

# **Jabez Holdings Limited**

Annual report and financial statements

Registered number 05129988

31 March 2021



*Jabez Holdings Limited*  
*Annual report and financial statements*  
*31 March 2021*

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## **Company information**

### **Directors**

M R Peacock

P J G Dickinson

### **Secretary**

Mitie Company Secretarial Services Limited

### **Registered office**

Level 12

The Shard

32 London Bridge Street

London

SE1 9SG

## **Directors' report**

The Directors present the annual report and unaudited financial statements of Jabez Holdings Limited (the "Company") for the year ended 31 March 2021.

The Company is part of the Mitie group of companies (the "Group"), the ultimate parent company being Mitie Group plc.

### **Strategic report**

The Directors have taken advantage of the exemption provided by section 414B of the Companies Act 2006 (Strategic Report and Directors' Report Regulations 2013) from preparing a Strategic Report.

### **Review of the business**

The principal activity of the Company is to hold an investment in a subsidiary undertaking. There have not been any significant changes in the Company's principal activity in the year under review.

As shown in the profit and loss account on page 5, the Company's loss for the year was £330,000 (2020: loss of £252,000).

### **Going concern**

The Company's business activities have been described above. The financial statements have been prepared on a going concern basis. See Note 1c.

### **Principal risks and uncertainties**

The Company did not trade during the year and there are no significant risks or uncertainties.

### **Directors**

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

<b>Director</b>	<b>Date of appointment</b>	<b>Date of resignation</b>
P J G Dickinson		
S C Kirkpatrick		27/08/2021
M R Peacock	26/08/2021	

### **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 Company's 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.

## **Directors' report** *(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's requirement for additional funding is managed as part of the Group's financing arrangements.

### **Future developments**

The Directors expect the general level of activity to remain consistent in the forthcoming year.

### **Political contributions**

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

### **Post balance sheet events**

There have been no significant events since the balance sheet date.

On behalf of the Board:

DocuSigned by:  
  
07580D9FE8A6479...  
**M R Peacock**  
*Director*

Level 12  
The Shard  
32 London Bridge Street  
London  
SE1 9SG  
25 November 2021

## **Statement of Directors' responsibilities in respect of the Annual report and financial statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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## Profit and loss account

	<i>Note</i>	<b>2021</b> <b>£000</b>	2020 £000
Interest payable and similar expenses	4	<b>(408)</b>	(407)
<b>Loss before tax</b>		<b>(408)</b>	(407)
<b>Tax</b>	5	<b>78</b>	155
<b>Loss for the year</b>		<b>(330)</b>	(252)

The notes on pages 8 to 13 form an integral part of the financial statements.

The results for the year are wholly attributable to the continuing operations of the Company.

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

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## Balance sheet


	Note	2021 £000	2020 £000
<b>Non-current assets</b>			
Investments in subsidiaries	6	4,363	4,363
<b>Total non-current assets</b>		<u>4,363</u>	<u>4,363</u>
<b>Current assets</b>			
Debtors <sup>1</sup>	7	77	-
Corporation tax receivable		155	155
<b>Total current assets</b>		<u>232</u>	<u>155</u>
<b>Current liabilities</b>			
Creditors	8	(8,951)	(8,543)
<b>Total current liabilities</b>		<u>(8,951)</u>	<u>(8,543)</u>
<b>Net current liabilities</b>		<u>(8,719)</u>	<u>(8,389)</u>
<b>Net liabilities</b>		<u>(4,356)</u>	<u>(4,026)</u>
<b>Capital and reserves</b>			
Share capital	9	161	161
Profit and loss reserve	9	(4,517)	(4,187)
<b>Shareholders' deficit</b>		<u>(4,356)</u>	<u>(4,026)</u>

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.

The notes on pages 8 to 13 form an integral part of the financial statements

For the year ended 31 March 2021 the Company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit of its accounts for the year ended 31 March 2021 in accordance with section 476 of the Companies Act 2006. The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements of Jabez Holdings Limited, company number 05129988, were approved by the Board of Directors and authorised for issue on 25 November 2021 and were signed on its behalf by:

DocuSigned by:  
  
 67580D9FE8A6479...

