

Mitie Investments Limited

Annual Report and Financial Statements

Registered number 07650472

31 March 2018

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Company information

Directors

R J Blumberger
G Bonthron
D M Forbes
P J Dickinson

Secretary

Mitie Company Secretarial Services Limited

Registered office

Level 12
The Shard
32 London Bridge Street
London
SE1 9SG

Strategic report

Mitie Investments Limited ("the Company") is part of the Mitie Group of companies ("the Group"), the ultimate parent company being Mitie Group plc.

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. There have not been any significant changes in the Company's principal activities in the year under review.

As shown in the Company's profit and loss account on page 5, the Company reported a loss after tax of £1,344,000 (2017: £734,000).

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 light of the Group Risk Framework.

Future developments

The Directors expect the general level of activity to remain the same 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:



R J Blumberger
Director

19 December 2018

Directors' report

The Directors present the Annual Report and Financial Statements of Mitie Investments Limited ('the Company') for the year ended 31 March 2018.

In preparing this Directors' Report, the Directors have complied with S414C(11) of the Companies Act 2006 by including certain disclosures required by S416(4) within the Strategic Report.

Going concern

The Company's business activities, together with the factors likely to affect its future development and position are set out in the Strategic report.

The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its ultimate parent and fellow subsidiaries.

The Directors, having assessed the responses of the Directors of the Company's ultimate parent Mitie Group plc to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Mitie Group to continue as a going concern, or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Company's financial position and of the enquiries made of the Directors of Mitie Group plc, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors

The Directors who held office during the year are:

Director	Date of appointment	Date of resignation
R J Blumberger	23/02/2018	
G Bonthron		
D M Forbes		
P J Dickinson	23/02/2018	

Dividends

No dividend was declared or paid in the year (2017: £4.02 per ordinary share).

Environment

The Group endeavours to identify, monitor and manage the impact of their activities on the environment and is 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.

Political contributions

The Company made no political donations nor incurred any political expenditure during the year.

Other information

An indication of likely future developments in the business, discussion of financial risk management, and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 2.

By order of the Board



R J Blumberger
Director

Level 12
The Shard
32 London Bridge Street
SE1 9SG

19 December 2018

Statement of Directors' responsibilities in respect of the annual report and financial statements

The Directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 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;
- 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 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.

Profit and loss account

	<i>Note</i>	2018 £000	2017 £000
Administrative expenses		-	(4,573)
Other operating (expenses)/income		(3)	75
Operating loss before other items		(3)	(4,498)
Other items		(664)	-
Operating loss after other items	3	(667)	-
Income from shares in Group undertakings		-	4,398
Other interest receivable and similar income	6	17	7
Interest payable and similar expenses	7	(850)	(802)
Loss before taxation		(1,500)	(895)
Tax on loss	8	156	161
Loss for the financial year		(1,344)	(734)

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

There were no items of other comprehensive income recognised during the current or prior year. Accordingly, no statement of other comprehensive income has been prepared.

Balance sheet

	<i>Note</i>	2018 £000	2017 £000
Non-current assets			
Investments in subsidiaries	9	23,668	27,479
		23,668	27,479
Current assets			
Debtors (including £145,000 due after more than one year (2017: £nil))	10	517	150
Cash at bank and in hand		-	795
		517	945
Creditors: amounts falling due within one year	11	(17,363)	(17,488)
Net current liabilities		(16,846)	(16,543)
Total assets less current liabilities		6,822	10,936
Creditors: amounts falling due after more than one year	21	-	(3,434)
Net assets		6,822	7,502
Capital and reserves			
Called up share capital	13	1,094	1,094
Share premium account	13	-	9,846
Other reserves	13	664	-
Profit and loss account	13	5,064	(3,438)
Shareholders' funds		6,822	7,502

The Company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 31 March 2018.

The members have not required the Company to obtain an audit of its financial statement for the year ended 31 March 2018 in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for:

(a) ensuring that the Company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006; and

(b) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements for the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

The financial statements of Mitie Investments Limited, company number 07650472, were approved by the Board of Directors and authorised for issue on 7 December 2018 and were signed on its behalf by:



R J Blumberger
Director

Statement of changes in equity

	Called up share capital £000	Share premium account £000	Other reserves £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2016	1,094	9,846	-	1,694	12,634
Total comprehensive expense for the year	-	-	-	(734)	(734)
Loss for the year	-	-	-	(734)	(734)
Total comprehensive expense for the year	-	-	-	(734)	(734)
Transactions with owners, recorded directly in equity					
Dividends	-	-	-	(4,398)	(4,398)
Total distributions to owners	-	-	-	(4,398)	(4,398)
Balance at 31 March 2017	1,094	9,846	-	(3,438)	7,502

