

Company Registration Number 937663

MITIE TILLEY ROOFING LIMITED
(formerly D W Tilley Limited)

Report and Financial Statements

**5 month period from 1 November 2007
to 31 March 2008**

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MITIE TILLEY ROOFING LIMITED
(formerly D W Tilley Limited)

REPORT AND FINANCIAL STATEMENTS 2008

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MITIE TILLEY ROOFING LIMITED
(formerly D W Tilley Limited)

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

W Robson	(appointed 19 March 2008)
J Ridley	(appointed 19 March 2008)
D W Tilley	

SECRETARY

MITIE Company Secretarial Services Limited	(appointed 19 March 2008)
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REGISTERED OFFICE

8 Monarch Court
The Brooms
Emersons Green
Bristol
BS16 7FH

BANKERS

HSBC plc
49 Corn Street
Bristol
BS99 7PP

AUDITORS

Deloitte LLP
Bristol

MITIE TILLEY ROOFING LIMITED
(formerly D W Tilley Limited)

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the 5 month period from 1 November 2007 to 31 March 2008.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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). The financial statements are required by law to 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 United Kingdom Accounting Standards have been followed; 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 proper accounting records, which 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 1985. 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

The company was acquired by MITIE Group PLC ("the Group") on 19 March 2008 and is a 100% owned subsidiary of MITIE Group PLC. As a result of this acquisition, the company has changed its accounting year end to 31 March 2008. The company's principal activity is that of roofing contractors. There have not been any significant changes in the company's principal activities in the period under review.

On 27 March 2008, the company changed its name from D W Tilley Limited to MITIE Tilley Roofing Limited.

On 31 March 2008, the company purchased the trade and assets of the roofing division of MITIE Property Services (UK) Limited for a total consideration of £4,788,000.

The balance sheet on page 7 of the financial statements shows that the company's financial position at the period end has, in terms of net assets, worsened compared with the prior period.

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.

DIVIDENDS

No dividends were paid out during the period. (2007: nil)

MITIE TILLEY ROOFING LIMITED
(formerly D W Tilley Limited)

DIRECTORS' REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

Loss of key customers is a key risk to the business. The company manages this risk by developing and maintaining strong relationships with these customers.

Group risks are discussed in the Group's annual report which does not form part of this report.

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 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.

PAYMENT POLICY

The company's policy is to comply with the terms of payment agreed with a supplier. Where terms are not negotiated, the company endeavours to adhere with the supplier's standard terms. As at 31 March 2008 trade creditors, as a proportion of amounts invoiced from suppliers for the financial period, represented 75 days (2007: 78 days).

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.

EMPLOYEES

The company offers equal opportunities to all applicants for employment whatever their sex, race or religion. Disabled persons are considered for employment, training, career development and promotion on the basis of their aptitudes and abilities in common with all employees, providing the disability does not make the particular employment impractical or the employee unable to conform to the stringent regulations which apply to the operations of the company.

The company recognises the importance of good communications and employee relationships. In each company there is a relationship between the Chief Executive of MITIE Group PLC and individual employees in the company. In these conditions, complex consultative procedures are seldom required to ensure that there is an understanding of the purpose of the business and the commercial realities of success. Employees are encouraged to become shareholders through the Savings Related Share Option Scheme.

DIRECTORS

The directors during the period and subsequently were as follows:

W Robson	(appointed 19 March 2008)
J Ridley	(appointed 19 March 2008)
D W Tilley	
S Nixon	(resigned 19 March 2008)

MITIE TILLEY ROOFING LIMITED
(formerly D W Tilley Limited)

DIRECTORS' REPORT (continued)

AUDITORS

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 auditors are unaware; and
- (2) the director has taken all the steps that he 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 auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

On 1 December 2008 Deloitte & Touche LLP changed its name to Deloitte LLP. Accordingly, a resolution to reappoint Deloitte LLP as the company's auditors will be proposed at the forthcoming Annual General Meeting.

