

**Company Registration Number**

**04999392**

**UTILYX RISK MANAGEMENT LIMITED**

**Directors' Report and Financial Statements**

**10 months ended 31 March 2012**

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## **UTILYX RISK MANAGEMENT LIMITED**

### **DIRECTORS' REPORT AND FINANCIAL STATEMENTS** 10 months ended 31 March 2012

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## **UTILYX RISK MANAGEMENT LIMITED**

### **DIRECTORS AND OTHER INFORMATION**

#### **DIRECTORS**

C S Bowden  
J Stokes  
M Holt  
J I Clarke

#### **SECRETARY**

MITIE Company Secretarial Services Limited (Appointed 9 January 2012)

#### **REGISTERED OFFICE**

8 Monarch Court  
The Brooms  
Emersons Green  
Bristol  
BS16 7FH

#### **BANKERS**

Barclays Bank  
1 Churchill Lane  
Canary Wharf  
London  
E14 5HP

#### **SOLICITORS**

Pinsent Masons LLP  
5 Old Bailey  
London  
EC4M 7BA

#### **AUDITOR**

Deloitte LLP  
2 New Street Square  
London  
EC4A 3BZ

## **UTILYX RISK MANAGEMENT LIMITED**

### **DIRECTORS' REPORT**

The directors present their report and the financial statements for Utilyx Risk Management Limited ("the company") for the period ended 31 March 2012

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable company 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 estimates that are reasonable and prudent,
- State whether applicable United Kingdom Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

### **PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

The Company was established to provide customers with a way to manage their energy risk when it is advantageous to them to manage their risk by using financial instruments. The Company provides advice on swaps, call options and other derivative instruments.

### **KEY PERFORMANCE INDICATORS**

The Group manages its operations on a divisional basis. For this reason, the company's directors do not believe that company-specific 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.

### **RESULTS AND DIVIDENDS**

Dividends for each share class were declared as follows:  
Ordinary shares: Nil (2011: Nil)

The loss for the period, after tax, amounted to £14,300 (2011 year: £13,200 loss)

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

### **PRINCIPAL RISKS AND UNCERTAINTIES**

We have an established risk management and corporate governance framework for identifying, evaluating and managing significant risks faced by MITIE. We recognise that risks and uncertainties offer the potential for both upside and downside changes within our business. We employ internal and external specialists to manage our risk profile and regularly review our system of internal control to ensure that risks are appropriately identified and addressed.

Our principal risks and uncertainties are as detailed on pages 46 and 47 in MITIE's 2012 Annual Report, a copy of which is available on our website at [www.mitie.com](http://www.mitie.com). We have summarised the risks below:

#### **Loss of competitive position**

Focus on clear strategic priorities and developing business cases for investment in new technology and infrastructure help to support our competitive position.

#### **Inadequate contract performance**

Relationship management and experienced teams are essential in minimising the risks that winning large scale new business can bring.

#### **Health, safety and environment**

The range of activities that we undertake comes with it a broad spectrum of health, safety and environmental risks with the potential to impact a number of stakeholder groups including our employees, the public and our clients.

#### **Employee skills shortages**

MITIE is a people business and our success relies on our ability to recruit and retain the best talent throughout the organisation.

#### **Liquidity**

Maintaining sufficient liquidity is essential for ensuring that we can meet our strategic targets and manage our day-to-day commitments.

#### **Inability to support development in new markets**

We utilise the local expertise of our management teams and/or external specialists to help manage a path into any new markets.

### **FINANCIAL RISK MANAGEMENT**

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

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

### **GOING CONCERN**

The company holds cash and cash equivalents of £147,000 (2011 £147,000) and net assets of £171,000 (2011 £185,000). The directors have considered the forecast and budgeted profit and associated cash flows for the foreseeable future, being at least 12 months from the date of the financial statements. The directors have considered the facilities available to the entity and believe that they can operate within the facilities available for the period of the cash flow forecast. Accordingly, the directors consider it appropriate to adopt the going concern basis in the preparation of the company's financial statements.

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

### **CREDITOR 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 to the supplier's standard terms.

### **ENVIRONMENT**

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

### **EMPLOYEES**

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

### **CHARITABLE AND POLITICAL DONATIONS**

No donations were made in the period (2010: £Nil).

### **DIRECTORS**

The directors and secretary who held office during the year and during the period to the date of approval of these financial statements are as follows:

C S Bowden

J Stokes

M Holt (Appointed 9 January 2012)

J I Clarke (Appointed 9 January 2012)

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

### **DISCLOSURE OF INFORMATION TO AUDITOR**

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have 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 auditor is aware of that information

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

### **AUDITOR**

On 9 January 2012, Berg Kaprow Lewis LLP resigned as company auditor. Deloitte LLP was subsequently appointed.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

On behalf of the board

M Holt  
Director

19 July 2012

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UTILYX RISK MANAGEMENT LIMITED

We have audited the financial statements of Utilyx Risk Management Limited for the period ended 31 March 2012 which comprise the Profit and Loss account, Balance Sheet and the related notes. 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 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 company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement in the Directors' Report the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its loss 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.

