MITIE Limited

Reports and Financial Statements for the year ended 31 March 2016

Registered number: NI57012

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DIRECTORS AND OTHER INFORMATION

DIRECTORS	Martyn Freeman Padraig Byrne Leslie Sheridan (Appointed on 31/03/2015)
SECRETARY	MITIE Company Secretarial Services Ltd
REGISTERED OFFICE	Clara House Dunmurray Office Park 37A Upper Dunmurray Lane BT17 0AA Northern Ireland
AUDITOR	Deloitte Chartered Accountants and Statutory Audit Firm Deloitte & Touche House Earlsfort Terrace Dublin 2
BANKERS	Bank of Ireland Belfast City BT1 2BA Northern Ireland
SOLICITORS	John Ross & Son Solicitors 734 Upper Newtownards Road Dundonald Belfast BT16 1RJ

The directors, in preparing this strategic report, have complied with S414C of the Companies Act 2006.

REVIEW OF THE BUSINESS

Mitie Ltd ("the Company"), a subsidiary of Mitie Group plc ("the Group") provides a comprehensive suite of outsourced integrated or single service facilities management services to banking, industrial and commercial ventures. There have not been any significant changes in the Company's principal activities in the year under review and the directors are not aware of any likely major changes.

As shown in the Company's statement of comprehensive income on page 18, the Company's sales have decreased by 18.5% over the prior year. The total comprehensive loss for the year has increased by £99,114 from the prior year. The statement of financial position on page 20 of the financial statements shows the Company's financial position has decreased at the year-end in net asset terms by 17%.

During the year the Company transitioned from EU-adopted IFRS to FRS101 – reduced disclosure framework and has taken advantage of the disclosure exemptions allowed under this standard. The Company's parent undertaking; Mitie Group PLC was notified and did not object the use of EU-adopted IFRS disclosure exemptions. There were no material recognition or measurement differences arising on adoption of FRS101.

KEY PERFORMANCE INDICATORS

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. The report is publically available at www.mitie.com .

PRINCIPAL RISKS AND UNCERTAINTIES

The directors have an established risk management and corporate governance framework for identifying, evaluating and managing significant risks faced by Mitie Ltd. The directors recognise that risks and uncertainties offer the potential for both upside and downside changes to our business. The directors 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.

The Company's principal risks and uncertainties are set out below:

Contract bidding mobilisation and delivery
Complex integrated facilities management contracts are materially important to the achievement of our strategic objectives. The company's ability to successfully bid mobilise, operate and manage such contracts is critical for the maintenance of our financial position. As the service offering becomes increasingly complex as a business differentiator, the company becomes increasingly reliant on the delivery of sophisticated technological solutions to the clients. These solutions necessarily carry increased risk around design, delivery and successful implementation when compared to our more traditional business activities.

Financial strength and access to sources of funding
The company's financial strength makes the company an attractive partner to our clients and stakeholders. Should the company's financial performance deteriorate, the company's ability to access funding on competitive terms could be impacted. As a people business, the company's most significant area of expenditure is staff costs which have to be paid regularly and at specific times. The company's ability to do this is reliant upon the continued availability of funding, the company's ability to manage our cash flow and working capital.

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Significant health, safety or environmental incident
Many of the company's diverse operations, if not effectively managed, have the potential to result in significant harm to the employees, business partners, members of the public, or to damage the environment. As a major employer, the company focuses on and commitment to safeguarding the people and protecting the environment remains unwavering. Failure to do so could result in a significant incident, affecting an employee, their family, friends and colleagues, or lead to a regulatory action, financial impact or damage to the company's reputation.

System, process or control failure may impact the company's operational performance
The company's operational efficiency and future business performance is increasingly reliant on the use of sophisticated, interdependent business systems, which provide the basis for contract management and business support activities. These systems in addition to our governance framework of policies and procedures will remain critical for the control and success of the business as they help to drive innovative solutions to customer requirements, improve operational efficiency via the use of targeted management information and underpin the effectiveness of our business support functions. The business critical nature of these systems means that operational failure may result in a significant impact on operational delivery, contract management and client expectations.

