

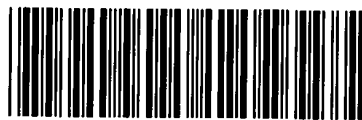
# **Mitie Justice Limited**

## **Annual Report and Financial Statements**

**Registered number 07867616**

**31 March 2017**

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## **Company information**

### **Directors**

R J Blumberger  
S.A Rose

### **Company Secretary**

Mitie Company Secretarial Services Limited

### **Registered office**

1 Harlequin Office Park  
Fieldfare  
Emersons Green  
Bristol  
BS16 7FN

## Directors' report

The Directors present the Annual Report and Financial Statements of Mitie Justice Limited ('the Company') for the year ended 31 March 2017.

The Directors' report and financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and, therefore, a strategic report is not required.

### Business review

The Company has been dormant, as defined in section 1169 of Companies Act 2006, throughout the current financial year. It is anticipated that the Company will remain dormant for the foreseeable future.

### Directors

The Directors who held office during the year, together with those subsequently appointed were:

Director	Date of appointment	Date of resignation
R J Blumberger	30/11/2017	
P J Holland		01/05/2017
S A Rose		
J S Sheridan		06/10/2017

By order of the Board



R J Blumberger  
Director

1 Harlequin Office Park  
Fieldfare  
Emersons Green  
Bristol  
BS16 7FN  
20 December 2017

## Profit and loss account

	<i>Note</i>	<b>2017</b> <b>£000</b>	<b>2016</b> <b>£000</b>
Turnover	2	-	42,015
Cost of sales		-	(45,410)
		<hr/>	<hr/>
Gross loss		-	(3,395)
Administrative expenses	3	-	(32)
		<hr/>	<hr/>
Operating loss		-	(3,427)
Interest payable and similar charges	6	-	(340)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		-	(3,767)
		<hr/>	<hr/>
Tax credit on loss on ordinary activities	7	-	756
		<hr/>	<hr/>
Loss for the financial year		-	(3,011)
		<hr/>	<hr/>

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

## Balance sheet

	<i>Note</i>	<b>2017</b> <b>£000</b>	<b>2016</b> <b>£000</b>
<b>Current assets</b>			
Debtors	13	-	-
<b>Net assets</b>		-	-
<b>Capital and reserves</b>			
Called up share capital	10	-	-
<b>Shareholders' funds</b>		-	-

For the year ended 31 March 2017 the Company was entitled to an exemption from audit under section 480 of Companies Act 2006. The members have not required the Company to obtain an audit in accordance with section 476 of 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 financial statements.

These financial statements of Mitie Justice Limited, company number 07867616, were approved by the Board of Directors on 20 December 2017 and were signed on its behalf by:



**R J Blumberger**  
*Director*

## Statement of changes in equity

	Called up Share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2015	-	1,694	1,694
Total comprehensive expense for the year	-	(3,011)	(3,011)
Loss for the year	-	(3,011)	(3,011)
Total comprehensive expense for the year	-	(3,011)	(3,011)
Capital contribution on business disposal	-	1,312	1,312
Equity-settled share based payment transactions	-	5	5
Balance at 31 March 2016	-	-	-

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2016	-	-	-
Total comprehensive income for the year	-	-	-
Balance at 31 March 2017	-	-	-

## Notes

### 1 Accounting policies

Mitie Justice Limited (the "Company") is a private company limited by shares and is incorporated in England and Wales and domiciled in the UK. The Company's registered number is 07867616. The Company's registered office is 1 Harlequin Office Park, Fieldfare, Emersons Green, Bristol, South Gloucestershire, BS16 7FN.

These financial statements were prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2013/14 Cycle) issued in July 2014 and effective immediately have been applied.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the Cash Flow Statement and related notes.

#### Classification of financial instruments issued by the Company

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a 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.

Assets that are assessed not to be individually impaired are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables includes the company's past experience of collecting payments, the number of delayed payments in the portfolio past the average credit period as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the profit and loss account.

Financial assets comprise loans and receivables and are measured at initial recognition at fair value and subsequently at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised where there is objective evidence that the asset is impaired. Cash and cash equivalents comprise 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.

Financial liabilities comprise trade payables, financing liabilities and bank and other borrowings. These are measured at initial recognition at fair value and subsequently at amortised cost.



## Notes (continued)

### 1 Accounting policies (continued)

#### Employee benefits

##### Retirement benefit costs

The company participates in Mitie Group plc pension schemes. One is a defined benefit multi-employer scheme, the assets and liabilities of which are held independently from the Group. For the purposes of IAS 19 – Employee Benefits, the Company has been unable to identify its share of underlying assets and liabilities in this scheme on a consistent and reasonable basis. Therefore the Company is accounting for contributions to the scheme as if it were a defined contribution scheme.

