

Company Registration Number 07094957

**MITIE TECHNICAL FACILITIES MANAGEMENT
HOLDINGS LIMITED**

Report and Financial Statements

Year ended 31 March 2012

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MITIE TECHNICAL FACILITIES MANAGEMENT HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

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MITIE TECHNICAL FACILITIES MANAGEMENT HOLDINGS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J I Clarke
M Holt
P F Mosley

SECRETARY

MITIE Company Secretarial Services Limited

REGISTERED OFFICE

8 Monarch Court
The Brooms
Emersons Green
Bristol
BS16 7FH

AUDITOR

Deloitte LLP
Chartered Accountants
London
EC4A 3BZ

MITIE TECHNICAL FACILITIES MANAGEMENT HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their report and audited financial statements for the financial year ended 31 March 2012

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial period. 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 then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

During the year the company operated as a holding company for MITIE Technical Facilities Management Limited, Parkersell Limited, MITIE Engineering Maintenance Limited and Utiyx Holdings Limited. The company is a wholly owned subsidiary of MITIE Group Plc.

On 16 December 2011 the company purchased 100% of Utiyx Holdings Limited and its subsidiaries for £18.5m. The Group manages its operations on a divisional basis.

The primary KPI of the company is the net asset position as shown in the balance sheet on page 8. The Group manages its operations on a divisional basis. For this reason, the company's directors do not believe further key performance indicators are necessary for an understanding of the performance and position of the business. The performance of the Group's divisions is discussed in the Group's annual report which does not form part of this report.

MITIE TECHNICAL FACILITIES MANAGEMENT HOLDINGS LIMITED

DIRECTORS' REPORT (continued)

GOING CONCERN

The financial statements of the company have been prepared on a going concern basis. The directors have given consideration to forecasts and associated cash flows. In addition the entity has access to banking facilities through MITIE Group PLC, and the directors believe that the company can continue to operate within the facilities available. Despite MITIE Technical Facilities Management Holdings Limited being loss making, and having net current liabilities, the company can rely on parental support from MITIE Group plc to continue as a going concern.

PRINCIPAL RISKS AND UNCERTAINTIES

We have an established risk management and corporate governance framework for identifying, evaluating and managing significant risks faced by MITIE. We recognise that risks and uncertainties offer the potential for both upside and downside changes within our business. We employ internal and external specialists to manage our risk profile and regularly review our system of internal control to ensure that risks are appropriately identified and addressed.

Our principal risks and uncertainties are as detailed on pages 46 and 47 in MITIE Group PLC's 2012 Annual Report, a copy of which is available on our website at www.mitie.com. We have summarised the risks below.

Loss of competitive position

Focus on clear strategic priorities and developing business cases for investment in new technology and infrastructure help to support our competitive position.

Inadequate contract performance

Relationship management and experienced teams are essential in minimising the risks that winning large scale new business can bring.

Health, safety and environment

The range of activities that we undertake carries with it a broad spectrum of health, safety and environmental risks with the potential to impact a number of stakeholder groups including our employees, the public and our clients.

Employee skills shortages

MITIE is a people business and our success relies on our ability to recruit and retain the best talent throughout the organisation.

Liquidity

Maintaining sufficient liquidity is essential for ensuring that we can meet our strategic targets and manage our day-to-day commitments.

Inability to support development in new markets

We utilise the local expertise of our management teams and or external specialists to help manage a path into any new markets.

Market conditions negatively impacting on company performance

Risks include client credit risk, price competition, changes in government policy and spending, and inflation and interest rate uncertainty. We mitigate these risks through measures such as credit insurance, on-going dialogue with the financial community and putting limits in place to manage our exposure to individual customers and sub-contractors.

