

Company registration number: 07650472

**Mitie Investments Limited**

**Annual Report and Financial Statements**

**For the year ended 31 March 2015**

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	<b>Page</b>
Company information	1
Strategic report	2
Directors' report	3
Independent auditor's report	5
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9

**Mitie Investments Limited**  
**Company information**

**07650472**

**Directors**

S C Baxter

R McGregor- Smith

**Company Secretary**

Mitie Company Secretarial Services Limited

**Registered office**

1 Harlequin Office Park

Fieldfare

Emersons Green

Bristol

England

BS16 7FN

**Auditor**

Deloitte LLP

Chartered Accountants and Registered Auditor

London

United Kingdom

**Mitie Investments Limited**  
**Strategic report**

**07650472**

The directors, in preparing this strategic report, have complied with Section 414C of the Companies Act 2006.

**Review of the business**

The principal activity of the Company is to act as a holding company for members of the Mitie Group.

In this financial year, the Company made a profit of £1,877,000 (2014: £898,000). The Company had net assets of £11,425,000 (2014: £11,823,000). The increase in profit is due to an increase in the dividends received from group undertakings of £2,275,000 (2014: £1,245,000). During the year, the Company paid a dividend of £2,275,000 (2014: nil). Net assets reduced to £11,425,000 (2014: £11,823,000).

**Key performance indicators**

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 appropriate 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.

**Principal risks and uncertainties**

The Company is part of the Mitie Group and manages its risks within the Mitie Group Risk Framework. Details of the principal risks and uncertainties are given in the Mitie Group plc annual report. The directors have reviewed the financial risk management objectives and policies of the Company in the light of the Group Risk Framework. The directors do not believe there to be any other significant risks.

**Financial risk management**

The Company does not enter into any hedging instruments, or any financial instruments for speculative purposes.

Appropriate trade terms are negotiated with suppliers and customers. Management reviews these terms and the relationships with suppliers and customers and manages any exposure on normal trade terms. 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.

**Future developments**

The directors expect the general level of activity to remain consistent with 2015 in the forthcoming year.

**Post balance sheet events**

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

Approved by the Board and signed on its behalf by:



S C Baxter  
Director

14 July 2015

**Mitie Investments Limited**  
**Directors' report**

**07650472**

The directors present the annual report and audited financial statements of Mitie Investments Limited ("the Company") for the year ended 31 March 2015.

**Dividends**

Dividends for each share class were declared as follows:

Ordinary: £2.08 per share (2014: nil per share)

**Going Concern**

The directors have considered the forecast results and associated cash flows for the foreseeable future, being the period not less than 12 months from the date of signing of these financial statements. The directors have considered the facilities available to the Company and believe that they can operate within the facilities available for the period of the cash flow forecast. Accordingly, the directors consider it appropriate to adopt the going concern basis in the preparation of the Company's financial statements.

**Payment of creditors**

The Company manages its procurement and supply chain with increasing consideration of its impact on the Company's profitability, reputation and sustainability objectives and is committed to proactively developing mutually beneficial and sustainable trading relationships with all of our stakeholders, based on a foundation of trust and co-operation.

**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 and sustainability reports which do not form part of this report.

**Directors**

The directors who served during the year were:

S C Baxter

R McGregor-Smith

**Post balance sheet events**

Information relating to events occurring after the balance sheet date is disclosed in the strategic report.

**Mitie Investments Limited**  
**Directors' report (continued)**

**07650472**

**Disclosure of information to the auditor**

Each of the directors in office as of the date of approval of this report confirms that:

- so far as she is aware, there is no relevant audit information (being information required by the auditor in the preparation of their report) of which the Company's auditor is unaware; and
- she has taken all the steps that she ought to have taken as a director to make herself aware of any relevant audit information and to establish that the Company's auditor is aware of such information.

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

**Appointment of auditor**

Deloitte LLP has indicated its willingness to be reappointed for another term and appropriate arrangements have been put in place for it to be deemed reappointed as auditor in the absence of an Annual General Meeting.

**Directors' responsibilities statement**

The directors are responsible for preparing the Annual Report and Financial Statements. The directors have elected to prepare financial statements in accordance with UK GAAP. The directors are required to prepare financial statements for each financial year which 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare 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 which disclose with reasonable accuracy at any time the financial position of the Company, safeguarding the assets, taking reasonable steps for the prevention and detection of fraud and other irregularities, and the preparation of a Strategic report and a Directors' report which comply with the relevant requirements of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



S C Baxter  
Director

14 July 2015

## **Independent auditor's report to the members of Mitie Investments Limited**

We have audited the financial statements of Mitie Investments Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 14. 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 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 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 audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 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 Strategic Report and 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 Mitie Investments 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.



