

**Touche
Ross**

Deloitte Touche
Tohmatsu
International



Company Registration No: 2752154

SYMONDS GROUP LIMITED
(formerly E.T.S. Facilities Management Limited)

Report and Financial Statements

31 March 1994

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



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REPORT AND FINANCIAL STATEMENTS MARCH 1994

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DIRECTORS' REPORT

The directors present their first report and the audited financial statements for the period ended 31 March 1994.

ACTIVITIES

The principal activity of the company during the period was that of a holding company of companies engaged in project and cost management and facilities management. On 15 June 1993 it acquired the business and assets of Symonds Tramor Partnership and the entire issued share capital of Symonds Construction Management Limited (which has subsequently changed its name to Symonds Limited) and Symonds Facilities Management plc.

INCORPORATION AND CHANGE OF NAME

The company was incorporated on 1 October 1992 under the Companies Act 1985 as E.T.S. Facilities Management Limited. On 16 June 1993 it changed its name to Symonds Group Limited.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The results for the period and the position at the end of it are shown in the profit and loss account and balance sheet on pages 5 and 6. The directors consider that the company is well placed to continue to operate successfully.

DIVIDENDS AND TRANSFERS TO RESERVES

The first and final dividend recommended by the directors is £360,000. The retained profit of £55,226 has been transferred to reserves.

FIXED ASSETS

Changes in fixed assets during the period are summarised in notes 8 and 9.

IMPORTANT EVENT OCCURRING AFTER THE END OF THE PERIOD

With effect from 1 March 1995 the company purchased, through a newly formed subsidiary, the business and some of the assets of Travers Morgan Limited.

DIRECTORS AND THEIR INTERESTS

The directors of the company at the end of the period are set out below:

N M Biddle (Chairman)
C A Booy
A H Cox
E T Jones
O J Jones
J H Leighton
P C Sweeney
I A Sexton
D G S Waterstone

DIRECTORS' REPORT (continued)

DIRECTORS AND THEIR INTERESTS (continued)

Messrs Sweeney and Waterstone were appointed on 1 October 1992, Mr Sexton on 31 March 1993 and the other directors on 15 June 1993. Mr A P Robinson was appointed as a director on 1 October 1992 and resigned on 31 March 1993. Combined Nominees Limited and Combined Secretarial Services Limited served as the first directors of the company and resigned on 1 October 1992.

None of the directors in office at the end of the period had any interests in the shares of the company, or any group company, at any time during the period.

Mr M P Scoles was appointed as a director on 1 January 1995.

AUDITORS

Touche Ross & Co were appointed as auditors during the period. They have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



R G Castle
Secretary

37 - 41 Old Queen Street
London
SW1H 9JA

31 March 1995

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:

- state whether applicable accounting standards have been followed;
- 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, for safeguarding the assets of the company and for the prevention and detection of fraud and other irregularities.



Chartered Accountants

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69-71 Queen Square
Bristol BS1 4JP

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SYMONDS GROUP LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 14 which have been prepared under the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described on page 3 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 March 1994 and of its profit for the eighteen month period then ended and have been properly prepared in accordance with the Companies Act 1985.

Touche Ross & Co

Chartered Accountants
and Registered Auditors

31 March 1995

**Deloitte Touche
Tohmatsu
International**

Aberdeen, Bath, Belfast, Birmingham, Bournemouth, Bracknell, Bristol, Cambridge, Cardiff, Crawley, Dartford, Edinburgh, Glasgow, Leeds, Leicester, Liverpool, London, Manchester, Milton Keynes, Newcastle upon Tyne, Nottingham and Southampton.

Principal place of business at which a list of partners' names is available:
Stonecutter Court, 1 Stonecutter Street, London EC4A 4TR.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

PROFIT AND LOSS ACCOUNT

Period ended 31 March 1994

	Note	£
TURNOVER - acquired operations		1,134,744
Staff costs	3	(612,453)
Depreciation		(12,435)
Other operating charges		(367,791)
OPERATING PROFIT - acquired operations	4	142,065
Income from shares in group companies		330,000
Interest payable and similar charges	5	(6,839)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		465,226
Tax on profit on ordinary activities	6	(50,000)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	15	415,226
Dividend proposed	7	(360,000)
Retained profit for the financial period	15	55,226

The company has no recognised gains or losses other than those included in the profits above and therefore no separate statement of total recognised gains and losses has been presented.

