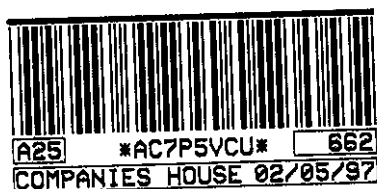


Costume

2690909 (England and Wales)

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



Planned Maintenance Facilities Limited

Company Information

Directors	A C Stevens A E Linnit J F Howlett J E Muffett M R Boyce
Secretary	P J Anthony
Company Number	2690909 (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 Facilities Limited

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Planned Maintenance Facilities 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 facilities contracting.

Results and Dividends

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

The directors have paid an interim dividend, amounting to £910,000, and they do not recommend payment of a final dividend.

It is proposed that the retained profit of £11,882 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	-	-
A E Linnit	Ordinary shares	-	-
J F Howlett	Ordinary shares	-	-
J E Muffett	Ordinary shares	-	-
M R Boyce	Ordinary shares	-	-

Political and Charitable Contributions

During the year the company contributed £520 to charities.

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 Facilities Limited

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

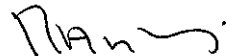
Directors' Responsibilities

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
Secretary

Planned Maintenance Facilities Limited

Auditors' Report
to the shareholders of Planned Maintenance Facilities 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 page 6.

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.

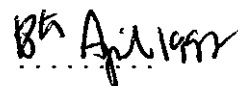
Opinion

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 Facilities Limited

Profit and Loss Account
for the year ended 31 December 1996

	Notes	1996 £	1995 £
Turnover	2	38,019,839	26,222,486
Cost of sales		(33,596,434)	(22,593,884)
Gross profit		4,423,405	3,628,602
Administrative expenses		(3,085,140)	(2,195,387)
Operating profit	3	1,338,265	1,433,215
Interest payable and similar charges	4	(6,216)	(2)
Profit on ordinary activities before taxation		1,332,049	1,433,213
Tax on profit on ordinary activities	5	(410,167)	(480,000)
Profit on ordinary activities after taxation		921,882	953,213
Dividends	6	(910,000)	(950,000)
Retained profit for the year	12	£ 11,882	£ 3,213

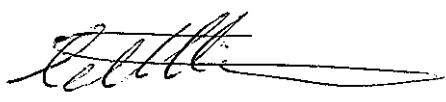
There are no recognised gains and losses other than those passing through the profit and loss account.

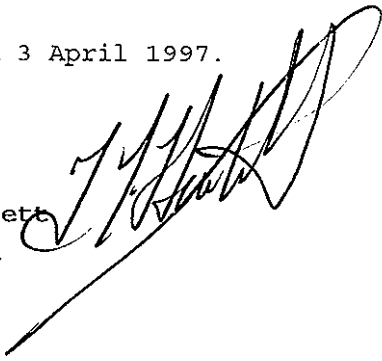
Planned Maintenance Facilities Limited

Balance Sheet
as at 31 December 1996

		1996	1995
	Notes	£	£
Fixed Assets			
Tangible assets	7	54,521	40,646
Current Assets			
Debtors	8	7,335,449	5,112,243
Cash at bank and in hand		7,755	1,260,442
		<u>7,343,204</u>	<u>6,372,685</u>
Creditors: amounts falling due within one year	9	<u>(7,289,705)</u>	<u>(6,317,193)</u>
Net Current Assets		53,499	55,492
Total Assets Less Current Liabilities		<u>£ 108,020</u>	<u>£ 96,138</u>
Capital and Reserves			
Called up share capital	11	10,000	10,000
Profit and loss account	12	98,020	86,138
Shareholders' Funds	13	<u>£ 108,020</u>	<u>£ 96,138</u>

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


A C Stevens
Director


J F Howlett
Director

Planned Maintenance Facilities 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:

Plant, machinery and equipment	-	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 Facilities Limited

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

1.5 Work in progress

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	23,330	80,218
Depreciation recharged	66,000	52,500
Hire of plant and machinery	98,758	64,756
Operating lease rentals	91,039	91,025
Auditors' remuneration	9,000	9,000
	<u> </u>	<u> </u>

4. Interest Payable

	1996	1995
	£	£
On bank loans and overdrafts	6,216	2
	<u> </u>	<u> </u>
	£ 6,216	£ 2
	<u> </u>	<u> </u>