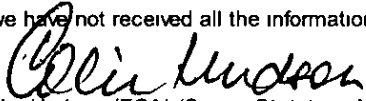
### Opinion on other matters prescribed by the Companies Act 2006

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

  
Colin Hudson (FCA) (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP, Statutory Auditor  
Chartered Accountants  
2 New Street Square  
London  
EC4A 3BZ

20 July 2012



**UTILYX RISK MANAGEMENT LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**for the 10 months ended 31 March 2012**

	Note	10 months ended 31 March 2012 £'000	Year ended 31 May 2011 £'000
Administration expenses		(14)	(13)
<b>OPERATING LOSS</b>		<u>(14)</u>	<u>(13)</u>
 <b>LOSS ON OPERATING ACTIVITIES BEFORE TAXATION</b>		 (14)	 (13)
 <b>LOSS FOR THE FINANCIAL YEAR</b>	5	 <u>(14)</u>	 <u>(13)</u>

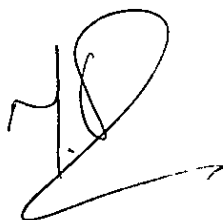
The results for the period are wholly attributable to the continuing operations of the company. There are no recognised gains and losses for the current and preceding financial year other than as stated in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses is presented.

**UTILYX RISK MANAGEMENT LIMITED**  
**BALANCE SHEET**  
as at 31 March 2012

		31 March 2012		31 May 2011	
	Note	£'000	£'000	£'000	£'000
<b>CURRENT ASSETS</b>					
Debtors					
- due within one year	3	24		38	
Cash at bank and in hand		147		147	
		<u>171</u>		<u>185</u>	
<b>NET CURRENT ASSETS</b>			<u>171</u>		<u>185</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			171		185
<b>NET ASSETS</b>			<u>171</u>		<u>185</u>
<b>SHARE CAPITAL AND RESERVES</b>					
Called up share capital	4		200		200
Profit and loss account	5		(29)		(15)
<b>SHAREHOLDERS' FUNDS</b>	6		<u>171</u>		<u>185</u>

The financial statements of Utiylx Risk Management Limited, company registered number 04999392, were approved by the board for issue and signed on its behalf by

M Holt  
Director



Date 19 July 2012

## UTILYX RISK MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

#### 1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

##### Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules (as modified to include the revaluation of certain land and buildings)

The directors have availed of the exemption in FRS 1 Cash Flow Statements not to prepare a statement of cash flows. The company's cash flows are included in the consolidated cash flow statement of its ultimate parent undertaking,

Intra-group transactions are not disclosed as the directors have availed of the exemption in FRS 8 Related Party Disclosures, on the basis that the company is a wholly-owned subsidiary of the ultimate parent undertaking, whose financial statements are publically available. All other related party transactions are detailed as they occur throughout the financial statements

##### Going concern

Details regarding the directors' consideration of going concern are given in the going concern section of the directors' report

#### 2 TAX ON PROFIT ON ORDINARY ACTIVITIES

	10 months ended 31 March 2012 £'000	Year ended 31 May 2011 £'000
(a) Analysis of charge in the year		
Overseas corporation tax	-	-
Total current tax	-	-

##### (b) Factors affecting tax credit in the year

The tax assessed for the period differs from that resulting from applying the standard rate of corporation tax in the UK of 26% (2011 28%). The differences are as follows

	£'000	£'000
Loss on ordinary activities before tax	(14)	(13)
	£'000	£'000
Tax at 26% (2011 28%) thereon	(4)	(4)
Tax losses not recognised	4	1
Group relief	-	3
Current tax charge for the year	-	-

# **UTILYX RISK MANAGEMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2012

### **3 DEBTORS**

	31 March 2012 £'000	31 May 2011 £'000
Amounts falling due within one year		
Amounts owed by group undertakings	24	38
	<u>24</u>	<u>38</u>

### **4 CALLED UP SHARE CAPITAL**

	31 March 2012 £'000	31 May 2011 £'000
<b>Allotted, called up and fully paid share capital</b>		
200,000 £1 Ordinary Shares	200	200
	<u>200</u>	<u>200</u>

### **5 RESERVES**

	Profit and loss account £'000
At beginning of period	(15)
Loss for the year	(14)
At end of period	<u>(29)</u>

### **6 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	31 March 2012 £'000	31 May 2011 £'000
Loss for the financial year	(14)	(13)
Net reduction in shareholders' funds	<u>(14)</u>	<u>(13)</u>
Opening shareholders' funds	185	198
Closing shareholders' funds	<u>171</u>	<u>185</u>

### **7 RELATED PARTY TRANSACTIONS**

There are no related party transactions in the current or previous year

**UTILYX RISK MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2012**

**8 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The directors regard MITIE Group PLC, a company registered in Scotland, as the immediate and ultimate controlling party

MITIE Group PLC is the largest and smallest group for which group accounts are prepared. Copies of the group financial statements can be obtained from the Company Secretary at the registered office.