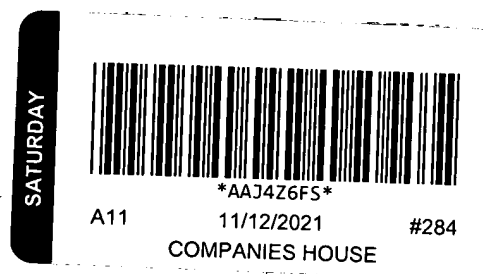


Mitie Project Services Limited
(formerly Interserve Project Services Limited)

Annual report and financial statements

Registered number 03866726

4 month period ended 31 March 2021



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Mitie Project Services Limited
Annual report and financial statements
31 March 2021

Company information

Directors

K Woods

J M Williams

Secretary

Mitie Company Secretarial Services Limited

Registered office

Level 12

The Shard

32 London Bridge Street

London

SE1 9SG

Auditor

Grant Thornton UK LLP

Statutory Auditor

1st Floor One Valpy

20 Valpy Street

Reading

RG1 1AR

Directors' report

The Directors present the annual report and audited financial statements of Mitie Project Services Limited, formerly Interserve Project Services Limited, (the "Company"), for the 4 month period ended 31 March 2021.

The Company is an indirect subsidiary of Mitie Group plc. Mitie Group plc, together with its subsidiaries, comprise the "Group". The Group acquired the Company on 30 November 2020.

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

Mitie Project Services Limited ceased its trade in 2017 and is no longer renewing contracts or bidding for new contracts.

The Company changed its accounting reference date from 30 November to 31 March. Consequently, the results for the period ended 31 March 2021 and the balance sheet at that date constitute a shortened accounting period of 4 months. The previous accounting period was for the 11 months from 1 January 2020 to 30 November 2020.

As shown in the Company's income statement on page 9, the Company's profit for the period was £1,000 (11 months ended 30 November 2020 restated: £nil).

The Company had erroneously included a retirement benefit liability as at 30 November 2020. Consequently, the 30 November 2020 accounts have been restated accordingly to reverse the pension liability from the accounts of the Company. See Note 1c.

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 period and up to the date of signing the financial statements were:

Director	Date of appointment	Date of resignation
J M Williams	12 March 2021	
K Woods		
P G Clark		1 April 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 certain of the 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 period (11 months ended 30 November 2020: £nil).

Directors' report *(continued)*

COVID-19 and current trading

In line with the Group approach, the Company established three overriding priorities to guide its response to the COVID-19 crisis: protecting the health and safety of colleagues, customers, other business partners and the communities that it serves; ensuring that its business is able to continue to operate with minimal disruption; and to deliver the essential services it provides to its customers.

As the Company has ceased trading, the COVID-19 pandemic had limited impact on the Company's performance for the 4 month period ended 31 March 2021.

Financial risk management

The Company does not enter into any hedging instruments, or any financial instruments for speculative purposes. Any requirement for additional funding is managed as part of the overall Group financing arrangements.

Future developments

It is expected that the Company will become dormant in the subsequent accounting period.

Post balance sheet events

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

Disclosure of information to auditor

Each Director in office at the date of approval of these financial statements confirms that:

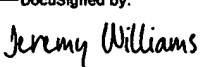
- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that ought to have been taken as a director to be aware of any relevant audit information and to establish that the Company's auditor is aware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

This confirmation is given and should be interpreted in accordance with Section 418 of the Companies Act 2006.

Auditor

The auditor for the year commencing 1 April 2021 will be appointed pursuant to Sections 485 and 487 of the Companies Act 2006.

On behalf of the Board

DocuSigned by:

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J M Williams

Director

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

9 December 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;
- 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 are also responsible for safeguarding the assets of the Company and are also responsible for prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Mitie Project Services Limited

Opinion

We have audited the financial statements of Mitie Project Services Limited (the "company") for the period from 1 December 2020 to 31 March 2021, which comprise the Income statement, the Balance sheet, 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).

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 period 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.

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 are 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and COVID-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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.

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. The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' report for the financial period 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.

Independent auditor's report to the members of Mitie Project Services Limited *(continued)*

Matter on which we are required to report under the Companies Act 2006

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.

