

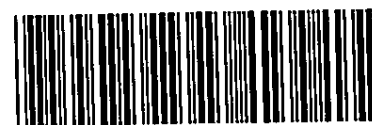
**Company Registration Number 03573265**

**MITIE AIR CONDITIONING (LONDON) LIMITED**

**Report and Financial Statements**

**31 March 2010**

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# **MITIE AIR CONDITIONING (LONDON) LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2010**

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# **MITIE AIR CONDITIONING (LONDON) LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

S C Baxter  
R McGregor-Smith  
M A Tivey  
R M Stokes

### **SECRETARY**

MITIE Company Secretarial Services Limited

### **REGISTERED OFFICE**

8 Monarch Court  
The Brooms  
Emersons Green  
Bristol  
BS16 7FH

### **BANKERS**

HSBC Bank plc  
62 George White Street  
Cabot Circus  
Bristol  
BS1 3BA

### **AUDITORS**

Deloitte LLP  
London

## **MITIE AIR CONDITIONING (LONDON) LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report and audited financial statements for the year ended 31 March 2010

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial 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). 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 accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The company is a wholly owned subsidiary of MITIE Group PLC (the 'Group'). The company provides the installation and maintenance of air conditioning systems in commercial, industrial and domestic premises. On 30 September 2009 the company ceased trading and transferred its trade and liabilities to MITIE Infrastructure Limited.

As shown in the company's profit and loss account on page 6, the company's sales have decreased by 88% over the prior year. The company made a profit after tax in the year of £13,646 whereas in the prior year a loss after tax of £417,866.

The balance sheet on page 7 of the financial statements shows that the company's financial position at the year end has improved from the prior year. At the year end, the company had net liabilities of £244,405 (2009 liabilities of £256,936).

The Group manages its operations on a divisional basis. For this reason, the company's directors do not believe further key performance indicators are necessary for an appropriate understanding of the performance and position of the business. The performance of the Group's divisions is discussed in the Group's annual report which does not form part of this report.

### **GOING CONCERN**

The company made a decision in the year not to enter into any new contracts, and transferred its trade and assets to MITIE Infrastructure Limited on 30 September 2009. As a result, the company's financial statements have been prepared on a basis other than that of a going concern (note 1).

## **MITIE AIR CONDITIONING (LONDON) LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **DIVIDENDS**

No dividends were approved or paid in the current or prior year

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

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

Group risks are discussed in the Group's annual report.

#### **FINANCIAL RISK MANAGEMENT**

The directors have reviewed the financial risk management objectives and policies of the company. They do not believe there to be significant risks in this area. The company does not enter into any hedging instruments, as there are not believed to be any material exposures. It does not enter into any financial instruments for speculative purposes.

Appropriate trade terms are negotiated with suppliers and customers. Management reviews these terms and the relationships with suppliers and customers and manages any exposure on normal trade terms. The company prepares regular forecasts of cash flow and liquidity and any requirement for additional funding is managed as part of the overall MITIE Group PLC financing arrangements.

#### **PAYMENT POLICY**

The company's policy is to comply with the terms of payment agreed with a supplier. Where terms are not negotiated, the company endeavours to adhere with the supplier's standard terms. As at 31 March 2010, trade creditors as a proportion of amounts invoiced from suppliers for the financial year, represented nil days (2009: 145 days).

#### **ENVIRONMENT**

MITIE Group PLC and its subsidiaries endeavour to identify, monitor and manage the impact of their activities on the environment and are fully committed to environmental accountability and protection. The company operates in accordance with Group policies, which are described in the Group's annual report which does not form part of this report.

