

Registration number: 04652597

Mitton Aftercare Limited

Abbreviated Accounts

for the Year Ended 31 January 2009



Mitton Aftercare Limited

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Mitton Aftercare Limited
Company Information

Directors	M Taylor S Taylor (appointed 1 February 2009)
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 47 Market Street BRADFORD West Yorkshire BD1 1LW
Auditors	Watson Buckle LLP Chartered Accountants & Registered Auditors York House Cottingley Business Park Bradford BD16 1PE

Mitton Aftercare Limited
Directors' Report for the Year Ended 31 January 2009

The directors present their report and the audited financial statements for the year ended 31 January 2009.

Directors' responsibilities

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

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

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.

Principal activity

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

Business Review

The fiscal year 2008/09 saw the second year of trading for Mitton Aftercare Limited as a separate entity to Mitton Mechanical Services Limited.

The year also represented the first full year of trading under the auspices of the new management regime and as such also saw the levelling out of the day to day operations of the business.

Aftercare's profit for the year was a reduction on the 2007/08 figure after taking into account write-downs accruing from the previous regime and an increase in fuel costs of some £125,000.

Going forward the Board expect Aftercare now to begin to show the level of profitability rise to that anticipated by them.

Mitton Aftercare Limited
Directors' Report for the Year Ended 31 January 2009

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Financial risk

Price risk, credit risk, liquidity risk and cash flow risk

The business' principal financial instruments comprise bank overdrafts, 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.

Results and dividend

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

The directors do not recommend the payment of a dividend.

Director

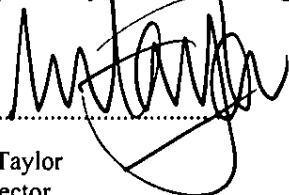
The director who held office during the year was as follows:

- M Taylor

Auditors

The auditors, Watson Buckle LLP, will be proposed for re-appointment in accordance with section 487 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



M Taylor
Director

Date: 6 October 2009

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

We have examined the abbreviated accounts of Milton Aftercare Limited, set out on pages 5 to 17, together with the financial statements of the company for the year ended 31 January 2009 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 directors are 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.

Watson Buckle LLP

Watson Buckle LLP
Chartered Accountants & Registered Auditors

Bradford

Date: *6 October 2009*

Mitton Aftercare Limited
Abbreviated Profit and Loss Account for the Year Ended 31 January 2009

	Note	2009 £	2008 £
Gross profit		1,977,006	2,438,758
Administrative expenses		(1,804,000)	(2,222,971)
Operating profit	2	<u>173,006</u>	<u>215,787</u>
Interest payable and similar charges	5	(9,885)	(10,418)
Profit on ordinary activities before taxation		<u>163,121</u>	<u>205,369</u>
Tax on profit on ordinary activities	6	(37,379)	(45,992)
Profit for the financial year	16	<u><u>125,742</u></u>	<u><u>159,377</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.

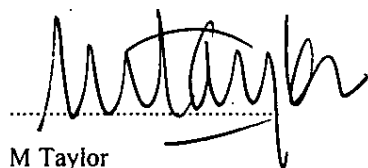
The notes on pages 8 to 17 form an integral part of these financial statements.

Mitton Aftercare Limited
Abbreviated Balance Sheet as at 31 January 2009

		2009	2008
	Note	£	£
Fixed assets			
Tangible assets	7	627,239	510,482
Current assets			
Stocks	8	916,853	1,107,786
Debtors	9	3,386,891	3,103,506
Cash at bank and in hand		-	183,636
		<u>4,303,744</u>	<u>4,394,928</u>
Creditors: Amounts falling due within one year	10	<u>(4,628,628)</u>	<u>(4,781,323)</u>
Net current liabilities		<u>(324,884)</u>	<u>(386,395)</u>
Total assets less current liabilities		302,355	124,087
Creditors: Amounts falling due after more than one year	11	(99,570)	(52,431)
Provisions for liabilities	14	<u>(17,566)</u>	<u>(12,179)</u>
Net assets		<u>185,219</u>	<u>59,477</u>
Capital and reserves			
Called up share capital	15	100	100
Profit and loss reserve	16	<u>185,119</u>	<u>59,377</u>
Shareholders' funds	18	<u>185,219</u>	<u>59,477</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.

