MEARS

Annual report & accounts 2001

national provider of facilities and support services

Financial Calendar

Record date for final dividend	**7 June 2002**
Annual general meeting	**29 May 2002**
Dividend warrants posted to shareholders	**1 July 2002**
Interim results announced	**3 September 2002**

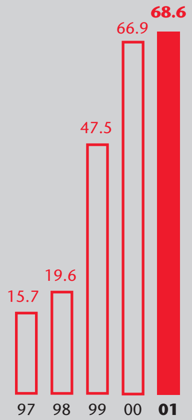
Our mission is to become the leading Company providing a range of support services profitably to a wide range of customers in the public and private sector.

Profit before tax up 30%

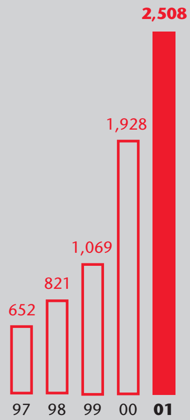
Normalised earnings per share up 25%

Dividends per share up 23%

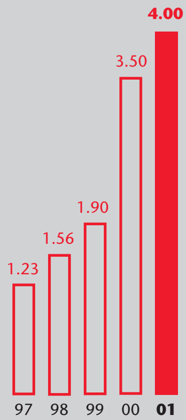
Order book up to £260 million



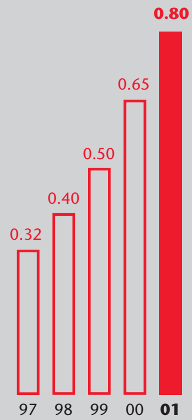
turnover – continuing **£m**



profit before tax **£'000**



earnings per share **(p)**



dividends per share **(p)**

The current initiatives from central government to improve the general condition of the social housing stock on a national basis provides outstanding opportunities for growth.

I am pleased to announce record profits for the year ended 31 December 2001.

Profits before tax were up 30% at £2,508,398 (2000: £1,928,479) on turnover of £68,579,597. In 2000 turnover reached £70,680,186 but included discontinued activities.

Earnings per share, after an actual tax charge and the amortisation of goodwill, increased to 4.00p. The tax charge in both 2001 and 2000 was reduced as a result of the tax losses from the Haydon acquisition. Had a full tax charge been applied in 2000 and 2001, the earnings per share on this basis increased by 25%.

The Board recommends a final dividend of 0.6p per ordinary share making a total dividend for the year of 0.8p (2000: 0.65p). The final dividend is payable on 1 July 2002, to shareholders on the share register on 7 June 2002.

Trading review

The Group had an excellent year with trading conditions buoyant. The current initiatives from central government to improve the general condition of the social housing stock on a national basis provides outstanding opportunities for growth. Within the last six months the Group has been awarded its two largest ever contracts from Welwyn Hatfield Council and the Richmond Housing Partnership, demonstrating the size and nature of the opportunities currently available in the public sector.

Trading conditions buoyant.

Both these contracts adopt a partnership approach where the Group enjoy long-term contracts, for eight years at Welwyn and ten years at Richmond, and are as a direct result of the Best Value legislation.

The order book is currently in excess of £260 million and the Group continues to be seen as a preferred partner in each of its principal markets.

Of particular note again, is the successful management of cash, generating a positive net inflow of funds in the year of £2,121,101 (2000: £303,785). Strong cash management continues to be fundamental to the ethos upon which the Group has been built to date.

Operational structure

Each subsidiary company is headed by an experienced operational Managing Director. Centralised administration provides accounting services and business development, human resources and health and safety support for each subsidiary.

Public sector services

The majority of the Group's business continues to be in the provision of a range of maintenance services in the social housing sector on a national basis. The sector provides the Group with long-term contracts with local authorities, registered social landlords and housing associations. A recent Audit Commission report indicates that £4.8 billion is to be spent in the current year on local authority houses, with central government making available an additional £856 million for additional capital improvements. The Group is the largest provider of such services in the public sector and the outlook for our primary business has never been stronger.

Mechanical and electrical services

The business operates as Haydon and Company Limited, in the housing, education and healthcare sectors providing primarily fast track mechanical and electrical fit-out services to private sector customers. The business enjoys excellent relationships with its customers, the majority of whom have dealt with Haydon over many years. The business has become profitable since acquisition by the Group in 1999 and provides a significant contribution to the Group.

Motor vehicle distribution

United Fleet Distribution ('UFD') was acquired by the Group in September 1998 and provides vehicle collection and delivery services to the commercial sector with trade plated drivers who, typically, collect individual vehicles at the end of their lease period and deliver the vehicles into the retail or vehicle auction markets. UFD, which holds some of the largest contracts in the UK for these services, has performed excellently in the year. The business is looking to expand its activities significantly in the current year. Again, this business is the market leader for trade plated drivers in the U.K.

Facility management

In September 2001 the Group formed Mears Facility Management Limited with a former senior manager of Interserve PLC. I welcome Paul Taylor into the Group and can confirm that this business has already been awarded a number of contracts. I look forward to bringing you news of further contract awards in the future.

Strategy

The Group continues to operate a success based, reward environment with bonus and incentive arrangements in place for tradesmen, administrators and all levels of management. Every person in the Group is encouraged to contribute towards a better and more cost effective way of working, with initiatives in place to stop waste and encourage social responsibility. The initiative of a discreet telephone help line for employees to voice any concerns has been highly successful and helped to eradicate potential problems. Our Human Resources department continues to support the business at all levels and has recently implemented a company-wide management development programme. A recent in-house conference brought together the top 60 managers from all parts of the Group to improve their general awareness of human resources issues. Again the Group has successfully retained both the Investor in People and the ISO9002 Quality Management System awards.

Order book in excess of £260 million.

The attention to detail at the time of the induction of the tradesmen is an important factor in contributing to another successful year.

The Group intends to broaden the range of services provided. It is likely that these additional services will arise as a result of both acquisitions and start up companies.

