

Registration number 04652597

Mitton Aftercare Limited

Abbreviated Accounts
for the Year Ended 31 January 2008

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Mitton Aftercare Limited

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Mitton Aftercare Limited
Company Information

| | |
|--------------------------|--|
| Director | M Taylor |
| Secretary | S Hellewell |
| Registered office | Ronnie Hellewell House 451 Cleckheaton Road Low Moor Bradford BD12 0HS |
| Solicitors | Walker Morris King's Court 12 King Street Leeds West Yorkshire LS1 2HL |
| Bankers | HSBC Bank plc Market Street branch 47 Market Street Bradford West Yorkshire BD1 1LW |
| Auditors | MGI Watson Buckle LLP Chartered Accountants & Registered Auditors York House Cottingley Business Park Bradford BD16 1PE |

Mitton Aftercare Limited
Director's Report for the Year Ended 31 January 2008

The director presents his report and the audited financial statements for the year ended 31 January 2008

Director's responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure the financial statements comply with the Companies Act 1985. He has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The director has taken steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information. The director confirms that there is no relevant information that he knows of and which he knows the auditors are unaware of.

Principal activity and business review

The principal activity of the Company is the service and maintenance of heating and ventilation systems within commercial and industrial buildings.

The year end position stated in these accounts reflects the first year's trading of Mitton Aftercare Limited following its independence from Mitton Mechanical Services Limited, albeit both companies are still integral parts of H Mitton Limited, the parent company.

The accounts, along with those of the sister company, reflect the prudence of splitting down the two major areas of the business.

The first year has seen some quite major structural changes to Mitton Aftercare not envisaged at the beginning of the year but alas becoming all too necessary by the end of the second quarter.

The changes have now been fully absorbed into the day to day operations of Aftercare.

The results stated herein obviously cannot be compared directly with any earlier years' trading results, but it is possible for the directors to gauge the performance against the earlier years when Aftercare was a division of Mitton Mechanical Services Limited.

As a result the directors recognise and applaud the massive strides made by the Aftercare staff especially over the second half of the trading year.

Profitability is a 25% increase on previous years' gross figures and turnover has similarly increased. The directors recognise further improvements can be made with the operational efficiency within the company. Organic growth of the company will be provided from Aftercare's rolling contract to provide service and maintenance to the William Morrison Supermarket chain. However the "green shoots" of new market opportunities are being cultivated as the Aftercare reputation grows.

Mitton Aftercare Limited
Director's Report for the Year Ended 31 January 2008

continued

The directors see the fiscal year 2008/09 as a year of stability within the Company with growth, both in terms of turnover and profitability, being steadily improved

Results and dividend

The results for the company are set out in the financial statements

An interim ordinary dividend of £100,000 was paid during the year

Director

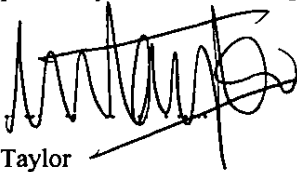
The director who held office during the year was as follows

- M Taylor

Auditors

The auditors, MGI Watson Buckle LLP, are deemed to be re-appointed in accordance with section 386 of the Companies Act 1985

Approved by the Board and signed on its behalf by

A handwritten signature in black ink, appearing to be 'M Taylor', written over a horizontal line.

M Taylor
Director

Date ~~3~~ ~~OCTOBER~~ 2008

**Independent Auditors' Report to
Mitton Aftercare Limited
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts of Mitton Aftercare Limited, set out on pages 5 to 17, together with the financial statements of the company for the year ended 31 January 2008 prepared under section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The director is responsible for preparing the abbreviated accounts in accordance with 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 5 to 17 are properly prepared in accordance with those provisions.

MGI Watson Buckle LLP

MGI Watson Buckle LLP
Chartered Accountants & Registered Auditors
Bradford

3 October 2008

Mitton Aftercare Limited
Abbreviated Profit and Loss Account for the Year Ended 31 January 2008

| | Note | 2008 £ | 2007 £ |
|--|------|-----------------------|-----------------|
| Gross profit | | 2,438,758 | - |
| Administrative expenses | | (2,222,971) | - |
| Operating profit | 2 | <u>215,787</u> | <u>-</u> |
| Interest payable and similar charges | 5 | (10,418) | - |
| Profit on ordinary activities before taxation | | <u>205,369</u> | <u>-</u> |
| Tax on profit on ordinary activities | 6 | (45,992) | - |
| Profit for the financial year | 17 | <u><u>159,377</u></u> | <u><u>-</u></u> |