Approved by the Board on 6 October 2009 and signed on its behalf by:



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 2009

		2009	2008
	Note	£	£
Net cash flow from operating activities	21	(69,735)	809,107
Returns on investment and servicing of finance	22	(9,885)	(10,418)
Taxation	22	(33,813)	-
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(85,168)	(515,153)
		(85,168)	(515,153)
Equity dividends paid		-	(100,000)
Cash (outflow)/inflow before management of liquid resources and financing		(198,601)	183,536
Financing			
Increase in loans and borrowings		-	100
Capital element of hire purchase payments		(88,391)	-
		(88,391)	100
Net cash flow		(286,992)	183,636

Reconciliation of net cash flow to movement in net debt

		2009	2008
	Note	£	£
(Decrease)/increase in cash in the year	23	(286,992)	183,636
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		88,391	(100)
Change in net funds resulting from cash flows		(198,601)	183,536
New hire purchase agreements		(165,607)	(124,352)
Movement in net (debt)/funds in the year		(364,208)	59,184
Net funds at the start of the year	23	59,284	100
Net (debt)/funds at the end of the year	23	(304,924)	59,284

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 2009

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.

Operating leases

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 abbreviated accounts for the Year Ended 31 January 2009

..... continued

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:

	2009 £	2008 £
Hire of plant and machinery (Spot hire)	186,603	125,137
Hire of other assets (Operating leases)	117,749	94,160
Auditors remuneration	6,000	6,000
Depreciation of tangible fixed assets	134,018	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:

	2009 No.	2008 No.
Engineers	79	68
Administration	23	18
	<u>102</u>	<u>86</u>

The aggregate payroll costs of these persons were as follows:

	2009 £	2008 £
Wages and salaries	3,174,954	3,232,789
Social security	342,209	336,778
Other pension costs	12,917	14,502
	<u>3,530,080</u>	<u>3,584,069</u>

Mitton Aftercare Limited

Notes to the abbreviated accounts for the Year Ended 31 January 2009

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4 Director's emoluments

The director's emoluments for the year are as follows:

	2009	2008
	£	£
Director's remuneration (including benefits in kind)	<u>-</u>	<u>300,000</u>

5 Interest payable and similar charges

	2009	2008
	£	£
Hire purchase interest	<u>9,885</u>	<u>10,418</u>

Mitton Aftercare Limited

Notes to the abbreviated accounts for the Year Ended 31 January 2009

..... continued

6 Taxation

Analysis of current period tax charge

	2009 £	2008 £
Current tax		
Corporation tax charge	<u>31,992</u>	<u>33,813</u>
Deferred tax		
Origination and reversal of timing differences	5,387	13,049
Effect of changes in tax rates	-	(870)
Total deferred tax	<u>5,387</u>	<u>12,179</u>
Total tax on profit on ordinary activities	<u><u>37,379</u></u>	<u><u>45,992</u></u>

Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is lower than (2008 - lower than) the standard rate of corporation tax in the UK of 21.00% (2008 - 30.00%).

The differences are reconciled below:

	2009 £	2008 £
Profit on ordinary activities before taxation	<u>163,121</u>	<u>205,369</u>
Standard rate corporation tax charge	34,255	61,611
Expenses not deductible for tax purposes	2,029	177
Accelerated capital allowances	(4,040)	(13,049)
Marginal rates	-	(14,926)
Change in tax rates	(252)	-
Total current tax for the year	<u><u>31,992</u></u>	<u><u>33,813</u></u>

Mitton Aftercare Limited

Notes to the abbreviated accounts for the Year Ended 31 January 2009

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7 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & computers £	Motor vehicles £	Total £
Cost				
As at 1 February 2008	72,488	92,971	474,046	639,505
Additions	-	10,993	239,782	250,775
As at 31 January 2009	<u>72,488</u>	<u>103,964</u>	<u>713,828</u>	<u>890,280</u>
Depreciation				
As at 1 February 2008	4,228	15,609	109,186	129,023
Charge for the year	6,826	15,939	111,253	134,018
As at 31 January 2009	<u>11,054</u>	<u>31,548</u>	<u>220,439</u>	<u>263,041</u>
Net book value				
As at 31 January 2009	<u>61,434</u>	<u>72,416</u>	<u>493,389</u>	<u>627,239</u>
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 £298,190 (2008 - £161,624) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £60,444 (2008 - £50,795).