We are currently in discussions with a number of individuals who wish to join the Group. Typically these individuals are currently employed within the facility services sector and are looking to build a business in which they can participate in equity ownership and I hope to bring news of such initiatives in the future. The Board continues to consider a number of acquisition opportunities but will only acquire where it believes that the incoming management team are equally committed to building a long-term business model.

During the year the Group was recognised for a number of awards. These awards are a reflection of the tremendous hard work that has been undertaken to build our business to date. The basic foundations of profitable growth with positive cash flow are ingrained within each and every manager of the Group.

The Board remains optimistic about the future with both a record order book and significant opportunities in the public and private sectors and is mindful of the tremendous support received from the Group's customers and suppliers.

I look forward to being able to report another excellent year of progress in twelve months time and totally commend the commitment of staff at all levels.

R Holt
Chairman

2 April 2002

Every person in the Group is encouraged to contribute towards a better and more cost effective way of working.

Net inflow of funds of £2.1 million.

Overview

The successful integration of Haydon and Company Limited is now complete. The results for 2001 represent continuing operations and demonstrate progress achieved on a number of fronts. Our gross margin is up to 24.7% (2000: 23.7%), whilst Group operating margin has improved to 3.8% (2000: 3.3%). This has been achieved from both tighter business controls and from business retention at improved rates. Increasingly customers are willing to pay a small premium to secure a better quality of service.

Borrowing and cash flow

The interest charge has fallen significantly from £304,218 to £69,908. In a predominantly high volume low value business, the prompt and concentrated focus on billing is key to profitability. At 31 December 2001 the Group was in a net funds position of £2.6 million whilst also having repaid early the medium term loan used to acquire United Fleet Distribution in 1998.

Balance Sheet

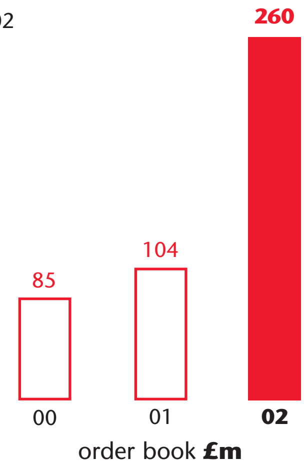
Net assets now stand at £7.0 million, up £2.0 million on last year with net current assets advancing to £3.4 million from £2.1 million. Again there is no debt in the balance sheet.

Order book

The chart shows the progress made in building the order book. Contract awards are becoming for longer duration and our reputation enables us to bid for larger prospects. All bid costs are expensed as incurred. The surge in the last year comes primarily from Richmond Housing Partnership (£120 million over 10 years) and Welwyn Hatfield Council (£40 million over 8 years).

D J Robertson
Finance Director

2 April 2002



The prompt and concentrated focus on billing is key to profitability.

The Directors present their report together with consolidated financial statements for the year ended 31 December 2001.

Principal activities

The principal activities of the Group are the provision of maintenance, mechanical and electrical services and motor vehicle distribution. The principal activity of the Company is to act as a holding company.

Business review

An overall review of the business is given in the Chairman's statement.

The consolidated profit for the year after taxation and minority interests amounted to £2,140,055 (2000: £1,782,076). The Directors recommend dividends absorbing £444,131 (2000: £345,448), leaving £1,695,924 (2000: £1,436,628) retained.

Directors

The present membership of the Board is set out below. R Holt and M A Macario retire by rotation and, being eligible, offer themselves for re-election.

The base salaries and beneficial interests of the Directors in the shares of the Company at 31 December 2001 and at 1 January 2001 were as follows:

	Salary		Ordinary shares	
	31 December 2001 £	31 December 2000 £	**31 December 2001 Number**	1 January 2001 Number
R Holt	**110,000**	90,000	**5,200,000**	5,200,000
D J Robertson	**85,000**	70,000	**200,000**	—
P L Molloy	**123,600**	120,000	**4,722,615**	5,422,615
M A Macario	**12,000**	36,000	**200,000**	300,000
R B Pomphrett	**12,000**	10,000	**200,000**	200,000

R Holt and D J Robertson participate in a bonus scheme based on the inflation adjusted growth in earnings per share. The percentage growth is applied to their base salaries.

No Director had, during or at the end of the year, a material interest in any contract which was significant in relation to the Group's business.

The Company has granted options to:

- R Holt over 1,800,000 ordinary 1p shares exercisable at 10p per share at any time up to 18 September 2003. These options were exercised in full on 8 January 2002.
- D J Robertson over 408,000 ordinary 1p shares exercisable between 11.75p and 50p per share between 23 October 2001 and 5 April 2011. In addition, D J Robertson exercised 200,000 options on 4 May 2001.

Details of these options are given in note 17 to the financial statements.

Directors' responsibilities for the financial statements

United Kingdom 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 the Group and of the profit or loss of the Group 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, 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 Group will continue in business.

The Directors are responsible for maintaining proper accounting records, for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Payment policy

The Company acts purely as a holding company and as such is non-trading. Accordingly no payment policy has been defined. However, the policy for Group trading companies is to set the terms of payment with suppliers when agreeing the terms of the transaction, to ensure suppliers are aware of these terms and to abide by them. Group trade creditors at the year-end amount to 54 days (2000: 59 days) of average supplies for the year.

Substantial shareholdings

On 15 March 2002 the following shareholders held 3% or more of the issued share capital of the Company:

	Number of ordinary shares	Percentage of issued ordinary shares
Eaglet Investment Trust PLC	7,160,000	12.8%
R Holt	5,200,000	9.3%
P L Molloy	4,722,615	8.4%
Newton Asset Management	2,944,000	5.3%
Bayard Partners	1,900,000	3.4%
Orbis Trustees Guernsey Limited	1,750,000	3.1%

In addition to the above shareholdings, a total of 1,930,385 ordinary 1p shares representing 3.5% of the issued share capital are held by other employees of the Group. The Group actively encourages wider share ownership by its employees. The Group's SAYE share option plans have been well received by employees.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The Group has received recognition under the Investors in People Award. The Group continues to involve its staff in the future development of the business. On 1 March 2000 the Group established a personal pension plan for the benefit of certain employees and on 1 July 2001 the Group established a Stakeholder Pension Plan available to all employees. The Group also operates a Save As You Earn share scheme and an Executive Share Option scheme, details of which are given in note 17 to the financial statements.

