

**MITIE MCCARTNEY FIRE PROTECTION LIMITED**

**Report and Financial Statements**

**31 March 2001**

**Deloitte & Touche  
Queen Anne House  
69-71 Queen Square  
Bristol  
BS1 4JP**



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COMPANIES HOUSE 14/11/01

**REPORT AND FINANCIAL STATEMENTS 2001**

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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

D M Telling  
J J Clifford  
W Robson  
C W Aitken  
B J Boucher-Myers  
W A Clark  
S Holmes  
C S Spruce

**SECRETARIES**

A F Waters  
M O Thomas (resigned 4 May 2000)  
C K Ross (appointed 4 May 2000)

**REGISTERED OFFICE**

The Stable Block  
Barley Wood  
Wroughton  
Bristol  
BS40 5SA

**BANKERS**

The Royal Bank of Scotland  
Glasgow City Branch  
10 Gordon Street  
Glasgow  
G1 3PL

**AUDITORS**

Deloitte & Touche  
Queen Anne House  
69-71 Queen Square  
Bristol  
BS1 4JP

## **DIRECTORS' REPORT**

The directors present their annual report and audited financial statements for the year ended 31 March 2001.

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 during the year was the provision of passive fire protection throughout 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.

MITIE Group PLC purchased a 60% stakeholding in MITIE McCartney Fire Protection Limited on 2 June 2000 from The McCartney Group Limited.

### **RESULTS AND DIVIDENDS**

The profit for the year after taxation amounted to £259,770 (2000: £338,075). The directors recommend that this amount be transferred to reserves. The directors do not recommend the payment of a dividend.

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

The directors during the year were as follows:

D M Telling	(appointed 2 June 2000)
J J Clifford	(appointed 16 June 2000)
W Robson	(appointed 16 June 2000)
C W Aitken	
B J Boucher-Myers	
W A Clark	
S Holmes	
C S Spruce	

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

	At 31 March 2001 £1 Ordinary shares No.	At 1 April 2000 £1 Ordinary shares No.
C W Aitken	13,244	20,381
B J Boucher-Myers	1,325	3,312
W A Clark	13,244	33,108
S Holmes	2,647	6,621
C S Spruce	2,647	6,621

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

Messrs D M Telling and J J Clifford are directors of MITIE Group PLC, the parent undertaking, and their interest in the share capital of that company are shown in the financial statements of MITIE Group PLC.

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

	At 31 March 2001 5p Ordinary shares No.	At 1 April 2000 5p Ordinary shares No.
C W Aitken	290,425	-
B J Boucher-Myers	32,008	-
W A Clark	200,000	-
S Holmes	66,667	-
W Robson	1,002,020	1,100,020
C S Spruce	30,000	-

**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 2001 trade creditors, as a proportion of amounts invoiced from suppliers for the year, represented 37 (2000: 41) days.

**DIRECTORS' REPORT (continued)**

**AUDITORS**

During the year Scott-Moncrieff resigned as auditors of the company and Deloitte & Touche were appointed in their place.

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 read 'C K Ross', with a stylized flourish at the end.

C K Ross  
Secretary

20 August 2001

**AUDITORS' REPORT TO THE MEMBERS OF  
MITIE MCCARTNEY FIRE PROTECTION LIMITED**

We have audited the financial statements on pages 6 to 15 which have been prepared under the accounting policies set out on page 9.