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



W Robson
Director

/9 December 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

MITIE TILLEY ROOFING LIMITED (formerly D W Tilley Limited)

We have audited the financial statements of MITIE Tilley Roofing Limited for the 5 month period from 1 November 2007 to 31 March 2008 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 22. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the company's affairs as at 31 March 2008 and of its loss for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

DeLoitte LLP

DELOITTE LLP
Chartered Accountants and Registered Auditors
Bristol, United Kingdom

22 December 2008

MITIE TILLEY ROOFING LIMITED
(formerly D W Tilley Limited)

PROFIT AND LOSS ACCOUNT

5 month period from 1 November 2007 to 31 March 2008

		Continuing operations	
		5 month	Year ended
		period ended	31 October
		31 March	2007
	Note	2008	2007
		£	£
TURNOVER	1	6,875,704	16,285,548
Cost of sales		(5,122,263)	(11,070,747)
GROSS PROFIT		1,753,441	5,214,801
Distribution costs		(224,768)	(479,558)
Administrative expenses		(1,861,973)	(3,499,811)
OPERATING (LOSS)/PROFIT	2	(333,300)	1,235,432
Income from fixed asset investments		-	8,057
Interest received and similar income	3	52,281	123,615
Interest paid and similar charges	3	(11,595)	(27,137)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(292,614)	1,339,967
Tax credit/(charge) on (loss)/profit on ordinary activities	4	66,706	(467,368)
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD	12	(225,908)	872,599

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

MITIE TILLEY ROOFING LIMITED
(formerly D W Tilley Limited)

BALANCE SHEET
At 31 March 2008

	Note	2008	2007
		£	£
FIXED ASSETS			
Intangible assets	5	1,724,382	-
Tangible assets	6	480,043	1,107,811
		<u>2,204,425</u>	<u>1,107,811</u>
CURRENT ASSETS			
Stock	7	140,288	159,893
Debtors	8	6,328,957	3,192,095
Cash at bank and in hand		3,532,932	3,037,187
		<u>10,002,177</u>	<u>6,389,175</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(7,987,941)	(3,917,789)
NET CURRENT ASSETS		<u>2,014,236</u>	<u>2,471,386</u>
PROVISIONS FOR LIABILITIES	10	(877,831)	(12,459)
NET ASSETS		<u>3,340,830</u>	<u>3,566,738</u>
SHARE CAPITAL AND RESERVES			
Called up share capital	11	14,953	14,953
Profit and loss account	12	3,325,877	3,551,785
SHAREHOLDERS' FUNDS	13	<u>3,340,830</u>	<u>3,566,738</u>

These financial statements were approved by the Board of Directors on 19 December 2008.

Signed on behalf of the Board of Directors



W Robson
Director

MITIE TILLEY ROOFING LIMITED
(formerly D W Tilley Limited)

CASH FLOW STATEMENT

5 month period from 1 November 2007 to 31 March 2008

	Note	2008		2007	
		£	£	£	£
Net cash (outflow)/inflow from operating activities	14		(21,748)		973,786
Returns on investments and servicing of finance					
Income from other fixed asset investments		-		8,057	
Interest received		52,281		123,615	
Interest paid		(9,805)		(22,841)	
Interest element of hire purchase		(1,790)		(4,296)	
Net cash inflow from returns on investments and servicing of finance			40,686		104,535
Taxation					
UK corporation tax paid			-		(117,907)
Capital expenditure					
Payments to acquire tangible fixed assets		(33,920)		(557,659)	
Receipts from disposal of tangible fixed assets		526,026		80,000	
Net cash outflow from capital expenditure			492,106		(477,659)
Financing					
Repayments of hire purchase capital			(15,299)		(36,717)
Cash placed in other liquid investments			-		308,291
Increase in cash in the period	16		495,745		754,329

MITIE TILLEY ROOFING LIMITED
(formerly D W Tilley Limited)

NOTES TO THE FINANCIAL STATEMENTS
5 month period from 1 November 2007 to 31 March 2008

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 period and the prior financial year, are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover represents the total value, excluding sales taxes, receivable in respect of goods and services supplied and contract work completed in the period. All turnover arises within the United Kingdom, from the company's principal activity.

Intangible fixed assets and amortisation

Goodwill represents the excess of the cost of acquisition over the fair value of the identifiable assets and liabilities. Goodwill is initially recognised as an asset at cost and is subsequently amortised over 20 years on a straight-line basis.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold and leasehold property	50 years
Plant and machinery	3 to 10 years
Fixtures and fittings	3 to 5 years
Motor vehicles	4 years

Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals paid under operating leases are charged against income on a straight-line basis over the lease term.