CREST

Mears Group PLC share dealings have been settled on CREST since 5 May 1997. CREST is the computerised system for the settlement of share dealings on the London Stock Exchange. It reduces the amount of documentation required and also makes the trading of shares faster and more secure. CREST enables shares to be held in an electronic form instead of the traditional share certificates. CREST is voluntary, and shareholders can keep their share certificates if they wish. This may be especially preferable for shareholders who do not trade frequently.

Auditors

Grant Thornton, who have been the Group's auditors since 1994, offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

On behalf of the Board

R B Pomphrett

Director and Secretary

2 April 2002

Introduction

The Board of Mears Group PLC is committed to achieving good standards of corporate governance, integrity and business ethics for all activities. Under the rules of the Alternative Investment Market, the Company is not required to comply with the Combined Code. However, the Company has taken steps to comply with the Combined Code in so far as it can be applied practically, given the size of Mears Group PLC and the nature of its operations.

Board of Directors

The Board of Directors, comprising three Executive Directors and two independent Non-Executive Directors, meets regularly throughout the year together with the Directors of the subsidiary companies and this provides the principal format for directing the Group's business.

It is the opinion of the Board that the Non-Executive Directors are independent of management and free from any business or other relationships which could materially interfere with the exercise of their independent judgement. The Non-Executive Directors provide a strong independent element on the Board and bring experience at a senior level of business operations and strategy.

All Directors have access to the Company Secretary, who is responsible for ensuring that Board procedures and applicable rules and regulations are observed.

Board Committees

The Board has delegated authority to two Committees. The Chairman of each Committee provides a report of any meeting of that Committee at the next Board Meeting, and the Chairmen of both Committees are present at the Annual General Meeting to answer questions from shareholders. Brief details are set out below.

Audit Committee

The Audit Committee comprises both Non-Executive Directors, and is chaired by M Macario. The purpose of the Committee is to ensure the preservation of good financial practices throughout the Group; to monitor that controls are in force to ensure integrity of financial information; to review the interim and annual financial statements; and to ensure compliance with accounting standards and generally accepted accounting principles. In addition, the fees and objectivity of the Company's auditors are considered by the Committee. Detailed presentations to the Committee are made by the Company's external auditors. The presence of the Finance Director and other senior Executives from the Group may be requested.

Remuneration Committee

The Remuneration Committee comprises both Non-Executive Directors and is chaired by R Pomphrett. The Committee is responsible for the Executive Directors' remuneration, other benefits and terms of employment, including performance related bonuses and share options.

The Company and its shareholders

The Board remains committed to ongoing dialogue with its shareholders. The Group has continued to increase its awareness to the investing public at large and was represented at a series of Investor Relations exhibitions, where shareholders welcomed the opportunity to meet the management team and improve their understanding of the Group.

The principal methods of communication with private investors remain the Annual Report and Accounts, the Interim Statement, the Annual General Meeting, the quarterly newsletter and the Company's website.

Internal control

The Board is ultimately responsible for the Group's system of internal control and for reviewing its effectiveness. Such systems are designed to manage rather than eliminate risks, and can only provide reasonable and not absolute assurance against misstatement or loss.

The Group has established procedures for all business units to operate appropriate and effective risk management. They place clear responsibility for risk management and the Company endeavours to ensure that the appropriate controls, systems and training are in place.

A comprehensive budgetary process is completed once a year and is reviewed and approved by the Board. The Group's results as compared to the budget and prior year are reported to the Board on a monthly basis.

The Group maintains appropriate insurance cover and reviews the adequacy of the cover regularly.

There are clearly defined procedures for reviewing and approving all bids, acquisitions and capital expenditure within the Group.

We have audited the financial statements of Mears Group PLC for the year ended 31 December 2001 which comprise the principal accounting policies, the consolidated profit and loss account, the balance sheets, the consolidated cash flow statement and notes 1 to 27. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the Directors and auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Company is not disclosed.

We read other information contained in the Annual Report including the corporate governance statement and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' report, the Chairman's statement, the financial review and the corporate governance statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion as to the effectiveness of the Group's corporate governance procedures or its risks and control procedures. Our responsibilities do not extend to any other information.

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 Group'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 affairs of the Company and the Group as at 31 December 2001 and of the profit for the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton
Registered Auditors
Chartered Accountants
Cheltenham
2 April 2002

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention.

The principal accounting policies of the Group are set out below. They remain unchanged from the previous year.

Basis of consolidation

The Group financial statements consolidate those of the Company and its subsidiary undertakings (see note 11) drawn up to 31 December 2001. Acquisitions of subsidiaries are dealt with by the acquisition method of accounting.

The Company is entitled to merger relief offered by section 131 of the Companies Act 1985 in respect of the consideration received in excess of the nominal value of the equity shares issued in connection with the acquisition of Mears Building Contractors Limited, an acquisition made in the year ended 31 December 1996.

Goodwill

Goodwill arising on consolidation and purchased goodwill, representing the excess of the fair value of the consideration given over the fair values of the identifiable net assets acquired, is capitalised and is amortised on a straight line basis over its estimated useful economic life of 20 years. Negative goodwill is capitalised and is written back to the profit and loss account to match the recovery of the non-monetary assets acquired.

As a matter of accounting policy, goodwill arising on consolidation for accounting periods ending up to 31 December 1997 was eliminated from the financial statements by immediate write off on acquisition against reserves. Such goodwill will be charged to the profit and loss account on the subsequent disposal of the business to which it relates.

Tangible fixed assets and depreciation

Tangible fixed assets are included at cost, net of depreciation. Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their estimated useful economic lives. The rates generally applicable are:

Freehold buildings	– 2% per annum, straight line
Leasehold improvements	– over the period of the lease, straight line
Plant and machinery	– 25% per annum, reducing balance
Fixtures, fittings and equipment	– 25% per annum, reducing balance
Motor vehicles	– 25% per annum, reducing balance

Investments

Investments are included at cost.

Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost includes materials and direct labour.

Long-term contracts

The attributable profit on long-term contracts is recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the project.

Costs associated with long-term contracts are included within stock to the extent that they cannot be matched with contract work accounted for as turnover.

Full provision is made for losses on any contracts or work in progress in a period that a loss is first foreseen.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the Group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised where it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Turnover

Turnover is the total amount receivable by the Group for goods supplied and services provided, excluding VAT and trade discounts.

Retirement benefits

Contributions to pension funds

The pension costs charged against profits are the contributions payable to individual policies in respect of the accounting period.

Leased assets

All leases are regarded as operating leases and the total payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

Financial instruments

Income and expenditure arising on financial instruments is recognised on an accruals basis, and credited or charged to the profit and loss account in the financial period to which it relates.

Interest differentials, under which the amounts and periods for which interest rates on borrowings are varied, are reflected as adjustments to interest payable.

Consolidated Profit and Loss Account for the year ended 31 December 2001

	Note	2001 £	2001 £	2000 £	2000 £
Turnover					
Continuing operations		**68,579,597**		66,944,602	
Discontinued operations		—		3,735,584	
			68,579,597		70,680,186
Cost of sales			**(51,638,639)**		(55,108,694)
Gross profit					
Continuing operations		**16,940,958**		15,837,505	
Discontinued operations		—		(266,013)	
			16,940,958		15,571,492
Administrative expenses			**(14,362,652)**		(14,897,151)
Exceptional item	2		—		1,558,356
Operating profit					
Continuing operations		**2,578,306**		2,232,697	
Discontinued operations		—		—	
			2,578,306		2,232,697
Net interest	3		**(69,908)**		(304,218)
Profit on ordinary activities before taxation	1		**2,508,398**		1,928,479
Tax on profit on ordinary activities	5		**(378,500)**		(139,654)
Profit on ordinary activities after taxation			**2,129,898**		1,788,825
Equity minority interests			**10,157**		(6,749)
Profit for the financial year	6		**2,140,055**		1,782,076
Dividends	7		**(444,131)**		(345,448)
Profit retained	18		**1,695,924**		1,436,628
Earnings per share					
Basic	8		**4.00p**		3.50p
Basic – normalised	8		**3.30p**		2.64p
Diluted	8		**3.61p**		3.20p

There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

	Note	**2001 £**	**2001 £**	2000 £	2000 £
Fixed assets					
Intangible assets	9	**2,243,136**		2,193,119	
Tangible assets	10	**1,360,633**		1,060,302	
Investments	11	**55,677**		55,677	
			3,659,446		3,309,098
Current assets					
Stocks	12	**1,232,170**		1,737,153	
Debtors	13	**15,739,056**		16,192,676	
Cash at bank and in hand		**4,576,203**		3,596,623	
		21,547,429		21,526,452	
Creditors: amounts falling due within one year	14	**(18,194,870)**		(19,406,859)	
Net current assets			**3,352,559**		2,119,593
Total assets less current liabilities			**7,012,005**		5,428,691
Creditors: amounts falling due after more than one year	15		**—**		(400,000)
Provisions for liabilities and charges	16		**—**		(6,500)
			7,012,005		5,022,191
Capital and reserves					
Called up share capital	17		**537,352**		525,152
Share premium account	18		**2,397,851**		2,163,151
Other reserve	18		**—**		(249,898)
Profit and loss account	18		**4,059,730**		2,613,704
Equity shareholders' funds	19		**6,994,933**		5,052,109
Equity minority interests			**17,072**		(29,918)
			7,012,005		5,022,191

The financial statements were approved by the Board of Directors on 2 April 2002.

R Holt
Director

D J Robertson
Director

The accompanying accounting policies and notes form an integral part of these financial statements.

	Note	2001 £	2001 £	2000 £	2000 £
Fixed assets					
Investments	11		**5,286,513**		4,970,888
Current assets					
Debtors	13	**3,347,618**		850,009	
Cash at bank and in hand		**—**		61,277	
		3,347,618		911,286	
Creditors: amounts falling due within one year	14	**(5,215,046)**		(2,378,557)	
Net current liabilities			**(1,867,428)**		(1,467,271)
Total assets less current liabilities			**3,419,085**		3,503,617
Creditors: amounts falling due after more than one year	15		**—**		(400,000)
			3,419,085		3,103,617
Capital and reserves					
Called up share capital	17		**537,352**		525,152
Share premium account	18		**2,397,851**		2,163,151
Profit and loss account	18		**483,882**		415,314
Equity shareholders' funds	19		**3,419,085**		3,103,617

The financial statements were approved by the Board of Directors on 2 April 2002.

R Holt
Director

D J Robertson
Director

The accompanying accounting policies and notes form an integral part of these financial statements.

	Note	**2001** **£**	2000 £
Net cash inflow from operating activities	20	**4,288,850**	2,483,465
Returns on investments and servicing of finance			
Interest received		**3,112**	2,237
Interest paid		**(76,617)**	(323,816)
Finance lease and hire purchase interest paid		**—**	(459)
Net cash outflow from returns on investments and servicing of finance		**(73,505)**	(322,038)
Taxation paid		**(104,912)**	(266,635)
Capital expenditure			
Purchase of tangible fixed assets		**(665,169)**	(405,817)
Sale of tangible fixed assets		**38,373**	67,392
Purchase of investment		**—**	(55,658)
Net cash outflow from capital expenditure		**(626,796)**	(394,083)
Acquisitions			
Purchase of subsidiary undertakings		**—**	(771,110)
Net cash acquired with subsidiary undertakings		**—**	—
Net cash outflow from acquisitions		**—**	(771,110)
Equity dividends paid		**(373,771)**	(287,455)
Financing			
Issue of shares		**111,275**	81,597
Repayment of borrowings		**(1,100,040)**	(200,000)
Capital element of finance leases and hire purchase rentals	21	**—**	(19,956)
Net cash outflow from financing		**(988,765)**	(138,359)
Increase in cash	21	**2,121,101**	303,785

The accompanying accounting policies and notes form an integral part of these financial statements.

