Mitie Property Services (UK) Limited

Annual report and financial statements

Registered number 02935593

31 March 2021

Contents

Company information

Directors
P J G Dickinson
S C Kirkpatrick

Secretary
Mitie Company Secretarial Services Limited

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

Auditor
BDO LLP
Statutory Auditor
55 Baker Street
London
W1U 7EU

Strategic report

Mitie Property Services (UK) Limited (the "Company") is a subsidiary of Mitie Group plc. Mitie Group plc, together with its subsidiaries, comprise the "Group".

The directors of the Company (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 property maintenance and refurbishment, painting and decorating and new house fit-out services to domestic, commercial, industrial and public sectors throughout the United Kingdom. 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 13, the Company's turnover was £44,816,000 (2020: £49,350,000) and the profit after tax was £2,803,000 (2020: £6,453,000).

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 Mitie Group plc annual report and accounts 2021 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 and accounts 2021. The Directors have reviewed the financial risk management objectives and policies of the Company in light of the Group Risk Framework. The Directors do not believe there to be any significant risks other than those detailed below.

Key risks include:

Strategic Risks
COVID-19
Whilst the COVID-19 pandemic has had an unprecedented impact on businesses and economic activity across the world, Mitie has been able to meet many of the challenges COVID-19 brought with it. That said, these challenges remain as major issues for all organisations including Mitie and will continue to cause uncertainty in revenues, supplies and employee availability. Failure to monitor, respond to and plan for the ongoing and any future impacts of the COVID-19 pandemic, in particular the effect on employees, customers and the supply chain, could result in severe consequences for the financial health and reputation of the Company's business.

The Company has gone through a continuing pattern of modelling and assessing the impact throughout the crisis, including the government imposed lockdown measures, establishing new ways of working through the different phases and then preparing longer term plans once the UK lockdown starts to ease and business activity returns to more normal levels. To manage the risk; crisis management and business continuity plans have been driven by a robust governance structure, agile working practices and support to our numerous front line workers. Where necessary government support schemes have been utilised and working groups established at the Mitie Group level and with individual clients to monitor ongoing impacts, mitigating developing issues and to coordinate action planning. By being at the centre of the Government's Test and Trace approach to COVID-19 the Company has been able to achieve good revenues, however in the medium term new business opportunities will be required to be identified as the need for testing for those affected by the pandemic reduce.

Controls and mitigation plans have been put in place by the Group to mitigate such risks. These controls include but are not limited to:

1. Crisis and Business Continuity Management frameworks invoked and implemented throughout Group and in collaboration with clients;
2. Continuing governance including a Group-led COVID-19 Working Group that has coordinated responses since February 2020;
3. Increased meeting frequency at Mitie Group Executive level (MGX) to monitor ongoing impacts and direct actions;
4. Close working relationship maintained with the UK Government through the Cabinet Office;
5. Coordinated support to critical infrastructure throughout the pandemic;
6. Ongoing dialogue with clients to understand their requirements;
7. Close monitoring of supply chain to ensure continuity of critical supplies;
8. Use of UK Government support schemes; including the Coronavirus Job Retention Scheme (Furlough)
9. Regular forecasting and reviews of revenue and cash

Strategic report *(continued)*

Strategic Risks *(continued)*
Impact of the UK leaving the European Union ("Brexit")
The lack of clarity of the impact of Brexit on the UK may still adversely affect our ability to plan and invest, as well as the availability of labour and materials. Whilst the Company's client base is predominantly within the UK, the recent integration of Interserve FM has brought with it some non-UK business, which may bring some trading issues. The still unresolved trading process for the Irish border may in turn cause some issues, as well as affect changes to the regulatory framework and lead to possible restrictions in the supply of materials. The rules around immigration and non-UK nationals working in the UK may adversely impact the supply of labour for the Company's business and this is being rigorously monitored.

The continuing impact of the Brexit negotiations may also influence the decisions taken by both public and private sector clients as to which activities should be outsourced and the amount of discretionary spend available for outsourcing activities. This may result in fewer opportunities for the Company and have a consequential negative impact on our financial performance.

Controls and mitigation plans have been put in place by the Group to mitigate such risks. These controls include but are not limited to:

1. Executive level sponsor appointed to lead the organisational response;
2. Group-led Brexit Readiness Working Group established and led by the Group Head of Risk
3. Full review of EU-UK Trade and Cooperation Agreement undertaken, and robust control plan adopted;
4. Close working relationship maintained with UK Government to ensure continuity of service;
5. Dedicated account managers to focus on growing integrated strategic accounts and wider ongoing client dialogue to understand requirements and sales opportunities;
6. Continuing drive for greater customer retention and higher Net Promoter Scores through improvements in customer service following 2020/21 good scores;
7. Regular review of overseas insurance to ensure compliance;
8. Ongoing review of Settlement Status and implications of non-tariff measures.

In conjunction with the above, it is important that we are able to offer competitive, innovative and high-quality solutions to clients, and demonstrate the value we bring to them. We also need to ensure we carefully monitor and identify the most appropriate opportunities in both the public and private sectors.

Financial Risks
Reliance on material counterparties
The Company depends on significant counterparties, including clients, suppliers, banks and insurers, to maintain its business. The failure of a key business partner could affect the business. This risk is mitigated by limiting the dependency on any one partner.

Operational Risks
Significant health, safety or environmental incidents
The potential to cause harm to employees, clients, or to damage the environment, exists and is mitigated by an extensive Quality, Health, Safety and Environmental programme that is closely monitored.

System, process or control failure
Increased reliance on business systems dictates a robust governance framework and set of processes. Failure of the framework could impact on operational performance. The Group's core policies provide the basis of the governance framework. These are subject to reviews which underpin the mitigation activity for this risk. These reviews are carried out alongside regular, formal, documented testing of business-critical systems.

Attracting and retaining skilled people
Failure to attract new talent and develop existing employees could impact growth. The Company utilises The Group's career development, recruitment and talent management programmes to ensure that it attracts and retains key people.

Strategic report *(continued)*

Strategic Risks *(continued)*
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.

Section 172 statement
Mitie Property Services (UK) Limited is part of the Mitie Group of companies. Mitie Group plc's ("Mitie(s)") board of directors are referred to in this statement as the "Board".

The following disclosure describes how the directors of the Company (the "Directors") have had regard to the matters set out in section 172(1) (a) to (f) and forms the statement required under section 414CZA of the Companies Act 2006.

Stakeholders
The Directors consider the groups set out in the table below as its key stakeholders, these align with that of the wider Group. Through various methods including information gathered and cascaded by both the divisional and senior leadership teams, and groupwide engagement, both direct and indirect, the Directors aim to understand the factors and respective interests of each.

Stakeholder	Engagement activity	Areas of interest identified
Customers	- Management of customer relationships by divisional leadership - NPS programme	- COVID-19 response - Customer satisfaction - Governance and transparency - Social value
Shareholder	- Regular senior leadership meetings	- Financial performance - COVID-19 response - Rights Issue - Acquisition of Interserve
Communities and the environment	- The Mitie Foundation - Local community events - Employee volunteering	- COVID-19 response - Social Value - Reduction in carbon emissions
Employees[1]	- Upload engagement survey - All employee Teams meetings - Weekly Recap & Monthly Download - Pulse surveys - Designated NED, Jennifer Duvalier - Regular communication plan for furloughed employees	- COVID-19 response - UK Government Coronavirus Job Retention Scheme (Furlough) - Acquisition of Interserve - Reward and recognition - Remuneration and Benefits - Career opportunities and development
Suppliers	- Supplier workshops - Global supplier portal	- COVID-19 response - Acquisition of Interserve - Responsible procurement - Prompt payment code

1. The Company's workforce is employed through another Group company

Consequences of any decision in the long term
The Directors are aware that strategic decisions can have long term implications on the Company and its stakeholders, and these decisions are carefully considered.

