

Robert Prettie & Co Limited

Annual report and financial statements

Registered number 00948375

31 March 2021



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Company information

Directors

P J G Dickinson

M R Peacock

Secretary

Mitie Company Secretarial Services Limited

Registered office

Level 12

The Shard

32 London Bridge Street

London

SE1 9SG

Auditor

BDO LLP

Statutory Auditor

55 Baker Street

London

W1U 7EU

Directors' report

The Directors present the annual report and audited financial statements of Robert Prettie & Co Limited (the "Company") for the year ended 31 March 2021.

The Company is part of the Mitie group of companies (the "Group"), the ultimate parent company being Mitie Group plc.

Strategic report

The Directors have taken advantage of the exemption provided by section 414B of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 from preparing a strategic report.

Review of the business

The Company does not have any trading operations.

As shown in the profit and loss account on page 8 the Company recognised £559,000 of interest receivable during the year ended 31 March 2021 (2020: £557,000) and the profit for the year was £453,000 (2020: £345,000).

Going concern

The Company's business activities have been described above. The financial statements have been prepared on a going concern basis. See Note 1c.

Directors

The Directors who held office during the year and up to the date of signing the financial statements were:

Director	Date of appointment	Date of resignation
P J G Dickinson		
S C Kirkpatrick		27/08/2021
M R Peacock	26/08/2021	

Directors' indemnity

A qualifying third-party indemnity provision as defined in Section 234 of the Companies Act 2006 is in force for the benefit of each of the Company's Directors listed above in respect of liabilities incurred as a result of their office to the extent permitted by law.

Dividends

No dividend was declared or paid in the year (2020: £nil).

Principal risks and uncertainties

The Company is part of the Mitie Group and manages its risks within the Mitie Group Risk Framework. Details of the principal risks and uncertainties are given in the Mitie Group plc annual report and accounts 2021. The Directors have reviewed the financial risk management objectives and policies of the Company in light of the Group Risk Framework. The Directors do not believe there to be any significant risks for which provision has not been made in the financial statements. The critical accounting judgements and key sources of estimation uncertainty have been described in Note 1d).

Financial risk management

The Company does not enter into any hedging instruments, or any financial instruments for speculative purposes.

The Company's requirement for additional funding is managed as part of the overall Mitie Group plc financing arrangements.

Directors' report *(continued)*

Environment

The Group endeavours to identify, monitor and manage the impact of their activities on the environment and is fully committed to environmental accountability and protection. The Company operates in accordance with Group policies which are described in the Group's annual report which does not form part of this report.

Political contributions

The Company made no political donations nor incurred any political expenditure during the year (2020: £nil).

Future developments

The Company is expected to continue generating interest income in the forthcoming year.

Post balance sheet events

Subsequent events have been disclosed in Note 13.

Disclosure of information to auditor

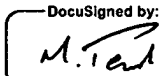
Each Director who is the Director of the Company at the date of approval of these financial statements confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that ought to have been taken as a Director to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, BDO LLP have been re-appointed as the auditor.

On behalf of the Board:

DocuSigned by:

67580D9FE8A6479...

M R Peacock
Director

Level 12
The Shard
32 London Bridge Street
London
SE1 9SG

2 December 2021

Robert Prettie & Co Limited
Annual report and financial statements
31 March 2021

Statement of Directors' responsibilities in respect of the Annual report and financial statements

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they 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 these 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Robert Prettie & Co Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Robert Prettie & Co Limited ("the Company") for the year ended 31 March 2021 which comprise the Profit and loss account, the Balance sheet and the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of Robert Prettie & Co Limited *(continued)*

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities in respect of the Annual report and financial statements, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We gained an understanding of the legal and regulatory framework applicable to the entity and the industry in which it operates, through discussion with management and our knowledge of the industry. We focussed on significant laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, UK Generally Accepted Accounting Practice, Health and Safety, the Bribery Act 2010 and tax legislations.
- We considered compliance with these laws and regulations through discussions with management and in-house legal counsel. Our procedures also included reviewing minutes from board meetings of those charges with governance to identify any instances of non-compliance with laws and regulations.
- We assessed the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur.

