

Company Registration No. 3063453 (England and Wales)

MIDLAND INTEGRATED SERVICES LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

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MIDLAND INTEGRATED SERVICES LIMITED

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MIDLAND INTEGRATED SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2008

The directors present their report and financial statements for the year ended 30 September 2008.

Principal activities and review of the business

The principal activity of the company continued to be that of industrial cleaning contractors.

The company has increased the range of the services provided to their customers, mainly waste management services which led to an increase in turnover by 30%, from £6.1 in 2007 to £7.9m in 2008. However the gross profit has fallen by 5% from 17% to 12%. This is mainly due to the company outsourcing the waste management services rather than using their own staff. The result has also affected the net profit, which has decreased by 2%. The directors have addressed the position and made cuts to operating costs post year end where necessary.

The balance sheet on page 6 of the financial statements shows that the company is in a stronger net assets position than in the previous year.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

Future developments

The company intends to continue its present management policies for the foreseeable future.

Directors

The following directors have held office since 1 October 2007:

I. R. Crump

M. J. Cockfield

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that HLB Vantis Audit plc be reappointed as auditors of the company will be put to the Annual General Meeting.

MIDLAND INTEGRATED SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2008

Directors' responsibilities

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

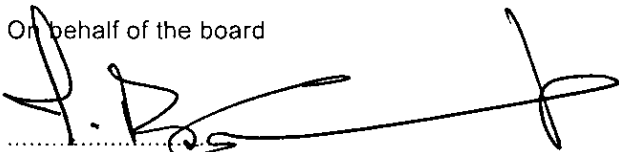
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



I. R. Crump
Director

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MIDLAND INTEGRATED SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO MIDLAND INTEGRATED SERVICES LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 16, together with the financial statements of Midland Integrated Services Limited for the year ended 30 September 2008 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

HLB Vantis Audit plc

HLB Vantis Audit plc

Chartered Accountants

Registered Auditor



20th July 2009

Torrington House
47 Holywell Hill
St. Albans
Hertfordshire
AL1 1HD

MIDLAND INTEGRATED SERVICES LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2008

	Notes	2008 £	2007 £
Gross profit		963,722	1,035,031
Administrative expenses		(806,823)	(785,719)
Operating profit	2	156,899	249,312
Other interest receivable and similar income		-	34
Interest payable and similar charges	4	(8,618)	(8,129)
Profit on ordinary activities before taxation		148,281	241,217
Tax on profit on ordinary activities	5	(32,307)	(64,261)
Profit for the year	14	115,974	176,956

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

MIDLAND INTEGRATED SERVICES LIMITED

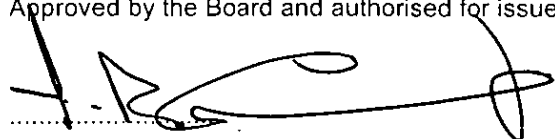
ABBREVIATED BALANCE SHEET

AS AT 30 SEPTEMBER 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	6		217,782		241,201
Current assets					
Stocks	7	2,818		9,458	
Debtors	8	1,718,870		1,303,937	
Cash at bank and in hand		82		9,648	
		<u>1,721,770</u>		<u>1,323,043</u>	
Creditors: amounts falling due within one year	9	<u>(1,196,597)</u>		<u>(911,588)</u>	
Net current assets			525,173		411,455
Total assets less current liabilities			742,955		652,656
Creditors: amounts falling due after more than one year	10		(37,751)		(60,608)
Provisions for liabilities	11		-		(2,818)
			<u>705,204</u>		<u>589,230</u>
Capital and reserves					
Called up share capital	13		100		100
Other reserves	14		500,000		500,000
Profit and loss account	14		205,104		89,130
Shareholders' funds	15		<u>705,204</u>		<u>589,230</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

Approved by the Board and authorised for issue on 20th July 2009



I. R. Crump
Director

MIDLAND INTEGRATED SERVICES LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2008

