

NS SCAFFOLDING LIMITED

Report and Financial Statements

31 March 2001

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



REPORT AND FINANCIAL STATEMENTS 2001

CONTENTS

	Page
Officers and professional advisers	1
Directors' report	2
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D M Telling
N C Chandler
J J Clifford

SECRETARIES

A F Waters
C K Ross (appointed 4 May 2000)

REGISTERED OFFICE

Dovehill Farm
180 Riverford Road
Glasgow
G43 2DE

BANKERS

HSBC Bank plc
PO Box 120
49 Corn Street
Bristol
BS99 7PP

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. 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 ACTIVITIES AND REVIEW OF THE BUSINESS

The company did not trade during the year. The results for the year represent the unwinding of reserves no longer needed from previous years. The company enjoys the support of the ultimate holding company.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £39,250 (2000: loss of £345,208). The directors do not propose the payment of a dividend and recommend that this amount is transferred to reserves.

DIRECTORS AND THEIR INTERESTS

The directors during the period were as follows:

D M Telling
N C Chandler
J J Clifford
A J C Skeats (resigned 20 June 2001)

No director had an interest in the share capital of the company at the beginning or end of the year.

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

Messrs D M Telling and J J Clifford are directors of MITIE Group PLC, the parent undertaking, and their interests in the share capital of that company is 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.
N C Chandler	1,200	1,200

Executive share options in the share capital of MITIE Group PLC:

	At 1 April 2000	Granted during the period Options	Price	Exercise period From	To	Exercised during the period Options	Price	At 31 March 2001
N C Chandler	15,000	-	-	2001	2005	-	-	15,000

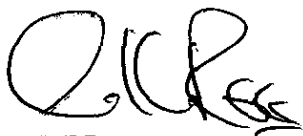
Further details of the MITIE Group PLC Share Schemes are given in the accounts of that company.

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

AUDITORS

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



C K Ross
Secretary

20 August 2001

**AUDITORS' REPORT TO THE MEMBERS OF
NS SCAFFOLDING LIMITED**

We have audited the financial statements on pages 5 to 10 which have been prepared under the accounting policies set out on page 7.

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.

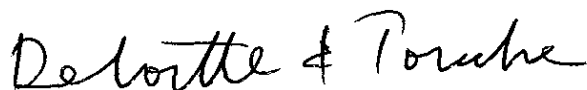
Basis of opinion

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 2000

		Discontinued operations	
		1 April 2000 to 31 March 2001 £	1 May 1999 to 31 March 2000 £
Notes			
TURNOVER		-	1,055,478
Cost of sales		-	(1,012,210)
GROSS PROFIT		-	43,268
Distribution costs		-	(79,129)
Administrative expenses		-	(284,576)
Other operating income		39,250	-
OPERATING PROFIT/(LOSS)	2	39,250	(320,437)
Interest payable	3	-	(24,771)
RETAINED PROFIT/(LOSS) FOR THE YEAR	6	39,250	(345,208)

There are no recognised gains and losses for the current financial year and preceding financial period other than as stated in the profit and loss account.

BALANCE SHEET
At 31 March 2001

	Notes	2001 £	2000 £
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	4	(583,958)	(723,108)
NET LIABILITIES		<u>(583,958)</u>	<u>(723,108)</u>
CAPITAL AND RESERVES			
Called up share capital	5	100,000	100
Profit and loss account	6	(683,958)	(723,208)
TOTAL EQUITY SHAREHOLDERS' FUNDS	7	<u>(583,958)</u>	<u>(723,108)</u>

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

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. 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

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets at the estimated net present value of underlying lease payments and are depreciated in accordance with the above policy. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The finance element of the rental payments is charged to the profit and loss account over the period of the lease or hire purchase contract.

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

Deferred taxation

Provision is made for deferred taxation using the liability method in respect of timing differences to the extent that liabilities will crystallise in the foreseeable future.

Pension costs

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

NOTES TO THE ACCOUNTS
Year ended 31 March 2001

2. OPERATING PROFIT/(LOSS) is stated after charging:	1 April 2000 to 31 March 2001 £	1 May 1999 to 31 March 2000 £
Depreciation - owned assets	-	25,185
Depreciation - leased assets	-	6,194
	<u> </u>	<u> </u>

Auditors' remuneration was borne by the parent company.

3. INTEREST PAYABLE	1 April 2000 to 31 March 2001 £	1 May 1999 to 31 March 2000 £
Finance lease and hire purchase contracts	-	2,476
Other interest payable	-	22,295
	<u> </u>	<u> </u>
	-	24,771
	<u> </u>	<u> </u>

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1 April 2000 to 31 March 2001 £	1 May 1999 to 31 March 2000 £
Amounts owed to group undertakings	583,958	723,108
	<u> </u>	<u> </u>

5. CALLED UP SHARE CAPITAL	2001		2000	
	No.	£	No.	£
Authorised				
£1 Ordinary shares	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
	No.	£	No.	£
Allotted and fully paid				
£1 Ordinary shares	<u>100,000</u>	<u>100,000</u>	<u>100</u>	<u>100</u>

99,900 ordinary shares were issued at par on 29 July 2000 in order to provide additional capital.

NOTES TO THE ACCOUNTS

Year ended 31 March 2001

6. PROFIT AND LOSS ACCOUNT

	£
At 1 April 2000	(723,208)
Retained profit for the year	39,250
	<hr/>
At 31 March 2001	(683,958)
	<hr/>

7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1 April 2000 to 31 March 2001 £	1 May 1999 to 31 March 2000 £
Profit/(loss) for the financial year	39,250	(345,208)
Issue of ordinary share capital	99,900	-
	<hr/>	<hr/>
Net addition/(reduction) in shareholders' funds	139,150	(345,208)
Opening shareholders' funds	(723,108)	(377,900)
	<hr/>	<hr/>
Closing shareholders' funds	(583,958)	(723,108)
	<hr/>	<hr/>

8. FINANCIAL COMMITMENTS**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 2000, the overall commitment was nil (2000: nil).

9. DIRECTORS

	1 April 2000 to 31 March 2001 £	1 May 1999 to 31 March 2000 £
The emoluments of the directors of the company were:		
Fees and other emoluments (excluding pension contributions but including benefits in kind)	-	51,296
	<hr/>	<hr/>

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. Messrs N C Chandler and A J C Skeats are remunerated for their services by MITIE Access Systems Limited. It is not practicable to allocate their remuneration between their services as directors of NS Scaffolding Limited and their services as directors of other group companies.

	No.	No.
The number of directors who were members of a defined benefit pension scheme	1	1
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS

Year ended 31 March 2001

10. EMPLOYEES**Number of employees**

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

	1 April 2000 to 31 March 2001 No.	1 May 1999 to 31 March 2000 No.
Site labour	-	53
Management	-	6
	<u>-</u>	<u>59</u>
Employment costs	£	£
Wages and salaries	-	867,124
Social security costs	-	76,381
Pension costs	-	3,600
	<u>-</u>	<u>947,105</u>

11. RELATED PARTY TRANSACTIONS

MITIE Access (Scotland) Limited is the holder of 100% of the issued share capital. The company has taken advantage of the exemption from the requirement to disclose related party transactions with MITIE Group PLC and companies within the group.

12. PARENT UNDERTAKING

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.