The Company also participates in a number of defined other local government defined benefit schemes. In respect of the schemes in which the Company participates, the company accounts for its legal and constructive obligations over the period of its participation which is for a fixed period only.

In addition, the Company operates a number of defined contribution retirement benefit schemes for all qualifying employees. Payments to the defined contribution and stakeholder pension schemes are charged as an expense as they fall due.

##### Share-based payment transactions

The Company participates in a number of Mitie Group plc executive and employee share option schemes. For all grants of share options, 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 actually vest. Further details of the Group's share option schemes are contained in the Mitie Group plc annual report.

The Company took advantage of the option available in IFRS 1 to apply IFRS 2 only to equity instruments that were granted after 7 November 2002 and that had not vested by 1 April 2014.

#### Turnover

Turnover represents income recognised in respect of services provided during the year (stated net of sales taxes) and is earned predominantly within the United Kingdom. Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured. When turnover is recognised but has not yet been billed accrued income arises. Deferred income arises when the Company has billed clients in advance of recognising revenue.

All bid costs are expensed through the income statement up to the point where contract award or full recovery of the costs is virtually certain. The confirmation of the preferred bidder for a contract by a client is the point at which the award of a contract is considered to be virtually certain.

Turnover from a contract to provide services is recognised by reference to the stage of completion of the contract at the balance sheet date. Turnover from time and material contracts is recognised at the contractual rates as labour hours and tasks are delivered and direct expenses incurred. In other cases, the Company distinguishes between the following types of contract:

##### Recognition: repeat service-based contracts (single and bundled contracts)

Turnover is recognised on a straight-line basis unless this is not an accurate reflection of the work performed. Where a straight-line basis is not appropriate, for example if specific works on contracts represent a significant element of the whole, turnover is recognised based on the percentage of completion method, based on the proportion of costs incurred at the balance sheet date relative to the total estimated cost of completing the contracted work.

Costs incurred after confirmation of preferred bidder, but before the commencement of services under the contract, are defined as mobilisation costs. These costs are capitalised and included within trade and other receivables on the balance sheet provided that the costs relate directly to the contract, are separately identifiable, can be measured reliably and that the future net cash inflows from the contract are estimated to be no less than the amounts capitalised. The capitalised mobilisation costs are amortised over the life of the contract, generally on a straight-line basis, or on a basis to reflect the profile of work to be performed over the life of the contract if the straight-line basis is not considered to be appropriate for the specific contract to which the costs relate. If the contract becomes loss making, any unamortised costs are written off immediately.

## Notes (continued)

### 1 Accounting policies (continued)

#### Taxation

The tax credit 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; 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.

### 2 Turnover

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

### 3 Expenses and auditor's remuneration

*Included in loss are the following:*

*Auditor's remuneration:*

	2017 £000	2016 £000
Audit of these financial statements	-	10

The Company has taken the exemption available to it not to disclose 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, as this information is available in the consolidated financial statements of the Company's parent, Mitie Group plc.

## Notes (continued)

### 4 Staff numbers and costs

Mitie Justice Limited had no employees in the year ended 31 March 2017 (2016: nil)

The aggregate payroll costs were as follows:

	2017 £000	2016 £000
Wages and salaries	-	723
Share based payments (See note 9)	-	5
Social security costs	-	72
Other pension costs	-	29
	<u>-</u>	<u>829</u>

Payroll costs in the year ended 31 March 2016 were recharged from Mitie Facilities Services Limited.

### 5 Directors' remuneration

All Directors are also Directors or employees of another group company. They are 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 Holland	Mitie Facilities Services Limited	Mitie Facilities Services Limited
S A Rose	Mitie Technical Facilities Management Limited	Mitie Facilities Services Limited
J S Sheridan	Mitie Facilities Services Limited	Mitie Facilities Services Limited

### 6 Interest payable and similar charges

	2017 £000	2016 £000
Bank interest	-	340

### 7 Taxation

	2017 £000	2016 £000
<i>Analysis of credit in the year</i>		
UK corporation tax at 20% (2016: 20%)	-	-
Current tax on income for the year	-	(754)
Adjustments in respect of prior years	-	(1)
	<u>-</u>	<u>(755)</u>
<i>Deferred tax (see note 8)</i>		
Origination and reversal of temporary timing differences	-	1
Reduction in statutory tax rate	-	1
Adjustment in respect of prior years	-	(3)
	<u>-</u>	<u>(1)</u>
Total deferred tax	-	(1)
Tax on loss on ordinary activities	-	(756)

## Notes (continued)

### 7 Taxation (continued)

	2017 £000	2016 £000
<i>Reconciliation of effective tax rate</i>		
Loss for the year	-	(3,011)
Total tax income (including tax on discontinued operations)	-	(756)
Loss excluding taxation	-	(3,767)
Tax using the UK corporation tax rate of 20% (2016: 20%)	-	(753)
Reduction in statutory tax rate on deferred tax balances	-	1
Adjustments in respect of prior years	-	(4)
Total tax income (including tax on discontinued operations)	-	(756)

The main rate of corporation tax will remain at 20% until 1st April 2017 when it will reduce to 19%, remaining at this level until a further reduction to 17% from 1st April 2020.