The Directors, through The Group's governance framework, were a part of this decision-making process by considering matters such as the enhancement of competitive positioning, diversification, resilience, and significant growth opportunities the acquisition could bring. The Directors attended numerous Board and management meetings and were involved in the preparation and review of detailed due diligence, financial modelling, board papers and external advice related to the acquisition.

Strategic report *(continued)*

Section 172 statement *(continued)*

Having regard to the interests of employees

The Group has a number of mechanisms to engage with employees and the Directors are committed to ensuring that the results are considered in decision making. Two examples of how Directors engage with employees are; The Group's annual Upload survey, the annual benchmark of employee engagement measurement, and the work carried out by Jennifer Duvalier, a member of Mitie's Board, as designated non-executive director for the workforce. Jennifer provides the Board with an update on her activities undertaken in respect of this role at every Mitie Board meeting which is then cascaded to senior managers and Directors in the Group.

Example: In response to the COVID-19 pandemic, the Directors' were involved in several decisions designed to help and support The Company's workforce through an extremely unsettling and uncertain time. This included the introduction of a dedicated COVID-19 email, regular pulse surveys, a new company-wide Agile Working Policy, a new external colleague platform to ensure colleagues on the frontline could easily access news and information about The Group, optimised Microsoft Teams to enable virtual collaboration across The Group and the launch of the 'One Mitie' Occupational Health and Wellbeing Strategy and digital wellbeing platform.

Example: Following the COVID-19 pandemic outbreak, the Directors chose to the utilise the UK Government's Coronavirus Job Retention Scheme (Furlough) to prevent redundancies amongst The Group's employees. To safe-guard the interest of furloughed employees, the Directors introduced certain measures including (but not limited to), regular communication plan for furloughed employees, setting up a dedicated furlough website, introducing a mechanism for efficient re-deployment of furloughed staff where possible and providing extremely vulnerable employees with the right to be furloughed.

Fostering business relationships with suppliers, customers and others

Suppliers

The Directors' support Mitie's responsibility targets which are focused on increasing the percentage of The Group's spend that goes to small and medium-sized enterprises, and voluntary, charity and social enterprise suppliers.

Example: The Group continues to leverage and improve its Supplier Management Framework ("SMF") to develop its partnership with key suppliers. The framework provides a mechanism for scoring a supplier's performance and jointly reviewing it to create action plans which unlock new value for both parties. As the SMF develops, a greater percentage of The Group's spend is being brought into scope. As part of the ethical and sustainable supply metric, all SMF-managed suppliers will be scored and have their performance reviewed on meeting The Group's social value policy, their carbon reduction plans, actions to reduce environmental impact, Modern Slavery Act compliance and innovations to support The Group's Plan Zero and social value initiatives.

Example: The Group's supply chain was not immune to the impacts of Brexit and COVID-19, however, by adopting a flexible and responsive attitude the procurement teams managed the inherent risks so that the impact was low. COVID-19 had a major impact early on with PPE suppliers under pressure from Central Government and other customers, Mitie's response, wholly supported by the Directors', was to set up a completely new supply chain, storage and distribution solution. This benefited the whole Mitie business and customer base and continues to play a strategic part in the COVID-19 response.

Customers

Customers are at the heart of the business and therefore the Directors consider that getting closer to customers and thus becoming more responsive to their needs, is important. To support this The Group implemented the Net Promotor Score ("NPS") which is carried out annually and uses direct customer feedback to inform a company's activity.

The NPS score for The Group has increased year on year demonstrating the focus on customer service is having the right impact.

<u>Impact of operations of the community and the environment</u>

The Directors are supportive of The Group's initiatives to improve the operations of the company on the community and the environment. One of the Company's Directors is a member of The Group's Social Value and Responsible Business Committee.

The Social Value and Responsible Business Committee analysed the effect of the acquisition on The Group's Social Value targets and new targets, still ambitious, yet practical, have been agreed as a consequence.

Strategic report *(continued)*

Section 172 statement *(continued)*

Maintaining a high standard of business conduct

Ethical business practice

The Company has a duty to act responsibly and to show the highest levels of ethical and moral stewardship. A Group ethical business practice policy is in place which applies to all employees in relation to dealings with its people, agents, clients, suppliers, subcontractors, competitors, government officials, the public and investors.

To support this, there are a wide range of policies and training modules available including, modern slavery, whistleblowing, anti-bribery and anti-corruption, business expenses and entertaining and Mitie's employee handbook.

Good governance

The Company operates within a robust governance framework which includes processes and procedures set by Board. This framework is applied throughout the Mitie Group and is adhered to by the directors of all of The Group's subsidiaries. This ensures consistency in decision making which is crucial for achieving long term success and creating sustainable value.

Details of how Mitie plc complies with the UK Corporate Governance Code can be found in the Mitie plc annual report and accounts 2021.

The need to act fairly as between members of the company.

The Company is a wholly owned subsidiary of Mitie plc with one shareholder. The Directors of the Company operate within the governance framework for the group and hold regular senior leadership meetings where items such as financial performance and people are discussed.

Future developments

The Directors initially expect the underlying trade to increase in comparison to the current year. This is mainly owing to the COVID-19 pandemic and its effect on the UK economy. It is forecast that economic conditions will steadily improve throughout the 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:

DocuSigned by:

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S C Kirkpatrick
Director

21 July 2021

Directors' report

The Directors present the Annual report and audited financial statements of Mitie Property Services (UK) Limited (the "Company") for the year ended 31 March 2021.

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 financial statements have been prepared on a going concern basis. See Note 1c.

Directors
The Directors who held office during the year and up to the date of signing the financial statements were:

Director
P J G Dickinson
S C Kirkpatrick

Directors' indemnity
A qualifying third-party indemnity provision as defined in Section 234 of the Companies Act 2006 is in force for the benefit of certain of the Directors listed above in respect of liabilities incurred as a result of their office to the extent permitted by law.

Dividends
No dividend was declared or paid in the year (2020: £nil).

COVID-19 and current trading
In line with the Group approach, the Company established three overriding priorities to guide its response to the COVID-19 crisis: protecting the health and safety of colleagues, customers, other business partners and the communities that it serves; ensuring that its business is able to continue to operate with minimal disruption; and to deliver the essential services it provides to its customers.

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 report which does not form part of this report.

Political contributions
The Company made no political donations nor incurred any political expenditure during the year (2020: £nil).

Disclosure of information to auditor

Each Director who is the Director of the Company at the date of approval of these financial statements confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that ought to have been taken as a Director to be 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, 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.

Directors' report *(continued)*

Auditor

Pursuant to Section 487 of the Companies Act 2006, BDO LLP have been reappointed as the auditor.

On behalf of the Board

DocuSigned by:

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S C Kirkpatrick
Director

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

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 are also responsible for safeguarding the assets of the Company and are also responsible for prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MITIE PROPERTY SERVICES (UK) LIMITED

Opinion on the 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 2021 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.