**Respective responsibilities of directors and auditors**

As described on page 2, the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

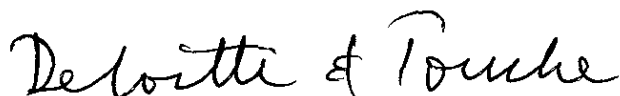
**Basis of opinion**

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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**DELOITTE & TOUCHE**  
Chartered Accountants and  
Registered Auditors

20 August 2001

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 March 2001**

	Notes	Continuing operations	
		2001	2000
		£	£
<b>TURNOVER</b>	1	5,465,510	6,677,108
Cost of sales		(3,679,334)	(4,991,684)
<b>GROSS PROFIT</b>		1,786,176	1,685,424
Administrative expenses		(1,424,892)	(1,230,305)
<b>OPERATING PROFIT</b>	2	361,284	455,119
Interest receivable	3	22,433	3,280
Interest payable	3	-	(6,494)
Write back of loan from group undertaking		-	10,000
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		383,717	461,905
Tax on profit on ordinary activities	4	(123,947)	(123,830)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED PROFIT FOR THE YEAR</b>	11	259,770	338,075

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.



**BALANCE SHEET**  
**At 31 March 2001**

	Notes	£	2001	£	£	2000	£
<b>FIXED ASSETS</b>							
Tangible assets	5		289,495			150,357	
<b>CURRENT ASSETS</b>							
Work in progress	6	988,015			1,119,364		
Debtors	7	497,359			472,776		
Cash at bank and in hand		542,819			311,487		
			2,028,193		1,903,627		
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	8	(912,218)			(908,284)		
<b>NET CURRENT ASSETS</b>			1,115,975			995,343	
<b>NET ASSETS</b>			1,405,470			1,145,700	
<b>CAPITAL AND RESERVES</b>							
Called up share capital	9		82,770			82,770	
Profit and loss account	10		1,322,700			1,062,930	
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	11		1,405,470			1,145,700	

These financial statements were approved by the Board of Directors on 20 August 2001.

Signed on behalf of the Board of Directors



D M Telling  
Director

**CASH FLOW STATEMENT**  
**Year ended 31 March 2001**

	Notes	£	2001 £	£	2000 £
<b>Net cash inflow from operating activities</b>	12		563,694		336,718
<b>Returns on investments and servicing of finance</b>					
Interest received		16,719		3,280	
Interest paid		-		(6,494)	
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>			16,719		(3,214)
<b>Taxation</b>					
UK corporation tax paid			(163,347)		(40,122)
<b>Capital expenditure</b>					
Payments to acquire tangible fixed assets		(186,562)		(17,094)	
Receipts from disposal of tangible fixed assets		828		-	
<b>Net cash outflow from capital expenditure</b>			(185,734)		(17,094)
<b>Cash inflow before financing</b>			231,332		276,288
<b>Equity dividends paid</b>			-		(7,636)
<b>Increase in cash in the year</b>	14		231,332		268,652

**NOTES TO THE ACCOUNTS****Year ended 31 March 2001****1. ACCOUNTING POLICIES****Accounting convention**

The financial statements are prepared under the historical cost convention and are prepared in accordance with applicable 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:

Freehold property	25 years
Plant and office equipment	3 to 10 years
Motor vehicles	4 years

**Investments**

Investments are stated at cost less provision for any impairment.

**Leasing commitments**

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

**Work in progress**

Work in progress is stated at the lower of cost (including appropriate overheads) and net realisable value. Provision is made for foreseeable losses.

**Pension costs**

Pension costs represent amounts paid to employees' personal pension schemes.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2001**

<b>2.</b>	<b>OPERATING PROFIT</b> is stated after charging:	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	Depreciation	46,596	25,569
	Auditors' remuneration	5,051	9,945
	Operating lease rentals – motor vehicles	68,598	55,812
		<u>          </u>	<u>          </u>
<b>3.</b>	<b>INTEREST</b>	<b>2001</b>	<b>2000</b>
	<b>Interest receivable</b>	<b>£</b>	<b>£</b>
	Bank interest	21,581	3,280
	Other interest	852	-
		<u>          </u>	<u>          </u>
		22,433	3,280
		<u>          </u>	<u>          </u>
	<b>Interest payable</b>	<b>£</b>	<b>£</b>
	Bank interest	-	4,470
	Other interest	-	2,024
		<u>          </u>	<u>          </u>
		-	6,494
		<u>          </u>	<u>          </u>
<b>4.</b>	<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	<b>UK current year taxation</b>		
	UK corporation tax at 30% (2000: 30%)	123,947	122,847
	<b>Prior year</b>		
	Under provision	-	983
		<u>          </u>	<u>          </u>
		119,350	123,830
		<u>          </u>	<u>          </u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2001****5. TANGIBLE FIXED ASSETS**

