTE & TOUCHE LLP

Chartered Accountants and Registered Auditors
Bristol

19 July 2005

MITIE LINDSAY LIMITED

PROFIT AND LOSS ACCOUNT
Year ended 31 March 2005

	Notes	Discontinued operations	
		2005	2004
		£	£
TURNOVER	2	-	968,603
Cost of sales		10,076	(797,681)
GROSS PROFIT		10,076	170,922
Administrative expenses		(1,320)	43,039
OPERATING PROFIT	3	8,756	213,961
Interest receivable	4	126,976	111,499
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		135,732	325,460
Tax (charge)/credit on profit on ordinary activities	5	(30,639)	62,335
RETAINED PROFIT FOR THE FINANCIAL YEAR	10	105,093	387,795

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

MITIE LINDSAY LIMITED

BALANCE SHEET

At 31 March 2005

	Notes	2005 £	2004 £
CURRENT ASSETS			
Debtors	6	245	70,970
Cash at bank and in hand		212,287	2,808,488
		<u>212,532</u>	<u>2,879,458</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	7	(30,639)	(2,802,658)
NET ASSETS		<u>181,893</u>	<u>76,800</u>
SHARE CAPITAL AND RESERVES			
Called up share capital	8	6,522	6,522
Capital redemption reserve		2,261	2,261
Profit and loss account	9	173,110	68,017
TOTAL EQUITY SHAREHOLDERS' FUNDS	10	<u>181,893</u>	<u>76,800</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 LINDSAY LIMITED**CASH FLOW STATEMENT****Year ended 31 March 2005**

	Notes	2005 £	2004 £
Net cash outflow from operating activities	11	(2,785,512)	(141,897)
Returns on investments and servicing of finance			
Interest received		126,976	116,221
Taxation			
UK corporation tax received		62,335	56,719
(Decrease)/increase in cash in the year	13	<u>(2,596,201)</u>	<u>31,043</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2005

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents the total, excluding sales taxes, receivable in respect of goods and services supplied and contract work completed in the year.

Investments

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

Tax

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

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

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 benefit pension schemes. Details of schemes are given in the financial statements of MITIE Group PLC.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2005

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:

	2005 £	2004 £
United Kingdom	-	968,603

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

	2005 £	2004 £
Auditors' remuneration - audit services	900	(500)
Hire of plant and equipment	-	196,005
Rentals under other operating leases	-	7,146

4. INTEREST RECEIVABLE

	2005 £	2004 £
Bank deposits	126,976	111,499

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2005

5. TAX (CHARGE)/CREDIT ON PROFIT ON ORDINARY ACTIVITIES

	2005 £	2004 £
(a) Analysis of credit in year		
United Kingdom corporation tax at 30% (2004: 30%)	(30,639)	-
Adjustment in respect of prior years	-	62,335
Tax (charge)/credit on profit on ordinary activities (note 5(b))	<u>(30,639)</u>	<u>62,335</u>

(b) Factors affecting tax (charge)/credit in year

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

	£	£
Profit on ordinary activities before tax	<u>135,732</u>	<u>325,460</u>
Tax at 30% thereon	40,720	97,638
Utilisation of tax losses	(10,081)	(97,638)
Loss carry forward	-	-
Prior period adjustments	-	(62,335)
Current tax charge/(credit) for the year (note 5(a))	<u>30,639</u>	<u>(62,335)</u>

(c) Factors affecting future tax charges

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

MITIE LINDSAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2005

6. DEBTORS	2005	2004
	£	£
Trade debtors	-	8,635
Other debtors	245	-
Corporation tax recoverable	-	62,335
	<u>245</u>	<u>70,970</u>
7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2005	2004
	£	£
Amounts owed to group undertakings	-	2,787,338
Corporation tax	30,639	-
Other taxation and social security	-	15,320
	<u>30,639</u>	<u>2,802,658</u>
8. CALLED UP SHARE CAPITAL	2005	2004
	£	£
Authorised		
15,000 £1 Ordinary shares	<u>15,000</u>	<u>15,000</u>
	£	£
Allotted, called up and fully paid		
6,522 £1 Ordinary shares	<u>6,522</u>	<u>6,522</u>
9. PROFIT AND LOSS ACCOUNT	£	
At 1 April 2004	68,017	
Retained profit for the financial year	<u>105,093</u>	
At 31 March 2005	<u>173,110</u>	

MITIE LINDSAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2005

10.	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2005	2004
		£	£
	Retained profit for the financial year	105,093	387,795
	Opening shareholders' funds/(deficit)	76,800	(310,995)
	Closing shareholders' funds	181,893	76,800
11.	RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES	2005	2004
		£	£
	Operating profit	8,756	213,961
	Decrease in debtors	8,390	216,026
	Decrease in creditors	(2,802,658)	(571,884)
	Net cash outflow from operating activities	(2,785,512)	(141,897)
12.	ANALYSIS OF CHANGES IN NET FUNDS	At 1 April 2004	At 31 March 2005
		£	£
	Cash at bank and in hand	2,808,488	212,287
13.	RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS	2005	2004
		£	£
	(Decrease)/increase in cash in the year	(2,596,201)	31,043
	Net funds at the beginning of year	2,808,488	2,777,445
	Net funds at end of year	212,287	2,808,488

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2005

14. FINANCIAL COMMITMENTS**Operating leases**

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

Land and buildings	2005	2004
	£	£
Expiry date - within one year	-	-
	<u> </u>	<u> </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 2005, the overall commitment was nil (2004: nil).

15. DIRECTORS

	2005	2004
	£	£
Emoluments	-	-
	<u> </u>	<u> </u>
	No.	No.
Number of directors who were members of a defined contribution pension scheme	-	-
	<u> </u>	<u> </u>

W Robson, I R Stewart and R McGregor-Smith 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2005

16. EMPLOYEES

Number of employees

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

	2005 No.	2004 No.
Production staff	-	5
Management and administration staff	-	1
	<u>-</u>	<u>6</u>
Employment costs (including directors)	£	£
Wages and salaries	-	117,520
Social security costs	-	18,133
Other pension costs	-	1,165
	<u>-</u>	<u>136,818</u>

17. RELATED PARTY TRANSACTIONS

MITIE Group PLC is the holder of 6,522 ordinary shares and is a 100% shareholder in MITIE Lindsay Limited. Advantage has been taken of the exemption from the requirement to disclose related party transactions with MITIE Group PLC and companies within the group.

18. 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 16 and the agreed contribution rate for the next 12 months is 10% (2004: 10%) and 7.5% (2004: 7.5%) for the group and employees respectively.

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

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

MITIE LINDSAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2005

19. 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 LINDSAY LIMITED

DETAILED PROFIT AND LOSS ACCOUNT
Year ended 31 March 2005

	2005	2004
	£	£
TURNOVER	-	968,603
Cost of sales	10,076	(797,681)
GROSS PROFIT	<u>10,076</u>	<u>170,922</u>
ADMINISTRATIVE EXPENSES		
Salaries, including directors' salaries	-	(10,466)
Rent and rates	-	(35,010)
Light and heat	-	2,650
Insurance	-	(7,117)
Telephone	-	(45)
Motor expenses	-	(335)
Computer services	-	334
Bank charges	420	719
Audit fee and accountancy	900	(500)
Legal and professional	-	6,731
	<u>(1,320)</u>	<u>43,039</u>
OPERATING PROFIT	<u>8,756</u>	<u>213,961</u>