We have audited the financial statements of Mitie Property Services (UK) Limited ("the Company") for the year ended 31 March 2021 which comprise the Profit and loss account, the Balance sheet and the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MITIE PROPERTY SERVICES (UK) LIMITED *(CONTINUED)*

Other Companies Act 2006 reporting

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 material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities in respect of the Annual report and financial statements, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We gained an understanding of the legal and regulatory framework applicable to the entity and the industry in which it operates, through discussion with management and our knowledge of the industry. We focussed on significant laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice)., Health and Safety, the Bribery Act 2010 and tax legislations.
- We considered compliance with these laws and regulations through discussions with management and in-house legal counsel. Our procedures also included reviewing minutes from board meetings of those charged with governance to identify any instances of non-compliance with laws and regulations.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MITIE PROPERTY SERVICES (UK) LIMITED *(CONTINUED)*

- We assessed the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. In addressing the risk of fraud including management override of controls and improper revenue recognition, we tested the appropriateness of journal entries made throughout the year by applying specific criteria.
- We performed detailed testing of the entity's year end adjusting entries and journals throughout the year, investigated any that appeared unusual as to nature or amount; assessed whether the judgements made in accounting estimates were indicative of a potential bias and tested the application of cut-off and revenue recognition.
- We identified areas at risk of management bias and challenged key estimates and judgements applied by Management in the financial statements to assess their appropriateness.
- We remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

DocuSigned by:
James Eastell
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21 July 2021

James Eastell (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Profit and loss account

	Note	Continuing £000	Discontinued[1] £000	2021 Total £000	Continuing £000	Discontinued[1] £000	2020 Total £000
Turnover	*2*	**44,816**	**-**	**44,816**	49,350	-	49,350
Cost of sales		**(43,431)**	**-**	**(43,431)**	(37,528)	-	(37,528)
Gross profit		**1,385**	**-**	**1,385**	11,822	-	11,822
Administrative expenses		**(2,633)**	**-**	**(2,633)**	*(5,601)*	-	(5,601)
Other items	*3*	**(801)**	**2,700**	**1,899**	*(136)*	660	524
Other Income	*4*	**3,356**	**-**	**3,356**	-	-	-
Operating profit	*3*	**1,307**	**2,700**	**4,007**	6,085	660	6,745
Interest receivable and similar income	*7*	**2,126**	**-**	**2,126**	1,041	-	1,041
Interest payable and similar expenses	*8*	**(2,422)**	**-**	**(2,422)**	(270)	-	(270)
Profit before tax		**1,011**	**2,700**	**3,711**	6,856	660	7,516
Tax	*10*	**(395)**	**(513)**	**(908)**	(938)	(125)	(1,063)
Profit for the year		**616**	**2,187**	**2,803**	5,918	535	6,453

Note:
1. Discontinued operations represent the Company's social housing maintenance business, which was sold in November 2018. See note 9.

The notes on pages 16 to 33 form an integral part of the financial statements.

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

Balance sheet

	Note	2021 £000	Restated[3] 2020 £000
Non-current assets			
Goodwill	11	**5,849**	5,849
Tangible fixed assets[1]	12	**214**	884
Deferred tax asset	16	**3,874**	3,878
Total non-current assets		**9,937**	10,611
Current assets			
Debtors[2]	13	**61,232**	53,159
Current tax receivable		**-**	2,536
Cash at bank and in hand		**9,233**	-
Total current assets		**70,465**	55,695
Current liabilities			
Creditors	14	**(65,328)**	(50,732)
Deferred income	15	**(2,414)**	(1,098)
Current tax payable		**(2,193)**	-
Lease liabilities	20	**(161)**	(142)
Provisions	17	**(26,037)**	(32,789)
Total current liabilities		**(96,133)**	(84,761)
Net current liabilities		**(25,668)**	(29,066)
Non-current liabilities			
Lease liabilities	20	**(269)**	(531)
Provisions	17	**(430)**	(275)
Total non-current liabilities		**(699)**	(806)
Net liabilities		**(16,430)**	(19,261)
Capital and reserves			
Share capital	18	**3,600**	3,600
Profit and loss reserve	18	**(20,030)**	(22,861)
Shareholders' deficit		**(16,430)**	(19,261)

Note:
1. Tangible fixed assets at 31 March 2021 includes £198,000 (2020: £828,000[3]) of additional right-of-use assets recognised under IFRS 16. See Note 19.
2. The debtors balance as at 31 March 2020 has been re-presented to exclude current tax receivable which is now presented on a separate line within current assets
3. Lease balances as at 31 March 2020 have been restated to recognise an exercise of a break clause which was not previously recognised. See Note 1.

The notes on pages 16 to 33 form an integral part of the financial statements.

The financial statements of Mitie Property Services (UK) Limited, company number 02935593, were approved by the Board of Directors and authorised for issue on 21 July 2021 and were signed on its behalf by:

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S C Kirkpatrick
Director

Statement of changes in equity

	Share capital £000	Profit and loss reserve £000	Total equity £000
Balance at 1 April 2019	3,600	(29,497)	(25,897)
Profit for the year	-	6,453	6,453
Total comprehensive income	-	6,453	6,453
Transactions with owners			
Share-based payments	-	66	66
Other movements	-	117	117
Total transactions with owners	-	183	183
At 31 March 2020	3,600	(22,861)	(19,261)
At 1 April 2020	**3,600**	**(22,861)**	**(19,261)**
Profit for the year	**-**	**2,803**	**2,803**
Total comprehensive income	**-**	**2,803**	**2,803**
Transactions with owners			
Share-based payments	**-**	**28**	**28**
Total transactions with owners	**-**	**28**	**28**
At 31 March 2021	**3,600**	**(20,030)**	**(16,430)**

The notes on pages 16 to 33 form an integral part of the financial statements.

Notes

1 Accounting policies, judgements and estimates

a) General information
Mitie Property Services (UK) Limited (the "Company") is a private company limited by shares and is incorporated in England and Wales and domiciled in the UK. Details of the Company's activities are set out in the Strategic report.

b) Statement of compliance with FRS 101
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.

c) Basis of preparation
Going concern
The financial statements have been prepared on a going concern basis. The Company participates in the Group's centralised treasury arrangements and shares banking arrangements with Mitie Group plc, its ultimate parent, and with fellow subsidiaries. The Directors have received a letter of support from the directors of Mitie Group plc to confirm provision of adequate financial resources to the Company for a period of not less than twelve months from the date of approval of the Company's statutory financial statements for the period ended 31 March 2021 to ensure that the Company can meet its liabilities as they fall due.

The directors of Mitie Group plc have carried out an assessment on the ability of Mitie Group plc and its subsidiaries (the "Group") to continue as a going concern for the period of at least 12 months from the date of approval of the financial statements. This assessment has involved the review of medium-term cash forecasts using the Group's cash flow model, based on the Board approved budget. This includes the ongoing impact of COVID-19 on each of the Group's operations. These base case forecasts indicate that the debt facilities currently in place are adequate to support the Group over the going concern assessment period.

The Group's principal debt financing arrangements are a £250m revolving credit facility, which expires on 16 December 2022 and of which £241.4m was undrawn at 31 March 2021, and £151.5m of US private placement notes (being the repayment amount after taking account of the cross-currency swaps hedging the principal amount), of which £121.5m is repayable in December 2022 and the remaining £30.0m in December 2024. These financing arrangements are subject to certain financial covenants which are tested every six months on a rolling 12-month basis. The Group currently operates within the terms of its agreements with its lenders, with net cash as at 31 March 2021 on a pre IFRS 16 basis of £19.7m and liquidity headroom in excess of £400m. The base case forecasts indicate that the Group will continue to operate within these terms and that the headroom provided by the Group's strong cash position and the debt facilities currently in place is adequate to support the Group over the going concern assessment period.