Turnover and operating profit derive wholly from continuing operations

The company has no recognised gains or losses for the year other than the results above

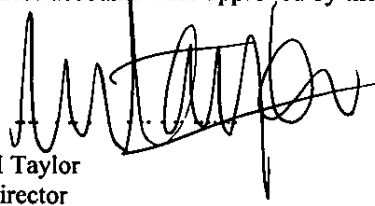
The notes on pages 8 to 17 form an integral part of these financial statements

Mitton Aftercare Limited
Abbreviated Balance Sheet as at 31 January 2008

| | | 2008 | | 2007 | |
|--|------|--------------------|------------------|------------|------------|
| | Note | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 8 | | 510,482 | | - |
| Current assets | | | | | |
| Stocks | 9 | 1,107,786 | | - | |
| Debtors | 10 | 3,103,506 | | 100 | |
| Cash at bank and in hand | | 183,636 | | - | |
| | | <u>4,394,928</u> | | <u>100</u> | |
| Creditors: Amounts falling due within one year | 11 | <u>(4,781,323)</u> | | <u>-</u> | |
| Net current (liabilities)/assets | | | <u>(386,395)</u> | | <u>100</u> |
| Total assets less current liabilities | | | 124,087 | | 100 |
| Creditors: Amounts falling due after more than one year | 12 | | (52,431) | | - |
| Provisions for liabilities | 15 | | <u>(12,179)</u> | | <u>-</u> |
| Net assets | | | <u>59,477</u> | | <u>100</u> |
| Capital and reserves | | | | | |
| Called up share capital | 16 | | 100 | | 100 |
| Profit and loss reserve | 17 | | <u>59,377</u> | | <u>-</u> |
| Shareholders' funds | 18 | | <u>59,477</u> | | <u>100</u> |

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

These accounts were approved by the Director on 3 October 2008


M Taylor
Director

The notes on pages 8 to 17 form an integral part of these financial statements.

Mitton Aftercare Limited

Cash Flow Statement for the Year Ended 31 January 2008

| | | 2008 | 2007 |
|--|------|-----------|------|
| | Note | £ | £ |
| Net cash flow from operating activities | 22 | 809,107 | - |
| Returns on investment and servicing of finance | 23 | (10,418) | - |
| Taxation | 23 | - | - |
| Capital expenditure and financial investment | | | |
| Purchase of tangible fixed assets | | (515,153) | - |
| | | (515,153) | - |
| Equity dividends paid | | (100,000) | - |
| Cash inflow before management of liquid resources and financing | | 183,536 | - |
| Financing | | | |
| Increase in loans and borrowings | | 100 | - |
| Repayment of loans and borrowings | | - | (99) |
| Issue of equity shares | | - | 99 |
| | | 100 | - |
| Net cash flow | | 183,636 | - |

Reconciliation of net cash flow to movement in net debt

| | | 2008 | 2007 |
|--|------|-----------|------|
| | Note | £ | £ |
| Increase in cash in the year | 24 | 183,636 | - |
| Cash (inflow)/outflow from (increase)/decrease in debt and lease financing | | (100) | 99 |
| Change in net funds resulting from cash flows | | 183,536 | 99 |
| New hire purchase agreements | | (124,352) | - |
| Movement in net funds in the year | | 59,184 | 99 |
| Net funds at the start of the year | 24 | 100 | 1 |
| Net funds at the end of the year | 24 | 59,284 | 100 |

The notes on pages 8 to 17 form an integral part of these financial statements

Mitton Aftercare Limited

Notes to the abbreviated accounts for the Year Ended 31 January 2008

1 Accounting policies

Basis of preparation

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards

Going concern

These financial statements have been prepared on a going concern basis

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

| | |
|-----------------------|----------------------------|
| Plant and machinery | 10% reducing balance basis |
| Fixtures and fittings | 15% reducing balance basis |
| Computer equipment | 20% straight line basis |
| Motor vehicles | 25% reducing balance basis |

Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs

Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date

Hire purchase and finance lease contracts

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding

Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract

Mitton Aftercare Limited

Notes to the abbreviated accounts for the Year Ended 31 January 2008

continued

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

2 Operating profit

Operating profit is stated after charging

| | 2008 £ | 2007 £ |
|--|-----------|-----------|
| Hire of plant and machinery (Spot hire) | 125,137 | - |
| Hire of other assets (Operating leases) | 94,160 | - |
| The audit of the company's annual accounts | 6,000 | - |
| Depreciation of tangible fixed assets | 129,023 | - |