	£	2008 £	£	2007 £
Net cash inflow from operating activities		139,043		324,905
Returns on investments and servicing of finance				
Interest received	-		34	
Interest paid	(8,618)		(8,129)	
Net cash outflow for returns on investments and servicing of finance		(8,618)		(8,095)
Taxation		(60,118)		(79,641)
Capital expenditure				
Payments to acquire tangible assets	(76,756)		(169,785)	
Receipts from sales of tangible assets	18,224		22,576	
Net cash outflow for capital expenditure		(58,532)		(147,209)
Net cash inflow before management of liquid resources and financing		11,775		89,960
Financing				
Capital element of hire purchase contracts	(25,547)		(65,037)	
Net cash outflow from financing		(25,547)		(65,037)
(Decrease)/increase in cash in the year		(13,772)		24,923

MIDLAND INTEGRATED SERVICES LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2008

1	Reconciliation of operating profit to net cash inflow from operating activities	2008	2007
		£	£
	Operating profit	156,899	249,312
	Depreciation of tangible assets	79,284	74,278
	Loss on disposal of tangible assets	2,667	517
	Decrease/(increase) in stocks	6,640	(7,035)
	Increase in debtors	(414,639)	(32,050)
	Increase in creditors within one year	308,192	39,883
	Net cash inflow from operating activities	139,043	324,905

2	Analysis of net debt	1 October 2007	Cash flow	Other non-cash changes	30 September 2008
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	9,648	(9,566)	-	82
	Bank overdrafts	(180)	(4,206)	-	(4,386)
		<u>9,468</u>	<u>(13,772)</u>	<u>-</u>	<u>(4,304)</u>
	Bank deposits	-	-	-	-
	Debt:				
	Finance leases	(117,805)	84,754	(59,207)	(92,258)
	Net debt	(108,337)	70,982	(59,207)	(96,562)

3	Reconciliation of net cash flow to movement in net debt	2008	2007
		£	£
	(Decrease)/increase in cash in the year	(13,772)	24,923
	Cash outflow from decrease in debt and lease financing	84,754	174,775
	Change in net debt resulting from cash flows	70,982	199,698
	New finance lease	(59,207)	(109,738)
	Movement in net debt in the year	11,775	89,960
	Opening net debt	(108,337)	(198,297)
	Closing net debt	(96,562)	(108,337)

MIDLAND INTEGRATED SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

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

Plant and machinery	25% straight line
Fixtures, fittings and equipment	15-20% reducing balance
Motor vehicles	30% reducing balance

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.8 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

MIDLAND INTEGRATED SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2008

2	Operating profit	2008	2007
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	79,284	74,278
	Loss on disposal of tangible assets	2,667	517
	Operating lease rentals		
	- Plant and machinery	134,917	133,053
	- Other assets	19,902	18,440
	Auditors' remuneration (including expenses and benefits in kind)	4,500	2,800
		<u> </u>	<u> </u>
3	Investment income	2008	2007
		£	£
	Other interest	-	34
		<u> </u>	<u> </u>
4	Interest payable	2008	2007
		£	£
	Hire purchase interest	8,606	8,129
	Other interest	12	-
		<u> </u>	<u> </u>
		<u>8,618</u>	<u>8,129</u>

MIDLAND INTEGRATED SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2008

5	Taxation	2008 £	2007 £
	Domestic current year tax		
	U.K. corporation tax	35,419	60,118
	Adjustment for prior years	-	(272)
	Current tax charge	35,419	59,846
	Deferred tax		
	Deferred tax charge/credit current year	(3,112)	4,415
		32,307	64,261
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	148,281	241,217
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.50% (2007 - 24.58%)	30,398	59,291
	Effects of:		
	Non deductible expenses	3,218	4,412
	Depreciation add back	16,253	18,384
	Capital allowances	(14,450)	(21,969)
	Adjustments to previous periods	-	(272)
		5,021	555
	Current tax charge	35,419	59,846

MIDLAND INTEGRATED SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2008

6 Tangible fixed assets

	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 October 2007	146,915	87,732	258,653	493,300
Additions	9,109	3,219	64,428	76,756
Disposals	(325)	-	(57,543)	(57,868)
At 30 September 2008	155,699	90,951	265,538	512,188
Depreciation				
At 1 October 2007	125,688	31,802	94,609	252,099
On disposals	(34)	-	(36,943)	(36,977)
Charge for the year	11,224	10,993	57,067	79,284
At 30 September 2008	136,878	42,795	114,733	294,406
Net book value				
At 30 September 2008	18,821	48,156	150,805	217,782
At 30 September 2007	21,227	55,930	164,044	241,201

