

Mitie Engineering Services (Northern Region) Limited

Annual Report and Financial Statements

Registered number 02564586

31 March 2017



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Company information

Directors

R J Blumberger
P J Dickinson
S A Rose

Company Secretary

Mitie Company Secretarial Services Limited

Registered office

1 Harlequin Office Park
Fieldfare
Emersons Green
Bristol
BS16 7FN

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

Strategic report

Mitie Engineering Services (Northern Region) 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 Company is a wholly owned subsidiary of Mitie Group plc ("the Group"). The Company made the decision during the year ended 31 March 2011 not to actively pursue any material new contracts. The Company's activities are therefore being run down. As a result, given the Company's financial position and performance, its financial statements have been prepared on a basis other than that of a going concern.

As shown in the Company's profit and loss account on page 7 the Company had no revenue during the year ended 31 March 2017 (2016: £nil) and made a profit before tax of £372,000 (2016: loss £126,000) principally as a result of a settlement with subcontractors.

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 continue to reduce in the forthcoming year as a result of the decision not to actively pursue any new contracts.

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

9 February 2018

Directors' report

The Directors present the Annual Report and audited Financial Statements of Mitie Engineering Services (Northern Region) Limited ('the Company') for the year ended 31 March 2017.

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 has made a decision not to actively pursue any material new contracts. The Company's activities are therefore in the process of being run down. As a result, given the Company's financial position and performance, its financial statements have been prepared on a basis other than that of a going concern.

Directors

The Directors who held office during the year, together with those subsequently appointed, were:

Director	Date of appointment	Date of resignation
R J Blumberger	19/04/2017	
P J Dickinson	19/04/2017	
P J Holland	30/01/2017	01/05/2017
J Ridley		30/01/2017
W Robson		30/01/2017
S A Rose	30/01/2017	
J S Sheridan	30/01/2017	06/10/2017

Dividends

No dividend was declared or paid in the year (2016: no dividend).

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.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself 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 Section 418 of the Companies Act 2006.

Other information

An indication of likely future developments in the business 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. Information about financial risk management is set out in the Strategic Report on page 2.

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.

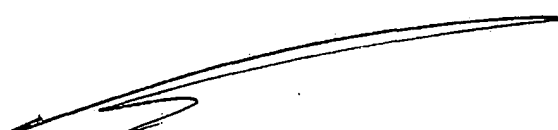
Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure 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;
- 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 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.

By order of the Board



R J Blumberger
Director

1 Harlequin Office Park
Fieldfare
Emersons Green
BS16 7FN

9 February 2018

Independent auditor's report to the members of Mitie Engineering Services (Northern Region) Limited

We have audited the financial statements of Mitie Engineering Services (Northern Region) Limited for the year ended 31 March 2017 which comprise the Profit and loss account, the Balance sheet and the Statement of changes in equity and the related notes 1 to 11. 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), including FRS 101 Reduced Disclosure Framework.

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 Statement of Directors' Responsibilities, 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 2017 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.

Emphasis of matter - Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.


In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

Independent auditor's report to the members of Mitie Engineering Services (Northern Region) 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.



Ivan Boonzaaij, FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP,
Statutory Auditor
London
United Kingdom

9 February 2018

Profit and loss account

	<i>Note</i>	2017 Total £000	2016 Total £000
Cost of sales		(6)	(114)
Gross loss		(6)	(114)
Other income	3	392	-
Interest payable and similar expenses	4	(14)	(12)
Profit/(loss) before taxation		372	(126)
Tax on profit/(loss)	5	(76)	(18)
Profit/(loss) for the financial year		296	(144)

The results for the year and the preceding year are wholly attributable to the discontinued operations of the Company.

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

Balance sheet

	Note	2017 £000	2016 £000
Current assets			
Debtors	6	84	-
Cash at bank and in hand		97	28
		<u>181</u>	<u>28</u>
Creditors: amounts falling due within one year	7	(97)	(240)
Net current assets/(liabilities)		<u>84</u>	<u>(212)</u>
Total assets less current liabilities		<u>84</u>	<u>(212)</u>
Net assets/(liabilities)		<u>84</u>	<u>(212)</u>
Capital and reserves			
Called up share capital	9	150	150
Profit and loss account		(66)	(362)
Shareholders' funds/(deficit)		<u>84</u>	<u>(212)</u>

These financial statements of Mitie Engineering Services (Northern Region) Limited, company number 02564586, were approved by the Board of Directors on 9 February 2018 and were signed on its behalf by:



R J Blumberger
Director

Statement of changes in equity

	Called up Share capital £000	Profit and loss account £000	Total shareholders' deficit £000
Balance at 1 April 2015	150	(218)	(68)
Total comprehensive expense for the year	-	(144)	(144)
Balance at 31 March 2016	<u>150</u>	<u>(362)</u>	<u>(212)</u>

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2016	150	(362)	(212)
Total comprehensive income for the year	-	296	296
Balance at 31 March 2017	<u>150</u>	<u>(66)</u>	<u>84</u>

Notes

1 Accounting policies

Mitie Engineering Services (Northern Region) Limited (the "Company") is a private company limited by shares and is incorporated in England and Wales and domiciled in the UK. The registered number of the Company is 02564586. The Company's registered office is at 1 Harlequin Office Park, Fieldfare, Emersons Green, Bristol, South Gloucestershire BS16 7FN. Details of the Company's activities are set out in the Strategic Report.