**Colin Hudson (Senior statutory auditor)**  
**for and on behalf of Deloitte LLP**  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

14 July 2015



**Mitie Investments Limited**  
**Profit and loss account**  
**For the year ended 31 March 2015**

**07650472**

	<b>Note</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
Administration expense		(6)	-
<b>Operating loss</b>	<b>2</b>	<b>(6)</b>	<b>-</b>
Income from shares in group undertakings		2,275	1,245
<b>Profit on ordinary activities before interest and taxation</b>		<b>2,269</b>	<b>1,245</b>
Interest payable and similar charges	<b>4</b>	(498)	(450)
<b>Profit on ordinary activities before taxation</b>		<b>1,771</b>	<b>795</b>
Tax on profit on ordinary activities	<b>5</b>	106	103
<b>Profit for the financial year</b>	<b>11</b>	<b>1,877</b>	<b>898</b>

The results for the year are wholly attributable to the continuing operations of the Company.

There were no recognised gains or losses other than those stated in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses has been presented.

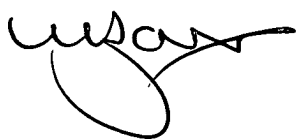
**Mitie Investments Limited**  
**Balance sheet**  
**As at 31 March 2015**

**07650472**

	Note	2015 £'000	2014 £'000
<b>Fixed assets</b>			
Investments	7	24,293	20,770
		<u>24,293</u>	<u>20,770</u>
<b>Current assets</b>			
Debtors			
- due within one year	8	56	62
<b>Creditors: amounts falling due within one year</b>	9	(12,924)	(9,009)
		<u>(12,868)</u>	<u>(8,947)</u>
<b>Net current liabilities</b>		<u>(12,868)</u>	<u>(8,947)</u>
<b>Total assets less current liabilities</b>		<u>11,425</u>	<u>11,823</u>
<b>Net assets</b>		<u>11,425</u>	<u>11,823</u>
<b>Share capital and reserves</b>			
Called up share capital	10	1,094	1,094
Share premium account	11	9,846	9,846
Profit and loss account	11	485	883
		<u>11,425</u>	<u>11,823</u>
<b>Shareholders' funds</b>	12	<u>11,425</u>	<u>11,823</u>

The financial statements were approved by the board of directors and authorised for issue on *14 July 2015*.

Signed on its behalf by:



S C Baxter  
 Director

**Mitie Investments Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2015**

**07650472**

**1. Accounting policies**

The financial statements of the Company have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards and law.

As more fully detailed in the Directors' report, the Company's financial statements have been prepared on a going concern basis.

The principal accounting policies are summarised below. They have been applied consistently throughout the current and preceding year.

***Group accounts***

Consolidated group accounts have not been prepared as the Company has taken advantage of the exemption from this requirement, conferred by FRS 2, 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.

***Taxation***

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

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based upon tax rates and legislation that have been enacted or substantively enacted at the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

***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.

***Investments***

Investments held as fixed assets are stated at cost less provision for any impairment.

**Mitie Investments Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2015**

**07650472**

**2. Operating loss**

Audit fees of £6,000 (2014: £6,000) were borne by Mitie Group plc and not recharged.

The Company has taken the exemption available to it not to disclose separately information about fees for non-audit services. provided to the Company as this information is available in the consolidated financial statements of Mitie Group plc

**3. Directors and employees**

The company had no employees (2014: none).

The following directors are also directors or employees of another group company. They are remunerated by the company shown. It is not practicable to allocate their remuneration between their services as directors of this company and as directors or employees of other group companies.

Director	Remunerated by
S C Baxter	Mitie Group plc
R McGregor- Smith	Mitie Group plc

**4. Interest**

<i>Interest payable and similar charges</i>	<b>2015</b> <b>£'000</b>	<b>2014</b> <b>£'000</b>
Bank interest	498	450
	<hr/>	<hr/>
	498	450
	<hr/>	<hr/>

**Mitie Investments Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2015**

**07650472**

**5. Tax on profit on ordinary activities**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
<i><b>(a) Analysis of credit in the year</b></i>		
United Kingdom corporation tax 21% (2014: 23%)	(106)	(103)
	<hr/>	<hr/>
Total current tax (Note 5(b))	(106)	(103)
	<hr/>	<hr/>
Tax on profit on ordinary activities	(106)	(103)
	<hr/> <hr/>	<hr/> <hr/>

***(b) Factors affecting tax credit in the year***

The tax assessed for the year differs from that resulting from applying the standard rate of corporation tax in the UK of 21% (2014: 23%). The differences are as follows:

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Profit on ordinary activities before tax	1,771	795
	<hr/>	<hr/>
Tax at 21% (2014: 23%) thereon:	372	183
Non-taxable income from shares in group undertakings	(478)	(286)
	<hr/>	<hr/>
<b>Current tax credit for the year (Note 5(a))</b>	(106)	(103)
	<hr/> <hr/>	<hr/> <hr/>

From 1 April 2015, the main rate of corporation tax reduced to 20%. This rate has been used to calculate the deferred tax balance as it was substantively enacted at the balance sheet date. In the budget on 8 July 2015, the government announced further reduction in the main rate of corporation tax to 19% in 2017 and 18% in 2020. These changes have not been substantively enacted.