MITIE TILLEY ROOFING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
5 month period from 1 November 2007 to 31 March 2008

1. ACCOUNTING POLICIES (continued)

Tax

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 on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. 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.

Pension costs

The company operated a defined contribution pension scheme for employees. The assets of the scheme were held separately from the company.

2. OPERATING (LOSS)/PROFIT

	2008	2007
	£	£
Operating (loss)/profit is stated after charging/(crediting):		
Profit on disposal of current asset investments	-	(11,968)
Depreciation of tangible fixed assets:		
- owned assets	245,679	194,493
- leased assets	956	20,079
Auditors' remuneration:		
- audit services	7,080	10,000
- other services	4,720	6,860
Profit on disposal of tangible fixed assets	(50,225)	(10,000)
Operating lease rentals - property	42,451	134,296
	<u> </u>	<u> </u>

3. INTEREST

	2008	2007
	£	£
Interest received and similar income		
Bank interest	52,281	123,615
	<u> </u>	<u> </u>
Interest paid and similar charges	£	£
Hire purchase and finance lease charges	(1,790)	(4,296)
Other similar charges payable	(9,805)	(22,841)
	<u> </u>	<u> </u>
	<u>(11,595)</u>	<u>(27,137)</u>

MITIE TILLEY ROOFING LIMITED
(formerly D W Tilley Limited)

NOTES TO THE FINANCIAL STATEMENTS
5 month period from 1 November 2007 to 31 March 2008

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

	2008	2007
	£	£
(a) Analysis of tax (credit)/charge on ordinary activities		
United Kingdom corporation tax at 30% (2007: 30%)	-	405,000
Adjustment in respect of prior periods	11,000	58,608
Total current tax (note 4(b))	11,000	463,608
Deferred taxation:		
Timing differences - origination and reversal	(82,366)	3,760
Decrease in tax rate	4,660	-
Adjustment in respect of prior periods	-	-
Tax on (loss)/profit on ordinary activities	(66,706)	467,368

(b) Factors affecting tax charge for the current period

The tax assessed for the period differs from that resulting from applying the standard rate of corporation tax in the UK of 30% (2007: 30%). The differences are as follows:

	£	£
(Loss)/profit on ordinary activities before tax	(292,614)	1,339,967
	£	£
Tax at 30% thereon	(87,784)	401,990
Expenses not deductible for tax purposes	5,418	75,333
Capital allowances less than/(in excess of) depreciation	51,564	(68,730)
Generation of tax losses	30,802	-
Adjustment in respect of prior periods	11,000	58,608
Effect of marginal relief claimed	-	(3,593)
Current tax charge for the period (note 4(a))	11,000	463,608

MITIE TILLEY ROOFING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
5 month period from 1 November 2007 to 31 March 2008

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

(d) Deferred tax note

	2008	2007
	£	£
Movement in deferred taxation asset in the period:		
Opening balance	(12,459)	(8,699)
Credit/(charge) to profit and loss account (note 4 (a))	77,706	(3,760)
Closing balance	65,247	(12,459)

(e) Analysis of deferred tax balance

	£	£
Capital allowances (less than)/in excess of depreciation	(36,498)	12,459
Tax losses	(28,749)	-
	(65,247)	12,459

5. INTANGIBLE FIXED ASSETS

	Goodwill
	£
Cost	
At 1 November 2007	-
Additions	1,724,382
At 31 March 2008	1,724,382
Amortisation	
At 1 November 2007 and 31 March 2008	-
Net book values	
At 31 March 2008	1,724,382
At 31 October 2007	-

The goodwill arose on the acquisition of the trade and assets of the roofing division of MITIE Property Services UK Limited (see note 21).

MITIE TILLEY ROOFING LIMITED
(formerly D W Tilley Limited)

NOTES TO THE FINANCIAL STATEMENTS
5 month period from 1 November 2007 to 31 March 2008

6. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost						
At 1 November 2007	485,000	41,963	396,184	154,369	879,243	1,956,759
Additions	-	-	-	-	33,920	33,920
Acquisitions (note 21)	-	-	-	46,138	14,610	60,748
Disposals	(485,000)	-	-	-	(73,667)	(558,667)
At 31 March 2008	-	41,963	396,184	200,507	854,106	1,492,760
Depreciation						
At 1 November 2007	13,100	18,222	234,148	73,695	509,783	848,948
Charge for the period	-	-	101,872	74,460	70,303	246,635
Disposals	(13,100)	-	-	-	(69,766)	(82,866)
At 31 March 2008	-	18,222	336,020	148,155	510,320	1,012,717
Net book value						
At 31 March 2008	-	23,741	60,164	52,352	343,786	480,043
At 31 October 2007	471,900	23,741	162,036	80,674	369,460	1,107,811

Included in the net book value above are assets held on hire purchase contracts totalling nil (2007: £44,174). The depreciation charged in the period on these assets totals £956 (2007: £20,079).