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 basis other than that of a going concern.

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.

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; and
- Disclosures in respect of the compensation of Key Management Personnel.

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 disclosure:

- 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 basis other than that of a going concern and assets are shown at their recoverable amount.

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 a 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 uncollectable, 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 and 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)

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 the Company intends to settle its current tax assets and liabilities on a net basis.

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2016. 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 IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception*.
- Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*.
- Amendments to IAS 1 *Disclosure Initiative*.
- Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*.
- Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants*.
- Amendments to IAS 27 *Equity Method in Separate Financial Statements*.
- Amendments to IFRSs included in the *Annual Improvements to IFRSs 2012-2014 Cycle*.

New standards not yet adopted

The Company has taken the exemption available under FRS101 in respect of not disclosing the impact of new standards that are not yet in effect.

Notes (continued)

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 Directors have 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:

There are no key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year.

3 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2017 £000	2016 £000
Other income: settlement with subcontractors	400	-
Auditor's remuneration:		
	2017 £000	2016 £000
Audit fees paid by Utiy Asset Management Limited and not recharged	-	-

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Mitie Group plc.

4 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
P J Holland	Mitie Facilities Services Limited	Mitie Facilities Services Limited
J Ridley	Mitie Property Management Limited	Mitie Property Management Limited
W Robson	Mitie Group plc	Mitie Property Services (UK) Limited
S A Rose	Mitie Facilities Services Limited	Mitie Technical Facilities Management Limited
J S Sheridan	Mitie Facilities Services Limited	Mitie Facilities Services Limited

R J Blumberger and P J Dickinson were appointed as directors after 31 March 2017 and have no remuneration for qualifying services as a Director relating to the year.

Notes (continued)

5 Interest payable and similar expenses

	2017 £000	2016 £000
Interest payable to Group undertaking	14	12
Total other interest payable and similar expenses	14	12

6 Taxation

<i>Analysis of charge in the year</i>	2017 £000	2016 £000
UK corporation tax at 20% (2016: 20%)		
Current tax on income for the year	76	-
Adjustments in respect of prior periods	-	18
Tax charge on profit/(loss)	76	18
<i>Reconciliation of effective tax rate</i>	2017 £000	2016 £000
Profit/(loss) for the year	296	(144)
Total tax expense	(76)	(18)
Profit/(loss) excluding taxation	372	(126)
Tax using the UK corporation tax rate of 20% (2016: 20%)	74	-
Expenses not deductible for tax purposes	2	-
Adjustments in respect of prior periods	-	18
Total tax expense/(credit) for the year	76	18

The main rate of corporation tax was 20% until 1 April 2017 when it reduced to 19% and will remain at this level until a further reduction to 17% from 1 April 2020.

7 Debtors

	2017 £000	2016 £000
Amounts due from Group undertakings	84	-
Total	84	-
Due within one year	84	-

In the opinion of the Directors, the fair value does not materially differ from the carrying value.
Amounts due from Group undertakings are repayable on demand and are interest free.

Notes (continued)

8 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Amounts due to Group undertakings	-	233
Corporation tax	76	18
Accruals and deferred income	21	7
	<u>97</u>	<u>258</u>

In the opinion of the Directors, the fair value does not materially differ from the carrying value.
Amounts due to Group undertakings are repayable on demand and are interest free (2016: no interest).

9 Deferred tax assets and liabilities

The Company has not recognised a deferred tax asset in respect of unutilised tax losses of £212,000 (2016: £212,000). The tax losses can be utilised against future profits and have no expiry date.

10 Capital and reserves

	2017 £000	2016 £000
Share capital called up and fully paid		
A 94,500 Ordinary shares at £1 each	95	95
B 55,000 Ordinary shares at £1 each	55	55
	<u>150</u>	<u>150</u>

The holders of A and B 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.

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.

11 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Utiyix Asset Management Limited which is the immediate parent company incorporated in United Kingdom. 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, Scotland. 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 1 Harlequin Office Park, Fieldfare, Emersons Green, Bristol, South Gloucestershire BS16 7FN UK or from www.mitie.com.