1. Turnover and profit on ordinary activities before taxation

Turnover and profit on ordinary activities before taxation are attributable to the following activities carried out entirely within the UK.

	Turnover		Profit before taxation		Net assets	
	2001 £	2000 £	**2001 £**	2000 £	**2001 £**	2000 £
Maintenance, mechanical and electrical services:						
Continuing	**59,775,925**	59,695,251	**1,914,434**	1,526,436	**5,925,985**	4,355,135
Discontinued	**—**	3,735,584	**—**	—	**—**	—
Motor vehicle distribution	**8,803,672**	7,249,351	**593,964**	402,043	**1,086,020**	667,056
	68,579,597	70,680,186	**2,508,398**	1,928,479	**7,012,005**	5,022,191

Profit on ordinary activities is stated after:

	2001 £	2000 £
Auditors' remuneration		
– audit services	**40,800**	40,000
– non-audit services	**11,800**	12,000
Amortisation of goodwill	**122,755**	122,755
Write-back of negative goodwill	**—**	(1,558,356)
Depreciation	**328,643**	307,231
Hire of plant and machinery	**403,707**	479,778
Other operating lease rentals	**2,033,570**	2,140,437

2. Exceptional item

The exceptional item related to the write-back of negative goodwill arising on the acquisition of Haydon and Company Limited. The release of this goodwill was matched to loss making contracts, redundancy, closure costs and other costs associated with the restructuring of that business.

3. Net interest

	2001 £	2000 £
On bank loans and overdrafts	**73,334**	305,996
Finance charges on finance leases and hire purchase contracts	**—**	459
	73,334	306,455
Other interest receivable and similar income	**(3,426)**	(2,237)
	69,908	304,218

4. Directors and employees

Staff costs during the year were as follows:

	2001 **£**	2000 £
Wages and salaries	**16,312,189**	18,156,185
Social security costs	**1,448,627**	1,661,825
Other pension costs	**212,904**	172,221
	17,973,720	19,990,231

The average number of employees of the Group during the year was:

	2001 **£**	2000 £
Site workers	**539**	543
Office & management	**286**	417
	825	960

Remuneration in respect of Directors was as follows:

	2001 **£**	2000 £
Emoluments	**458,755**	425,307
Pension contributions to personal pension schemes	**65,561**	41,295
	524,316	466,602

The amounts set out above include remuneration in respect of the highest paid Director as follows:

	2001 **£**	2000 £
Emoluments	**157,747**	141,689
Pension contributions to personal pension schemes	**33,396**	21,795

During the year contributions were paid to personal pension schemes for three Directors (2000: three).

5. Tax on profit on ordinary activities

The tax charge represents:

	2001 **£**	2000 £
United Kingdom corporation tax at 15.9% (2000: 7.3%)	**405,000**	150,000
Adjustments in respect of prior years		
– deferred tax	**(6,500)**	—
– corporation tax	**(20,000)**	(10,346)
	378,500	139,654

6. Profit for the financial year

The parent company has taken advantage of section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The Group profit for the year includes a profit of £512,699 (2000: £535,400) which is dealt with in the financial statements of the Company.

7. Dividends

	2001 £	2000 £
Ordinary shares		
– interim dividend of 0.20p (2000: 0.15p) per share paid	**106,720**	78,397
– proposed final dividend of 0.60p (2000: 0.50p) per share	**337,411**	267,051
	444,131	345,448

8. Earnings per share

Basic earnings per share is based on equity earnings of £2,140,055 (2000: £1,782,076) and 53,538,267 (2000: 50,962,979) ordinary shares at 1p each, being the average number of shares in issue during the year.

For diluted earnings per share the average number of shares in issue is increased to 59,232,325 (2000: 55,731,166) to reflect the potential diluting effect of employee share schemes.

The earnings have been affected by the utilisation of tax losses in 2000 and 2001 generated by Haydon and Company Limited in 1999 and 2000, and the write-back of negative goodwill in both those years. A full tax earnings per share, shown as normalised, is disclosed in order to show performance undistorted by these effects. The normalised earnings per share is based on equity earnings, subject to a notional corporation tax charge of 30% (2000: 30%), of £1,766,036 (2000: £1,343,187).

	Basic		Diluted	
	2001 p	2000 p	**2001 p**	2000 p
Earnings per share	**4.00**	3.50	**3.61**	3.20
Effect of full tax adjustment	**(0.70)**	(0.86)	**(0.63)**	(0.79)
Normalised earnings per share	**3.30**	2.64	**2.98**	2.41

9. Intangible fixed assets

The Group	Goodwill arising on consolidation £	Purchased goodwill £	Total £
Cost			
At 1 January 2001	2,175,100	280,000	2,455,100
Additions	172,772	—	172,772
At 31 December 2001	**2,347,872**	**280,000**	**2,627,872**
Amortisation			
At 1 January 2001	235,148	26,833	261,981
Provided in the year	108,755	14,000	122,755
At 31 December 2001	**343,903**	**40,833**	**384,736**
Net book amount			
At 31 December 2001	**2,003,969**	**239,167**	**2,243,136**
At 31 December 2000	1,939,952	253,167	2,193,119

Additions to goodwill arising on consolidation relate primarily to the purchase of the remaining 20% of the equity share capital of Mears Contract Services Limited.