**6. Dividends**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
The dividends approved and paid in the year were:		
Ordinary shares	2,275	-
	<hr/>	<hr/>
	2,275	-
	<hr/> <hr/>	<hr/> <hr/>

**Mitie Investments Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2015**

**07650472**

**7. Investments**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
At start of year	20,770	19,592
Additions	3,523	1,178
At end of year	<u>24,293</u>	<u>20,770</u>

The additions of £3,523,000 in the year relate to the purchase of 51% of Source Eight Limited. Further cash consideration may be payable in respect of put options over the remaining 49% bringing total consideration for a 100% stake up to a maximum of £15.8m.

The additions in the prior year related to Mitie Local Services Limited of £360,000 and Mitie Waste & Environmental Services Limited of £818,000.

The investments balance at 31 March 2015 represented interests in the following companies:

<b>Name of undertaking</b>	<b>Principal Activity</b>	<b>Class of shares held</b>	<b>% of class of shares held</b>	<b>% of voting rights held</b>	<b>Country of incorporation</b>
Creativevents Limited	Catering	Ordinary	51%	51%	England and Wales
Com:pack Community Services Holdings Limited	Dormant	Ordinary	50%	50%	England and Wales
Mitie Business Services UK Limited	Document management	A Ordinary	100%	3%	England and Wales
Mitie Catering Services Limited	Catering	E Ordinary	100%	58%	England and Wales
Mitie Events & Leisure Services Limited	Facilities management	A Ordinary	100%	23%	England and Wales
Mitie Facilities Management Limited	Facilities management	A Ordinary	100%	46%	Ireland
Mitie Facilities Management Limited	Facilities management	B Ordinary	82%	1%	Ireland
Mitie Local Services Limited	Facilities management	A Ordinary	100%	51%	England and Wales
Mitie Local Services Limited	Facilities management	B Ordinary	29%	14%	England and Wales
Mitie Waste & Environmental Services Limited	Facilities management	A Ordinary	100%	67%	England and Wales
Mitie Work Wise Limited	Document management	A Ordinary	100%	4%	England and Wales
Source Eight Limited	Consultancy	A Ordinary	51%	25%	England and Wales
Source Eight Limited	Consultancy	B Ordinary	51%	25%	England and Wales
Source Eight Limited	Consultancy	Ordinary	100%	1%	England and Wales
Savills Solar Limited	Energy services	B Ordinary	100%	50%	England and Wales

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

**Mitie Investments Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2015**

**07650472**

**8. Debtors**

	2015 £'000	2014 £'000
<i>Amounts falling due within one year:</i>		
Corporation tax	56	62
	<u>56</u>	<u>62</u>

**9. Creditors: amounts falling due within one year**

	2015 £'000	2014 £'000
Bank loans and overdrafts	12,038	8,971
Amounts owed to Group undertakings	51	-
Deferred consideration	834	-
Accruals and deferred income	1	38
	<u>12,924</u>	<u>9,009</u>

**10. Called up share capital**

	2015 £'000	2014 £'000
Allotted and called up share capital 1,094,001 £1 Ordinary	1,094	1,094
	<u>1,094</u>	<u>1,094</u>

**11. Reserves**

	Share premium account £'000	Profit and loss account £'000
At start of year	9,846	883
Profit for the financial year	-	1,877
Dividends paid	-	(2,275)
At end of year	<u>9,846</u>	<u>485</u>

**Mitie Investments Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2015**

**07650472**

**12. Reconciliation of movement in shareholders' funds**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Profit for the financial year	1,877	898
Dividends paid on equity shares	(2,275)	-
Net (reduction)/addition to shareholders' funds	(398)	898
Opening shareholders' funds	11,823	10,925
Closing shareholders' funds	11,425	11,823

**13. Related party transactions**

Related party transactions are as follows:

<b>Related Party</b>	<b>Dividends received</b>		<b>Year end balance</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Mitie Waste & Environmental Services Limited	1,811	-	-	-
Mitie Facilities Management Limited	-	890	-	-
Mitie Business Services Limited	392	283	-	-
Mitie Catering Services Limited	72	72	-	-

**14. Ultimate parent undertaking and controlling party**

Mitie Group plc is the immediate controlling party and the directors regard Mitie Group plc, a company registered in Scotland, as the ultimate parent company and controlling party.

Mitie Group plc is the largest and smallest group for which group financial statements are prepared. Copies of the group financial statements can be obtained from the Company Secretary at the registered office.