Planned Maintenance Facilities Limited

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

5.	Taxation	1996	1995		
		£	£		
	U.K. Current year taxation				
	U.K. Corporation tax at 33% (1995 - 33%)	420,212	480,000		
	Prior years				
	U.K. Corporation tax	(10,045)	-		
		<u>£ 410,167</u>	<u>£ 480,000</u>		
6.	Dividends	1996	1995		
		£	£		
	Dividend paid	£ 910,000	£ 950,000		
7.	Tangible Assets				
		Plant, machinery and equipment	Computer hardware	Motor vehicles	Total
		£	£	£	£
	Cost				
	At 1 January 1996	7,780	38,015	95,130	140,925
	Additions	975	11,156	25,225	37,356
	Disposals	-	-	(26,853)	(26,853)
	At 31 December 1996	<u>8,755</u>	<u>49,171</u>	<u>93,502</u>	<u>151,428</u>
	Depreciation				
	At 1 January 1996	2,413	20,757	77,108	100,278
	On disposals	-	-	(26,701)	(26,701)
	Charge for year	854	11,757	10,719	23,330
	At 31 December 1996	<u>3,267</u>	<u>32,514</u>	<u>61,126</u>	<u>96,907</u>
	Net book values				
	At 31 December 1996	<u>£ 5,488</u>	<u>£ 16,657</u>	<u>£ 32,376</u>	<u>£ 54,521</u>
	At 31 December 1995	<u>£ 5,367</u>	<u>£ 17,258</u>	<u>£ 18,022</u>	<u>£ 40,647</u>

Planned Maintenance Facilities Limited

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

8. Debtors	1996	1995
	£	£
Trade debtors	4,203,933	3,315,264
Amounts recoverable on long term contracts	3,086,012	1,744,625
Other debtors	38,454	21,047
Prepayments and accrued income	7,050	31,307
	<u>£7,335,449</u>	<u>£5,112,243</u>

9. Creditors: amounts falling due within one year	1996	1995
	£	£
Bank loans and overdrafts	204,488	-
Trade creditors	5,187,682	3,890,536
Amounts owed to group undertakings	1,080,960	1,946,458
Corporation tax	420,212	189,001
Other taxes and social security costs	328,124	249,210
Other creditors	1,691	3,073
Accruals and deferred income	66,548	38,915
	<u>£7,289,705</u>	<u>£6,317,193</u>

10. 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 £52,600 (1995 - 77,460).

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 Facilities Limited

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

11.	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>
12.	Profit And Loss Account	1996	1995
		£	£
	Retained profits at 1 January 1996	86,138	82,925
	Retained profit for the year	11,882	3,213
		<u> </u>	<u> </u>
	Retained profits at 31 December 1996	£ 98,020	£ 86,138
		<u> </u>	<u> </u>
13.	Reconciliation of Movements in Shareholders' Funds	1996	1995
		£	£
	Profit for the financial year	921,882	953,213
	Dividends	(910,000)	(950,000)
		<u> </u>	<u> </u>
	Net addition to shareholders' funds	11,882	3,213
	Opening shareholders' funds	96,138	92,925
		<u> </u>	<u> </u>
	Closing shareholders' funds	£ 108,020	£ 96,138
		<u> </u>	<u> </u>

Planned Maintenance Facilities Limited

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

14. Financial Commitments

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

	Land and buildings 1996 £	Land and buildings 1995 £	Other 1996 £	Other 1995 £
Expiry date:				
Within one year	-	-	11,465	4,041
Between two and five years	14,500	14,500	79,574	79,635
In over five years	24,000	-	-	-
	<u>£ 38,500</u>	<u>£ 14,500</u>	<u>£ 91,039</u>	<u>£ 83,676</u>

15. Directors' Emoluments

	1996 £	1995 £
Remuneration	<u>£ 292,578</u>	<u>£ 272,874</u>
Emoluments disclosed above (excluding pension contributions) include amounts paid to:		
The highest-paid director	<u>£ 109,181</u>	<u>£ 95,710</u>

Other directors' emoluments (excluding pension contributions) were in the following ranges:

	Number	Number
£Nil - £5,000	1	1
£45,001 - £50,000	1	2
£50,001 - £55,000	1	-
£60,001 - £65,000	-	1
£65,001 - £70,000	1	-
	<u>1</u>	<u>4</u>

Planned Maintenance Facilities Limited

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

16. Employees

Number of employees

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

	1996 Number	1995 Number
Administration and management	20	18
Production	474	374
	<u> </u>	<u> </u>
	494	392
	<u> </u>	<u> </u>

Employment costs

	£	£
Wages and salaries	10,633,563	8,336,146
Social security costs	943,748	748,992
Other pension costs	52,600	77,460
	<u> </u>	<u> </u>
	£11,629,911	£9,162,598
	<u> </u>	<u> </u>

17. Parent Company

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