

Registration number 04652597

# Mitton Aftercare Limited

Directors' Report and Financial Statements

for the Year Ended 31 January 2011

FRIDAY



A23 \*ATSK4YR8\* 314  
28/10/2011  
COMPANIES HOUSE

**Mitton Aftercare Limited**  
**Contents**

Company Information .....	1
Directors' Report .....	2 to 3
Statement of Directors' Responsibilities .....	4
Independent Auditors' Report .....	5 to 6
Profit and Loss Account .....	7
Balance Sheet .....	8
Notes to the Financial Statements .....	9 to 16

**Mitton Aftercare Limited**  
**Company Information**

<b>Directors</b>	M Taylor S Taylor C S Thompson N Burns G Hawe
<b>Company secretary</b>	S Hellewell
<b>Registered office</b>	Ronnie Hellewell House 451 Cleckheaton Road Low Moor Bradford BD12 0HS
<b>Solicitors</b>	Walker Morris King's Court 12 King Street Leeds LS1 2HL
<b>Bankers</b>	Yorkshire Bank plc 14 Broadway Bradford BD1 1EZ
<b>Auditors</b>	Watson Buckle LLP Statutory Auditor & Chartered Accountants York House Cottingley Business Park Bradford West Yorkshire BD16 1PE

# **Mitton Aftercare Limited**

## **Directors' Report for the Year Ended 31 January 2011**

The directors present their report and the financial statements for the year ended 31 January 2011

### **Directors of the company**

The directors who held office during the year were as follows

M Taylor

S Taylor

The following directors were appointed after the year end

C S Thompson (appointed 6 April 2011)

N Burns (appointed 6 April 2011)

G Hawe (appointed 6 April 2011)

### **Principal activity**

The principal activity of the company is the maintenance and servicing of heating and ventilation systems

### **Business review**

#### ***Fair review of the business***

The fiscal year 2010/2011 saw Mitton Aftercare Ltd , start the first year of a three year agreement with Wm Morrison Supermarkets Plc , for the service and maintenance provision to the entire Morrison Estate of 450 – 500 buildings nationwide

Bearing in mind that this year was also only the fourth year of autonomous trading for the Company it is gratifying to note that Aftercare has maintained its overall improvement noted in the last years financial statements

Following tough negotiations with Morrison's Buying team, who were charged with making a 10% overall saving in the cost prior to agreeing the contract It is pleasing to report that turnover has remained constant due primarily to organic growth

Although profit for the year is down approximately 10% year on year this is exactly as predicted at the outset of the contract and the Directors are pleased that efficiencies within the Company have been instrumental in achieving these results in a period when the market place is so markedly depressed The directors look forward to the up coming year that will see a further re-negotiation of the contract with a possible extension until 2015

#### ***Principal risks and uncertainties***

The business' principal financial instruments comprise bank balances, trade debtors, trade creditors and finance lease agreements The main purpose of these instruments is to finance the business' operations

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest All of the business' cash balances are held in such a way that achieves a competitive rate of interest The business makes use of money market facilities where funds are available

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits The amounts presented in the balance sheet are net of allowances for doubtful debtors

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due

The business is a lessee in respect of finance leased assets The liquidity risk in respect of these is managed by ensuring that there are sufficient funds to meet the payments

**Mitton Aftercare Limited**  
**Directors' Report for the Year Ended 31 January 2011**

*..... continued*

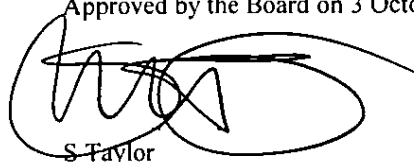
**Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

**Reappointment of auditors**

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Watson Buckle LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 3 October 2011 and signed on its behalf by



S Taylor  
Director

**Mitton Aftercare Limited**  
**Statement of Directors' Responsibilities**

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent Auditor's Report to the Members of Mitton Aftercare Limited**

We have audited the financial statements of Mitton Aftercare Limited for the year ended 31 January 2011, set out on pages 7 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **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 January 2011 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditor's Report to the Members of  
Mitton Aftercare Limited**

*..... continued*

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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

*Watson Buckle LLP*

Ian Gill FCCA (Senior Statutory Auditor)  
For and on behalf of Watson Buckle LLP  
Statutory Auditor & Chartered Accountants  
Bradford

3 October 2011



**Mitton Aftercare Limited**  
**Profit and Loss Account for the Year Ended 31 January 2011**

	Note	2011 £	2010 £
Turnover		13,725,269	14,524,499
Cost of sales		<u>(10,902,861)</u>	<u>(11,366,879)</u>
Gross profit		2,822,408	3,157,620
Administrative expenses		<u>(2,263,263)</u>	<u>(2,928,577)</u>
Operating profit	2	559,145	229,043
Other interest receivable and similar income		5,085	-
Interest payable and similar charges	5	<u>(4,728)</u>	<u>(8,676)</u>
Profit on ordinary activities before taxation		559,502	220,367
Tax on profit on ordinary activities	6	<u>(159,483)</u>	<u>(56,858)</u>
Profit for the financial year	15	<u><u>400,019</u></u>	<u><u>163,509</u></u>