Matters on which we are required to report by exception

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 take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered 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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How we obtained an understanding of the legal and regulatory framework

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and industry in which it operates through our commercial and sector experience; making enquiries of management including the company's legal counsel, Commercial Directors responsible for legal and contractual compliance procedures and those charged with governance; and inspection of the company's legal correspondence. We corroborated our enquiries through our review of board minutes; other relevant correspondence received from legal advisors, regulatory bodies and customers; and discussed relevant matters directly with the company's external legal advisors.

Which laws and regulations we identified as being significant in the context of the company

- Through the understanding that we obtained, we determined the most significant legal and regulatory frameworks which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks including United Kingdom Accounting Standards including Financial Reporting Standard 101 *Reduced Disclosure Framework*; the Companies Act 2006; Contract Law; GDPR requirements; and the relevant taxation legislation.

Independent auditor's report to the members of Mitie Project Services Limited *(continued)*

How we assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by considering management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to the estimation and judgemental areas with a risk of fraud including potential management bias; and through management override of controls.
- Our audit procedures included:
 - Making enquiries of management concerning the company's policies and procedures relating to the identification, evaluation and compliance with laws and regulations; the detection and response to the risks of fraud; and the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations. We also enquired with management and those charged with governance whether they were aware of any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual, suspected, or alleged fraud.
 - Gaining an understanding of the controls that management has in place to prevent and detect fraud;
 - Challenging significant accounting assumptions, estimates and judgements made by management, including those relevant to the areas with a risk of fraud, including potential management bias;
 - Using data interrogation software and our understanding of the company to identify and test large or unusual journal entries which may indicate a higher risk of fraud;
 - Gaining an understanding of and testing significant identified related party transactions;
 - Assessing the extent of compliance with the relevant laws and regulations as part of our audit procedures on the related financial statement item; and
 - Performing audit procedures to consider the compliance of disclosures in the financial statements with applicable financial reporting requirements.
- Our audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

How we assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations

- Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - Knowledge of the industry in which the company operates;
 - Understanding of the relevant legal and regulatory frameworks specific to the company including: the provisions of the applicable legislation; the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules; and the applicable statutory provisions.

Independent auditor's report to the members of Mitie Project Services Limited *(continued)*

Which matters about non-compliance with laws and regulations and fraud were communicated with the audit team

- Communications within the audit team in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in relation to the estimation and judgemental areas with a risk of fraud, including potential management bias; and through management override of controls in the preparation of the financial statements.

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:

Grant Thornton UK LLP

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Paul Holland BSc BFP FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Reading

09 December 2021

Mitie Project Services Limited
Annual report and financial statements
31 March 2021

Income statement

		4 months ended 31 March 2021 £000	Restated ¹ 11 months ended 30 November 2020 £000
Finance income	7	2	-
Profit before tax		2	-
Tax	8	(1)	-
Profit for the period		1	-

Note:

1. Balances for the period ended 30 November 2020 have been restated to remove the impact of retirement benefit schemes. See Note 1c.

The notes on pages 12 to 20 form an integral part of the financial statements.

The results for the period are wholly attributable to the discontinued operations of the Company.

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

Mitie Project Services Limited
Annual report and financial statements
 31 March 2021

Balance sheet

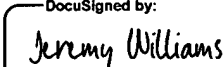
	Note	31 March 2021 £000	Restated ¹ 30 November 2020 £000
Non-current assets			
Deferred tax assets	9	-	1
Total non-current assets		-	1
Current assets			
Trade and other receivables	10	509	510
Cash		51	48
Total current assets		560	558
Current liabilities			
Trade and other payables	11	(10)	(10)
Total current liabilities		(10)	(10)
Net Current Assets		550	548
Net Assets		550	549
Share capital	12	-	-
Retained earnings	12	550	549
Total equity		550	549

Note:

1. Balances as at 30 November 2020 have been re-presented to an alternative format and also restated to remove the impact of retirement benefit schemes. See Note 1c.

The notes on pages 12 to 20 form an integral part of the financial statements.

