

G. Howe

2690910 (England and Wales)

Planned Maintenance Regional Services Limited
Directors' Report and Financial Statements
for the year ended 31 December 1996



Planned Maintenance Regional Services Limited

Company Information

Directors	A C Stevens M G Brown C Hornby A Horwood
Secretary	P J Anthony
Company Number	2690910 (England and Wales)
Registered Office	12-14 Lombard Road London SW11 3AY
Auditors	Arram Berlyn Gardner Holborn Hall 100 Grays Inn Road London WC1X 8BY
Bankers	Barclays Bank plc Slough Business Centre 258 Bath Road Slough SL1 4DX
Solicitors	Marshalls 102 High Street Godalming Surrey GU7 1DS

Planned Maintenance Regional Services Limited

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Planned Maintenance Regional Services Limited

Directors' Report for the year ended 31 December 1996

The directors present their report and the financial statements for the year ended 31 December 1996.

Principal Activities and Review of the Business

The company's principal activity continues to be that of maintenance and servicing of heating, air-conditioning ventilation and electrical systems.

Results and Dividends

The results for the year are set out on page 4.

The directors have paid an interim dividend, amounting to £280,000, and they do not recommend payment of a final dividend.

It is proposed that the retained profit of £1,426 is transferred to reserves.

Fixed Assets

The significant changes in fixed assets during the year are explained in note 7 to the financial statements.

Employment Policies

Employment policies aim to provide equal opportunities, irrespective of sex, race, religion or marital status. Applications by disabled persons are given full and fair consideration and, wherever practicable, provision is made for their special needs. The same criteria apply to disabled persons for training, career development and promotion as to any other employee. If any employee becomes disabled, every effort is made to ensure their continued employment either by offering an alternative job or providing retraining where necessary.

Directors and their Interests

The directors who served during the year and their interests in the company were as stated below.

	Class of share	Number of shares	
		1996	1995
A C Stevens	Ordinary shares	-	-
M G Brown	Ordinary shares	-	-
C Hornby	Ordinary shares	-	-
A Horwood	Ordinary shares	-	-

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Arram Berlyn Gardner be reappointed as auditors of the company will be put to the Annual General Meeting.

Planned Maintenance Regional Services Limited

Directors' Report for the year ended 31 December 1996 (continued)

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 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;
- 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.

This report was approved by the Board on 3 April 1997.

P J Anthony

P J Anthony
Secretary

Planned Maintenance Regional Services Limited

Auditors' Report
to the shareholders of Planned Maintenance Regional Services Limited

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are 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 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 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Arram Berlyn Gardner

Chartered Accountants
Registered Auditor


Holborn Hall
100 Grays Inn Road
London WC1X 8BY

Planned Maintenance Regional Services Limited

Profit and Loss Account
for the year ended 31 December 1996

	Notes	1996 £	1995 £
Turnover	2	21,356,358	15,230,494
Cost of sales		(17,110,141)	(11,582,189)
Gross profit		4,246,217	3,648,305
Administrative expenses		(3,823,700)	(3,291,423)
Operating profit	3	422,517	356,882
Interest payable and similar charges	4	(4,924)	(10)
Profit on ordinary activities before taxation		417,593	356,872
Tax on profit on ordinary activities	5	(136,167)	(12,500)
Profit on ordinary activities after taxation		281,426	344,372
Dividends	6	(280,000)	(335,000)
Retained profit for the year	13	£ 1,426	£ 9,372

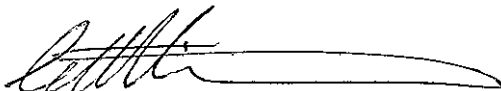
There are no recognised gains and losses other than those passing through the profit and loss account.