10. Tangible fixed assets

The Group	Freehold land and buildings £	Leasehold improvements £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost						
At 1 January 2001	59,995	243,984	713,769	1,330,195	234,958	2,582,901
Additions	—	157,222	56,105	451,842	—	665,169
Disposals	—	—	(76,921)	(31,354)	(65,348)	(173,623)
At 31 December 2001	**59,995**	**401,206**	**692,953**	**1,750,683**	**169,610**	**3,074,447**
Depreciation						
At 1 January 2001	2,400	190,042	577,668	606,831	145,658	1,522,599
Provided in the year	1,200	23,376	38,233	253,931	11,903	328,643
Eliminated on disposals	—	—	(56,185)	(20,381)	(60,862)	(137,428)
At 31 December 2001	**3,600**	**213,418**	**559,716**	**840,381**	**96,699**	**1,713,814**
Net book amount						
At 31 December 2001	**56,395**	**187,788**	**133,237**	**910,302**	**72,911**	**1,360,633**
At 31 December 2000	57,595	53,942	136,101	723,364	89,300	1,060,302

11. Fixed asset investments

The Group	£
Investments	
Cost	
At 1 January 2001 and **31 December 2001**	**55,677**

The investment represents a holding of 19.9% in the equity share capital of Haydon Response Limited.

The Company	£
Investment in subsidiary undertakings	
Cost	
At 1 January 2001	4,970,888
Additions	315,625
At 31 December 2001	**5,286,513**

Additions relate to the purchase of 90% of the equity share capital of Mears Facility Management Limited and the purchase of the remaining 20% of Mears Contract Services Limited.

11. Fixed asset investments (continued)

At 31 December 2001 the Group held 20% or more of the equity share capital of the following subsidiary undertakings:

	Proportion held		
	Group	Company	Nature of business
Mears Building Contractors Limited	—	100%	Provision of maintenance services
Electrical Contracting Services (UK) Limited	—	76%	Dormant
Mears Design Services Limited	—	100%	Dormant
ARV Services Limited	—	100%	Dormant
United Fleet Distribution Limited	—	100%	Distribution of motor vehicles
Transbureau Limited	100%	—	Provision of facilities management services
Mears Facility Management Limited	—	90%	Provision of facilities management services
Mears Contract Services Limited	—	100%	Maintenance contractor
Mears Building Services Limited	—	99.4%	Provision of maintenance services
Haydon and Company Limited	—	100%	Provision of maintenance, mechanical and electrical services

12. Stocks

The Group	**2001 £**	2000 £
Materials and consumables	**387,496**	422,324
Work in progress	**844,674**	1,314,829
	1,232,170	1,737,153

13. Debtors

	The Group		The Company	
	2001 £	2000 £	**2001 £**	2000 £
Trade debtors	**12,127,444**	12,180,354	**—**	—
Amounts owed by Group undertakings	**—**	—	**3,321,026**	850,007
Amounts recoverable on contracts	**3,114,206**	3,313,072	**—**	—
Other debtors	**177,656**	259,536	**26,592**	2
Prepayments and accrued income	**319,750**	439,714	**—**	—
	15,739,056	16,192,676	**3,347,618**	850,009

14. Creditors: amounts falling due within one year

	The Group		The Company	
	2001 £	2000 £	**2001 £**	2000 £
Bank loan	**—**	700,040	**—**	700,040
Bank overdraft	**1,963,456**	3,104,977	**1,907,557**	—
Payments received on account	**4,208,530**	4,075,156	**—**	—
Trade creditors	**8,081,717**	7,650,979	**—**	—
Amounts owed to Group undertakings	**—**	—	**2,696,171**	1,359,865
Corporation tax	**367,817**	87,729	**85,000**	10,705
Social security and other taxes	**1,835,611**	1,739,227	**—**	—
Proposed dividend	**337,411**	267,051	**337,411**	267,051
Other creditors	**7,945**	346,852	**188,907**	773
Accruals and deferred income	**1,392,383**	1,434,848	**—**	40,123
	18,194,870	19,406,859	**5,215,046**	2,378,557

15. Creditors: amounts falling due after more than one year

	The Group		The Company	
	2001 **£**	2000 £	**2001** **£**	2000 £
Bank loan	**—**	400,000	**—**	400,000

Borrowings, being bank loan and overdraft are repayable as follows:

	The Group		The Company	
	2001 **£**	2000 £	**2001** **£**	2000 £
Within one year	**1,963,456**	3,805,017	**1,907,557**	700,040
After one and within two years	**—**	200,000	**—**	200,000
After two and within five years	**—**	200,000	**—**	200,000
	1,963,456	4,205,017	**1,907,557**	1,100,040

The Group uses financial instruments comprising borrowings, some cash and liquid resources, and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

The main risks arising from the Group's financial instruments are interest rate risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Short term debtors and creditors

Short term debtors and creditors have been excluded from all the following disclosures.

Interest rate risk

The Group finances its operations through a mixture of retained profits and bank borrowings.

The interest rate exposure of the financial liabilities of the Group as at 31 December 2001 was:

	Interest Rate			
	Fixed	Floating	Zero	Total
Financial liabilities – 2001	**—**	**1,963,456**	**—**	**1,963,456**
Financial liabilities – 2000	—	4,205,017	—	4,205,017

The floating rate borrowings bear interest at rates based on LIBOR.

Liquidity risk

The Group seeks to manage financial risk, to ensure sufficient liquidity is available to meet the identifiable needs of the Group and to invest cash assets safely and profitably. Short-term flexibility is achieved through use of the bank overdraft facilities.

16. Provisions for liabilities and charges

Deferred taxation

The Group	£
Accelerated capital allowances:	
At 1 January 2001	6,500
Reduction in provision	(6,500)
At 31 December 2001	**—**

17. Share capital

	2001 £	2000 £
Authorised		
100,000,000 ordinary shares of 1p each	**1,000,000**	1,000,000
Allotted, called up and fully paid		
53,735,199(2000: 52,515,199) ordinary shares of 1p each	**537,352**	525,152

During the year, 970,000 ordinary shares of 1p each were issued for consideration of £111,275, as a result of share options and warrants being exercised. A further 250,000 ordinary shares of 1p each were issued in consideration for the remaining 20% of the share capital of Mears Contract Services Limited.