Retention and attraction of skilled people
The company acknowledges the importance of attracting and retaining the best skilled people at all levels of the business to achieve the strategic objectives and helping to deliver the company's long term growth aspirations. This is particularly the case where the company requires specialist technical expertise or management and where the market may be highly competitive. Challenges in attracting new talent, or developing and retaining our existing employees could impact the company's ability to achieve our strategic growth objectives.

Continuing uncertainty in the economic environment
The company's principle macro-economic exposure remains the UK. The directors are closely monitoring the outcomes from of the Brexit referendum and potential resulting policy changes to determine the impact on future contract opportunities. Regulatory wage inflation and other labour costs provides further challenge. The directors' ability to recognise and respond to variations in the volume, value and range of services required may impact the company's ability to win or retain significant business opportunities.

The directors have implemented procedures and controls to mitigate against these risks, insofar as is possible.

FUTURE DEVELOPMENTS

In the coming period the Company will continue to look at growth opportunities in the Northern Ireland market that are within its principal activities. Our strategy is to deliver sustainable, profitable growth, and is supported by a focus on six key elements:

People	– Develop the best talent at every level of our business.
Clients	– Provide world-class services to attract new clients and retain and expand contracts with existing clients.
Operational excellence	– Deliver market-leading, innovative services with maximum efficiency.
New Markets and Services	– Develop our service capability in our current markets and in markets that offer attractive growth opportunities.
Risk	– Manage risk and protect our business and brand.
Responsibility	– Take a long term view by acting responsibly.

By order of the Board

Padraig Byrne
Director

Date: 18th August 2016

The directors present their annual report and audited financial statements of MITIE Limited ("the Company") for the year ended 31 March 2016.

PRINCIPAL ACTIVITIES

The Company is a subsidiary of MITIE Group PLC ("the Group").

On 27 January 2012 the immediate parent undertaking of MITIE Limited changed from MITIE Group PLC, a UK registered undertaking, to MITIE Facilities Management Limited, an Irish registered undertaking.

The Company's principal activities during the year continued to be the provision of a comprehensive suite of outsourced integrated or single service facilities management services to banking, industrial and commercial ventures.

The directors have no plans to change significantly the activity and operations of the Company in the foreseeable future.

In the coming periods, the Company will continue to look at growth opportunities in the Northern Ireland market that are within its principal activities.

REVIEW OF THE YEAR

Revenue for the year was £7,073,293 (2015: £8,675,734). Loss for the year after taxation was £135,312 (2015: £36,198).

GOING CONCERN

The Company made a loss in the year. At 31 March 2016, it had net current assets of £585,520 (2015: £686,308) including cash and cash equivalents of £726,480 (2015: £827,913). This, along with forecasts which show profitability going forward, means that the directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore these financial statements have been prepared on a going concern assumption and show no adjustments.

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.

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 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.

SUBSEQUENT EVENTS

There have been no significant reportable events since year end.

DIRECTORS AND SECRETARY

The directors and secretary who served throughout the year and to the date of this report are disclosed on page 2.

CREDITOR PAYMENT POLICY

The Company's policy is to source goods and services from a wide range of suppliers in accordance with commercial practices based on fairness and transparency. The Company works to ensure that payments are made to them in accordance with agreed contractual terms.

ENVIRONMENT

MITIE Limited endeavours 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 MITIE Group policies, which are described in the Group's annual report which does not form part of this report, but is publically available.

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 the 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.

The Company recognises the importance of good communications and employee relationships. In each group 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 purposes of the business and the commercial realities of success.

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 necessary steps that he ought to have taken as a director in order to make himself 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.

Deloitte have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

By order of the Board

Padraig Byrne
Director

Date: 18th August 2016

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), 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 the company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MITIE LIMITED

We have audited the financial statements of Mitie Limited for the year ended 31 March 2016 which comprise the Statement of Accounting Policies, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, and the related notes 1 to 19. 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), including FRS 101 "Reduced Disclosure Framework".