The directors of Mitie Group plc have also completed reverse stress tests using the Group cash flow model to assess the point at which the covenants, or facility headroom, would be breached. The sensitivities considered have been chosen after considering both the Group's principal risks and uncertainties and the Viability Statement.

The primary financial risks from adverse changes in the economic environment and/or a deterioration in commercial or operational conditions are listed below. These risks have been considered specifically in the context of the potential further impact of COVID-19, taking into account the recent success of the vaccine roll-out, easing of restrictions and improvements in the economy:

- a downturn in revenues: this reflects the risks of not being able to deliver services to existing customers, or contracts being terminated or not renewed;
- a deterioration of gross margin: this reflects the risks of contracts being renegotiated at lower margins, or planned cost savings not being delivered;
- lack of planned overhead savings: this reflects the risks of planned overhead cost savings, including the integration synergies identified as a result of the Interserve Facilities Management ("Interserve") acquisition, not being delivered; and
- downturn in cash generation: this reflects the risks of customers delaying payments due to liquidity constraints, or the removal of ancillary debt facilities.

As a result of completing this assessment, the directors of Mitie Group plc considered the likelihood of the reverse stress scenarios arising to be remote. In reaching the conclusion of remote, the directors of Mitie Group plc considered the following:

- reviewing how the Group has traded since the impact of COVID-19 started, up to the end of May 2021 and in light of the continued easing of UK lockdown measures and anticipated economic recovery;

Notes *(continued)*

1 Accounting policies, judgements and estimates *(continued)*

Going concern *(continued)*

- all reverse stress test scenarios would require a very severe deterioration compared to the base case. Revenue is considered to be the key risk, as this is less within the control of management. Revenue would need to decline by approximately 20% in the year ending 31 March 2022 compared to the base case, which is considered to be very severe given the high proportion of the Group's revenue that is fixed in nature and the fact that in a COVID-hit year, the Group's revenue excluding Interserve declined by only 1.6% in the year ending 31 March 2021; and
- in the event that results started to trend significantly below those included in the Group cash flow model, additional mitigation actions have been identified that would be implemented, which are not factored into the reverse stress test scenarios. These include cancellation of discretionary bonuses and reduced discretionary spend, including capital investments.

Based on these assessments, the directors of Mitie Group plc have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of no less than 12 months from the date of approval of these financial statements.

Based on this assessment, and their enquiries of the directors of Mitie Group plc, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of no less than 12 months from the date of approval of the Company's audited financial statements for the year ended 31 March 2021. Accordingly, the financial statements have been prepared on a going concern basis.

FRS 101 exemptions

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 intangible fixed assets, tangible assets and share capital;
- the statement of compliance with Adopted IFRS;
- certain disclosures required by IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15");
- 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; and
- 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:

- IFRS 2 Share Based Payments in respect of Group settled share based payments;
- certain disclosures required by IAS 36 *Impairment of assets* in respect of the impairment of goodwill and indefinite life intangible assets; and
- certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures.*

Accounting standards that are newly effective in the current year

There are no new and mandatorily effective standards in the year that would have a material impact on the financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis.

Discontinued operations

On 19 November 2018, the Company disposed of certain trade, assets and liabilities comprising the Company's social housing maintenance business (the "Social Housing business") to MPS Housing Limited, a wholly owned subsidiary of the Company. On 30 November 2018, the Company disposed of its entire interest in the equity share capital of MPS Housing Limited. The Social Housing business previously formed a separate major line of business of the Company and due to the disposal, the results of the Social Housing business have been classified as discontinued operations.

Notes *(continued)*

1 Accounting policies, judgements and estimates *(continued)*

Prior year restatement

On management's review of the Company's lease portfolio, it was identified that a break clause was exercised for a certain property in January 2020 which the Company occupied till October 2020. The lease balances as previously reported for the year ended 31 March 2020 do not reflect the Company's exercise of the break clause. To appropriately reflect the Company's intention to exercise the break clause for the lease as at 31 March 2020, the tangible fixed assets (right-of-use assets) and the lease liabilities have been restated and reduced by £1,107,000, with no impact on net assets. There are no impacts of this restatement on the balance sheet as at 01 April 2019.

Other items

In the financial statements, the Company has elected to provide some further disclosures and performance measures, reported as 'other items', in order to present its financial results in a way that demonstrates the performance of continuing operations.

Other items are items of financial performance which management believes should be separately identified on the face of the profit and loss account to assist in understanding the underlying financial performance achieved by the Company. The Company separately reports items such as disposal costs, gain or loss on business disposals and other exceptional items as other items. Should these items be reversed, disclosure of this would also be as other items.

Separate presentation of these items is intended to enhance understanding of the financial performance of the Company in the period and the extent to which results are influenced by material unusual and/or non-recurring items. Further detail of other items is set out in Note 3.

d) Significant accounting policies

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

Revenue recognition policy

The Company operates contracts with a varying degree of complexity across its service lines, so a range of methods is used for the recognition of revenue based on the principles set out in IFRS 15. Revenue represents income recognised in respect of services provided during the period based on the delivery of performance obligations and an assessment of when control is transferred to the customer.

IFRS 15 provides a single, principles based five-step model to be applied to all sales contracts as outlined below. It is based on the transfer of control of goods and services to customers and replaces the separate models for goods, services and construction contracts.

Step 1 - Identify the contract(s) with a customer

For all contracts with customers, the Company determines if the arrangement creates enforceable rights and obligations. This assessment results in certain Framework arrangements or Master Service Agreements ("MSAs") not meeting the definition of contracts under IFRS 15 unless they specify the minimum quantities to be ordered. Usually the work order and any change orders together with the Framework or MSA will constitute the IFRS 15 contract.

Duration of contract

The Company frequently enters into contracts with customers which contain extension periods at the end of the initial term, automatic annual renewals, and/or termination for convenience and break clauses that could impact the actual duration of the contract. As the term of the contract impacts the period over which amortisation of contract assets and revenue from performance obligations may be recognised, the Company applies judgement to assess the impact that such clauses have in determining the relevant contract term. In forming this judgement, management considers certain influencing factors including the amount of discount provided, the presence of significant termination penalties in the contract, and the relationship, experience and performance of contract delivery with the customer and/or the wider industry, in understanding the likelihood of extension or termination of the contract.

Contract modifications

A contract modification takes place when the amendment creates new enforceable rights and obligations or changes the existing price or scope (or both) of the contract, and the modification has been approved. Contract modifications can be approved in writing, by oral agreement, or implied by customary business practices.

If the parties to the contract have not approved a contract modification, revenue is recognised in accordance with the existing contractual terms. If a change in scope has been approved but the corresponding change in price is still being negotiated, the Company estimates the change to the total transaction price.

Contract modifications are accounted for as a separate contract if the contract scope changes due to the addition of distinct goods or services and the change in contract price reflects the standalone selling price of the distinct goods or services.

Notes *(continued)*

1 Accounting policies, judgements and estimates *(continued)*

Revenue recognition policy *(continued)*
The facts and circumstances of any modification are considered in isolation as these are specific to each contract and may result in different accounting outcomes.