Summary	Freehold property £	Office equipment and furniture £	Plant and equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 April 2000	160,000	181,087	69,865	-	410,952
Additions	-	20,517	55,838	110,207	186,562
Disposals	-	(2,299)	-	-	(2,299)
At 31 March 2001	160,000	199,305	125,703	110,207	595,215
<b>Depreciation</b>					
At 1 April 2000	38,400	156,895	65,300	-	260,595
Charge for the year	6,400	12,512	14,941	12,743	46,596
Disposals	-	(1,471)	-	-	(1,471)
At 31 March 2001	44,800	167,936	80,241	12,743	305,720
<b>Net book value</b>					
At 31 March 2001	115,200	31,369	45,462	97,464	289,495
At 31 March 2000	121,600	24,192	4,565	-	150,357

**Capital commitments**

At 31 March 2001 the directors had authorised capital expenditure of nil (2000: nil).

<b>6. WORK IN PROGRESS</b>	<b>2001 £</b>	<b>2000 £</b>
Work in progress	988,015	1,119,364
<b>7. DEBTORS</b>	<b>2001 £</b>	<b>2001 £</b>
Trade debtors	436,392	405,059
Amounts owed by group undertakings	31,006	-
Prepayments and accrued income	17,031	67,717
Other debtors	12,930	-
	497,359	472,776

NOTES TO THE ACCOUNTS  
Year ended 31 March 2001

<b>8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Trade creditors	473,332	478,222
Amounts owed to group undertakings	21,769	100
Other taxes and social security costs	290,756	186,084
Corporation tax	83,447	122,847
Other creditors	970	-
Accruals and deferred income	41,944	121,031
	<u>912,218</u>	<u>908,284</u>
<b>9. CALLED UP SHARE CAPITAL</b>	<b>2001 and 2000</b>	
	<b>No.</b>	<b>£</b>
<b>Authorised</b>		
£1 Ordinary shares	<u>150,000</u>	<u>150,000</u>
	<b>No.</b>	<b>£</b>
<b>Allotted and fully paid</b>		
£1 Ordinary shares	<u>82,770</u>	<u>82,770</u>
<b>10. PROFIT AND LOSS ACCOUNT</b>	<b>£</b>	
At 1 April 2000	1,062,930	
Retained profit for the year	<u>259,770</u>	
<b>At 31 March 2001</b>	<u>1,322,700</u>	
<b>11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	<u>259,770</u>	<u>338,075</u>
Net addition to shareholders' funds	259,770	338,075
Opening shareholders' funds	<u>1,145,700</u>	<u>807,625</u>
<b>Closing shareholders' funds</b>	<u>1,405,470</u>	<u>1,145,700</u>

**NOTES TO THE ACCOUNTS****Year ended 31 March 2001****12. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Operating profit	361,284	455,119
Depreciation charges	46,596	25,569
Decrease in work in progress	131,349	261,301
Increase in debtors	(18,869)	(220,353)
Increase/(decrease) in creditors	43,334	(194,918)
Write back of loan from group undertaking	-	10,000
<b>Net cash inflow from operating activities</b>	<b><u>563,694</u></b>	<b><u>336,718</u></b>

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

	<b>At 1 April 2000</b>	<b>Cash flows</b>	<b>At 31 March 2001</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	<u>311,487</u>	<u>231,332</u>	<u>542,819</u>

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

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Increase in cash in the year	231,332	268,652
Net funds at beginning of year	<u>311,487</u>	<u>42,835</u>
<b>Net funds at end of year</b>	<b><u>542,819</u></b>	<b><u>311,487</u></b>