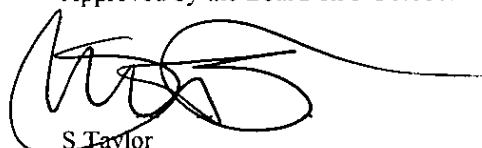
Turnover and operating profit derive wholly from continuing operations

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

**Mitton Aftercare Limited**  
**Balance Sheet at 31 January 2011**

		2011		2010	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	7		638,969		593,741
<b>Current assets</b>					
Stocks	8	820,349		622,880	
Debtors	9	4,046,748		4,141,917	
Cash at bank and in hand		<u>1,511,351</u>		<u>736,932</u>	
		6,378,448		5,501,729	
Creditors Amounts falling due within one year	10	<u>(6,334,505)</u>		<u>(5,687,441)</u>	
Net current assets/(liabilities)			<u>43,943</u>		<u>(185,712)</u>
Total assets less current liabilities			682,912		408,029
Creditors Amounts falling due after more than one year	11		(1,450)		(39,889)
Provisions for liabilities	12		<u>(32,716)</u>		<u>(19,413)</u>
Net assets			<u>648,746</u>		<u>348,727</u>
<b>Capital and reserves</b>					
Called up share capital	13	100		100	
Profit and loss account	15	<u>648,646</u>		<u>348,627</u>	
Shareholders' funds	16		<u>648,746</u>		<u>348,727</u>

Approved by the Board on 3 October 2011 and signed on its behalf by

  
S. Taylor  
Director

## **Mitton Aftercare Limited**

### **Notes to the Financial Statements for the Year Ended 31 January 2011**

#### **1 Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention

##### **Exemption from preparing a cash flow statement**

The company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the group

##### **Going concern**

The 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

<b>Asset class</b>	<b>Depreciation method and rate</b>
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. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

##### **Deferred tax**

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 leasing**

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

# Mitton Aftercare Limited

## Notes to the Financial Statements for the Year Ended 31 January 2011

..... continued

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 and represent a constant proportion of the balance of capital repayments outstanding.

### Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which 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. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

## 2 Operating profit

Operating profit is stated after charging

	2011 £	2010 £
Operating leases - other assets	117,728	111,422
Auditor's remuneration - The audit of the company's annual accounts	12,800	9,950
Depreciation of owned assets	<u>143,020</u>	<u>152,437</u>

## 3 Particulars of employees

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

	2011 No	2010 No.
Engineers	96	94
Administration	<u>24</u>	<u>28</u>
	<u>120</u>	<u>122</u>

The aggregate payroll costs were as follows

	2011 £	2010 £
Wages and salaries	4,278,464	4,806,952
Social security costs	381,614	497,416
Staff pensions	<u>81,921</u>	<u>28,539</u>
	<u>4,741,999</u>	<u>5,332,907</u>

# Mitton Aftercare Limited

## Notes to the Financial Statements for the Year Ended 31 January 2011

..... continued

### 4 Directors' remuneration

The directors' remuneration for the year was as follows

	2011 £	2010 £
Remuneration	-	630,000

In respect of the highest paid director

	2011 £	2010 £
Remuneration	-	430,000

### 5 Interest payable and similar charges

	2011 £	2010 £
Other interest payable	245	-
Finance charges	4,483	8,676
	4,728	8,676

### 6 Taxation

Tax on profit on ordinary activities

	2011 £	2010 £
<b>Current tax</b>		
Corporation tax charge	146,180	54,679
Adjustments in respect of previous years	-	332
UK Corporation tax	146,180	55,011
<b>Deferred tax</b>		
Origination and reversal of timing differences	13,303	1,847
Total tax on profit on ordinary activities	159,483	56,858

# Mitton Aftercare Limited

## Notes to the Financial Statements for the Year Ended 31 January 2011

..... *continued*

### Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2010 - lower than) the standard rate of corporation tax in the UK of 28% (2010 - 28%)

The differences are reconciled below

	2011 £	2010 £
Profit on ordinary activities before taxation	<u>559,502</u>	<u>220,367</u>
Corporation tax at standard rate	156,661	61,703
Expenses not deductible for tax purposes	6,577	3,960
Accelerated capital allowances	(13,303)	(1,847)
Effect of marginal rates	(3,755)	(9,137)
Under provision in previous year	<u>-</u>	<u>332</u>
Total current tax	<u>146,180</u>	<u>55,011</u>