Capital commitments

At 31 March 2008 the directors had authorised capital expenditure of £33,920 (2007: £557,659).

7. STOCK	2008 £	2007 £
Raw materials and consumables	66,283	66,283
Work in progress	74,005	93,610
	<u>140,288</u>	<u>159,893</u>

MITIE TILLEY ROOFING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
5 month period from 1 November 2007 to 31 March 2008

8. DEBTORS	2008	2007
	£	£
Trade debtors	5,487,805	2,828,620
Other debtors	-	2,360
Prepayments and accrued income	775,905	361,115
Deferred tax asset	65,247	-
	<u>6,328,957</u>	<u>3,192,095</u>

A deferred tax asset of £65,247 has been recognised at 31 March 2008 (2007: liability of £12,459). This asset relates to depreciation in excess of capital allowances, tax losses and other short-term timing differences. The directors are of the opinion that suitable profits will be available within the periods in which these differences will reverse. The amount credited to the profit and loss account in the period was £77,706 (2007: £3,760).

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2008	2007
	£	£
Trade creditors	1,661,539	1,888,009
Other creditors	40,996	59,928
Amounts owed to group undertakings	4,788,000	-
Corporation tax	403,599	392,599
Other taxes and social security	449,134	629,321
Obligations under hire purchase contracts	-	15,299
Accruals and deferred income	644,673	684,540
Directors' current accounts	-	248,093
	<u>7,987,941</u>	<u>3,917,789</u>

The following is an analysis of finance lease obligations:

Minimum lease payments payable:	£	£
Amounts due in less than one year	-	15,299
Between two and five years	-	-
	<u>-</u>	<u>15,299</u>

MITIE TILLEY ROOFING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
5 month period from 1 November 2007 to 31 March 2008

10. PROVISIONS FOR LIABILITIES

	Deferred taxation	Warranty provision £	Other provisions £	Total £
Cost				
At 1 November 2007	12,459	-	-	12,459
(Credited)/charged to profit and loss account	(77,706)	676,511	201,320	800,125
Transfer to assets (note 8)	65,247	-	-	65,247
At 31 March 2008	<u>-</u>	<u>676,511</u>	<u>201,320</u>	<u>877,831</u>

The warranty provision is in respect of potential claims against roofing guarantees. The most significant provision within other provisions is in relation to potential dilapidation costs.

11. CALLED UP SHARE CAPITAL

	2008 £	2007 £
Authorised		
50,000 £1 ordinary shares	<u>50,000</u>	<u>50,000</u>
	£	£
Called up, allotted and fully paid		
14,953 £1 ordinary shares	<u>14,953</u>	<u>14,953</u>

12. RESERVES

	Profit and loss account £
At 1 November 2007	3,551,785
Loss for the financial period	(225,908)
At 31 March 2008	<u>3,325,877</u>

MITIE TILLEY ROOFING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
5 month period from 1 November 2007 to 31 March 2008

13.	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2008	2007	
		£	£	
	(Loss)/profit for the financial period	(225,908)	872,599	
	Net (reduction)/addition to shareholders' funds	(225,908)	872,599	
	Opening shareholders' funds	3,566,738	2,694,139	
	Closing shareholders' funds	3,340,830	3,566,738	
14.	RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2008	2007	
		£	£	
	Operating (loss)/profit	(333,300)	1,235,432	
	Depreciation	246,635	214,572	
	Profit on disposal of tangible fixed assets	(50,225)	(10,000)	
	Increase in intangible assets	(1,724,382)	-	
	Increase in fixed assets through acquisition	(60,748)	-	
	Increase in debtors	(3,071,615)	(428,684)	
	Increase/(decrease) in creditors	4,952,282	(156,587)	
	Decrease in stock	19,605	119,053	
	Net cash (outflow)/inflow from operating activities	(21,748)	973,786	
15.	ANALYSIS OF CHANGES IN NET FUNDS	At 1 November	Cash flow	At 31 March
		2007		2008
		£	£	£
	Cash at bank and in hand	3,037,187	495,745	3,532,932
	Hire purchase agreements	(15,299)	15,299	-
		3,021,888	511,044	3,532,932