Step 2 - Identify the performance obligations in the contract
Performance obligations are the contractual promises by the Company to transfer distinct goods or services to a customer. For arrangements with multiple components to be delivered to customers such as in the Company's integrated facilities management contracts, the Company applies judgement to consider whether those promised goods or services are:

i. distinct and accounted for as separate performance obligations;

ii. combined with other promised goods or services until a bundle is identified that is distinct; or

iii. part of a series of distinct goods or services that are substantially the same and have the same pattern of transfer over time i.e. where the customer is deemed to have simultaneously received and consumed the benefits of the goods or services over the life of the contract, the Company treats the series as a single performance obligation.

Step 3 - Determine the transaction price
At contract inception, the total transaction price is determined, being the amount to which the Company expects to be entitled and has rights under the contract. This includes the fixed price stated in the contract and an assessment of any variable consideration, up or down, resulting from e.g. discounts, rebates, service penalties. Variable consideration is typically estimated based on the expected value method and is only recognised to the extent it is highly probable that a subsequent change in its estimate would not result in a significant revenue reversal.

Step 4 - Allocate the transaction price to the performance obligations in the contract
The Company allocates the total transaction price to the identified performance obligations based on their relative stand-alone selling prices. This is predominantly based on an observable price or a cost plus margin arrangement.

Step 5 - Recognise revenue when or as the entity satisfies its performance obligations
For each performance obligation, the Company determines if revenue will be recognised over time or at a point in time. Where revenue is recognised over time, the Company applies the relevant output or input revenue recognition method for measuring progress that depicts the Company's performance in transferring control of the goods or services to the customer.

Certain long-term contracts use output methods based upon surveys of performance completed, appraisals of results achieved, or milestones reached which allow the Company to recognise revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services under the contract.

Under the input method, measured progress and revenue are recognised in direct proportion to costs incurred where the transfer of control is most closely aligned to the Company's efforts in delivering the service.

Where deemed appropriate, the Company will utilise the practical expedient within IFRS 15, allowing revenue to be recognised at the amount which the Company has the right to invoice, where that amount corresponds directly with the value to the customer of the Company's performance obligations completed to date.

If performance obligations do not meet the criteria to recognise revenue over time, revenue is recognised at the point in time when control of the goods or services passes to the customer. This may be at the point of physical delivery of goods and acceptance by a customer or when the customer obtains control of an asset or service in a contract with customer-specified acceptance criteria. Sales of goods are recognised when goods are delivered and control has passed to the customer.

Repeat service-based contracts (single and bundled contracts)
The Company operates a number of single or joint-service line arrangements where repeat services meet the definition of a series of distinct services that are substantially the same (e.g. the provision of cleaning, security, catering, waste, and landscaping services). They have the same pattern of transfer of value to the customer as the series constitutes core services provided in distinct time increments (e.g. monthly or quarterly). The Company therefore treats the series of such services as one performance obligation.

Notes *(continued)*

1 Accounting policies, judgements and estimates *(continued)*

Short-term service-based arrangements
The Company delivers a range of other short-term service based performance obligations and professional services work for which revenue is recognised at the point in time when control of the service has transferred to the customer. This may be at the point when the customer obtains control of the service in a contract with customer-specified acceptance criteria e.g. the delivery of a strategic operating model or report.

Sales of goods are recognised when goods are delivered and control has passed to the customer.

Other revenue
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Contract costs
The Company incurs pre-contract expenses (e.g. legal costs) when it is expected to enter into a new contract. The incremental costs to obtain a contract with a customer are recognised within contract assets if it is expected that those costs will be recoverable. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained are recognised as an expense in the period.

Contract fulfilment costs
Costs incurred to ensure that the project or programme has appropriate organisational, operational and technical infrastructures, and mechanisms in place to enable the delivery of full services under the contract target operating model, are defined as contract fulfilment costs. Only costs which meet all three of the criteria below are included within contract assets on the balance sheet:

i. the costs directly relate to the contract (e.g. direct labour, materials, sub-contractors);
ii. the Company is building an asset that belongs to the customer that will subsequently be used to deliver contract outcomes; and
iii. the costs are expected to be recoverable i.e. the contract is expected to be profitable after amortising the capitalised costs.

Contract fulfilment costs covered within the scope of another accounting standard, such as inventories, intangible assets, or tangible fixed assets are not capitalised as contract fulfilment assets but are treated in accordance with other standard.

Accrued income and deferred income
The Company's customer contracts include a diverse range of payment schedules which are often agreed at the inception of long-term contracts under which it receives payments throughout the term of the arrangement. Payments for goods and services transferred at a point in time may be at the delivery date, in arrears or part payment in advance.

Where revenue recognised at the period end date is more than amounts invoiced, the Company recognises accrued income for the difference. Where revenue recognised at the period end date is less than amounts invoiced, the Company recognises deferred income for the difference.

Certain arrangements with customers include a contractual obligation to make redundancies for which the Company is reimbursed for the costs incurred. Revenue is not recognised on these transactions. Instead, the Company expenses all redundancy costs in the period they are incurred and any reimbursement credit is matched against the associated cost included in the income statement up to the value of the redundancy cost incurred. Any cash payments received from the customer in excess of the reimbursement cost of redundancy are deferred over the contract term and unwound in line with the other services being delivered.

Where price step-downs are required in a contract and output is not decreasing, revenue is deferred from initial periods to subsequent periods in order for revenue to be recognised on a consistent basis.

Providing the option for a customer to obtain extension periods or other services at a significant discount may lead to a separate performance obligation where a material right exists. Where this is the case, the Company allocates part of the transaction price from the original contract to deferred income which is then amortised over the discounted extension period or recognised immediately when the extension right expires.

Notes *(continued)*

1 Accounting policies, judgements and estimates *(continued)*

Taxation

The tax charge 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 or 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.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all conditions attaching to the grant will be complied with. Government grants that compensate the Company for expenses incurred are recognised in the income statement as Other income, over the periods necessary to match the grant with the related costs. Any repayment of grants is charged to the income statement to reverse amounts recognised as Other income, at the point when the Directors have taken the decision to repay the amount to the government and the intention to repay has been communicated to the government.

Goodwill

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated impairment losses. It is reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement for the period and is not subsequently reversed.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any impairment in value. Depreciation is charged so as to write off the cost less expected residual value of the assets over their estimated useful lives and is calculated on a straight-line basis as follows:

Leasehold property	period of the lease
Plant and vehicles	3-10 years

The Company reviews the carrying amounts of its tangible 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 any impairment loss.

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.

Notes *(continued)*

1 Accounting policies, judgements and estimates *(continued)*

Tangible fixed assets *(continued)*
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.

Financial instruments – classification and measurement
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.

Financial assets comprise cash at bank and in hand, and trade and other debtors. The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Cash at bank and in hand include 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. All of the Company's cash flows from customers are solely payments of principal and interest, and do not contain a significant financing component. Financial assets generated from all of the Company's revenue streams are therefore initially measured at their transaction price and are subsequently remeasured at amortised cost.

Financial liabilities comprise trade and other creditors. These are measured at initial recognition at fair value and subsequently at amortised cost.