8 Stocks and work in progress

	2009 £	2008 £
Raw materials	370,446	312,891
Work in progress	546,407	794,895
	<u>916,853</u>	<u>1,107,786</u>

9 Debtors

	2009 £	2008 £
Trade debtors	3,281,268	3,046,423
Other debtors	98,993	50,161
Prepayments and accrued income	6,630	6,922
	<u>3,386,891</u>	<u>3,103,506</u>

Mitton Aftercare Limited

Notes to the abbreviated accounts for the Year Ended 31 January 2009

..... continued

10 Creditors: Amounts falling due within one year

	2009 £	2008 £
Bank overdraft	103,356	-
Obligations under finance leases and hire purchase contracts	101,998	71,921
Trade creditors	1,152,535	1,133,394
Amounts owed to group undertakings	2,823,656	2,673,625
Corporation tax	31,992	33,813
Social security and other taxes	184,693	154,802
Accruals and deferred income	230,398	713,768
	<u>4,628,628</u>	<u>4,781,323</u>

11 Creditors: Amounts falling due after more than one year

	2009 £	2008 £
Obligations under finance leases and hire purchase contracts	<u>99,570</u>	<u>52,431</u>

12 Maturation of borrowings

Amounts repayable:

	Bank loans & overdrafts £	Obligations under finance leases and HP contracts £	Total £
As at 31 January 2009			
In one year or less on demand	103,356	101,998	205,354
Between one and two years	-	61,130	61,130
Between two and five years	-	38,440	38,440
	<u>103,356</u>	<u>201,568</u>	<u>304,924</u>
As at 31 January 2008			
In one year or less on demand	-	71,921	71,921
Between one and two years	-	47,932	47,932
Between two and five years	-	4,499	4,499
	-	<u>124,352</u>	<u>124,352</u>

Mitton Aftercare Limited

Notes to the abbreviated accounts for the Year Ended 31 January 2009

..... continued

13 Security of borrowings

The bank overdraft is secured by way of a charge on the assets of the company and by way of a cross company guarantee.

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

14 Provisions for liabilities

	Deferred tax provision £
As at 1 February 2008	12,179
Deferred tax provision charged to the profit and loss account	5,387
As at 31 January 2009	<u>17,566</u>

Deferred tax

Deferred tax is provided at 28.00% (2008 - 28.00%).

	2009 £	2008 £
Accelerated capital allowances	<u>17,566</u>	<u>12,179</u>

15 Share capital

	2009 £	2008 £
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>

16 Reserves

	Profit and loss reserve £
Balance at 1 February 2008	59,377
Transfer from profit and loss account for the year	125,742
Balance at 31 January 2009	<u>185,119</u>

Mitton Aftercare Limited

Notes to the abbreviated accounts for the Year Ended 31 January 2009

..... continued

17 Dividends

	2009 £	2008 £
Equity dividends	-	100,000

18 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit attributable to members of the company	125,742	159,377
Dividends	-	(100,000)
	125,742	59,377
Opening shareholders' funds	59,477	100
Closing shareholders' funds	185,219	59,477

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 £Nil at 31 January 2009 (2008: £180,411).

20 Pension scheme

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 £12,917 (2008 - £14,502).

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

Mitton Aftercare Limited

Notes to the abbreviated accounts for the Year Ended 31 January 2009

..... continued

21 Reconciliation of operating profit to operating cash flows

	2009 £	2008 £
Operating profit	173,006	215,787
Depreciation, amortisation and impairment charges	134,018	129,023
Decrease/(increase) in stocks	190,933	(1,107,786)
Increase in debtors	(283,385)	(3,103,506)
(Decrease)/increase in creditors	(284,307)	4,675,589
Net cash (outflow)/inflow from operating activities	<u>(69,735)</u>	<u>809,107</u>

22 Analysis of cash flows

	2009 £	2008 £
Returns on investment and servicing of finance		
HP interest paid	<u>(9,885)</u>	<u>(10,418)</u>
Taxation		
Taxation paid	<u>(33,813)</u>	<u>-</u>

23 Analysis of net (debt)/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)	-	-
Bank overdraft	-	(103,356)	-	(103,356)
Cash and bank net funds	<u>183,636</u>	<u>(286,992)</u>	-	<u>(103,356)</u>
Debt due within one year	-	-	-	-
Hire purchase	(124,352)	88,391	(165,607)	(201,568)
Change in debt	<u>(124,352)</u>	<u>88,391</u>	<u>(165,607)</u>	<u>(201,568)</u>
Net (debt)/funds	<u>59,284</u>	<u>(198,601)</u>	<u>(165,607)</u>	<u>(304,924)</u>

Mitton Aftercare Limited

Notes to the abbreviated accounts for the Year Ended 31 January 2009

..... *continued*

24 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.

Related party transactions

At the balance sheet date Mitton Aftercare Limited owed H Mitton Limited £100,000 (2008: £100,000).

During the year the company invoiced services to the fellow subsidiary company Mitton Mechanical Services Limited for £500,110 (2008: £209,314).

Mitton Mechanical Services Limited raised a management charge in the year to the company of £nil (2008: £50,000).

At the balance sheet date a balance was owing to Mitton Mechanical Services Limited of £2,723,756 (2008: £2,573,725).

All of the above transactions were at commercial rates.