

Mitie Engineering Services (Northern Region) Limited

Annual Report and Financial Statements

Registered number 02564586

31 March 2019

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Company information

Directors

M Idle
P J G Dickinson
M K Nilsson

Secretary

Mitie Company Secretarial Services Limited

Registered office

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

Director's report

The Directors present the Annual Report and Financial Statements of Mitie Engineering Services (Northern Region) Limited ('the Company') for the year ended 31 March 2019.

Review of the business

The Company is a wholly owned subsidiary of Mitie Group plc ("the Group"). The Company made the decision during the year ended 31 March 2011 not to actively pursue any material new contracts. The Company's activities are therefore being run down. As a result, given the Company's financial position and performance, its financial statements have been prepared on a basis other than that of a going concern.

As shown in the Company's profit and loss account on page 5, the Company had no revenue during the year ended 31 March 2019 (2018: £nil) and the profit after tax was £11,000 (2018 profit after tax: £360,000).

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.

Going concern

The Company has made a decision not to actively pursue any material new contracts. The Company's activities are therefore in the process of being run down. As a result, given the Company's financial position and performance, its financial statement have been prepared on a basis other than that of a going concern.

Directors

The Directors who held office during the year were:

Director	Date of appointment	Date of resignation
M Idle	18/01/2019	
P J G Dickinson		
M K Nilsson	21/06/2018	
R J Blumberger		18/01/2019

Dividends

No dividend was declared or paid in the year (2018: no dividend).

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 and sustainability reports which do not form part of this report.

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. 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.

Future developments

The Directors expect the general level of activity to continue to reduce in the forthcoming year as a result of the decision not to actively pursue any new contracts.

Directors' report *(continued)*

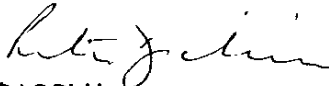
Post balance sheet events

There have been no significant events since the balance sheet date.

Political contributions

The Company made no political donations nor incurred any political expenditure during the year (2018: £nil).

On behalf of the Board



P J G Dickinson
Director

18 December 2019

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

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;
- 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.

Profit and loss account

	<i>Note</i>	2019 £000	2018 £000
Cost of sales		-	(1)
Gross loss		-	(1)
<i>Other income</i>		-	390
Operating profit	3	-	389
Profit before taxation		-	389
Tax credit/(charge)	5	11	(29)
Profit for the financial year		11	360

The results for the year are wholly attributable to the continuing operations of the Company.

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

Balance sheet

	Note	2019 £000	2018 £000
Current assets			
Debtors	6	1	84
Cash at bank and in hand		566	482
		<u>567</u>	<u>566</u>
Creditors: amounts falling due within one year	7	(112)	(122)
Net current assets		<u>455</u>	<u>444</u>
Total assets less current liabilities		<u>455</u>	<u>444</u>
Net assets		<u>455</u>	<u>444</u>
Capital and reserves			
Called up share capital	8	150	150
Profit and loss account	8	305	294
		<u>455</u>	<u>444</u>
Shareholders' funds		<u>455</u>	<u>444</u>


The Company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 31 March 2019.

The members have not required the Company to obtain an audit of its financial statement for the year ended 31 March 2019 in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for:

- (a) ensuring that the Company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements for the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

The financial statements of Mitie Engineering Services (Northern Region) Limited, company number 02564586, were approved by the Board of Directors and authorised for issue on 18 December 2019 and were signed on its behalf by:


P J G Dickinson
Director

Statement of changes in equity

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2017	150	(66)	84
Profit for the year	-	360	360
Total comprehensive income for the year	<u>-</u>	<u>360</u>	<u>360</u>
Balance at 31 March 2018	<u>150</u>	<u>294</u>	<u>444</u>

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2018	150	294	444
Profit for the year	<u>-</u>	<u>11</u>	<u>11</u>
Total comprehensive income for the year	<u>-</u>	<u>11</u>	<u>11</u>
Balance at 31 March 2019	<u>150</u>	<u>305</u>	<u>455</u>

Notes

1 Accounting policies

a) General information

Mitie Engineering Services (Northern Region) Limited (the "Company") is a private company limited by shares and is incorporated in England and Wales and domiciled in the UK. The Company's registered number is 02564586. The Company's registered office is Level 12, The Shard, 32 London Bridge Street, London, SE1 9SG. Details of the Company's activities are set out in the Directors' Report.