Financial instruments – impairment of financial assets
The Company recognises a loss allowance for expected credit losses ("ECLs") on all receivable balances from customers subsequently measured at amortised cost, using a lifetime credit loss approach. Under this approach, the Company recognises a loss allowance based on lifetime ECLs at each reporting date. ECLs are calculated on the basis of historic and forward-looking data on default risk which is applied to customers with common risk characteristics such as sector type.

Leases
The Company has various lease arrangements for properties (e.g. office buildings and storage facilities), vehicles, and other equipment including IT equipment and machinery. At inception of a lease contract, the Company assesses whether the contract conveys the right to control the use of an identified asset for a certain period of time and whether it obtains substantially all the economic benefits from the use of that asset, in exchange for consideration. The Company recognises a lease liability and a corresponding right-of-use asset with respect to all lease arrangements in which it is a lessee, except low-value leases and short-term leases of 12 months or less, costs for which are recognised as an operating expense within the income statement as they are incurred.

A right-of-use asset is capitalised on the balance sheet at cost which comprises the present value of future lease payments determined at the inception of the lease adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred in addition to an estimate of costs to remove or restore the underlying asset. Where a lease incentive is receivable, the amount is offset against the right-of-use asset at inception. Right-of-use assets are depreciated using the straight-line method over the shorter of the estimated life of the asset or the lease term and are reviewed for impairment to account for any loss when events or changes in circumstances indicate the carrying value may not be fully recoverable.

The lease liability is initially measured at amortised cost using the effective interest rate method to calculate the present value of future lease payments and is subsequently increased by the associated interest cost and decreased by lease payments made. The effective interest rate is based on estimates of relevant incremental borrowing costs. Lease payments made are apportioned between an interest charge and a capital repayment amount which are disclosed within the financing activities and the operating activities sections of the consolidated statement of cash flows respectively. Lease payments comprise fixed lease rental payments only, with the exception of property leases for which the associated fixed service charge is also included. Lease liabilities are classified between current and non-current on the balance sheet.

The lease term comprises the non-cancellable period in addition to the determination of the enforceable period which is covered by an option to extend the lease, where it is reasonably certain that the option will be exercised, and the period covered by the option to terminate the lease to a point in time where no more than an 'insignificant penalty' is incurred. The Company assesses an insignificant penalty with reference to the wider economics of the lease including any investment in non-transferable leasehold improvements which may result in an impairment charge should the lease be terminated.

Notes *(continued)*

1 Accounting policies, judgements and estimates (continued)

Leases *(continued)*
A modification to a lease which changes the lease payment amount (e.g. due to a renegotiation or market rent review) or amends the term of the lease, results in a reassessment of the lease liability with a corresponding adjustment to the right-of-use asset.

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.

Provisions and contingent liabilities
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where management expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit and loss account net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

No provisions are recognised and only a disclosure in the financial statements is made for contingent liabilities. Contingent liabilities are possible obligations dependent on whether some uncertain future event occurs, or where a present obligation exists but payment is not probable, or the amount of payment cannot be measured reliably.

Contingent assets
No assets are recognised and only a disclosure in the financial statements is made for contingent assets where an inflow of economic benefits is probable but not virtually certain. Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Retirement benefit costs
The Company also participates in a multi-employer defined benefit pension schemes. The Plumbing & Mechanical Services (UK) Industry Pension Scheme (the "Plumbing Scheme") is a funded multi-employer defined benefit scheme. Historically, the size and complexity of the Plumbing Scheme has meant the trustee has been unable to identify the assets and liabilities of the scheme which are attributable to the Company. Consequently, the Company accounts for its contributions as if they were paid to defined contribution schemes. For schemes where sufficient information is not available to use defined benefit accounting, no liability is recognised on the balance sheet, however, the obligations are disclosed as contingent liabilities in Note 20.

Share-based payments
The Company participates in a number of Mitie Group plc executive and employee share option schemes. For grants of share options and awards, the fair value as at the date of grant is calculated using the appropriate valuation model and the corresponding expense is recognised on a straight-line basis over the vesting period based on the Company's estimate of shares that will eventually vest. Further details of the Group's share option schemes are contained in the Mitie Group plc annual report.

Save As You Earn (SAYE) options are treated as cancelled when employees cease to contribute to the scheme, resulting in an acceleration of the remainder of the related expense.

e) Critical accounting judgements and key sources of estimation uncertainty
The preparation of the financial statements under FRS 101 requires management to make judgements, estimates and assumptions that affect amounts recognised for assets and liabilities at the reporting date and the amounts of revenue and expenses incurred during the reporting period. Actual results may differ from these judgements, estimates and assumptions.

Critical judgements in applying the Company's accounting policies
The following are the critical judgements, made by management in the process of applying the Company's accounting policies, that have the most significant effect on the amounts recognised in the Company's financial statements.

Notes *(continued)*

1 Accounting policies, judgements and estimates (continued)

Revenue recognition
The Company's revenue recognition policies, which are set out under Revenue recognition in Note 1d), are central to how the Company measures the work it has performed in each financial year.

Due to the size and complexity of the Company's contracts, management is required to form a number of key judgements in the determination of the amount of revenue and profits to record, and related balance sheet items such as contract assets, accrued income and deferred income to recognise. This includes an assessment of the costs the Company incurs to deliver the contractual commitments and whether such costs should be expensed as incurred or capitalised. These judgements are inherently subjective and may cover future events such as the achievement of contractual performance targets and planned cost savings or discounts.

For certain contracts, key judgements were made concerning contract extensions and amendments which, for example, directly impact the timing of revenue recognition in addition to the phasing of upfront payments to, or from customers which are deferred to the balance sheet and unwound over the expected contract term. Management considers this to be an area of judgement due to the determination of whether a modification represents a separate contract based on its assessment of the stand-alone selling price, rather than a termination of the existing contract and establishment of a new contract for which the revised contract price would be recognised from the date of modification.

Recoverability of trade debtors and accrued income
The Company has material amounts of billed and unbilled work outstanding at 31 March 2021. Debtors are recognised initially at cost (being the same as fair value) and subsequently at amortised cost less any allowance for impairment, to ensure that amounts recognised represent the recoverable amount. The Company recognises a loss allowance for ECLs on all receivable balances from customers using a lifetime credit loss approach and includes specific allowance for impairment where there is evidence that the Company will not be able to collect amounts due from customers, subsequent to initial recognition. Management applies judgement on specific allowances for impairment based on the information available at each reporting date which includes an assessment of current disputes with customers over commercial positions, and where information suggests customers are facing significant financial difficulties.

Recoverability of amounts owed by Group undertakings
The Company has material amounts owed by Group undertakings outstanding at year end. The judgement as to whether an amount has become irrecoverable is an assessment made by the Directors in the determination of the expected total credit loss recognised under IFRS 9. This assessment takes into consideration Group solvency and access to Group funding by the debtor. The Directors consider the full amount owed to be recoverable under IFRS 9.

Other items
'Other items' are items of financial performance which management believes should be separately identified on the face of the profit and loss account to assist in understanding the underlying financial performance achieved by the Company. Determining whether an item should be classified within other items requires judgement as to whether an item is or is not part of the underlying performance of the Company.

Key sources of estimation uncertainty
The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Provisions and liabilities
The Company is, from time to time, party to legal proceedings and claims that are in the ordinary course of business. Judgements are required in order to assess whether these legal proceedings and claims are probable, and the liability can be reasonably estimated, resulting in a provision or, alternatively, whether the items meet the definition of contingent liabilities.