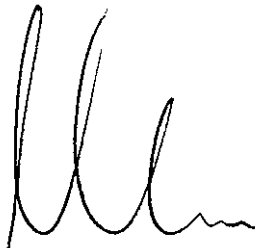
Planned Maintenance Regional Services Limited

Balance Sheet
as at 31 December 1996

		1996	1995
	Notes	£	£
Fixed Assets			
Tangible assets	7	194,027	187,748
Current Assets			
Stocks	8	290,605	304,912
Debtors	9	7,001,429	4,655,440
Cash at bank and in hand		9,290	1,230,652
		<u>7,301,324</u>	<u>6,191,004</u>
Creditors: amounts falling due within one year	10	<u>(7,444,252)</u>	<u>(6,329,079)</u>
Net Current Liabilities		<u>(142,928)</u>	<u>(138,075)</u>
Total Assets Less Current Liabilities		<u>£ 51,099</u>	<u>£ 49,673</u>
Capital and Reserves			
Called up share capital	12	10,000	10,000
Profit and loss account	13	41,099	39,673
Shareholders' Funds	14	<u>£ 51,099</u>	<u>£ 49,673</u>

The financial statements were approved by the Board on 3 April 1997.


A C Stevens
Director

M G Brown
Director 

Planned Maintenance Regional Services Limited

Notes to the Financial Statements for the year ended 31 December 1996

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that the consolidated financial statements of the parent company contain a cashflow statement.

1.2 Turnover

Turnover represents amounts receivable for goods and services provided in the UK net of VAT and trade discounts.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover on contracts is calculated as being the costs incurred to date plus an appropriate margin.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Improvements to premises	- 15% Reducing balance
Plant and machinery	- 15% Reducing balance
Computer hardware	- 25% Straight line
Motor vehicles	- 20% Straight line

1.4 Leased assets

Rentals payable under operating leases are charged to the profit and loss account as incurred.

Planned Maintenance Regional Services Limited

Notes to the Financial Statements for the year ended 31 December 1996

1.5 Stock

Stock is valued at the lower of cost and net realisable value.
Work in progress on long term contracts is calculated at cost plus attributable profit less provision for foreseeable losses.

1.6 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.8 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the U.K.

3. Operating Profit

	1996	1995
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	55,003	110,730
Depreciation recharged	60,000	52,500
Hire of plant and machinery	132,512	104,973
Operating lease rentals	383,109	484,840
Auditors' remuneration	9,000	9,000
	<u> </u>	<u> </u>

Planned Maintenance Regional Services Limited

Notes to the Financial Statements
for the year ended 31 December 1996

4.	Interest Payable	1996 £	1995 £			
	On bank loans and overdrafts	£ 4,924	£ 10			
5.	Taxation	1996 £	1995 £			
	U.K. Current year taxation					
	U.K. Corporation tax at 33% (1995 - 33%)	136,167	12,500			
6.	Dividends	1996 £	1995 £			
	Dividend paid	£ 280,000	£ 335,000			
7.	Tangible Assets					
		Improvements to premises Freehold	Plant and machinery	Computer hardware	Motor vehicles	Total
		£	£	£	£	£
	Cost					
	At 1 January 1996	79,695	177,357	101,122	279,356	637,530
	Additions	22,863	18,246	21,943	4,032	67,084
	Disposals	-	-	-	(184,919)	(184,919)
	At 31 December 1996	102,558	195,603	123,065	98,469	519,695
	Depreciation					
	At 1 January 1996	34,413	93,368	71,743	250,258	449,782
	On disposals	-	-	-	(179,117)	(179,117)
	Charge for year	8,695	14,020	16,125	16,163	55,003
	At 31 December 1996	43,108	107,388	87,868	87,304	325,668
	Net book values					
	At 31 December 1996	£ 59,450	£ 88,215	£ 35,197	£ 11,165	£ 194,027
	At 31 December 1995	£ 45,282	£ 83,989	£ 29,379	£ 29,098	£ 187,748