Independent auditor's report to the members of Robert Prettie & Co Limited *(continued)*

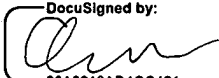
- We performed detailed testing of the entity's year end adjusting entries and journals throughout the year, investigated any that appeared unusual as to nature or amount.
- We identified areas at risk of management bias and challenged key estimates and judgements applied by Management in the financial statements to assess their appropriateness.
- We remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Oliver Chinneck (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK
Date: 2 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Robert Prettie & Co Limited
Annual report and financial statements
31 March 2021

Profit and loss account

	<i>Note</i>	2021 £000	2020 £000
Interest receivable and similar income	5	559	557
Profit before tax		559	557
Tax	6	(106)	(212)
Profit for the year		453	345

There were no items of other comprehensive income recognised during the current or prior year. Accordingly, no statement of comprehensive income has been prepared.

The notes on pages 11 to 17 form an integral part of the financial statements.

Robert Prettie & Co Limited
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Balance sheet

	Note	2021 £000	2020 £000
Current assets			
Debtors	7	32,294	31,736
Total current assets		<u>32,294</u>	<u>31,736</u>
Current liabilities			
Creditors ¹	8	(3,879)	(3,774)
Current tax payable		(212)	(212)
Provisions	9	(20,039)	(20,039)
Total current liabilities		<u>(24,130)</u>	<u>(24,025)</u>
Net current assets		<u>8,164</u>	<u>7,711</u>
Net assets		<u>8,164</u>	<u>7,711</u>
Capital and reserves			
Called up share capital	11	26	26
Profit and loss account	11	8,138	7,685
Shareholders' funds		<u>8,164</u>	<u>7,711</u>

1. The creditors balance as at 31 March 2020 has been re-presented to exclude current tax payable which is now presented on a separate line within current liabilities.

The notes on pages 11 to 17 form an integral part of the financial statements.

The financial statements of Robert Prettie & Co Limited, company number 00948375, were approved by the Board of Directors and authorised for issue on 2 December 2021 and were signed on its behalf by:

DocuSigned by:

 87580D9FE8A6479...
M R Peacock
 Director

Robert Prettie & Co Limited
Annual report and financial statements
31 March 2021

Statement of changes in equity

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 April 2019	26	7,340	7,366
Profit for the year	-	345	345
Total comprehensive income	-	345	345
At 31 March 2020	26	7,685	7,711
At 1 April 2020	26	7,685	7,711
Profit for the year	-	453	453
Total comprehensive income	-	453	453
At 31 March 2021	26	8,138	8,164

The notes on pages 11 to 17 form an integral part of the financial statements.

Notes

1 Accounting policies, judgements and estimates

a) General information

Robert Prettie & Co Limited (the "Company") is a private company limited by shares and is incorporated in England and Wales and domiciled in the UK. Details of the Company's activities are set out in the Directors' report.

b) Statement of compliance with FRS 101

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

c) Basis of preparation

Going concern

The financial statements have been prepared on a going concern basis. The Company participates in the Group's centralised treasury arrangements and shares banking arrangements with Mitie Group plc, its ultimate parent, and with fellow subsidiaries (together the Group). The Directors have received a letter of support from the directors of Mitie Group plc to confirm provision of adequate financial resources to the Company for a period of not less than twelve months from the date of approval of the Company's statutory financial statements for the period ended 31 March 2021 (the Going Concern Assessment Period) to ensure that the Company can meet its liabilities as they fall due.

The directors of Mitie Group plc have carried out an assessment on the ability of the Group to continue as a going concern for the period of at least 12 months from the date of approval of the financial statements. This assessment was based on the latest forecasts using the Group's cash flow model (the Base Case Forecasts), which has been reviewed by the Board. This includes the ongoing impact of COVID-19 on each of the Group's operations. These Base Case Forecasts indicate that the debt facilities currently in place are adequate to support the Group over the Going Concern Assessment Period.