	Called up share capital £000	Share Premium Account £000	Other reserves £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2017	1,094	9,846	-	(3,438)	7,502
Total comprehensive expense for the year	-	-	-	(1,344)	(1,344)
Loss for the year	-	-	-	(1,344)	(1,344)
Capital reduction	-	(9,846)	-	9,846	-
Total comprehensive expense for the year	-	(9,846)	-	8,502	(1,344)
Transactions with owners, recorded directly in equity					
Equity-settled share based payment transactions	-	-	664	-	664
Total contributions by owners	-	-	664	-	664
Balance at 31 March 2018	1,094	-	664	5,064	6,822

Notes

1 Accounting policies

Mitie Investments Limited (the "Company") is a private company limited by shares and is incorporated in England and Wales and domiciled in the UK. The Company's registered number is 07650472. The Company's registered office is Level 12, The Shard, 32 London Bridge Street, SE1 9SG. Details of the Company's activities are set out in the Strategic Report.

The Company is exempt, by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group. The Company's ultimate parent undertaking, Mitie Group plc includes the Company in its consolidated financial statements. The consolidated financial statements of Mitie Group plc, which are prepared in accordance with International Financial Reporting Standards, are available to the public and may be obtained from www.mitie.com.

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

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Early adoption of IFRS 15

The Company decided to early adopt IFRS 15 'Revenue from contracts with customers', with a date of initial application of 1 April 2017. The adoption of IFRS 15 had no material impact on the Company.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel.
- Disclosure in respect of related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

As the consolidated financial statements of Mitie Group plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the Directors, in the application of these accounting policies, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2

Notes *(continued)*

1 Accounting policies *(continued)*

Measurement convention

The financial statements are prepared on the historical cost basis.

Foreign currency

The financial statements are prepared in the functional currency applicable to the business. Transactions in currencies other than the functional currency are recorded at the rate of exchange at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less provision for any impairment.

Dividend income

Dividend income from investments is when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Classification of financial instruments issued by the Company

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument. The Company derecognises financial assets and liabilities only when the contractual rights and obligations are transferred, discharged or expire.

Assets that are assessed not to be individually impaired are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables includes the Company's past experience of collecting payments, the number of delayed payments in the portfolio past the average credit period as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly, with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the profit and loss account.

Financial assets comprise loans and receivables and are measured at initial recognition at fair value and subsequently at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised where there is objective evidence that the asset is impaired. Cash and cash equivalents comprise cash in hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities comprise trade payables, financing liabilities, including bank and other borrowings. These are measured at initial recognition at fair value and subsequently at amortised cost.

Notes (continued)

1 Accounting policies (continued)

Intra-group financial instruments

Where the Company enters into financial guarantee contracts, to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based upon tax rates and legislation that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; when they relate to income taxes levied by the same taxation authority; and when the Company intends to settle its current tax assets and liabilities on a net basis.

Notes (continued)

1 Accounting policies (continued)

Impairment of non-current assets

Annually the Company reviews the carrying amounts of its non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to IFRS issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2017. The adoption of the changes set out below has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Amendments to IAS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*.
- Amendments to IAS 7 *Disclosure Initiative*.
- Amendments to IFRS included in the *Annual Improvements to IFRS Standards 2014-2016 Cycle*.

New standards not yet adopted

The Company has taken the exemption available under FRS 101 in respect of not disclosing the impact of new standards that are not yet in effect.

2 Accounting estimates and judgements

Critical accounting judgements in applying the Company's accounting policies

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgement, estimates and assumptions about the carrying amounts of assets and liabilities that are readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant.

The management has made no critical accounting judgements that are considered to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty are as follows:

Measurement and impairment of investments

The measurement of investments accounted for as fixed assets involves the estimation of future cash flows in the underlying businesses to determine whether the value of the investment has been impaired. The Directors have considered these cash flows and concluded that a provision for impairment is not required for the year ended 31 March 2018 (2017: £4,562,000). The carrying value of investments is £23,943,000 (2017: £27,479,000) at the balance sheet date; see note 9.