# Mitton Aftercare Limited

## Notes to the Financial Statements for the Year Ended 31 January 2011

..... continued

### 7 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 February 2010	75,463	142,599	791,157	1,009,219
Additions	-	38,958	149,290	188,248
At 31 January 2011	75,463	181,557	940,447	1,197,467
<b>Depreciation</b>				
At 1 February 2010	17,197	50,995	347,286	415,478
Charge for the year	5,826	23,601	113,593	143,020
At 31 January 2011	23,023	74,596	460,879	558,498
<b>Net book value</b>				
At 31 January 2011	52,440	106,961	479,568	638,969
At 31 January 2010	58,266	91,604	443,871	593,741

#### Finance lease assets

Included within the net book value of tangible fixed assets is £167,732 (2010 - £223,642) in respect of assets held under finance lease agreements. Depreciation for the year on these assets was £55,911 (2010 - £74,548)

### 8 Stocks

	2011 £	2010 £
Raw materials	260,486	336,206
Work in progress	559,863	286,674
	<u>820,349</u>	<u>622,880</u>

### 9 Debtors

	2011 £	2010 £
Trade debtors	4,037,893	4,085,514
Other debtors	355	49,903
Prepayments and accrued income	8,500	6,500
	<u>4,046,748</u>	<u>4,141,917</u>

# Mitton Aftercare Limited

## Notes to the Financial Statements for the Year Ended 31 January 2011

..... continued

### 10 Creditors: Amounts falling due within one year

	2011 £	2010 £
Trade creditors	1,834,462	1,392,725
Obligations under finance lease and hire purchase contracts	38,439	60,886
Amounts owed to group undertakings	3,072,186	2,709,690
Corporation tax	146,180	54,679
Other taxes and social security	356,766	432,734
Accruals and deferred income	886,472	1,036,727
	<u>6,334,505</u>	<u>5,687,441</u>

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the company

	2011 £	2010 £
Obligations under finance leases and hire purchase contracts	<u>38,349</u>	<u>60,886</u>

Obligations under finance leases and hire purchase contracts are secured on the assets concerned

### 11 Creditors Amounts falling due after more than one year

	2011 £	2010 £
Obligations under finance lease and hire purchase contracts	<u>1,450</u>	<u>39,889</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the company

	2011 £	2010 £
Obligations under finance leases and hire purchase contracts	<u>1,450</u>	<u>39,889</u>

Obligations under finance leases and hire purchase contracts are secured on the assets concerned



# Mitton Aftercare Limited

## Notes to the Financial Statements for the Year Ended 31 January 2011

..... continued

### Obligations under finance leases and HP contracts

#### Amounts repayable

	2011 £	2010 £
In one year or less on demand	38,439	60,886
Between one and two years	1,450	38,439
Between two and five years	-	1,450
	<u>39,889</u>	<u>100,775</u>

### 12 Provisions

	Deferred tax £	Total £
At 1 February 2010	19,413	19,413
Charged to the profit and loss account	<u>13,303</u>	<u>13,303</u>
At 31 January 2011	<u>32,716</u>	<u>32,716</u>

#### Analysis of deferred tax

	2011 £	2010 £
Difference between accumulated depreciation and amortisation and capital allowances	<u>32,716</u>	<u>19,413</u>
	<u>32,716</u>	<u>19,413</u>

### 13 Share capital

#### Allotted, called up and fully paid shares

	2011		2010	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

### 14 Dividends

	2011 £	2010 £
Dividends paid		
Prior year final dividend paid	<u>100,000</u>	<u>-</u>
Recommended final dividend proposed for approval by shareholders	<u>-</u>	<u>100,000</u>

# Mitton Aftercare Limited

## Notes to the Financial Statements for the Year Ended 31 January 2011

..... continued

### 15 Reserves

	Profit and loss account £	Total £
At 1 February 2010	348,627	348,627
Profit for the year	400,019	400,019
Dividends	(100,000)	(100,000)
At 31 January 2011	<u>648,646</u>	<u>648,646</u>

### 16 Reconciliation of movement in shareholders' funds

	2011 £	2010 £
Profit attributable to the members of the company	400,019	163,509
Dividends	(100,000)	-
Net addition to shareholders' funds	<u>300,019</u>	<u>163,509</u>
Shareholders' funds at 1 February	<u>348,727</u>	<u>185,218</u>
Shareholders' funds at 31 January	<u>648,746</u>	<u>348,727</u>

### 17 Pension schemes

#### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £81,921 (2010 - £28,539).

Contributions totalling £nil (2010 - £nil) were payable to the schemes at the end of the year.

### 18 Related party transactions

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group.

### 19 Control

The ultimate parent company is H Mitton Limited, a company incorporated in Great Britain and registered in England and Wales.

The company is controlled by M Taylor (Director).