**15. 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 2001, the overall commitment was nil (2000: nil).

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2001****16. DIRECTORS**

	<b>2001</b>	<b>2000</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>379,179</u>	<u>383,899</u>
Fees and emoluments above (excluding pension contributions) include amounts paid to:	<b>£</b>	<b>£</b>
Highest paid director	<u>83,845</u>	<u>88,631</u>
	<b>No.</b>	<b>No.</b>
The number of directors who were members of a defined benefit pension scheme	<u>-</u>	<u>-</u>

Messrs D M Telling and J J Clifford are also directors of MITIE Group PLC and their emoluments and pension details are disclosed in the group accounts. Mr W Robson is paid for his services by MITIE Property Services Limited. It is not practicable to allocate their remuneration between their services as directors of MITIE McCartney Fire Protection Limited and their services as directors of other group companies.

**17. EMPLOYEES****Number of employees**

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

	<b>2001</b>	<b>2000</b>
	<b>No.</b>	<b>No.</b>
Site labour	70	83
Administration and management	23	20
	<u>93</u>	<u>103</u>
<b>Employment costs</b>	<b>£</b>	<b>£</b>
Wages and salaries	2,484,694	3,111,631
Social security costs	241,220	288,275
Other pension costs	31,667	41,903
	<u>2,757,581</u>	<u>3,441,809</u>



**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2001****18. RELATED PARTY TRANSACTIONS**

MITIE Group PLC is a 60% shareholder of MITIE McCartney Fire Protection Limited.

During the year KBS Fire Protection Systems Limited provided services to the value of £134,238 of which £17,944 is included in creditors at the year end.

During the year MITIE Generation Limited provided services to the value of £2,686 which is included in creditors at the year end.

During the year MITIE Powered Access Limited provided services to the value of £1,139 which is included in creditors at the year end.

During the year management charges of £55,642 were paid to MITIE Group PLC. Management charges of £36,000 were received from KBS Fire Protection Systems Limited during the year.

During the year MITIE McCartney Fire Protection Limited provided services to KBS Fire Protection Systems Limited of £135,305 of which £24,471 is included in debtors at the year end.

During the year MITIE McCartney Fire Protection Limited provided services to MITIE Engineering Limited and MITIE Property Services (Southern) Limited of £5,095 and £1,440 respectively both of which were included in debtors at the year end.

**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. Copies of the group financial statements can be obtained from the Company Secretary at the registered office.

**DETAILED PROFIT AND LOSS ACCOUNT**  
**Year ended 31 March 2001**

	<b>2001</b> <b>£</b>	<b>2000</b> <b>£</b>
<b>TURNOVER</b>	5,465,510	6,677,108
Cost of sales	(3,679,334)	(4,991,684)
<b>GROSS PROFIT</b>	<u>1,786,176</u>	<u>1,685,424</u>
<b>ADMINISTRATIVE EXPENSES</b>		
Management charges payable	55,642	-
Salaries, including directors' salaries	873,555	792,395
Rent and rates	66,284	66,546
Light and heat	7,811	6,850
Insurance	50,874	25,618
Telephone	38,822	34,332
Postage, printing, stationery and advertising	39,129	47,931
Entertaining	16,818	13,846
Repairs and renewals	4,839	1,217
Motor expenses	134,823	140,619
Vehicle hire	68,598	55,812
Computer services	21,256	21,227
Trade subscriptions	17,686	11,938
Education and training	6,136	13,211
Bank charges	5,499	5,331
Audit fee	5,051	9,945
Legal and professional	3,880	18,799
Sundry expenses	11,698	14,458
Depreciation	46,596	25,569
	<u>(1,474,997)</u>	<u>(1,305,644)</u>
Rent receivable	14,105	13,917
Management charges receivable	36,000	61,422
	<u>(1,424,892)</u>	<u>(1,230,305)</u>
<b>OPERATING PROFIT</b>	<u>361,284</u>	<u>455,119</u>