The Group's principal debt financing arrangements as at 30 September 2021 were a £250m revolving credit facility maturing in December 2022 of which £241.4m was undrawn at 30 September 2021, and £151.5m of US private placement (USPP) notes (being the repayment amount after taking account of the cross-currency swaps hedging the principal amount), of which £121.5m are due to mature in December 2022. The revolving credit facility was replaced in October 2021 by a new £150m facility maturing in October 2025 (with an option to extend for a further year, subject to lenders' approval), on significantly more favourable terms. The issue of £120.0m of new USPP notes has also been agreed, under a delayed funding arrangement in December 2022, avoiding any overlap with the existing £121.5m of notes that mature in the same month. The new notes are split equally between 8, 10 and 12 year maturities, and will be issued with an average coupon that is significantly below the current coupon. The remaining £30m of USPP notes are due to mature in December 2024, which is outside of the Going Concern Assessment Period. These financing arrangements are subject to certain financial covenants which are tested every six months on a rolling 12-month basis.

The Group currently operates within the terms of its agreements with its lenders, with consolidated net cash (i.e. net cash adjusted for covenant purposes, including the exclusion of lease liabilities) of £120.5m at 30 September 2021. The Base Case Forecasts indicate that the Group will continue to operate within these terms and that the headroom provided by the Group's strong cash position and the debt facilities currently in place is adequate to support the Group over the Going Concern Assessment Period.

The directors of Mitie Group plc have also completed reverse stress tests using the Group cash flow model to assess the point at which the covenants, or facility headroom, would be breached. The sensitivities considered have been chosen after considering the Group's principal risks and uncertainties.

The primary financial risks for the Group related to adverse changes in the economic environment and / or a deterioration in commercial or operational conditions are listed below. These risks have been considered in the context of the potential further impact of COVID-19, taking into account the continued success of the vaccine roll-out, easing of restrictions and improvements in the economy:

Notes

1 Accounting policies, judgements and estimates (*continued*)

Going concern (*continued*)

- A downturn in revenues: this reflects the risks of not being able to deliver services to existing customers, or contracts being terminated or not renewed;
- A deterioration of gross margin: this reflects the risks of contracts being renegotiated at lower margins, or planned cost savings not being delivered;
- An increase in costs: this reflects the risks of a shortfall in planned overhead cost savings, including the integration synergies identified as a result of the Interserve Facilities Management acquisition not being delivered, or other cost increases such as sustained higher cost inflation; and
- A downturn in cash generation: this reflects the risks of customers delaying payments due to liquidity constraints, the removal of ancillary debt facilities or any substantial one-off settlements related to commercial issues.

As a result of completing this assessment, the directors of Mitie Group plc concluded that the likelihood of the reverse stress scenarios arising was remote. In reaching the conclusion of remote, the directors of Mitie Group plc considered the following:

- The improvement in trading for the Group up to the end of October 2021, compared with the more severe initial adverse impact of COVID-19, in the context of the continued easing of UK lockdown measures and anticipated economic recovery.
- All reverse stress test scenarios would require a very severe deterioration compared to the Base Case Forecasts. Revenue is considered to be the key risk, as this is less within the control of management. Revenue would need to decline by approximately 30% in the year ending 31 March 2022, compared to the Base Case Forecasts, which is considered to be very severe given the high proportion of the Group's revenue that is fixed in nature and the fact that in a COVID-hit year, the Group's revenue excluding Interserve Facilities Management declined by only 1.6% for the year ended 31 March 2021.
- In the event that results started to trend significantly below those included in the Base Case Forecasts, additional mitigation actions have been identified that would be implemented, which are not factored into the reverse stress test scenarios. These include cancellation of discretionary bonuses and reduced discretionary spend, including capital investments.

Based on these assessments, the directors of Mitie Group plc have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of no less than 12 months from the date of approval of these financial statements.

Based on this assessment, and their enquiries of the directors of Mitie Group plc, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of no less than 12 months from the date of approval of the Company's audited financial statements for the year ended 31 March 2021. Accordingly, the financial statements have been prepared on a going concern basis.

FRS 101 exemptions

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital;
- the statement of compliance with Adopted IFRSs;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- disclosures in respect of the compensation of Key Management Personnel; and
- disclosure in respect of related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

As the consolidated financial statements of Mitie Group plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instruments: Disclosures*.