Provisions are liabilities of uncertain timing or amount and therefore in making a reliable estimate of the quantum and timing of liabilities judgement is applied and re-evaluated at each reporting date. The Company recognised provisions at 31 March 2021 of £26,467,000 (2020: £33,064,000). Further details are included in Note 17.

Measurement of defined benefit pension obligations
The Company participates in four multi-employer defined benefit pension schemes, including the Plumbing Scheme. The Company has a potential exposure to Section 75 employer debts in respect of the Plumbing Scheme, which has been estimated at £2.4m by the trustee. This exposure has been disclosed as a contingent liability as no event has occurred to trigger this debt, as the Company still employs active members of the Plumbing Scheme (see Note 20).

Notes *(continued)*

2 Turnover

The Company derives all of its turnover from the provision of services to customers based in the UK.

3 Operating profit

Operating profit is stated after (crediting)/charging:	**2021**	2020
	£000	£000
Other items	**(1,899)**	(524)
Provision for indemnified costs	-	*(660)*
Provision release for contract specific costs	***(1,700)***	-
Restructuring	***801***	-
Insurance recovery on contract specific cost	***(1,000)***	-
Other	-	*136*
Continuing operations	**801**	136
Discontinued operations (note 9)	**(2,700)**	(660)
Depreciation of right-of-use assets	**404**	405
Impairment of right-of-use assets	**211**	-

Restructuring costs were incurred to deliver various transformation projects. These costs include but are not limited to: employee termination payments, cost of employees/contractors, legal costs and external vendors costs.

Provision release for contract specific costs relate to the release of provisions for rectification works on property maintenance contracts associated with the disposal of the Social Housing Business

Insurance recovery on contract specific costs relates to costs recovered in respect of rectification works on property maintenance contracts associated with the disposal of the Social Housing Business.

4 Other income

	2021	2020
	£000	£000
Government grants	**3,356**	-
	3,356	-

For the year ended 31 March 2021, a net amount of £3,356,000 (2020: £nil) was received from a fellow group company who made a claim on behalf of the Company and which represents UK Government grants received under the Coronavirus Job Retention Scheme of £3,382,000 (2020: £nil), less repayments back to the UK Government of £26,000 (2020: £nil) relating to furloughed employees working for the Company.

5 Auditor's remuneration

The auditor's renumeration was borne by Mitie Group plc, no recharge (2020: £nil) was made to the Company.

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 ultimate parent, Mitie Group plc.

6 Staff numbers and costs

There were no persons employed by the Company (including Directors) during the year ended 31 March 2021 and 31 March 2020. However, 541 employees worked for Mitie Property Services (UK) Limited but were employed by another Group company and the associated costs were allocated to the Company for cost recharging purposes (2020: 686). The aggregate payroll costs incurred by the Company for allocated employees were as follows:

Notes *(continued)*

6 Staff numbers and costs *(continued)*

	2021 £000	2020 £000
Wages and salaries	**14,145**	19,388
Share based payments	**28**	66
Social security costs	**1,421**	1,576
Termination and redundancy payments	**-**	8
Pension costs	**461**	570
	16,055	21,608

The following Directors were also Directors or employees of another Group company. They were 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 by
P J G Dickinson	Mitie Limited	Mitie Limited
S C Kirkpatrick	Mitie Limited	Mitie Limited

7 Interest receivable and similar income

	2021 £000	2020 £000
Interest receivable and similar income from Group undertakings	**2,126**	1,041
Total	**2,126**	1,041

8 Interest payable and similar expenses

	2021 £000	2020 £000
Interest payable to Group undertakings	**2,380**	190
Interest on lease liabilities	**33**	76
Unwinding of discounts on provision	**9**	4
Total	**2,422**	270

9 Discontinued operations and disposal of business

On 19 November 2018, the Company disposed of certain trade, assets and liabilities comprising the Company's Social Housing business to MPS Housing Limited, a wholly owned subsidiary of the Company for a consideration of £17,117,000.

On 30 November 2018, the Company disposed of its entire interest in the equity share capital of MPS Housing Limited for a cash consideration of £21,000,000. The Company has retained liability, and made provisions where appropriate, for certain legacy contracts of the Social Housing business so these were not included within the liabilities held for sale.

The results of the Social Housing business were classified as discontinued operations two years ago. A loss of £17,640,000 was recognised in 2019, of which £21,073,000 related to the loss from discontinued operations for the year, offset by a profit of £3,433,000 on disposal of the Social Housing business.

During the year ended 31 March 2021, the Company recognised an operating profit of £2,700,000 from discontinued operations, due to provision release for contract specific cost of £1,700,000 and insurance recovery on contract specific costs of £1,000,000

As a result, total profit for the year from discontinued operations in 2021 was £2,130,000 (2020: £535,000).

Notes *(continued)*

10 Tax

	2021	2020
Analysis of charge in the year	**£000**	£000
UK corporation tax at *19%* (2020: 19%)		
Current tax on profit for the period	**734**	1,334
Adjustments in respect of prior periods	**170**	67
Total current tax	**904**	1,401
Deferred tax (see note 16)		
Origination and reversal of temporary timing differences	**(16)**	15
Reduction in statutory tax rate	**-**	(410)
Adjustments in respect of prior periods	**20**	57
Total deferred tax	**4**	(338)
Total charge for the year	**908**	1,063
Continuing operations	**395**	938
Discontinued operations	**513**	125

	2021	2020
Reconciliation of effective tax rate	**£000**	£000
Profit before tax	**3,711**	7,516
Tax using the UK corporation tax rate of 19% (2020: 19%)	**705**	1,428
Restatement of opening deferred tax balances	**-**	(410)
Expenses not deductible/(items not taxable for tax purposes)	**25**	(90)
Adjustments in respect of employee share options	**(12)**	11
Adjustments in respect of prior periods	**190**	124
Total tax charge	**908**	1,063

The UK corporation tax rate was due to reduce from 19% to 17% from 1 April 2020. This change is no longer occurring and as a consequence a credit of £nil (2020: £410,000) has been included in the tax charge. Deferred tax assets (note 16) reflect this change.

The main rate of UK corporation tax will remain at 19% until 1 April 2023 when it will increase to 25%. The increased rate has not been used to calculate the deferred tax assets as it was not substantively enacted at the balance sheet date. When substantively enacted, the increased rate of UK corporation tax is expected to increase the Company's deferred tax assets by £730,000.

Notes *(continued)*

11 Goodwill

	£000
Cost	
At 1 April 2020	6,578
At 31 March 2021	**6,578**
Amortisation and impairment	
At 1 April 2020	729
At 31 March 2021	**729**
Net book value	
At 1 April 2020	5,849
At 31 March 2021	**5,849**

12 Tangible fixed assets

Tangible fixed assets comprise owned and leased assets.

	2021 £000
Tangible fixed assets owned	16
Right-of-use assets (See note 19)	198
At 31 March 2021	**214**

	Leasehold property £000	Plant and vehicles £000	Total £000
Cost			
At 1 April 2020	276	117	393
Disposals	(58)	(60)	(118)
Balance at 31 March 2021	**218**	**57**	**275**
Accumulated depreciation and impairment			
Balance at 1 April 2020	234	103	337
Depreciation charge for the year	27	8	35
Disposals	(58)	(55)	(113)
Balance at 31 March 2021	**203**	**56**	**259**
Net book value			
At 1 April 2020	42	14	56
At 31 March 2021	**15**	**1**	**16**

Notes *(continued)*

13 Debtors

	2021 £000	2020[1] £000
Trade debtors	**7,676**	9,760
Amounts owed by Group undertakings	**50,499**	41,400
Prepayments	**-**	59
Accrued income	**1,783**	1,532
Other debtors	**1,274**	408
Total	**61,232**	53,159

1. The debtors balance as at 31 March 2020 has been re-presented to exclude current tax receivable which is now presented on a separate line within current assets

Included within amounts owed by Group undertakings above, is £45,000,000 (2020: £35,000,000) relating to loans bearing interest at 5% per annum (2020: 5% per annum).