### 8 Deferred tax assets and liabilities

#### *Movement in deferred tax during the year*

1 April 2016 £000	Recognised in income £000	Recognised in equity £000	Included in disposal group £000	Acquired in business combination £000	31 March 2017 £000
-	-	-	-	-	-

#### *Movement in deferred tax during the prior year*

1 April 2015 £000	Recognised in income £000	Recognised in equity £000	Included in disposal group £000	Acquired in business combination £000	31 March 2016 £000
7	2	-	(9)	-	-

The UK Government announced reductions in the UK corporation tax rate from 20% to 19% from 1 April 2017 and from 19% to 17% from 1 April 2020, which have been substantively enacted.

## Notes (continued)

### 9 Share based payments

The Mitie Group operates five equity-settled share option schemes, involving ordinary 2.5p shares in Mitie Group plc, which are open to employees of the Company. Full details of the schemes are given in the annual report of Mitie Group plc. The main terms of each scheme are as follows:

#### Discretionary schemes

##### *Mitie Group plc long term incentive plan*

Awards of shares or rights to acquire shares with an exercise price of nil and a vesting period of 3 - 5 years. Awards may be forfeited if the employee leaves the Group. Performance conditions must be satisfied which are based on movements in a range of market and non-market conditions.

##### *Mitie Group plc executive share option scheme*

The right to acquire shares at a predetermined price following a vesting period of three years. Options may be forfeit if the employee leaves the Group. Before options can be exercised, a performance condition, linked to growth in earnings per share, must be satisfied.

##### *Conditional share plan*

Awards of shares or rights to acquire shares with an exercise price of nil and a vesting period of 1 - 2 years. Awards may be forfeited if the employee leaves the Group.

#### Non-discretionary schemes

##### *Mitie Group plc SAYE scheme*

The right to acquire shares at a predetermined price if the employee saves a regular amount over a three year period. Options must be exercised within six months of the date of vesting. Options may be forfeited if the employee leaves the Group.

##### *Share incentive plan*

Employees are invited to invest in Partnership shares which are purchase in the market on their behalf and held in a UK employee benefit trust. One Matching share is awarded for every ten Partnership shares purchased. Matching shares may be forfeited if the employee disposes of the Partnership shares within three years of purchase.

	2017	2016
Weighted average share price at date of exercise	-	309p
Options outstanding prices	-	201p to 260p
Weighted average remaining contractual life	-	1.70 years

The options outstanding at 31 March 2017 had exercise prices ranging from 0p to 0p (2016: 201p to 260p). During the year, options were granted in May, July, November, December and January. In 2016, options were granted in May, July and August 2015.

### 10 Capital and reserves

	2017	2016
Share capital authorised and fully paid	£000	£000
1 Ordinary Share of £1 each	-	-

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.

No dividend was declared or paid in the year (2016: no dividend).

## Notes (continued)

### 11 Related parties

The cost of the annual return was borne by the Company's parent company without any right to reimbursement.

#### *Related parties with which the Company has transacted*

Under FRS 101 the Company is exempt from disclosing key management personnel compensation and transactions with other companies wholly owned by Mitie Group plc. Other related party transactions are disclosed below:

	Sales to 2017 £000	2016 £000	Purchases from 2017 £000	2016 £000
Subsidiaries and fellow subsidiaries of Mitie Group plc	-	6	-	24,661
	<u>-</u>	<u>6</u>	<u>-</u>	<u>24,661</u>
	<u>-</u>	<u>6</u>	<u>-</u>	<u>24,661</u>

All inter- company balances are unsecured; trading balances are payable within 30 days unless both parties agree an extension, funding balances are repayable on demand.

The Company is a participant in the Mitie Group plc Pension Scheme, a defined benefit scheme; the contributions payable under the scheme are apportioned to the Company on the basis of the percentage of pensionable payroll determined, by the scheme actuaries, for the scheme as a whole. The contributions payable to the scheme were £nil (2016: £1,000); £nil of this amount was payable to the scheme at 31 March 2017 (2016: £nil). Full details of the scheme are set out in the Annual Report and Accounts of Mitie Group plc.

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

The Company is a subsidiary undertaking of Mitie Technical Facilities Management Limited which is the immediate parent company and 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, Scotland. 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 1 Harlequin Office Park, Fieldfare, Emersons Green, Bristol, South Gloucestershire, BS16 7FN, UK or from [www.mitie.com](http://www.mitie.com).