**M R Peacock**  
 Director



## Statement of changes in equity

	Share capital £000	Profit and loss reserve £000	Total equity £000
Balance at 1 April 2019	161	(3,935)	(3,774)
Loss for the year	-	(252)	(252)
<b>Total comprehensive expense</b>	-	(252)	(252)
<b>At 31 March 2020</b>	<b>161</b>	<b>(4,187)</b>	<b>(4,026)</b>
At 1 April 2020	161	(4,187)	(4,026)
Loss for the year	-	(330)	(330)
<b>Total comprehensive expense</b>	-	(330)	(330)
<b>At 31 March 2021</b>	<b>161</b>	<b>(4,517)</b>	<b>(4,356)</b>

The notes on pages 8 to 13 form an integral part of the financial statements.

## Notes

### 1 Accounting policies, judgements and estimates

#### a) General information

Jabez Holdings 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 Directors' report.

The Company is exempt, by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group. The Company's ultimate parent undertaking, Mitie Group plc includes the Company in its consolidated financial statements. The consolidated financial statements of Mitie Group plc, which are prepared in accordance with International Financial Reporting Standards, are available to the public and may be obtained from [www.mitie.com](http://www.mitie.com).

#### 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 (together the Group). 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 (the Going Concern Assessment Period) 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 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 was based on the latest forecasts using the Group's cash flow model (the Base Case Forecasts), which has been reviewed by the Board. 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 as at 30 September 2021 were a £250m revolving credit facility maturing in December 2022 of which £241.4m was undrawn at 30 September 2021, and £151.5m of US private placement (USPP) notes (being the repayment amount after taking account of the cross-currency swaps hedging the principal amount), of which £121.5m are due to mature in December 2022. The revolving credit facility was replaced in October 2021 by a new £150m facility maturing in October 2025 (with an option to extend for a further year, subject to lenders' approval), on significantly more favourable terms. The issue of £120.0m of new USPP notes has also been agreed, under a delayed funding arrangement in December 2022, avoiding any overlap with the existing £121.5m of notes that mature in the same month. The new notes are split equally between 8, 10 and 12 year maturities, and will be issued with an average coupon that is significantly below the current coupon. The remaining £30m of USPP notes are due to mature in December 2024, which is outside of the Going Concern Assessment Period. 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 consolidated net cash (i.e. net cash adjusted for covenant purposes, including the exclusion of lease liabilities) of £120.5m at 30 September 2021. 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 the Group's principal risks and uncertainties.

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

## Notes (continued)

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

#### Going concern (continued)

- 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;
- An increase in costs: this reflects the risks of a shortfall in planned overhead cost savings, including the integration synergies identified as a result of the Interserve Facilities Management acquisition not being delivered, or other cost increases such as sustained higher cost inflation; and
- A downturn in cash generation: this reflects the risks of customers delaying payments due to liquidity constraints, the removal of ancillary debt facilities or any substantial one-off settlements related to commercial issues.

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

- The improvement in trading for the Group up to the end of October 2021, compared with the more severe initial adverse impact of COVID-19, in the context of the continued easing of UK lockdown measures and anticipated economic recovery.
- All reverse stress test scenarios would require a very severe deterioration compared to the Base Case Forecasts. Revenue is considered to be the key risk, as this is less within the control of management. Revenue would need to decline by approximately 30% in the year ending 31 March 2022, compared to the Base Case Forecasts, 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 Facilities Management declined by only 1.6% for the year ended 31 March 2021.
- In the event that results started to trend significantly below those included in the Base Case Forecasts, 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 share capital;
- the statement of compliance with Adopted IFRSs;
- 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:

- certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

## **Notes (continued)**

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

#### **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.

#### **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.

#### **Finance costs**

Finance costs consist of interest and other costs that are incurred in connection with the borrowing of funds. Finance costs are recognised in the income statement in the period in which they are incurred.