MITIE TILLEY ROOFING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
5 month period from 1 November 2007 to 31 March 2008

**16. RECONCILIATION OF NET CASH FLOW TO MOVEMENT
IN NET FUNDS**

	2008	2007
	£	£
Increase in cash in the period	495,745	754,329
Cash outflow in respect of hire purchase	15,299	36,717
Cash used to decrease liquid resources	-	(308,291)
	<hr/>	<hr/>
Change in net funds	511,044	482,755
Net funds at beginning of period	3,021,888	2,539,133
	<hr/>	<hr/>
Net funds at end of period	3,532,932	3,021,888
	<hr/>	<hr/>

17. FINANCIAL COMMITMENTS

Operating leases

At 31 March 2008 the company had annual commitments under non-cancellable operating leases as follows:

	2008	2007
	Land and buildings £	Land and buildings £
Expiry date:		
- within one year	-	-
- within two to five years	-	-
- after five years	64,500	64,500
	<hr/>	<hr/>
	64,500	64,500
	<hr/>	<hr/>

Commitments on behalf of group undertakings

The company is party with other group undertakings to cross-guarantees of each other's bank overdrafts and loans. As at 31 March 2008, the overall commitment was nil (2007: nil).

MITIE TILLEY ROOFING LIMITED
(formerly D W Tilley Limited)

NOTES TO THE FINANCIAL STATEMENTS
5 month period from 1 November 2007 to 31 March 2008

18. DIRECTORS

	2008 £	2007 £
The emoluments of directors of the company were:		
Fees and other emoluments (excluding pension contributions but including benefits-in-kind)	133,408	330,000
	<u>No.</u>	<u>No.</u>
The number of directors who were members of a defined benefit pension scheme	<u>2</u>	<u>2</u>

W Robson is a director of MITIE Group PLC. All disclosures relating to his emoluments, pension details and share options are disclosed in the group accounts. J Ridley is a director of MITIE Property Services Limited. It is not practicable to allocate their remuneration between their services as directors of MITIE Tilley Roofing Limited and their services as directors of other group companies.

19. EMPLOYEES

Number of employees

The average number of persons (including directors) employed by the company during the period was:

	2008 No.	2007 No.
Administration and management	46	35
Site labour	87	79
	<u>133</u>	<u>114</u>
Employment costs (including directors)	£	£
Wages and salaries	1,629,153	3,647,790
Social security costs	186,896	393,743
Other pension costs	12,010	355,696
	<u>1,828,059</u>	<u>4,397,229</u>

MITIE TILLEY ROOFING LIMITED
(formerly D W Tilley Limited)

NOTES TO THE FINANCIAL STATEMENTS
5 month period from 1 November 2007 to 31 March 2008

20. RELATED PARTY TRANSACTIONS

The company was under the control of D W Tilley until the 19 March 2008. D W Tilley was the Managing Director and majority shareholder.

D W Tilley is a trustee of the D W Tilley (Engineers) Limited Executive Pension Scheme, from whom the company rents premises. Amounts payable during the period were £32,975 (2007: £80,345).

During the period the company made a special contribution of nil (2007: £325,644) to the D W Tilley (Engineers) Limited Executive Pension Scheme.

21. ACQUISITIONS

On 31 March 2008, the company acquired the trade and assets of the roofing division of MITIE Property Services UK Limited. The fair value of the total consideration was £4,788,000.

The following table sets out the book values and provisional fair values of the identifiable assets and liabilities acquired.

Net assets acquired	£
Tangible fixed assets	60,748
Debtors	3,287,232
Creditors	(284,362)
Total	<u>3,063,618</u>
Satisfied by:	£
Amounts owed to group undertakings	<u>4,788,000</u>
	£
Goodwill arising on acquisition	<u>1,724,382</u>

22. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Prior to 19 March 2008, the company was ultimately controlled by D W Tilley.

Since 19 March 2008, 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.