#### **EMPLOYEES**

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

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

# MITIE AIR CONDITIONING (LONDON) LIMITED

## DIRECTORS' REPORT (continued)

### DIRECTORS

The directors during the year and subsequently were as follows

S C Baxter  
R McGregor-Smith  
R M Stokes  
M A Tivey

### AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

A resolution to reappoint Deloitte LLP as the company's auditors will be proposed at the forthcoming Annual General Meeting

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



S C Baxter  
Director

14 December 2010

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MITIE AIR CONDITIONING (LONDON) LIMITED**

We have audited the financial statements of MITIE Air Conditioning (London) Limited for the year ended 31 March 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Emphasis of matter – Financial statements prepared other than on a going concern basis**

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

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



**Ian Krieger (Senior Statutory Auditor)**  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
London, United Kingdom

16 December 2010

**MITIE AIR CONDITIONING (LONDON) LIMITED****PROFIT AND LOSS ACCOUNT**

Year ended 31 March 2010

	<b>Note</b>	<b>2010 £</b>	<b>2009 £</b>
<b>TURNOVER</b>	<b>1</b>	<b>43,850</b>	<b>355,950</b>
Cost of sales		(21,704)	(667,130)
<b>GROSS PROFIT/(LOSS)</b>		<b>22,146</b>	<b>(311,180)</b>
Administrative expenses		(6)	(241,549)
<b>OPERATING PROFIT/(LOSS)</b>	<b>2</b>	<b>22,140</b>	<b>(552,729)</b>
Interest payable and similar charges	<b>3</b>	(6,175)	(20,287)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>15,965</b>	<b>(573,016)</b>
Tax (charge)/credit on profit/(loss) on ordinary activities	<b>4</b>	(2,319)	155,150
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	<b>9</b>	<b>13,646</b>	<b>(417,866)</b>

The results for the period are wholly attributable to the discontinued operations of the company

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



# MITIE AIR CONDITIONING (LONDON) LIMITED

## BALANCE SHEET At 31 March 2010

	Note	£	2010	£	£	2009	£
<b>CURRENT ASSETS</b>							
Debtors	5	-			690,305		
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	6	(244,405)			(947,241)		
<b>NET CURRENT LIABILITIES, BEING NET LIABILITIES</b>				<u>(244 405)</u>			<u>(256 936)</u>
<b>SHARE CAPITAL AND RESERVES</b>							
Called up share capital	8		80,000			80,000	
Profit and loss account	9		(324,405)			(336,936)	
<b>SHAREHOLDERS' DEFICIT</b>	10		<u>(244,405)</u>			<u>(256,936)</u>	

The financial statements of MITIE Air Conditioning (London) Limited, company registration number 03573265, were approved by the board on 14 December 2010



**S C Baxter**  
Director

## **MITIE AIR CONDITIONING (LONDON) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2010**

#### **1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and the prior financial year, are described below.

##### **Accounting convention**

The financial statements are prepared under the historical cost convention.

##### **Basis of preparation and going concern**

As explained in the directors' report, the company has transferred its trade and assets to MITIE Infrastructure Limited at book value on 30 September 2009. As required by FRS 18 Accounting Policies, the directors have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

##### **Turnover**

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

##### **Leasing commitments**

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

##### **Tax**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

# MITIE AIR CONDITIONING (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2010

### 1 ACCOUNTING POLICIES (continued)

#### Cash flow statement

The company has taken the exemption from the requirement to prepare a cash flow statement, as it is included within the consolidated financial statements of MITIE Group PLC and greater than 90% of the voting rights of the company are held by MITIE Group PLC

### 2. OPERATING PROFIT/(LOSS)

	2010 £	2009 £
Operating profit/(loss) is stated after charging/(crediting)		
Auditors' remuneration - audit services	-	3,000
Profit on disposal of tangible fixed assets	-	(1,000)
	<u>-</u>	<u>(1,000)</u>

Auditors' remuneration in the current year of £1,500 was borne by MITIE Group PLC and not recharged

### 3. INTEREST PAYABLE AND SIMILAR CHARGES

	2010 £	2009 £
Bank interest	<u>6,175</u>	<u>20,287</u>

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

(a) Analysis of charge/(credit) in year	2010 £	2009 £
United Kingdom corporation tax at 28% (2009 28%)	3,587	(162,504)
Adjustment in respect of prior years	<u>1,325</u>	<u>5,696</u>
<b>Total current tax (note 4(b))</b>	<b>4,912</b>	<b>(156,808)</b>
Deferred taxation		
Timing differences - origination and reversal	648	2,044
Decrease in tax rate	-	-
Adjustments in respect of prior years	<u>(3,241)</u>	<u>(386)</u>
<b>Tax charge/(credit) on profit/(loss) on ordinary activities</b>	<b><u>2,319</u></b>	<b><u>(155,150)</u></b>