#### **Taxation**

The tax credit represents the tax currently receivable.

The tax currently receivable is based on the taxable loss for the year. The taxable loss differs from the net loss as reported in the profit and loss account 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 receivable for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

#### **Investments in subsidiaries**

Fixed asset investments in subsidiaries are shown at cost less any provision for impairment. Investments in subsidiaries are reviewed on an ongoing basis for any indication of impairment and, if any such indication exists, the investment's recoverable amount is estimated. An impairment loss is recognised in the profit and loss account whenever the carrying value of an asset exceeds its recoverable amount.

#### **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.

#### **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**

There were no critical judgements that had significant effects on the amounts recognised in the financial statements.

#### **Key sources of estimation uncertainty**

There were no 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 in the next financial year.

### **2 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.

## Notes (continued)

### 3 Directors' remuneration

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
S C Kirkpatrick	Mitie Limited	Mitie Limited
P J G Dickinson	Mitie Limited	Mitie Limited

### 4 Interest payable and similar expenses

	2021 £000	2020 £000
Interest payable to Group undertakings	408	407
	<u>408</u>	<u>407</u>

### 5 Tax

	2021 £000	2020 £000
<i>Analysis of credit in the year</i>		
<i>UK corporation tax at 19% (2020: 19%)</i>		
Current tax on loss for the period	(78)	(77)
Adjustments in respect of prior periods	-	(78)
	<u>(78)</u>	<u>(155)</u>
Total credit for the year		

	2021 £000	2020 £000
<i>Reconciliation of effective tax rate</i>		
Loss before tax	(408)	(407)
Tax using the UK corporation tax rate of 19% (2020: 19%)	(78)	(77)
Adjustments in respect of prior periods	-	(78)
	<u>(78)</u>	<u>(155)</u>
Total tax credit		

The main rate of UK corporation tax will remain at 19% until 1 April 2023 when it will increase to 25%. This future corporation tax rate change is not expected to have a material impact on the Company's financial statements.

**Notes (continued)****6 Investments in subsidiaries**

The Company has the following investments in Group undertakings.

	Shares in Group undertakings £000
<b>Cost</b>	
At 1 April 2019	4,363
At 31 March 2020	4,363
<b>At 31 March 2021</b>	<b>4,363</b>
<b>Net book value</b>	
At 31 March 2020	4,363
<b>At 31 March 2021</b>	<b>4,363</b>

Company	Country of incorporation	Class of shares held	Ownership 2021
Robert Prettie & Co Limited	England and Wales	Ordinary	100%
Wealthy Thoughts Limited	England and Wales	Ordinary	100%

The registered office of the companies listed above is Level 12, The Shard, 32 London Bridge Street, London, SE1 9SG.

**7 Debtors**

	2021 £000	2020 <sup>1</sup> £000
Amounts owed by Group undertakings	77	-
<b>Total</b>	<b>77</b>	<b>-</b>

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.

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.

**8 Creditors**

	2021 £000	2020 £000
Amounts owed to Group undertakings	8,951	8,543
<b>Total</b>	<b>8,951</b>	<b>8,543</b>

Included within amounts owed to Group undertakings above, is £8,136,000 (2020: £8,136,000) relating to a loan bearing interest at 5% per annum (2020: 5% per annum).

Amounts due to Group undertakings are repayable on demand.

## Notes (continued)

### 9 Capital and reserves

Share capital authorised and fully paid	2021 Number	2020 Number	2021 £000	2020 £000
<b>Ordinary shares</b>				
Ordinary shares at £1 each	161,429	161,429	161	161
	<u>161,429</u>	<u>161,429</u>	<u>161</u>	<u>161</u>

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.

### 10 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.

### 11 Subsequent events

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

### 12 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Mitie Treasury Management Limited which is the immediate parent company incorporated in England and Wales. 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, London, SE1 9SG or from [www.mitie.com](http://www.mitie.com).