The Company's ultimate parent undertaking, Mitie Group plc includes the Company in its consolidated financial statements. The consolidated financial statements of Mitie Group plc, which are prepared in accordance with International Financial Reporting Standards, are available to the public and may be obtained from www.mitie.com.

As more fully detailed in the Directors' report, the Company's financial statements have been prepared on a basis other than that of a going concern.

b) Statement of compliance with FRS101

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

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;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- 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;
- Disclosure in respect of related party transactions entered into between wholly owned subsidiaries, 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 Instrument Disclosures*.

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

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

Notes (continued)

1 Accounting policies (continued)

Measurement convention

The financial statements are prepared on the basis other than that of a going concern and assets are shown at their recoverable amount.

d) Significant accounting policies

Financial instruments

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 cash and cash equivalents that are measured at initial recognition at fair value and subsequently at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised including where there is objective evidence that the asset is impaired. Cash and cash equivalents comprise cash in hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

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

Included within the Company's trade creditors balance are amounts relating to payments due to UK suppliers who make use of bank provided supply chain finance arrangements to allow supplier early payment. Amounts are settled in accordance with each suppliers' normal payments terms and payments continue to be classified within cash generated by operations. The Company does not receive any additional guarantees and does not pay any interest in relation to these amounts.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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.

e) Critical accounting judgements and key sources of estimation uncertainty

Critical accounting judgements in applying the Company's accounting policies:

There are no judgements and estimates that have a significant effects on the amount recognised in the financial statements.

Key sources of estimation uncertainty:

There are no key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities in the next financial year.

2 Staff numbers

The Company had no employees during the year (2018: nil).

Notes (continued)

3 Operating profit

Included in operating profit are the following:

	2019 £000	2018 £000
Other Income: settlement with subcontractors	-	390
	<u> </u>	<u> </u>

4 Directors' remuneration

All Directors are also Directors or employees of another Group company. They are 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
R J Blumberger	Mitie Limited	Mitie Limited
P J G Dickinson	Mitie Limited	Mitie Limited
M K Nilsson	Mitie Limited	Mitie Limited

5 Taxation

	2019 £000	2018 £000
<i>Analysis of (credit)/charge in the year</i>		
UK corporation tax at 19% (2018: 19%)	-	-
Current tax on income for the period	-	74
Adjustments in respect of prior periods	(11)	(45)
	<u> </u>	<u> </u>
Total current tax	(11)	29
	<u> </u>	<u> </u>
Total tax (credit)/charge	(11)	29
	<u> </u>	<u> </u>

	2019 £000	2018 £000
<i>Reconciliation of effective tax rate</i>		
Profit for the year	11	360
Total tax (credit)/charge	(11)	29
	<u> </u>	<u> </u>
Profit before taxation	-	389
	<u> </u>	<u> </u>
Tax using the UK corporation tax rate of 19% (2018: 19%)	-	74
Adjustments in respect of prior periods	(11)	(45)
	<u> </u>	<u> </u>
Total tax (credit)/charge	(11)	29
	<u> </u>	<u> </u>

The main rate of corporation tax will remain at 19% until 1st April 2020 when it will reduce to 17%.

Notes (continued)

6 Debtors

	2019 £000	2018 £000
Amounts owed by Group undertakings	-	84
Trade debtors	1	-
	<u>1</u>	<u>-</u>
Total due within one year	<u>1</u>	<u>84</u>

7 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	-	(1)
Amounts owed to Group undertakings	32	-
Corporation tax	74	117
Accruals	6	6
	<u>112</u>	<u>122</u>

8 Capital and reserves

Share capital authorised and fully paid	At start of year	At end of year	2019 £000	2018 £000
Ordinary Shares				
A Ordinary shares at £1 each	94,500	94,500	95	95
B Ordinary shares at £1 each	55,000	55,000	55	55
	<u>150,000</u>	<u>150,000</u>	<u>150</u>	<u>150</u>

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

Profit and loss account

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

Notes *(continued)*

9 Related Parties

Under FRS 101 the Company is exempt from disclosing key management personnel compensation and transactions with other companies wholly owned by Mitie Group plc.

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

10 Subsequent events

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

11 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Utiyix Asset Management 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, Scotland. 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, UK or from www.mitie.com.