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles
	£
Net book values	
At 30 September 2008	147,148
At 30 September 2007	153,713
Depreciation charge for the year	
At 30 September 2008	51,656
At 30 September 2007	42,552

MIDLAND INTEGRATED SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2008

7	Stocks	2008	2007
		£	£
	Finished goods and goods for resale	2,818	9,458
8	Debtors	2008	2007
		£	£
	Trade debtors	1,674,826	1,274,363
	Other debtors	5,317	-
	Prepayments and accrued income	38,433	29,574
	Deferred tax asset (see note 11)	294	-
		1,718,870	1,303,937
9	Creditors: amounts falling due within one year	2008	2007
		£	£
	Bank loans and overdrafts	4,386	180
	Net obligations under hire purchase contracts	54,507	57,197
	Trade creditors	747,288	343,928
	Corporation tax	35,419	60,118
	Other taxes and social security costs	204,937	227,889
	Other creditors	-	79,492
	Accruals and deferred income	150,060	142,784
		1,196,597	911,588

The bank overdraft is secured by way of an unlimited debenture over the assets of the company to Barclays Bank Plc. A balance of account guarantee is also in place from South Midlands Group Plc in favour of monies owed to Barclays Bank Plc with regards to Midland Integrated Services Limited.

MIDLAND INTEGRATED SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2008

10 Creditors: amounts falling due after more than one year	2008 £	2007 £
Net obligations under hire purchase contracts	37,751	60,608
Net obligations under hire purchase contracts		
Repayable within one year	54,507	57,197
Repayable between one and five years	37,751	60,608
	92,258	117,805
Included in liabilities falling due within one year	(54,507)	(57,197)
	37,751	60,608

The hire purchase liabilities are secured on the assets to which they relate.

11 Provisions for liabilities

The deferred tax asset (included in debtors, note 8) is made up as follows:

	2008 £	
Balance at 1 October 2007	2,818	
Profit and loss account	(3,112)	
Balance at 30 September 2008	(294)	
	2008 £	2007 £
Decelerated capital allowances	(294)	2,818

MIDLAND INTEGRATED SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2008

12 Pension and other post-retirement benefit commitments

Defined contribution

	2008 £	2007 £
Contributions payable by the company for the year	13,309	13,248

13 Share capital

	2008 £	2007 £
Authorised		
100 Ordinary shares of £1 each	100	100
500,000 Preference shares of £1 each	500,000	500,000
	<u>500,100</u>	<u>500,100</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

14 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 October 2007	500,000	89,130
Profit for the year	-	115,974
	<u>500,000</u>	<u>205,104</u>
Balance at 30 September 2008		
Other reserves		
Capital redemption reserve		
Balance at 1 October 2007 & at 30 September 2008	<u>500,000</u>	

MIDLAND INTEGRATED SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2008

15 Reconciliation of movements in shareholders' funds	2008 £	2007 £
Profit for the financial year	115,974	176,956
Opening shareholders' funds	589,230	412,274
Closing shareholders' funds	705,204	589,230

16 Financial commitments

At 30 September 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 September 2009:

	Land and buildings	
	2008 £	2007 £
Operating leases which expire:		
Within one year	20,440	18,440

17 Directors' emoluments	2008 £	2007 £
Emoluments for qualifying services	110,182	108,950
Company pension contributions to money purchase schemes	12,704	12,180
	122,886	121,130

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2007 - 1).

MIDLAND INTEGRATED SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2008

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2008 Number	2007 Number
Directors	2	2
Administration and management	15	15
Cleaning	368	350
	<u>385</u>	<u>367</u>

Employment costs

	2008 £	2007 £
Wages and salaries	3,943,837	3,553,543
Social security costs	303,187	267,304
Other pension costs	13,309	13,248
	<u>4,260,333</u>	<u>3,834,095</u>

19 Ultimate parent company

No one individual controls the company. Overall control is maintained by members of the Duffy family.