At 31 December 2001, the following ordinary shares were subject to options:

	Date of Grant	Number	Exercise Price	Exercise dates
Executive Share Option scheme	1997	105,000	13.25p	2000–2007
	1998	100,000	12.25p	2001–2008
	1998	250,000	11.75p	2001–2008
	1999	300,000	14.25p	2002–2009
	2000	530,000	19.25p	2003–2010
	2001	407,250	50p	2004–2011
Unapproved Options	1996	1,800,000	10p	1999–2003
	2001	1,525,000	50p	2004–2011
Save As You Earn Scheme	1997	32,093	10.75p	2002
	1998	294,534	9.50p	2002/2004
	2001	453,891	50p	2004/2006

Included above are the following options granted to Directors:

	Date of Grant	Number	Exercise Price	Exercise dates
R Holt	1996	1,800,000	10p	1999–2003
D J Robertson	1998	100,000	11.75p	2001–2008
	1999	100,000	14.25p	2002–2009
	2001	208,000	50p	2004–2011

18. Share premium account and reserves

The Group	Share premium account £	Other reserve £	Profit and loss account £
At 1 January 2001	2,163,151	(249,898)	2,613,704
Issue of shares	234,700	—	—
Consolidation adjustment	—	249,898	(249,898)
Retained profit for the year	—	—	1,695,924
At 31 December 2001	**2,397,851**	**—**	**4,059,730**

The consolidation adjustment represents the difference between nominal value of 24,999,800 ordinary shares issued in exchange for the entire share capital (£100) of Mears Building Contractors Limited arising on a Group reconstruction in 1996.

18. Share premium account and reserves (continued)

The Company	Share premium account £	Profit and loss account £
At 1 January 2001	2,163,151	415,314
Issue of shares	234,700	—
Retained profit for the year	—	68,568
At 31 December 2001	**2,397,851**	**483,882**

The balance on the share premium account may not be legally distributed under section 264 of the Companies Act 1985.

19. Reconciliation of movements in equity shareholders' funds

	The Group		The Company	
	2001 £	2000 £	**2001 £**	2000 £
Profit for the financial year	**2,140,055**	1,782,076	**512,699**	535,400
Dividends	**(444,131)**	(345,448)	**(444,131)**	(345,448)
	1,695,924	1,436,628	**68,568**	189,952
Issue of shares	**246,900**	81,597	**246,900**	81,597
Net increase in equity shareholders' funds	**1,942,824**	1,518,225	**315,468**	271,549
Equity shareholders' funds at 1 January 2001	**5,052,109**	3,533,884	**3,103,617**	2,832,068
Equity shareholders' funds at 31 December 2001	**6,994,933**	5,052,109	**3,419,085**	3,103,617

20. Net cash inflow from operating activities

	2001 £	2000 £
Operating profit	**2,578,306**	2,232,697
Depreciation and amortisation/(writeback) of goodwill	**451,398**	(1,128,370)
Profit on disposal of fixed assets	**(2,178)**	(11,406)
Decrease in stocks	**504,983**	1,544,984
Decrease in debtors	**473,620**	2,132,631
Increase/(decrease) in creditors	**282,721**	(2,287,071)
Net cash inflow from operating activities	**4,288,850**	2,483,465

21. Reconciliation of net cash flow to movement in net funds/(debt)

	2001 £	2000 £
Increase in cash in the year	**2,121,101**	303,785
Cash outflow from financing	**1,100,040**	200,000
Cash outflow from finance leases and hire purchase contracts	**—**	19,956
Change in net funds/(debt) resulting from cash flows	**3,221,141**	523,741
Net debt at 1 January 2001	**(608,394)**	(1,132,135)
Net funds/(debt) at 31 December 2001	**2,612,747**	(608,394)

22. Analysis of changes in net funds/(debt)

	At 1 January 2001 £	Cash Flow £	**At 31 December 2001 £**
Cash at bank and in hand	3,596,623	979,580	**4,576,203**
Overdrafts	(3,104,977)	1,141,521	**(1,963,456)**
	491,646	2,121,101	**2,612,747**
Debt	(1,100,040)	1,100,040	**—**
	(608,394)	3,221,141	**2,612,747**

23. Material non-cash transaction

During the year the Company issued 250,000 ordinary shares of 1p each in consideration for the remaining 20% of the share capital of Mears Contract Services Limited.

24. Capital commitments

Neither the Group or Company had any capital commitments at 31 December 2001 or at 31 December 2000.

25. Contingent liabilities

The Group has guaranteed that it will complete the contracts it has commenced with 24 (2000: 23) Local Authorities. At 31 December 2001 these guarantees amounted to £2,070,162 (2000: £1,463,429).

The Group and Company had no other contingent liabilities at 31 December 2001 or at 31 December 2000.

26. Pensions

The Company operates a Group personal pension scheme for the benefit of certain Directors and employees. The Group operates a stakeholder pension plan available to all employees.

27. Leasing commitments

The Group

Operating lease payments amounting to £1,142,153 (2000: £786,115) are due within one year. The leases to which these relate expire as follows:

	2001		2000	
	Land and Buildings £	**Other £**	Land and buildings £	Other £
In one year or less	**84,284**	**70,246**	11,500	196,322
Between one and five years	**209,415**	**693,019**	191,617	346,201
In five years or more	**85,189**	**—**	40,475	—
	378,888	**763,265**	243,592	542,523

Notice is hereby given that the Annual General Meeting of Mears Group PLC will be held at the offices of Old Mutual Securities, Old Mutual Place, 2 Lambeth Hill, London, EC4 4GG at 12 noon on 29 May 2002 when the following ordinary business will be considered:

1. To receive and adopt the Accounts for the year ended 31st December 2001, together with the reports of the Directors and auditors thereon.
2. To declare a final dividend of 0.60p per share on the ordinary share capital of the Company.
3. To re-appoint Grant Thornton as auditors and authorise the Directors to determine their remuneration.
4. To re-appoint R Holt as a Director who, in accordance with the Articles of Association, retires by rotation.
5. To re-appoint M A Macario as a Director who, in accordance with the Articles of Association, retires by rotation.