BALANCE SHEET
31 March 1994

	Note	£	£
FIXED ASSETS			
Tangible assets	8		75,449
Investments	9		11,650,450
			<hr/>
			11,725,899
CURRENT ASSETS			
Debtors	10	1,191,207	
Cash at bank and in hand		3,973	
		<hr/>	
		1,195,180	
		<hr/>	
CREDITORS: amounts falling due within one year	11	(603,889)	
		<hr/>	
NET CURRENT ASSETS			591,291
			<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			12,317,190
			<hr/>
CREDITORS: amounts falling due after more than one year	12	(12,258,462)	
			<hr/>
PROVISION FOR LIABILITIES AND CHARGES	13		(3,500)
			<hr/>
			55,228
			<hr/>
CAPITAL AND RESERVES			
Called up share capital	14		2
Profit and loss account	15		55,226
			<hr/>
			55,228
			<hr/>

These financial statements were approved by the Board of Directors on 31 March 1995.

Signed on behalf of the Board of Directors

M. P. Scoles

M P Scoles
Director

NOTES TO THE ACCOUNTS

Period ended 31 March 1994

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with statements of standard accounting practice issued by UK accountancy bodies. The particular accounting policies adopted are described below.

Basis of preparation

These financial statements have been prepared under the historical cost convention. The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. The financial statements present information about the company as an individual undertaking and not about its group.

Investments

Investments in subsidiaries are stated at cost less provision for any permanent diminution in value.

Acquisitions and goodwill

On the acquisition of a business, fair values are attributed to the net tangible assets acquired. Where the cost of acquisition exceeds the values attributable to such net assets, the difference is treated as purchased goodwill and is written off directly to reserves in the year of acquisition.

Fixed assets and depreciation

Depreciation is provided in order to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Motor vehicles	- 25% reducing balance
Fixtures, fittings and equipment	- 25% straight line

Deferred taxation

Deferred taxation is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

NOTES TO THE ACCOUNTS

Period ended 31 March 1994

1. ACCOUNTING POLICIES (continued)

Leases

Rental costs under operating leases are charged to profit and loss account in equal annual amounts over the periods of the leases.

Turnover

Turnover is the amount derived from the provision of services during the accounting period representing the net amount invoiced as adjusted for accrued and deferred income.

2. ACQUISITION AND GOODWILL

Acquisition

On 15 June 1993 the company acquired the business and assets of the Symonds Tramor Partnership for a consideration of £60,000 in cash.

The following table shows the book value of the major categories of assets and liabilities acquired. No adjustments were necessary to arrive at the fair values at the date of acquisition and no goodwill arose on acquisition.

	Book amount and fair value £'000
Tangible fixed assets	57
Current assets	297
Creditors and provisions	(294)
	<hr/>
Consideration	60 (60)
	<hr/>
Goodwill	-
	<hr/>

NOTES TO THE ACCOUNTS

Period ended 31 March 1994

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	£
Directors' emoluments (paid by subsidiaries)	
Fees	-
Other emoluments	443,602
Pension scheme contributions	6,120
	<hr/>
	449,722
	<hr/>

Remuneration of the chairman (also highest paid director)	88,736
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Scale of other directors' remuneration	No.
£ 0 - £ 5,000	5
£45,001 - £50,000	2
£50,001 - £55,000	1
£60,001 - £65,000	1
£65,001 - £70,000	1
£70,001 - £75,000	1
	<hr/>

Average number of persons employed

Technical	16
Administration	13
	<hr/>
	29
	<hr/>

	£
Staff costs during the period	
Wages and salaries	612,453
Social security costs	(7,095)
Pension costs	-
	<hr/>
	605,358
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NOTES TO THE ACCOUNTS
Period ended 31 March 1994

4. OPERATING PROFIT

£

Operating profit is stated after charging

Auditors' remuneration:

Audit fees

12,133

Non-audit fees

4,722

Operating lease rentals payable - other assets

133,940

The auditors' remuneration relates to Arthur Andersen in relation to their services to the company's Saudi Arabian branch. The remuneration of Touche Ross & Co as auditors to the company has been paid by other group companies.