3 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

| | 2008 No. | 2007 No. |
|----------------|-------------|-------------|
| Engineers | 68 | - |
| Administration | 18 | - |
| | 86 | - |

The aggregate payroll costs of these persons were as follows

| | 2008 £ | 2007 £ |
|---------------------|-----------|-----------|
| Wages and salaries | 3,232,789 | - |
| Social security | 336,778 | - |
| Other pension costs | 14,502 | - |
| | 3,584,069 | - |

Mitton Aftercare Limited

Notes to the abbreviated accounts for the Year Ended 31 January 2008

continued

4 Director's emoluments

The director's emoluments for the year are as follows

| | 2008 £ | 2007 £ |
|--|----------------|-----------|
| Director's remuneration (including benefits in kind) | <u>300,000</u> | <u>-</u> |
| The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £300,000 (2007 - none) | | |

5 Interest payable and similar charges

| | 2008 £ | 2007 £ |
|------------------------|---------------|-----------|
| Hire purchase interest | <u>10,418</u> | <u>-</u> |

Mitton Aftercare Limited

Notes to the abbreviated accounts for the Year Ended 31 January 2008

continued

6 Taxation

Analysis of current period tax charge

| | 2008 £ | 2007 £ |
|---|-----------|-----------|
| Current tax | | |
| Corporation tax charge | 33,813 | - |
| Deferred tax | | |
| Origination and reversal of timing differences | 13,049 | - |
| Effect of changes in tax rates | (870) | - |
| Total deferred tax | 12,179 | - |
| Total tax on profit on ordinary activities | 45,992 | - |

Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is lower than (2007 - the same as) the standard rate of corporation tax in the UK of 30.00% (2007 - 0.00%)

The differences are reconciled below

| | 2008 £ | 2007 £ |
|---|-----------|-----------|
| Profit on ordinary activities before taxation | 205,369 | - |
| Standard rate corporation tax charge | 61,611 | - |
| Expenses not deductible for tax purposes | 177 | - |
| Accelerated capital allowances | (13,049) | - |
| Marginal rates | (14,926) | - |
| Total current tax for the year | 33,813 | - |

7 Dividends

| | 2008 £ | 2007 £ |
|------------------|-----------|-----------|
| Equity dividends | 100,000 | - |

Mitton Aftercare Limited

Notes to the abbreviated accounts for the Year Ended 31 January 2008

continued

8 Tangible fixed assets

| | Plant and machinery £ | Fixtures, fittings & computers £ | Motor vehicles £ | Total £ |
|-----------------------|-----------------------------|---|------------------------|----------------|
| Cost | | | | |
| Additions | <u>72,488</u> | <u>92,971</u> | <u>474,046</u> | <u>639,505</u> |
| Depreciation | | | | |
| Charge for the year | <u>4,228</u> | <u>15,609</u> | <u>109,186</u> | <u>129,023</u> |
| Net book value | | | | |
| As at 31 January 2008 | <u>68,260</u> | <u>77,362</u> | <u>364,860</u> | <u>510,482</u> |

Hire purchase agreements

Included within the total net book value of tangible fixed assets is £161,624 (2007 - none) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £50,795 (2007 - none).

9 Stocks and work in progress

| | 2008 £ | 2007 £ |
|------------------|------------------|-----------|
| Raw materials | 312,891 | - |
| Work in progress | <u>794,895</u> | <u>-</u> |
| | <u>1,107,786</u> | <u>-</u> |

10 Debtors

| | 2008 £ | 2007 £ |
|--------------------------------|------------------|------------|
| Trade debtors | 3,046,423 | - |
| Other debtors | 50,161 | - |
| Director current accounts | - | 100 |
| Prepayments and accrued income | <u>6,922</u> | <u>-</u> |
| | <u>3,103,506</u> | <u>100</u> |

Mitton Aftercare Limited

Notes to the abbreviated accounts for the Year Ended 31 January 2008

continued

11 Creditors. Amounts falling due within one year

| | 2008 £ | 2007 £ |
|--|------------------|-----------|
| Obligations under finance leases and hire purchase contracts | 71,921 | - |
| Trade creditors | 1,133,394 | - |
| Amounts owed to group undertakings | 2,673,625 | - |
| Corporation tax | 33,813 | - |
| Social security and other taxes | 154,802 | - |
| Accruals and deferred income | 713,768 | - |
| | <u>4,781,323</u> | <u>-</u> |

12 Creditors: Amounts falling due after more than one year

| | 2008 £ | 2007 £ |
|--|---------------|-----------|
| Obligations under finance leases and hire purchase contracts | <u>52,431</u> | <u>-</u> |