Planned Maintenance Regional Services Limited

Notes to the Financial Statements
for the year ended 31 December 1996

8.	Stocks	1996	1995
		£	£
	Raw materials and consumables	£ 290,605	£ 304,912
		<u> </u>	<u> </u>
9.	Debtors	1996	1995
		£	£
	Trade debtors	4,805,607	3,308,525
	Amounts recoverable on long term contracts	2,036,549	1,213,215
	Other debtors	131,778	110,376
	Prepayments and accrued income	27,495	23,324
		<u> </u>	<u> </u>
		£ 7,001,429	£4,655,440
		<u> </u>	<u> </u>
10.	Creditors: amounts falling due within one year	1996	1995
		£	£
	Bank loans and overdrafts	586,500	-
	Trade creditors	2,212,708	1,763,491
	Amounts owed to group undertakings	4,013,827	4,125,008
	Corporation tax	136,167	12,500
	Other taxes and social security costs	218,449	164,408
	Other creditors	207,817	217,658
	Accruals and deferred income	68,784	46,014
		<u> </u>	<u> </u>
		£ 7,444,252	£6,329,079
		<u> </u>	<u> </u>

11. Pension Costs

The company operates a pension scheme providing benefits based on final salary. The assets of the scheme are held separately from those of the company being invested with insurance companies.

The total pension cost for the company was £58,966 (1995 - £177,901).

The company is a member of the group pension scheme whereby the contributions are based upon pension costs across the group as a whole. Actuarial valuation details can be found in the financial statements of Planned Maintenance Engineering Limited.

Planned Maintenance Regional Services Limited

Notes to the Financial Statements
for the year ended 31 December 1996

12.	Share Capital	1996	1995
		£	£
	Authorised		
	100,000 Ordinary shares of £1 each	£ 100,000	£ 100,000
		<u> </u>	<u> </u>
	Allotted, called up and fully paid		
	10,000 Ordinary shares of £1 each	£ 10,000	£ 10,000
		<u> </u>	<u> </u>
13.	Profit And Loss Account	1996	1995
		£	£
	Retained profits at 1 January 1996	39,673	30,301
	Retained profit for the year	1,426	9,372
		<u> </u>	<u> </u>
	Retained profits at 31 December 1996	£ 41,099	£ 39,673
		<u> </u>	<u> </u>
14.	Reconciliation of Movements in Shareholders' Funds	1996	1995
		£	£
	Profit for the financial year	281,426	344,372
	Dividends	(280,000)	(335,000)
		<u> </u>	<u> </u>
	Net addition to shareholders' funds	1,426	9,372
	Opening shareholders' funds	49,673	40,301
		<u> </u>	<u> </u>
	Closing shareholders' funds	£ 51,099	£ 49,673
		<u> </u>	<u> </u>
15.	Financial Commitments		

At 31 December 1996 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	1996	1995	1996	1995
	£	£	£	£
Expiry date:				
Within one year	4,000	6,160	7,252	2,458
Between two and five years	61,460	41,538	375,856	341,482
In over five years	44,000	61,008	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	£ 109,460	108,706	£ 383,108	343,940
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Planned Maintenance Regional Services Limited

Notes to the Financial Statements
for the year ended 31 December 1996

16. Directors' Emoluments	1996 £	1995 £
Remuneration	£ 109,755	94,281
Emoluments disclosed above (excluding pension contributions) include amounts paid to:		
The highest-paid director	£ 61,138	£ 54,163
Other directors' emoluments (excluding pension contributions) were in the following ranges:	Number	Number
£Nil - £5,000	2	2
£30,001 - £35,000	-	1
£40,001 - £45,000	1	-
17. Employees		
Number of employees		
The average weekly number of employees (including directors) during the year was:	1996 Number	1995 Number
Administration and management	88	82
Production	312	244
	400	326
Employment costs	£	£
Wages and salaries	7,109,466	5,523,428
Social security costs	646,172	410,637
Other pension costs	58,966	177,901
	£7,814,604	£6,111,966

Planned Maintenance Regional Services Limited

Notes to the Financial Statements
for the year ended 31 December 1996

18. Parent Company

The ultimate parent company is Planned Maintenance Engineering Limited a company registered in England and Wales.