Notes *(continued)*

1 Accounting policies, judgements and estimates *(continued)*

Accounting standards that are newly effective in the current year

There are no new and mandatorily effective standards in the year that would have a material impact on the financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis.

d) Significant accounting policies

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Financial instruments – classification and measurement

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument. The Company derecognises financial assets and liabilities only when the contractual rights and obligations are transferred, discharged or expire.

Financial assets comprise intercompany debtor. The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Financial liabilities comprise trade and other creditors. These are measured at initial recognition at fair value and subsequently at amortised cost.

Financial instruments – impairment of financial assets

The Company recognises a loss allowance for expected credit losses ("ECLs") on all receivable balances from customers subsequently measured at amortised cost, using a lifetime credit loss approach. Under this approach, the Company recognises a loss allowance based on lifetime ECLs at each reporting date. ECLs are calculated on the basis of historic and forward-looking data on default risk which is applied to customers with common risk characteristics such as sector type.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where management expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

Retirement benefit costs

The Company participates in a multi-employer defined benefit pension scheme. The Plumbing & Mechanical Services (UK) Industry Pension Scheme (the "Plumbing Scheme") is a funded multi-employer defined benefit scheme. Historically, the size and complexity of the Plumbing Scheme has meant the trustee has been unable to identify the assets and liabilities of the scheme which are attributable to the Company. On 23 April 2019 the trustee of the Plumbing Scheme issued a Section 75 employer debt notice in respect of the participation of the Company in the Plumbing Scheme (refer to Notes 9 and 10).

Taxation

The tax charge represents the tax currently payable.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Notes (continued)

1 Accounting policies, judgements and estimates (continued)

e) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements under FRS 101 requires management to make judgements, estimates and assumptions that affect amounts recognised for assets and liabilities at the reporting date and the amounts of revenue and expenses incurred during the reporting period. Actual results may differ from these judgements, estimates and assumptions.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, made by management in the process of applying the Company's accounting policies, that have the most significant effect on the amounts recognised in the Company's financial statements.

Recoverability of amounts owed by Group undertakings

The Company has material amounts owed by Group undertakings outstanding at year end. The judgement as to whether an amount has become irrecoverable is an assessment made by the Directors in the determination of the expected total credit loss recognised under IFRS 9. This assessment takes into consideration Group solvency and access to Group funding by the debtor. The Directors consider the full amount owed to be recoverable under IFRS 9.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Pension scheme Section 75 debt provision

Provisions are liabilities of uncertain timing or amount and therefore in making a reliable estimate of the quantum and timing of liabilities judgement is applied and re-evaluated at each reporting date.

The Company participates in the Plumbing Scheme. A provision of £20,039,000 (2020: £20,039,000) has been made for Section 75 employer debts in respect of the participation of the Company in the Plumbing Scheme (refer to Notes 9 and 10).

2 Auditor's remuneration

The auditor's remuneration was borne by Mitie Group plc, no recharge (2020: £nil) was made to the Company

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, Mitie Group plc.

3 Staff numbers and costs

There were no persons employed by the Company (including Directors) during the year (2020: nil).

4 Directors' remuneration

The following Directors were also directors or employees of another Group company. They were remunerated by the company shown. It is not practicable to allocate their remuneration between their services as Directors of this Company and as directors or employees of other Group companies.

Director	Remunerated by	Disclosed by
P J G Dickinson	Mitie Limited	Mitie Limited
S C Kirkpatrick	Mitie Limited	Mitie Limited

Notes (continued)

5 Interest receivable and similar income

	2021 £000	2020 £000
Interest receivable and similar income from Group undertakings	559	557
Total	<u>559</u>	<u>557</u>

6 Tax

	2021 £000	2020 £000
<i>Analysis of charge in the year</i>		
<i>UK corporation tax at 19% (2020: 19%)</i>		
Current tax on profit for the period	106	106
Adjustments in respect of prior periods	-	106
Total current tax	<u>106</u>	<u>212</u>
Total charge for the year	<u>106</u>	<u>212</u>

	2021 £000	2020 £000
<i>Reconciliation of effective tax rate</i>		
Profit before tax	559	557
Tax using the UK corporation tax rate of 19% (2020: 19%)	106	106
Adjustments in respect of prior periods	-	106
Total tax charge	<u>106</u>	<u>212</u>

The main rate of UK corporation tax will remain at 19% until 1 April 2023 when it will increase to 25%. The future corporation tax rate change is not expected to have a material impact on the company's financial statements.