5. INTEREST PAYABLE AND SIMILAR CHARGES

£

Bank loans, overdrafts and other loans repayable
within five years

6,839

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

£

United Kingdom corporation tax at 33%
based on the profit for the period

46,500

Deferred taxation

3,500

50,000

The tax charge has been affected by the inclusion in the profit and loss account of non-taxable dividends from subsidiaries.

7. DIVIDENDS

£

Final proposed (£180,000 per share)

360,000

NOTES TO THE ACCOUNTS

Period ended 31 March 1994

8. TANGIBLE FIXED ASSETS

	Motor vehicles £	Fixtures, fittings & equipment £	Total £
Cost			
Additions	53,390	34,494	87,884
At 31 March 1994	53,390	34,494	87,884
Accumulated depreciation			
Charge for period	9,617	2,818	12,435
At 31 March 1994	9,617	2,818	12,435
Net book value			
At 31 March 1994	43,773	31,676	75,449

9. INVESTMENTS HELD AS FIXED ASSETS

	£
Shares in subsidiaries at cost	11,650,450

The company owns 100% of the share capital of the following subsidiaries.

	Principal activity	Place of registration
Symonds Limited	Project and cost management	Jersey
Symonds Facilities Management plc	Facilities management	England and Wales

The directors are of the opinion that the aggregate value of the investment in subsidiaries is not less than the amount at which they are stated in the company's accounts.

NOTES TO THE ACCOUNTS
Period ended 31 March 1994

10. DEBTORS

	£
Trade debtors	240,997
Amounts owed by subsidiaries	878,744
Other debtors and prepayments	38,641
Accrued income	32,825
	<hr/>
	1,191,207
	<hr/>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Bank overdraft	29,004
Trade creditors	82,628
Other creditors and accruals	102,138
Corporation tax	24,370
Other taxation and social security	5,749
Proposed dividend	360,000
	<hr/>
	603,889
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12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	£
Amounts owed to parent company	7,786,462
Accruals and deferred income	4,472,000
	<hr/>
	12,258,462
	<hr/>

The amount owed to the parent company has no fixed repayment terms but repayment will not be demanded within one year of the balance sheet date.

NOTES TO THE ACCOUNTS

Period ended 31 March 1994

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

Accruals and deferred income relate to deferred consideration. This was part settled after the year end by way of the issue of medium term (guaranteed) loan notes (£4,272,000) leaving a balance of £200,000.

13. PROVISIONS FOR LIABILITIES AND CHARGES

The amounts of deferred taxation provided and unprovided in the accounts are as follows:

	Provided £	Unprovided £
Accelerated capital allowances on fixed assets	3,500	-
	<hr/>	<hr/>
14. CALLED UP SHARE CAPITAL		£
Authorised 10,000 shares of £1 each		10,000
		<hr/>
Called up, allotted and fully paid 2 shares of £1 each		2
		<hr/>

15. COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES

	Share capital £	Profit and loss account £	Total £
Shares issued in the period	2	-	2
Profit for the financial period	-	415,226	415,226
Dividend	-	(360,000)	(360,000)
	<hr/>	<hr/>	<hr/>
At the end of the period	2	55,226	55,228
	<hr/>	<hr/>	<hr/>

NOTES TO THE ACCOUNTS

Period ended 31 March 1994

16. OPERATING LEASE COMMITMENTS

At 31 March 1994 the company was committed to making the following payments during the next year in respect of operating leases:

	Land and buildings £
Leases which expire:	
Within one year	44,814
Within two to five years	22,708
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	67,522
	<hr/>

17. IMPORTANT EVENT OCCURRING AFTER THE END OF THE PERIOD

With effect from 1 March 1995 the company purchased, through a newly formed subsidiary, the business and some of the assets of Travers Morgan Limited.

18. ULTIMATE PARENT COMPANY

At 31 March 1994 the ultimate parent company was Compagnie Générale Des Eaux SA, a company incorporated in France. Copies of its financial statements may be obtained from 52 Rue d'Anjou, 75384 Paris Cedex 08, France. The smallest group of which the company is a member and for which group accounts were prepared is Energy and Technical Services Group plc, which is incorporated in Great Britain and registered in England and Wales.