The financial statements of Mitie Project Services Limited, company number 03866726, were approved by the Board of Directors and authorised for issue on 9 December 2021 and were signed on its behalf by:

DocuSigned by:

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J M Williams
 Director

Mitie Project Services Limited
Annual report and financial statements
31 March 2021

Statement of changes in equity

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2020 (restated ¹)	-	549	549
Total comprehensive income (restated ¹)	-	-	-
At 30 November 2020	-	549	549
At 1 December 2020	-	549	549
Profit for the period	-	1	1
Total comprehensive income	-	1	1
At 31 March 2021	-	550	550

Note:

1. Balances as at 30 November 2020 have been restated to remove the impact of retirement benefit schemes. See Note 1c.

The notes on pages 12 to 20 form an integral part of the financial statements.

Notes

1 Accounting policies, judgements and estimates

a) General information

Mitie Project Services Limited, formerly Interserve Project Services 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 acknowledge that such support could be withdrawn at any time, although as at the date of approving the financial statements they are not aware of any reason why this would occur.

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

c) Basis of preparation (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 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 period 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 intangible assets, property, plant and equipment, and share capital;
- the statement of compliance with Adopted IFRS;
- the presentation of a third or opening balance sheet as at 1 January 2020;
- 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*.

Accounting standards that are newly effective in the current period

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

Notes (continued)

c) Basis of preparation (continued)

Prior period restatements

Restatement of prior periods retirement benefit liability

Following a review of the retirement benefit liability it was determined that the retirement benefit liability was not in respect of the Company. Consequently the 30 November 2020 accounts have been restated accordingly to reverse the pension liability from the accounts of the Company. The net impact on opening reserves, as at 1 January 2020, was £249k comprised of a credit to deferred tax of £51k and a debit to defined benefit obligation of £300k.

Re-presentation to an alternative format

The Company has elected to adopt an alternative statutory format prescribed in the Accounting Regulations for the primary financial statements as permitted by FRS 101 and the Accounting Regulations, allowing for a format to be applied that is consistent with that of the consolidated IFRS Mitie Group plc annual report and accounts. The impact of the restatement on the balance sheet as at 30 November 2020 is shown below. This restatement represents: the separate presentation on the face of the balance sheet of deferred tax and the presentation of assets and liabilities on a current and non-current basis. There has been no change in net assets. As there was also no change to the net assets as at 1 January 2020, a similar analysis has not been presented for that date.

Income statement and statement of changes in equity for the period ended 30 November 2020

	As previously reported £000	Restatement £000	Re-presentation £000	As restated £000
Cost of sales	(9)	9	-	-
Gross profit	(9)	9	-	-
Finance costs	(7)	7	-	-
Loss before tax	(16)	16	-	-
Tax	3	(3)	-	-
Loss after tax	(13)	13	-	-
Other comprehensive income				
Actuarial loss on pension scheme	(107)	107	-	-
Deferred tax on pension scheme	20	(20)	-	-
Total comprehensive income	(87)	87	-	-

Notes *(continued)***c) Basis of preparation** *(continued)***Prior period restatements** *(continued)***Balance sheet as at 30 November 2020**

	As previously reported £000	Restatement £000	Re-presentation £000	As restated £000
Non-current assets				
Deferred tax assets	-	-	1	1
Current assets				
Trade and other receivables	592	(81)	(1)	510
Cash	48	-	-	48
Current liabilities				
Trade and other payables	(10)	-	-	(10)
Non-current liabilities				
Retirement benefit liabilities	(427)	427	-	-
Net assets	<u>203</u>	<u>346</u>	<u>-</u>	<u>549</u>
Share capital	-	-	-	-
Retained earnings	<u>203</u>	<u>346</u>	<u>-</u>	<u>549</u>
Total equity	<u>203</u>	<u>427</u>	<u>-</u>	<u>549</u>

Notes (continued)

1 Accounting policies, judgements and estimates (continued)

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.

Taxation

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

The tax currently payable is based on taxable profit for the period. 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 periods 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.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based upon tax rates and legislation that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities or when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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 cash and cash equivalents, and trade and other receivables. 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.

Cash and cash equivalents include 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. All of the Company's cash flows from customers are solely payments of principal and interest, and do not contain a significant financing component. Financial assets generated from all of the Company's revenue streams are therefore initially measured at their transaction price and are subsequently remeasured at amortised cost.

Financial liabilities comprise trade and other payables. These are measured at initial recognition at fair value and subsequently at amortised cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the income statement.