7 Debtors

	2021 £000	2020 £000
Amounts owed by Group undertakings	12,255	11,697
Intercompany indemnity debtor	20,039	20,039
Total	<u>32,294</u>	<u>31,736</u>

In the opinion of the Directors, the fair value does not materially differ from the carrying value.

Amounts owed by Group undertakings are repayable on demand.

Included within amounts owed by Group undertakings above is £11,140,000 (2020: £11,140,000) relating to loans bearing interest at 5% per annum (2020: 5%).

Notes (continued)

8 Creditors

	2021 £000	2020 ¹ £000
Amounts owed to Group undertakings	3,879	3,774
Total	<u>3,879</u>	<u>3,774</u>

1. The creditors balance as at 31 March 2020 has been re-presented to exclude current tax payable which is now presented on a separate line within current liabilities.

Amounts owed to Group undertakings are repayable on demand.

9 Provisions

	Pension £000
At 1 April 2020	20,039
At 31 March 2021	<u>20,039</u>
Included in current liabilities	<u>20,039</u>

The pension provision relates to the Section 75 employer debt liability as a result of the Company's participation in the Plumbing Scheme. The provision has been recorded as a current provision, however timing of outflows is dependent on agreement with the trustee of the Plumbing Scheme and may occur over a longer period than one year. See Note 10.

10 Retirement benefit schemes

Multi-employer pension schemes

The Company participates in the Plumbing Scheme, a multi-employer defined benefit scheme. Historically, the size and complexity of the Plumbing Scheme has meant the trustee has been unable to identify the assets and liabilities of the scheme which are attributable to the Company.

When the Company exits such schemes (typically by ceasing to have any active employees in the scheme), pension legislation may require the Company to fund the Company's share of the total amount of net liabilities with a one-off cash payment (a Section 75 debt under the Pensions Act 1995). On 23 April 2019 the trustee of the Plumbing Scheme issued a Section 75 employer debt notice in respect of the participation of the Company in the Plumbing Scheme (refer to Note 9).

The Annual Member update issued by the Plumbing Scheme in October 2018 stated that the triennial valuation as at 5 April 2017 showed a surplus on a technical provisions basis of £29m, on liabilities of £1.9bn.

As set out in Note 9, a provision of £20,039,000 was made in the year ended 31 March 2019 for Section 75 employer debts in respect of the participation of the Company in the Plumbing Scheme. The Company has continued to hold this provision. The Company is validating the accuracy of the Section 75 debt estimate and once validated intends to seek the approval of the trustee for the payment of the debt over a number of years.

Notes (continued)

11 Capital and reserves

Share capital authorised and fully paid

	2021 Number	2020 Number	2021 £000	2020 £000
Ordinary shares				
Ordinary shares at £1 each	26,481	26,481	26	26
	<u>26,481</u>	<u>26,481</u>	<u>26</u>	<u>26</u>
	<u>26,481</u>	<u>26,481</u>	<u>26</u>	<u>26</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Profit and loss account

The profit and loss account comprises the retained earnings and losses of the Company, less amounts distributed to the Company's shareholder.

12 Related parties

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries within the Group.

13 Subsequent events

There were no material post balance sheet events that require adjustment or disclosure.

14 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Wealthy Thoughts Limited which is the immediate parent company incorporated in England and Wales. The ultimate controlling party is Mitie Group plc, a company incorporated in Scotland with its registered office at 35 Duchess Road, Rutherglen, Glasgow, G73 1AU. Mitie Group plc is the parent company of the largest and smallest groups into which the accounts of the Company are consolidated. The consolidated financial statements of Mitie Group plc are available to the public and may be obtained from the Company Secretary at Level 12, The Shard, 32 London Bridge Street, London, SE1 9SG or from www.mitie.com.