And the following special business:

Ordinary resolution

6. THAT in substitution for the authority to allot relevant securities conferred on the Directors by ordinary resolution passed on 6 June 2001, the Directors be and are hereby generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80(2) of the Companies Act 1985) of the Company with an aggregate nominal amount of up to £223,157 provided that the authority hereby conferred shall expire five years from the date of this resolution unless previously renewed, varied or revoked by the Company in general meeting and so that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities of the Company to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such agreements as if the authority hereby conferred had not expired. In relation to the grant of any rights to subscribe for, or to convert any security into, shares in the Company, the reference in this paragraph to the maximum amount of relevant securities that may be allotted is to the maximum amount of shares which may be allotted pursuant to such rights.

Special resolution

7. THAT:
   (a) the Directors be authorised to allot securities of the Company (pursuant to the authority conferred on the Directors by resolution 6 above) at any time up to the conclusion of the Company's next annual general meeting following the date of the passing of this resolution or, if earlier, the expiry of 15 months from the date of the passing of this resolution as if section 89(1) of the Companies Act 1985 did not apply to any such allotment, provided that such power shall be limited to the allotment of equity securities:
      (i) in connection with any rights issue; and
      (ii) otherwise than under sub-paragraph (a) (i) of this resolution, with an aggregate nominal amount of up to £27,913.
   (b) such power shall permit and enable the Company to make an offer or agreement before the expiry of such power which would or might require equity securities to be allotted after such expiry and shall permit the Directors to allot such securities pursuant to any such offer or agreement as if such power had not expired; and
   (c) in this resolution:
      (i) "rights issue" means an offer of equity securities open for acceptance for a period fixed by the Directors to holders of ordinary shares on the register on a fixed record date in proportion to their respective holdings of such shares or in accordance with the rights attached thereto (but subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory);
      (ii) the nominal amount of any securities should be taken to be, in the case of a right to subscribe for or convert any securities into shares of the Company, the nominal amount of the shares which may be allotted pursuant to such right; and
      (iii) words and expressions defined in or for the purposes of sections 89 to 96 inclusive of the Companies Act 1985 shall bear the same meanings.

By Order of the Board

R B Pomphrett ACIS, MSI
Secretary
2 May 2002

The Leaze
Salter Street
Berkeley
Gloucestershire
GL13 9DB

Notes:

1. A member entitled to attend and vote at the meeting may appoint a proxy to attend and, on a poll, to vote instead of him. A proxy need not also be a member of the Company.
2. A form of proxy is enclosed. Completion of the proxy does not preclude a shareholder from attending the meeting and voting in person. Proxies must be received by the Company, The Leaze, Salter Street, Berkeley, Gloucestershire GL13 9DB not less than 48 hours before the time fixed for the meeting.
3. In accordance with Regulation 34 of Uncertified Securities Regulations 1995, only those members entered on the register of members of the Company on 27 May 2002 shall be entitled to attend or vote at the meeting in respect of the numbers of shares registered in their name on that date.
4. There will be available for inspection at the Company's registered office during normal business hours from the date of this notice to the date of the annual general meeting and for 15 minutes prior to and during the meeting the following:
   (a) the Register of Directors' interest in the share capital of the Company; and
   (b) copies of the Directors' Contracts of Service with the Company or its subsidiaries.

Registered office
The Leaze
Salter Street
Berkeley
Gloucestershire
GL13 9DB
Tel: 01453 511911
www.mearsgroup.co.uk

Company registration number
3232863

Directors

Chairman and Chief Executive
R Holt

Finance Director
D J Robertson BSc, CA

Executive Director
P L Molloy

Non-Executive
M A Macario FCA

Non-Executive
R B Pomphrett ACIS, MSI

Secretary
R B Pomphrett ACIS, MSI

Bankers
Barclays Bank PLC
18 Southgate Street
Gloucester
GL1 2DJ
Tel: 01452 365353

Solicitors
BPE
St James's House
St James' Square
Cheltenham
GL50 3PR
Tel: 01242 224433

Auditors
Grant Thornton
Registered Auditors
Chartered Accountants
The Quadrangle
Imperial Square
Cheltenham
GL50 1PZ
Tel: 01242 633200

Nominated advisor and stockbroker
Old Mutual Securities
Temple Court
35 Bull Street
Birmingham
B4 6ES
Tel: 0121 710 4500

Financial Advisor
Altium Capital
5 Ralli Court
West Riverside
Manchester
M3 5FT
Tel: 0161 831 9133

designed & produced by The Design Portfolio
a member of the flathill communications group plc
www.flathillplc.com

Mears Group PLC
The Leaze
Salter Street
Berkeley
Gloucestershire
GL13 9DB

Mears Group PLC **Form of Proxy**

I/We (Block Capitals Please) ....

of (Block Capitals Please) ....

being (a) member(s) of the above-named Company, hereby appoint the Chairman of the Meeting

*.. as my/our proxy to vote as indicated below for me/us at the Annual General Meeting of the Company to be held at 12 noon on 29 May 2002 and at any adjournment thereof.

*If it is desired to appoint another person as proxy, the words "the Chairman of the Meeting" should be deleted and the name of the proxy inserted.

This proxy to be used:

	For	Against
As Ordinary Business		
Resolution 1		
Resolution 2		
Resolution 3		
Resolution 4		
Resolution 5		
As Special Business		
Resolution 6		
Resolution 7		

Dated .... Signature...

Notes

1. If the appointor is a corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorised in that behalf.
2. In the case of joint holders, the signature of any one holder will be sufficient but the names of all the joint holders should be stated.
3. If this form is returned without any indication as to how the person appointed proxy shall vote he will exercise his discretion as to how he votes or whether he abstains from voting.
4. The completion and return of this form of proxy will not preclude a member from attending and voting at the meeting should he so wish.
5. To be valid, this form must be completed and deposited at the registered office of the Company not less than 48 hours before the time fixed for holding the meeting or adjourned meeting. Changes to entries on the register of members of the Company after that time shall be disregarded in determining the rights of any member to attend and vote at such meeting.

Please
Affix
stamp
here

The Secretary
Mears Group PLC
Salter Street
Berkeley
Gloucestershire
GL13 9DB