Notes *(continued)*

3 Operating loss after other items

Included in operating loss after other items are the following:

	2018	2017
	£000	£000
Impairment of investments	-	4,562
Gain on disposal of investments	-	75
Share-based payment charge ¹	664	-
	<u>664</u>	<u>-</u>

Note:

1. A share-based payment charge of £664,000 was recognised in other items following the issue of restricted shares in Mitie Group Plc as part of the acquisition of the minority shareholding in Mitie Events and Leisure Services Limited, Mitie Facilities Management Limited, Mitie Catering Services Limited and Mitie Waste & Environmental Services Limited.

4 Staff numbers and costs

The Company had no employees in the year ended 31 March 2018 (2017: nil)

5 Directors' remuneration

All 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	Disclosed in
R J Blumberger	Mitie Group Plc	Mitie Limited
D M Forbes	Mitie Group Plc	Mitie Treasury Management Limited
P J Dickinson	Mitie Group Plc	Mitie Group Plc

G Bonthron had no remuneration for qualifying services as a Director during the year.

6 Other interest receivable and similar income

	2018	2017
	£000	£000
Interest receivable and similar from Group undertakings	17	7
Total interest receivable and similar income	<u>17</u>	<u>7</u>

Notes (continued)

7 Interest payable and similar expenses

	2018 £000	2017 £000
Interest payable to Group undertakings	850	802
Total other interest payable and similar expenses	850	802

8 Taxation

	2018 £000	2017 £000
<i>Analysis of credit in the year</i>		
<i>UK corporation tax at 19% (2017: 20%)</i>		
Current tax on income for the period	(11)	(161)
Total current tax	(11)	(161)
<i>Deferred tax (see note 12)</i>		
Origination and reversal of temporary timing differences	(148)	-
Reduction in statutory tax rate	3	-
Total deferred tax	(145)	-
Tax on loss	(156)	(161)

	2018 £000	2017 £000
<i>Reconciliation of effective tax rate</i>		
Loss for the year	(1,344)	(734)
Total tax income	(156)	(161)
Loss excluding taxation	(1,500)	(895)
Tax using the UK corporation tax rate of 19% (2017: 20%)	(303)	(179)
Reduction in statutory tax rate on deferred tax balances	3	-
Expenses not deductible for tax purposes	144	898
Non-taxable income from shares in Group undertakings	-	(880)
Total tax income	(156)	(161)

The main rate of corporation tax will remain at 19% until 1st April 2020 when it will reduce to 17%. These rates have been used to calculate the deferred tax balance as they were substantively enacted at the balance sheet date.

Notes (continued)

9 Investments in subsidiaries

The Company has the following investments in subsidiaries, [associates and jointly controlled entities]:

	Shares in Group undertakings £000
Cost	
At beginning of year	32,041
Reduction in capital investment ¹	(3,709)
Additions ²	115
Disposals ³	(217)
At end of year	28,230
Provisions	
At beginning of year	4,562
At end of year	4,562
Net book value	
At 31 March 2017	27,479
At 31 March 2018	23,668

The investments balance at 31 March 2018 represented interests in the following companies:

	Country of Incorporation	Class of shares held	Ownership 2018	2017
Creativevents Limited	England and Wales	Ordinary	100%	100%
Mitie Business Services UK Limited ³	England and Wales	A Ordinary	0%	100%
Mitie Catering Services Limited	England and Wales	E Ordinary	100%	100%
Mitie Events & Leisure Services Limited	England and Wales	A Ordinary	100%	100%
Mitie Facilities Management Limited	Ireland	A Ordinary	100%	100%
Mitie Facilities Management Limited	Ireland	B Ordinary	100%	100%
Mitie Local Services Limited	England and Wales	A Ordinary	100%	100%
Mitie Local Services Limited ²	England and Wales	B Ordinary	100%	29%
Mitie Waste & Environmental Services Limited	England and Wales	A Ordinary	100%	100%
Mitie Waste & Environmental Services Limited	England and Wales	B Ordinary	100%	1%
Mitie Work Wise Limited ²	England and Wales	A Ordinary	100%	99%
Source Eight Limited	England and Wales	A Ordinary	51%	51%
Source Eight Limited	England and Wales	B Ordinary	51%	51%
Source Eight Limited	England and Wales	Ordinary	100%	100%

Notes:

1. On 19 July 2017, Mitie Group plc purchased the minority 49% shareholding in Source Eight Limited. The share purchase agreement terminated the original obligation of the Company to purchase the minority 49% shareholding and, as a consequence, the deferred consideration liability of £3,709,000 (including £275,000 outstanding from the 51% share purchase agreement) was extinguished, resulting in a reduction in capital investment of the same amount.