MITIE TECHNICAL FACILITIES MANAGEMENT HOLDINGS LIMITED

DIRECTORS' REPORT (continued)

Reputational damage caused by employees not working to company values

The use of management systems and technology solutions to help prevent and detect fraud/economic crime Training is also vital to develop a responsible culture

Non-compliance with legislation

The company utilise a number of resources to ensure compliance from internal and external audit to external expert advisors and on-going training and guidance

Crystallisation of losses on uninsured risks

The use of Group and Division Business Management System and the co-ordination of QHSE, Business Risk and Insurance information to review our insurance needs on an annual basis to minimise the losses of the business

Failure of material counterparty or joint venture

We minimise this risk by carrying out legal reviews of contracts and regular assessments of counterparties

Trading position comprised due to system, control process failure

We have in place defined business management systems, policies, control framework and delegated authorities as well as Malicious software protection, multiple network routes to data centres to help mitigate the risk of any failures

FINANCIAL RISK MANAGEMENT

The directors have reviewed the financial risk management objectives and policies of the company The directors do not believe there to be significant risks in this area The company does not enter into any hedging instruments, as there are not believed to be any material exposures It does not enter into any financial instrument arrangements for speculative purposes

The company prepares regular forecasts of cash flow and liquidity and any requirement for additional funding is managed as part of the overall MITIE Group PLC financing arrangements

ENVIRONMENT

MITIE Group PLC and its subsidiaries endeavour to identify, monitor and manage the impact of their activities on the environment and are fully committed to environmental accountability and protection The company operates in accordance with Group policies, which are described in the Group's annual report which does not form part of this report

DIRECTORS

The directors during the period and subsequently were as follows

MITIE Administration 1 Limited	(resigned on 2 December 2011)
MITIE Administration 2 Limited	(resigned on 2 December 2011)
S C Baxter	(resigned on 2 December 2011)
N R Goodman	(resigned on 30 March 2012)
M Holt	
P F Mosley	
J I Clarke	(appointed 2 December 2011)

MITIE TECHNICAL FACILITIES MANAGEMENT HOLDINGS LIMITED

DIRECTORS' REPORT (continued)

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself 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 the provisions of s418 of the Companies Act 2006

A resolution to reappoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board

M Holt
Director

19/07/12

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MITIE TECHNICAL FACILITIES MANAGEMENT HOLDINGS LIMITED

We have audited the financial statements of MITIE Technical Facilities Management Holdings Limited for the period ended 31 March 2012 which comprises the Profit and Loss Account, the Balance Sheet and the related notes 1 to 17. 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 auditor

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. Our responsibility is to audit 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audit financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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 March 2012 and of its loss 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 period for which the financial statements are prepared is consistent with the financial statements.

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.



Cohn Hudson FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

19 July 2012

MITIE TECHNICAL FACILITIES MANAGEMENT HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 March 2012

	Note	2012 £'000	2011 £'000
OPERATING PROFIT	2	-	-
Interest payable	3	(4,385)	(4,312)
Investment revenues		8,631	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>4,246</u>	<u>(4,312)</u>
Tax credit on profit/(loss) on ordinary activities	4	1,132	1,207
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>5,378</u>	<u>(3,105)</u>

The results for the period are wholly attributable to the continuing operations of the company

There are no recognised gains and losses for the current financial period other than as stated in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses is presented.

MITIE TECHNICAL FACILITIES MANAGEMENT HOLDINGS LIMITED

BALANCE SHEET

At 31 March 2012

	Note	2012 £'000	2011 £'000
FIXED ASSETS			
Investment in subsidiary undertakings	5	203,341	182,190
CURRENT ASSETS			
Social Security and other taxes		49	-
Corporation Tax		559	579
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	7	<u>(100,086)</u>	<u>(3,684)</u>
NET CURRENT LIABILITIES		(99,478)	(3,105)
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	8	<u>-</u>	<u>(80,600)</u>
NET ASSETS		<u>103,863</u>	<u>98,485</u>
SHARE CAPITAL AND RESERVES			
Called up share capital	9	10,159	10,159
Share premium	10	91,431	91,431
Profit and loss account	11	<u>2,273</u>	<u>(3,105)</u>
TOTAL SHAREHOLDERS' FUNDS	12	<u>103,863</u>	<u>98,485</u>

The financial statements of MITIE Technical Facilities Management Holdings Limited, company registration number 07094957, were approved by the board on 19 July 2012

M Holt
Director



MITIE TECHNICAL FACILITIES MANAGEMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and the prior financial period are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Group accounts

The company has taken advantage of Section 400 of the Companies Act 2006 and therefore no consolidated financial statements have been prepared on the grounds that its accounts are consolidated in the larger group of MITIE Group PLC. Accordingly, the financial statements present information about the company as an entity and not as a group.