# MITIE AIR CONDITIONING (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2010

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

#### (b) Factors affecting tax charge/(credit) in year

The tax assessed for the year differs from that resulting from applying the standard rate of corporation tax in the UK of 28% (2009 28%) The differences are as follows

	2009 £	2010 £
Profit/(loss) on ordinary activities before tax	15,965	(573,016)
	£	£
Tax at 28% (2009 28%) thereon	4,471	(160,445)
Differences between depreciation and capital allowances	(648)	(2,059)
Relief in respect of employee share options	236	-
Adjustment in respect of prior years	1,325	5,696
<b>Current tax charge/(credit) for the year (note 4(a))</b>	<b>4,912</b>	<b>(156,808)</b>

#### (c) Factors affecting future tax charges

The company is not aware of any factors that will materially affect the future tax charge apart from the proposed, phased reduction in corporation tax rates to 24% by 2015 which has not yet been enacted

5 DEBTORS	2010 £	2009 £
Trade debtors	-	442,376
Amounts owed by group undertakings	-	91,165
Corporation tax recoverable	-	133,437
Other debtors	-	23,327
	-	690,305

# MITIE AIR CONDITIONING (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2010

6.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2010 £	2009 £
	Bank overdraft	-	477,688
	Trade creditors	-	244,020
	Amounts owed to group undertakings	239,493	214,066
	Other taxes and social security costs	-	273
	Other creditors	-	7,766
	Corporation tax	4,912	-
	Accruals and deferred income	-	3,428
		<u>244,405</u>	<u>947,241</u>

## 7. DISPOSAL OF TRADE AND ASSETS

On 30 September 2009 the company transferred the trade and net liabilities to MITIE Infrastructure Limited. The fair value of the total consideration was £230,443. The book value of liabilities transferred equated to their fair value. The following table sets out the book values of the identifiable assets and liabilities transferred.

	£
Trade and other receivables	364,694
Trade and other payables	(597,672)
Deferred tax	5,620
Current tax liability	(1,970)
Equity Reserve Share based payment	(1,115)
	<u>(230,443)</u>

	£
Satisfied by intercompany creditor	<u>230,443</u>

8.	CALLED UP SHARE CAPITAL	2010 £	2009 £
	Allotted, called up and fully paid		
	40,800 £1 'A' ordinary shares	40,800	40,800
	39,200 £1 'B' ordinary shares	39,200	39,200
		<u>80,000</u>	<u>80,000</u>

# MITIE AIR CONDITIONING (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

### 9. PROFIT AND LOSS ACCOUNT

	£
At 1 April 2009	(336,936)
Profit for the financial year	13,646
Capital redemption	(1,115)
<b>At 31 March 2010</b>	<b>(324,405)</b>

In the prior year the capital contribution from MITIE Group PLC was presented in a separate reserve, in the current year it is presented as part of the profit and loss account reserve

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT	2010 £	2009 £
Profit/(loss) for the financial year	13,646	(417,866)
Capital redemption	(1,115)	-
Net addition/(reduction) to shareholders' deficit	12,531	(417,866)
Opening shareholders' (deficit)/funds	(256,936)	160,930
<b>Closing shareholders' deficit</b>	<b>(244,405)</b>	<b>(256,936)</b>

### 11. DIRECTORS

S C Baxter and R McGregor-Smith are directors of MITIE Group PLC. All disclosures relating to their emoluments, pension details and share options are disclosed in the Group accounts. It is not practicable to allocate their remuneration between their services as directors of MITIE Air Conditioning (London) Limited and their services as directors of other Group companies. S C Baxter and R McGregor-Smith are remunerated by MITIE Group PLC for their services to the group as a whole, M A Tivey and R M Stokes are remunerated by MITIE Engineering Services Limited for their services to the Group as a whole.

### 12. RELATED PARTY TRANSACTIONS

There were no transactions with entities other than members of MITIE Group PLC which require disclosure under FRS 8.

### 13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The directors regard MITIE Group PLC, a company registered in Scotland, as the company's ultimate parent undertaking and controlling party. MITIE Group PLC is both the smallest and largest group for which group accounts are prepared. Copies of the group financial statements can be obtained from the Company Secretary at the registered office.