2. During the year, the Company acquired the remaining interest in Mitie Local Services Limited, Mitie Work Wise Limited.

3. During the year, the Company disposed of its investment in Mitie Business Services UK Limited to another Group company.

Notes (continued)

9 Investments in subsidiaries (continued)

During the year ended 31 March 2018 an impairment of £4,562,000 was recorded in relation to investments in Creativevents Limited and Mitie Local Services Limited. The impairment arose because of difficult trading conditions. The impairment was calculated through reference to a Value In Use calculation methodology which incorporated the following key assumptions - discount rate: 8.5%, profit growth rate: 1% for five years, terminal value: 2%.

The registered office of all of the companies listed above, except for Mitie Facilities Management Limited, is Level 12, The Shard, 32 London Bridge Street, London, England SE1 9SG United Kingdom.

The registered office of Mitie Facilities Management Limited is 108 Q House, Furze Road, Sandyford, Dublin 18, Ireland.

10 Debtors

	2018	2017
	£000	£000
Amounts owed by Group undertakings	218	7
Corporation tax	154	143
Deferred tax (<i>see note 12</i>)	145	-
	<hr/>	<hr/>
Total	517	150
	<hr/> <hr/>	<hr/> <hr/>
Due within one year	372	150
Due after more than one year	145	-
	<hr/> <hr/>	<hr/> <hr/>

Amounts owed by Group undertakings are interest bearing at a rate of circa 5% (2017: circa 5%) and are repayable on demand.

11 Creditors: amounts falling due within one year

	2018	2017
	£000	£000
Bank loans and overdrafts	35	-
Amounts owed to Group undertakings	17,325	17,000
Other creditors	-	275
Accruals	3	7
Interest payable	-	206
	<hr/>	<hr/>
	17,363	17,488
	<hr/> <hr/>	<hr/> <hr/>

The Directors consider that the carrying amount of other creditors approximates their fair value.

Amounts owed to Group undertakings are interest bearing at a rate of circa 5% (2017: circa 5%) and are repayable on demand.

Notes (continued)

12 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2018	2017	2018	2017	2018	2017
	£000	£000	£000	£000	£000	£000
Tax losses carried forward	145	-	-	-	145	-
Net tax liabilities	145	-	-	-	145	-

Movement in deferred tax during the year

	Recognised in income £000	31 March 2018 £000
Tax losses carried forward	145	145
	145	145

The UK Government announced a reduction in the UK corporation tax rate from 19% to 17% from 1 April 2020, which has been substantively enacted.

The reduction in the balance sheet carrying value of deferred tax assets and liabilities to reflect the rate of tax at which those differences are expected to reverse has not had a material impact on the current year tax charge.

13 Capital and reserves

Share capital authorised and fully paid	At start of year	At end of year	2018 £000	2017 £000
Ordinary Shares				
Ordinary shares at £1 each	1,094,001	1,094,001	1,094	1,094
	1,094,001	1,094,001	1,094	1,094

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Notes (continued)

13 Capital and reserves (continued)

Profit and loss account

The profit and loss account comprises the retained earnings and losses of the Company, less amounts distributed to the Company's shareholder.

Other reserves

Other reserves are comprised of Equity-settled share based payment transactions of £664,000 (2017:£nil).

Share premium account

The share premium account represents the premium arising on the issue of equity shares. During the year, the Company undertook a capital reduction to create distributable reserves with Share Premium balance at £nil (2017: £9,846k).

Dividend

The following dividends were recognised during the period:

	2018	2017
	£000	£000
£nil (2017: £4) per qualifying ordinary share	-	4,398
	<u>-</u>	<u>4,398</u>
	<u>-</u>	<u>4,398</u>

14 Related parties

Under FRS 101 the Company is exempt from disclosing key management personnel compensation and transactions with other companies wholly owned by Mitie Group plc.

The company has taken advantage of the exemption under 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

15 Subsequent events

There are no material post balance sheet events that require adjustment or disclosure.

16 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Mitie Group plc which is the immediate parent company incorporated in Scotland. The ultimate controlling party is Mitie Group plc, a company incorporated in Scotland with its registered office at 35 Duchess Road, Rutherglen, Glasgow, G73 1AU. Mitie Group plc is the parent company of the largest and smallest groups into which the accounts of the Company are consolidated. The consolidated financial statements of Mitie Group plc are available to the public and may be obtained from the Company Secretary at Level 12, The Shard, 32 London Bridge Street, SE1 9SG, UK or from www.mitie.com.