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. 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.

4 Auditor's remuneration

The auditor's remuneration was borne by Mitiefm (Holdings) Limited, formerly Interservefm (Holdings) Ltd, in both the current and previous periods. No recharge (11 months ended 30 November 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.

5 Staff numbers and costs

During the period an average of nil (11 months ended 30 November 2020: nil) employees (including Directors) were employed by the Company.

There were no staff costs for the period ended 31 March 2021 nor for the year ended 30 November 2020.

6 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 G Clark	Mitiefm Services Limited, formerly Interservefm Ltd	Mitiefm Services Limited, formerly Interservefm Ltd
K Woods	Mitie Limited	Mitie Limited
J M Williams	Mitiefm Services Limited, formerly Interservefm Ltd	Mitiefm Services Limited, formerly Interservefm Ltd

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Notes (continued)

7 Finance income

	4 months ended 31 March 2021 £000	Restated ¹ 11 months ended 30 November 2020 £000
Interest receivable and similar charges	2	-
Total	<u>2</u>	<u>-</u>

Note:

1. Balances as at 30 November 2020 have been restated to remove the impact of retirement benefit schemes. See Note 1c.

8 Tax

	4 months ended 31 March 2021 £000	Restated ¹ 11 months ended 30 November 2020 £000
<i>Analysis of charge in the period</i>		
<i>UK corporation tax at 19% (11 months ended 30 November 2020: 19%)</i>		
Total current tax	-	-
<i>Deferred tax (Note 9)</i>		
Adjustments in respect of prior periods	1	-
Total deferred tax and charge for the period	<u>1</u>	<u>-</u>

Note:

1. Balances for the 11 months ended 30 November 2020 have been restated to remove the impact of retirement benefit schemes. See Note 1c.

	4 months ended 31 March 2021 £000	Restated ¹ 11 months ended 30 November 2020 £000
<i>Reconciliation of effective tax rate</i>		
Profit before tax	2	-
Tax using the UK corporation tax rate of 19% (11 months ended 30 November 2020: 19%)	-	-
Adjustments in respect of prior periods	1	-
Total tax charge	<u>1</u>	<u>-</u>

Note:

1. Balances for the 11 months ended 30 November 2020 have been restated to remove the impact of retirement benefit schemes. See Note 1c.

The future corporation tax rate change is not expected to have a material impact on the Company's financial statements.

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Notes (continued)

9 Deferred tax assets

Deferred tax assets are attributable to the following:

	Restated ¹
31 March 2021 £000	30 November 2020 £000
Property, plant and equipment	1
	1

Movement in deferred tax during the period

	1 December 2020 £000	Recognised in income £000	Recognised in equity £000	31 March 2021 £000
Property, plant and equipment	1	(1)	-	-
	1	(1)	-	-

Movement in deferred tax during the prior period

	1 January 2020 £000	Recognised in income £000	Recognised in equity £000	30 November 2020 £000
Property, plant and equipment	1	-	-	1
	1	-	-	1

Note:

1. Balances as at 30 November 2020 have been restated to remove the impact of retirement benefit schemes. See Note 1c.

10 Trade and other receivables

	Restated ¹
31 March 2021 £000	30 November 2020 £000
Trade receivables	10
Amounts owed by Group undertakings	500
Total	510

Note:

1. Balances as at 30 November 2020 have been re-presented to an alternative format. See Note 1c.

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 £500,000 (30 November 2020: £500,000) relating to interest free loans.

Notes (continued)

11 Trade and other payables

	31 March 2021 £000	30 November 2020 £000
Amounts owed to Group undertakings	10	-
Other payables	-	10
Total	10	10

Amounts owed to Group undertakings are repayable on demand.

12 Equity

Share capital authorised and fully paid	31 March 2021 Number	30 November 2020 Number	31 March 2021 £000	30 November 2020 £000
Ordinary shares				
Ordinary shares at £1 each	100	100	-	-

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.

Retained earnings

This comprises the retained earnings of the Company, less amounts distributed to the Company's shareholder.

13 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.

14 Subsequent events

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

15 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Mitie FS (UK) Limited, formerly Interserve FS (UK) Limited, which is the immediate parent company incorporated in England and Wales. 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.