

**Deloitte &
Touche**

Deloitte Touche
Tohmatsu



REGISTRAR

Company Number 2711845

MITIE BUILDING SERVICES LIMITED

Report and Financial Statements

31 March 1998

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





REPORT AND FINANCIAL STATEMENTS 1998

CONTENTS

	Page
Officers and professional advisers	1
Director's report	2
Auditors' report	4
Balance sheet	5
Cash flow statement	6
Notes to the accounts	7



OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

D M Telling

SECRETARIES

A F Waters
M O Thomas

REGISTERED OFFICE

The Stable Block
Barley Wood
Wrington
Bristol
BS40 5SA

AUDITORS

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

DIRECTOR'S REPORT

The director presents his report and financial statements for the year ended 31 March 1998.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 director is 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, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act. He is 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 did not trade during the year.

RESULTS AND DIVIDENDS

The result for the year after taxation amounted to £nil (1997: £nil). The director does not propose the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors during the year were as follows:

D M Telling	
I R Stewart	(resigned 28 August 1997)
J Astley	(resigned 28 August 1997)
C S Acheson	(resigned 28 August 1997)
R G Brown	(resigned 28 August 1997)
W Robson	(resigned 28 August 1997)
P T Spellissy	(resigned 28 August 1997)

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

Mr D M Telling is a director of MITIE Group PLC, the parent undertaking, and his interest in the share capital of that company is shown in the financial statements of MITIE Group PLC.

**DIRECTOR'S REPORT (continued)****YEAR 2000**

The company is in the process of preparing a detailed report including an assessment of our relationship with customers as well as suppliers. It covers all our internal systems, and looks into telephone, security and access systems. An action plan is being developed in order to ensure that our systems are year 2000 compliant. Costs in the year to 31 March 1998 were not significant and we estimate that further costs will not be material.

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 Director and
signed on his behalf

A F Waters
Secretary

14 August 1998



AUDITORS' REPORT TO THE MEMBERS OF MITIE BUILDING SERVICES LIMITED

We have audited the financial statements on pages 5 to 8 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of director and auditors

As described on page 2, the company's director is responsible for the preparation of financial statements. 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 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 director 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 1998 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte + Touche

Chartered Accountants and
Registered Auditors

17 August 1998



BALANCE SHEET
At 31 March 1998

	Notes	1998 £	1997 £
CURRENT ASSETS			
Debtors	2	74,235	74,235
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	3	(4,035)	(4,035)
NET ASSETS		<u>70,200</u>	<u>70,200</u>
CAPITAL AND RESERVES			
Called up share capital	4	100,000	100,000
Profit and loss account		(29,800)	(29,800)
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>70,200</u>	<u>70,200</u>

These financial statements were approved by the Director on

Signed on behalf of the Director

D M Telling
Director

14 AUGUST 1998

**CASH FLOW STATEMENT**
Year ended 31 March 1998

	Notes	1998 £	1997 £
Net cash outflow from operating activities	6	-	-
Returns on investments and servicing of finance			
Interest received		-	-
Taxation			
UK corporation tax paid		-	-
Financing			
Loan to parent undertaking		-	(74,324)
Decrease in cash in the year	6	-	(74,324)



NOTES TO THE ACCOUNTS
Year ended 31 March 1998

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention.

Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

2. PROFIT AND LOSS ACCOUNT

The company did not trade during the current financial year or preceding financial year and made neither profit nor loss. There are no recognised gains or losses for the current financial year and preceding financial year.

Accordingly no statement of gains and losses or reconciliation of movement in shareholders' funds have been prepared.

3. DEBTORS	1998	1997
	£	£
Amounts owed by parent undertaking	74,235	74,235
	<u> </u>	<u> </u>

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1998	1997
	£	£
Trade creditors	4,035	4,035
	<u> </u>	<u> </u>

5. CALLED UP SHARE CAPITAL

Authorised		1998
	No.	£
£1 Ordinary shares	100,000	100,000
	<u> </u>	<u> </u>
Allotted and fully paid	1998	1997
	£	£
£1 Ordinary shares	100,000	100,000
	<u> </u>	<u> </u>

**NOTES TO THE ACCOUNTS**

Year ended 31 March 1998

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

	1998	1997
	£	£
Decrease in cash for the year	-	(74,324)
Movement in net funds in the year	-	(74,324)
Net funds at 1 April	-	74,324
Net funds at 31 March	-	-

7. DIRECTORS AND EMPLOYEES

There were no employees during the year and the directors received no emoluments during the year (1997: £nil).

8. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of MITIE Group PLC, MITIE Building Services Limited, has taken advantage of the exemption from the requirement to disclose related party transactions with MITIE Group PLC and companies within the group.

9. PARENT UNDERTAKING

The directors regard MITIE Group PLC, a company registered in Scotland, as the company's ultimate parent undertaking. Copies of the group financial statements can be obtained from the Company Secretary at the registered office.