Going concern

The financial statements have been prepared under the going concern basis as discussed on page 3.

Cash flow statement

The company has taken the exemption from the requirement to prepare a cash flow statement, as it is included within the consolidated financial statements of MITIE Group PLC and greater than 90% of the voting rights of the company are held by MITIE Group PLC.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Investments

Fixed asset investments are measured at cost less provision for impairment.

2. OPERATING PROFIT

Auditor's fees of £1,500 (2011 - £1,500) has been borne by MITIE Group PLC and not recharged. Fees in respect of tax services are disclosed in the accounts of the ultimate parent company, MITIE Group PLC.

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £'000	2011 £'000
Interest payable to group undertakings	4,219	4,311
Bank interest	166	1
	<u>4,385</u>	<u>4,312</u>

MITIE TECHNICAL FACILITIES MANAGEMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

4. TAX CREDIT ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2012 £'000	2011 £'000
(a) Analysis of credit in period		
United Kingdom corporation tax at 26% (2011 - 28%)	1,132	1,207
Total current tax credit for the period (note 4(b))	1,132	1,207

(b) Factors affecting tax credit in period

The tax assessed for the period does not differ from that resulting from applying the standard rate of corporation tax in the UK of 26% (2011 - 28%)

	£'000	£'000
Profit / (Loss) on ordinary activities before tax	4,246	(4,312)
Dividend income not taxable	(8,600)	-
	(4,354)	(4,312)
Tax credit at 26% (2011 - 28%) thereon	1,132	1,207
Current tax credit for the period (note 4(a))	1,132	1,207

(c) Factors affecting future tax charges

The UK Government announced a reduction in the UK corporation tax rate from 26% to 24% from 1 April 2012, which was subsequently enacted on 26 March 2012. The reduction in the balance sheet carrying value of deferred tax assets and liabilities to reflect the rate of tax at which those assets are expected to reverse, has not had a material impact on the current year tax charge. The UK government has indicated that it intends to enact further reductions in the main tax rate of 1% each year down to 22% by 1 April 2014. Future rate reductions would further reduce the UK deferred tax assets and liabilities recognised but the actual impact will be dependent on the deferred tax position at the time.

5. INVESTMENTS

	2012 £'000	2011 £'000
Investments in subsidiary undertakings at 1 April 2011	182,190	182,190
Additions	21,151	-
At 31 March 2012	203,341	182,190

Principal subsidiaries

On 16 December 2011 the company purchased, for a combination of debt and equity totalling £18.5m, Utilyx Holdings Limited and all of its subsidiaries.

On 23 March 2012 the company carried out a recapitalisation of its subsidiary MITIE Technical Facilities Management Limited to the value of £2.6m.

MITIE TECHNICAL FACILITIES MANAGEMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

5. INVESTMENTS (Continued)

On 1 December 2011 a new entity was created called MITIE Justice Limited this entity was created to manage the Technical Facilities Management of Her Majesty's Court Service MITIE Technical Facilities Management Holdings Limited is the sole shareholder of this entity

Name of Subsidiary	Country of incorporation and registration	Principal Activity	Proportion of nominal value held
MITIE Justice Limited	United Kingdom	Integrated Technical Facilities Management	100%
Utylx Holdings Limited	United Kingdom	Holding company for Utylx Companies	100%
MITIE Technical Facilities Management Limited	United Kingdom	Integrated Technical Facilities Management	100%
Parkersell Limited	United Kingdom	Holding company for MITIE Lighting Limited and Pinniger and Partners Limited	100%
MITIE Engineering Maintenance Limited	United Kingdom	Dormant Company	100%

The company has taken advantage of Section 400 of the Companies Act 2006 and therefore no consolidated financial statements have been prepared