In the opinion of the Directors, the fair value does not materially differ from the carrying value.

Amounts owed by Group undertakings are repayable on demand.

14 Creditors

	2021 £000	2020 £000
Bank loans and overdrafts	**-**	2,626
Trade creditors	**4,556**	5,374
Amounts owed to Group undertakings	**52,137**	36,333
Other taxes and social security	**2,511**	2,500
Accruals	**5,052**	3,485
Other creditors	**1,072**	414
Total	**65,328**	50,732

Amounts due to Group undertakings are repayable on demand.

Included within amounts owed by Group undertakings above, is £50,000,000 (2020: £35,000,000) relating to loans bearing interest at 5% per annum (2020: 5% per annum).

15 Deferred Income

The significant changes in deferred income are as follows:

	2021 £000	2020 £000
At 1 April	**1,098**	-
Revenue that was included in the deferred income balance at the beginning of the year	**1**	-
Increase due to cash received, excluding amounts recognised as revenue during the year	**1,315**	1,098
At 31 March	**2,414**	1,098

Notes *(continued)*

16 Deferred tax assets

Deferred tax assets are attributable to the following:

	2021 £000	2020 £000
Intercompany indemnity	**3,807**	3,807
Tangible fixed assets	**29**	52
Share-based payments	**21**	4
Provisions	**17**	15
	3,874	3,878

Movement in deferred tax during the year

	1 April 2020 £000	Recognised in income £000	31 March 2021 £000
Intercompany indemnity	3,807	-	**3,807**
Tangible fixed assets	52	(23)	**29**
Share-based payments	4	17	**21**
Provisions	15	2	**17**
	3,878	(4)	**3,874**

Movement in deferred tax during the prior year

	1 April 2019 £000	Recognised in income £000	31 March 2020 £000
Intercompany indemnity	3,407	400	3,807
Tangible fixed assets	95	(43)	52
Share-based payments	16	(12)	4
Provisions	22	(7)	15
	3,540	338	3,878

The UK corporation tax rate was due to reduce from 19% to 17% from 1 April 2020. This change is no longer occurring and as a consequence a credit of £nil (2020: £410,000) has been included in the tax charge. The deferred tax assets disclosed above reflect this change.

Notes *(continued)*

17 Provisions

	Restructuring provision £000	Insurance excess provision £000	Contract specific costs £000	Disposal indemnity £000	Inter-company indemnity £000	Dilapidation provision £000	Total £000
At 1 April 2020	-	486	10,254	1,890	20,039	395	**33,064**
Utilised in the year	-	(201)	(3,144)	(1,890)	-	-	**(5,235)**
Amounts recognised in the income statement	329	-	(1,700)		-	-	**(1,371)**
Unwinding of discount	-	-	-	-	-	9	**9**
At 31 March 2021	**329**	**285**	**5,410**	**-**	**20,039**	**404**	**26,467**
Included in current liabilities	89	95	5,410	-	20,039	404	26,037
Included in non-current liabilities	240	190	-	-	-	-	430
Total	**329**	**285**	**5,410**	**-**	**20,039**	**404**	**26,467**

The insurance reserve provides for the self-insured element of fleet and liability claims and a claim typically settles over three to five years. This includes a provision for claims that are expected but have not yet been reported.

The contract specific cost provisions relate to estimated costs of rectification works associated with certain property maintenance contracts of the discontinued Social Housing business.

The disposal indemnity provision relates to indemnities provided following the disposal of the Social Housing business.

An intercompany indemnity has been given to a fellow subsidiary undertaking to indemnify that undertaking against its future pension liabilities.

18 Capital and reserves

Share capital authorised and fully paid	**2021 Number**	2020 Number	**2021 £000**	2020 £000
Ordinary shares				
A Ordinary shares at £1 each	**600,000**	600,000	**600**	600
B Ordinary shares at £1 each	**3,000,000**	3,000,000	**3,000**	3,000
	3,600,000	3,600,000	**3,600**	3,600

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.

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

Notes *(continued)*

19 Leases

Right-of-Use Assets	**Properties £000**
At 1 April 2019	**2,340**
Depreciation	**(405)**
At 31 March 2020, as previously reported	**1,935**
Modification of lease terms[1]	**(1,107)**
At 31 March 2020, as restated[1]	**828**
Impairment	**(211)**
Modification of lease terms	**(15)**
Depreciation	**(404)**
At 31 March 2021	**198**

Lease liabilities	**2021 £000**	Restated[1] 2020 £000
At 1 April	**673**	2,126
Modifications to lease terms	**(15)**	(1,107)
Interest expense related to lease liabilities	**33**	76
Repayment of lease liabilities (including interest)	**(261)**	(422)
At 31 March	**430**	673
Current	**161**	142
Non-current	**269**	531
At 31 March	**430**	673

	2021 £000	Restated[1] 2020 £000
Maturity analysis-contractual undisclosed cash flows		
Less than one year	**173**	128
One to five years	**280**	420
More than five years	**-**	125
Total undiscounted lease liabilities at 31 March	**453**	673

	2021 £000	2020 £000
Amounts recognised in the profit and loss account		
Depreciation of right-of-use assets	**(404)**	(405)
Impairment	**(211)**	-
Operating profit impact	**(615)**	(405)
Interest on lease liabilities	**(33)**	(76)
Profit before tax impact	**(648)**	(481)

1. Lease balances as at 31 March 2020 have been restated to recognise an exercise of a break clause which was not previously recognised. See Note 1.

Notes *(continued)*

20 Contingent liabilities

The Company is party with other Group undertakings to cross-guarantees of certain of each other's liabilities.

	2021 £000	2020 £000
Bank overdraft and loans	**174,489**	227,600
Performance bonds	**2,530**	3,203

Contractual disputes
The Company is, from time to time, party to contractual disputes that arise in the ordinary course of business. Management does not anticipate that the outcome of any of these disputes will have a material adverse effect on the Company's financial position, other than as already provided for in the financial statements. In appropriate cases, a provision is recognised based on best estimates and management judgement but there can be no guarantee that these provisions (which may be subject to potentially material revision from time to time) will result in an accurate prediction, due to the uncertainty of the actual costs and liabilities that may be incurred. Management will continue to monitor events as matters progress.

Multi-employer pension schemes
The Company participates in the Plumbing Scheme, a multi-employer defined benefit scheme.

When the Company exits such schemes (typically by ceasing to have any active employees in the scheme), pension legislation may require the Company to fund the Company's share of the total amount of net liabilities with a one-off cash payment (a Section 75 debt under the Pensions Act 1995).

The Company continues to have an exposure to Section 75 employer debts in respect of its participation in the Plumbing Scheme, which have been estimated at £2.4m by the trustee. However, no event has occurred to trigger this debt as the Company still employs active members of the Plumbing Scheme.

21 Related parties

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

22 Subsequent events

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

23 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 or from www.mitie.com.