13 Security of borrowings

Obligations under finance leases and hire purchase contracts are secured by related assets

14 Maturation of borrowings

Amounts repayable

| | Obligations under finance leases and HP contracts £ |
|-------------------------------|---|
| As at 31 January 2008 | |
| In one year or less on demand | 71,921 |
| Between one and two years | 47,932 |
| Between two and five years | 4,499 |
| | <u>124,352</u> |

Mitton Aftercare Limited

Notes to the abbreviated accounts for the Year Ended 31 January 2008

continued

15 Provisions for liabilities

| | Deferred tax provision £ |
|---|-----------------------------|
| Deferred tax provision charged to the profit and loss account | 12,179 |
| As at 31 January 2008 | <u>12,179</u> |

Deferred tax

Deferred tax is provided at 28.00% (2007 - 0.00%)

| | 2008 £ | 2007 £ |
|--------------------------------|---------------|-----------|
| Accelerated capital allowances | <u>12,179</u> | <u>-</u> |

16 Share capital

| | 2008 £ | 2007 £ |
|---|----------------|----------------|
| Authorised | | |
| Equity | | |
| 100,000 Ordinary shares of £1 each | <u>100,000</u> | <u>100,000</u> |
| Allotted, called up and fully paid | | |
| Equity | | |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |

17 Reserves

| | Profit and loss reserve £ |
|--|------------------------------|
| Balance at 1 February 2007 | - |
| Transfer from profit and loss account for the year | 159,377 |
| Dividends | <u>(100,000)</u> |
| Balance at 31 January 2008 | <u>59,377</u> |

Mitton Aftercare Limited

Notes to the abbreviated accounts for the Year Ended 31 January 2008

continued

18 Reconciliation of movements in shareholders' funds

| | 2008 £ | 2007 £ |
|---|----------------------|-------------------|
| Profit attributable to members of the company | 159,377 | - |
| Dividends | (100,000) | - |
| | <u>59,377</u> | <u>-</u> |
| New share capital subscribed | - | 99 |
| Net addition to shareholders' funds | <u>59,377</u> | <u>99</u> |
| Opening equity shareholders' funds | <u>100</u> | <u>1</u> |
| Closing equity shareholders' funds | <u><u>59,477</u></u> | <u><u>100</u></u> |

19 Contingent liabilities

The company has given an unlimited multilateral guarantee in respect of the bank overdraft of the fellow subsidiary company which amounted to £180,441 at 31 January 2008 (2007 £Nil)

Mitton Aftercare Limited

Notes to the abbreviated accounts for the Year Ended 31 January 2008

continued

20 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £14,502 (2007 - none)

There were no outstanding or prepaid contributions at either the beginning or end of the financial year

21 Related parties

Controlling entity

The company is a wholly owned subsidiary of H Mitton Limited, a company registered in England and Wales

Ultimate control in H Mitton Limited is vested in Mr M Taylor

Director's loan account

The following balance owed by the director was outstanding at the year end

| | Maximum Balance £ | 2008 £ | 2007 £ |
|----------|-------------------------|-----------|-----------|
| M Taylor | 100 | - | 100 |

No interest is charged in respect of this balance

Mitton Aftercare Limited

Notes to the abbreviated accounts for the Year Ended 31 January 2008

continued

22 Reconciliation of operating profit to operating cash flows

| | 2008 £ | 2007 £ |
|---|----------------|-----------|
| Operating profit | 215,787 | - |
| Depreciation, amortisation and impairment charges | 129,023 | - |
| Increase in stocks | (1,107,786) | - |
| Increase in debtors | (3,103,506) | - |
| Increase in creditors | 4,675,589 | - |
| Net cash inflow from operating activities | 809,107 | - |

23 Analysis of cash flows

| | 2008 £ | 2007 £ |
|---|-----------|-----------|
| Returns on investment and servicing of finance | | |
| HP interest paid | (10,418) | - |
| Taxation | | |
| Taxation paid | - | - |

24 Analysis of net funds

| | At start of period £ | Cash flow £ | Other non-cash changes £ | At end of period £ |
|--------------------------|----------------------------|----------------|-----------------------------------|-----------------------|
| Cash at bank and in hand | - | 183,636 | - | 183,636 |
| Debt due within one year | 100 | - | (100) | - |
| Finance leases | - | - | (124,352) | (124,352) |
| Change in debt | 100 | - | (124,452) | (124,352) |
| Net funds | 100 | 183,636 | (124,452) | 59,284 |