6. ACQUISITION OF SUBSIDIARY UNDERTAKING

On 16 December 2011 the company acquired 100% of the issued share capital of Utylx Holdings Limited for cash consideration of £18.5m

Utylx is an energy and carbon management specialist that also provides specialist services to generators and developers of renewal energy projects

MITIE TECHNICAL FACILITIES MANAGEMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2012	2011
	£'000	£'000
Bank overdraft	17,790	3,683
Accruals and deferred income	108	1
Other creditors	1,250	-
Amounts owed to group undertakings	80,938	-
	<u>100,086</u>	<u>3,684</u>
<p>In the prior year, MITIE Facilities Services Limited issued debt obligation bonds with a principal amount of £80,600,000 to MITIE Technical Facilities Management Holdings Limited. The fixed rate bonds mature on 23 March 2013 and accrue interest at 5.22% per annum. This is held in the amounts owed to group undertakings.</p>		
8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2012	2011
	£'000	£'000
Amounts owed to group undertakings	-	80,600
	<u>-</u>	<u>80,600</u>
9. CALLED UP SHARE CAPITAL	2011	2012
	£'000	£'000
Allotted, called up and fully paid 10,159,001 £1 Ordinary 'A' shares	10,159	10,159
	<u>10,159</u>	<u>10,159</u>
10. SHARE PREMIUM	£'000	£'000
Share premium at 1 April 2011 and 31 March 2012	91,431	91,431
	<u>91,431</u>	<u>91,431</u>
11. PROFIT AND LOSS ACCOUNT RESERVE	£'000	£'000
Opening reserve	(3,105)	-
Profit / (Loss) for the period	5,378	(3,105)
Closing reserve	<u>2,273</u>	<u>(3,105)</u>

MITIE TECHNICAL FACILITIES MANAGEMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £'000	2011 £'000
Opening shareholders' funds	98,485	-
Profit/(Loss) for the financial year	5,378	(3,105)
Shares issued	-	101,590
Closing shareholders' funds	103,863	98,485

13. FINANCIAL COMMITMENTS

Commitments on behalf of group undertakings

The company is party with other group undertakings to cross-guarantee of each others' bank overdrafts and loans

	2011 £'000	2012 £'000
Overall commitment	157,300	195,300

The Company is registered with HM Revenue & Customs as a member of a group for VAT purposes, and, as a result, jointly and severally liable on a continuing basis for amounts owing by other members of that group in respect of VAT

14. DIRECTORS

S C Baxter and N R Goodman are also directors of MITIE Group PLC. All disclosures relating to their emoluments, pension details and share options are disclosed in the group accounts. It is not practicable to allocate their remuneration between their services as directors of MITIE Technical Facilities Management Holdings Limited and their services as directors of other group companies. The directors resigned before the balance sheet date.

P F Mosley, M Holt and J I Clarke were remunerated by MITIE Technical Facilities Limited and it is not practicable to allocate their remuneration during the period. All disclosures relating to the emoluments, pension details and share options are disclosed in the MITIE Technical Facilities Limited accounts.

No directors were paid by MITIE Technical Facilities Management Holdings Limited during the period.

15. EMPLOYEES

The company had no employees during the period.

MITIE TECHNICAL FACILITIES MANAGEMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2012

16. RELATED PARTY TRANSACTIONS

The Company has a related party relationship with its fellow subsidiaries of MITIE Group

	Transactions sold		Transactions purchased		Outstanding balances	
	31 March 2012 £'000	31 March 2011 £'000	31 March 2012 £'000	31 March 2011 £'000	31 March 2012 £'000	31 March 2011 £'000
MITIE Facilities Services Limited	-	-	(4,219)	(4,311)	(80,600)	(80,600)
MITIE Technical Facilities Management Limited	257	-	-	-	338	-

17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The directors regard MITIE Group PLC, a company registered in Scotland, as the company's ultimate parent undertaking and controlling party. MITIE Group PLC is both the smallest and largest group for which group accounts are prepared. Copies of the group financial statements can be obtained from the Company Secretary at the registered office.