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 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 auditor

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 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 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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Deloitte.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MITIE LIMITED

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.

Emer O'Shaughnessy (Senior Statutory Auditor)
For and on behalf of Deloitte
Chartered Accountants and Statutory Auditor
Dublin, Ireland

Date: 18 August 2016

The Company is a private company limited by shares and is registered in Northern Ireland. The address of the Company's registered office is shown on page 2. The nature of the company's operational and its principal activities are set out in the Strategic Report on pages 3-5. The financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates. The financial statements are separate financial statements. The financial statements of the company are included in the group account of Mitie Group Plc. The Group accounts are available as set out on page 3. The company has applied financial reporting standard 101 'Reduced Disclosure Framework' (FRS101) issued by the Financial Reporting Council.

STATEMENT OF COMPLIANCE

The Company has prepared its financial statements in accordance with the FRS 101 Reduced Disclosure Framework.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and Irish statute comprising of the Companies Act 2006.

Information on the impact of first-time adoption of FRS 101 is given in note 18.

First time application of FRS 101

In the current year the Company has adopted FRS 100 and FRS 101. In previous years the financial statements were prepared in accordance with IFRS as adopted by the EU.

This change in the basis of preparation has not materially altered the recognition and measurement requirements previously applied in accordance with IFRS. Consequently the principal accounting policies are unchanged from the prior period. The change in basis of preparation has enabled the Company to take advantage of all of the available disclosure exemptions permitted by FRS 101 in the financial statements, the most significant of which are summarised below. There have been no other material amendments to the disclosure requirements previously applied in accordance with IFRS.

The following principal accounting policies have been applied:

Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS I 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f)7 16: 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

BASIS OF PREPARATION (CONTINUED)

- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose 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
- the requirements of paragraphs 134(d)-134(f) and1 35(c)-135(e) of IAS 36 Impairment of Assets.

This information is included in the consolidated financial statements of Mitie Group Plc as at 31 March 2016 and these financial statements may be obtained from www.mitie.com.

The preparation of financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions in accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

Judgements made by management in the applications of FRS 101 that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next period are discussed in note 2.

GOING CONCERN

The Company made a loss in the year. At 31 March 2016, it had net current assets of £585,520 (2015: £686,308) including cash and cash equivalents of £726,480 (2015: £827,913). This, along with forecasts which show profitability going forward, means that the directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore these financial statements have been prepared on a going concern assumption and show no adjustments.

REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the amount of the consideration received or receivable and represents amounts receivable for the goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue from contracts represents the sales value of work done in the year, including fees invoiced and estimates in respect of amounts to be invoiced after the year end.

Revenues are recognised by reference to the stage of completion of the Company's contracts. In most cases, given that the services provided reflect an indeterminate number of acts over the contract term, revenue is recognised on a straight-line basis over the length of the contract. Where specific works on contracts represent a significant element of the whole, revenue is deferred until those works have been completed. Full provision is made for all known or anticipated losses on each contract immediately when such losses are forecast.

ACCRUED INCOME

Accrued income comprises income relating to the current year, which will not be invoiced until after the year end.

PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Plant and equipment	3-5 years
Office equipment	3-5 years
Vehicles	4 years

INTANGIBLE ASSETS – COMPUTER SOFTWARE

Following initial recognition, the carrying amount of an intangible asset is its cost less any accumulated amortisation and any accumulated impairment losses. Amortisation expense is charged to administrative expenses in the statement of comprehensive income on a straight-line basis over its useful life which the directors estimate to be five years.

OPERATING LEASES

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

INVENTORIES

Inventories are valued at the lower of cost and net realisable value. The cost of finished goods represents finished products. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and estimated selling costs.

FOREIGN CURRENCIES

The financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency), which is Pounds Sterling.

In preparing the financial statements, transactions in currencies other than the entity's financial currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the statement of financial position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the statement of comprehensive income in the period in which they arise.

TAXATION

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income 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 statement of financial position date.

DEFERRED TAXATION

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets or 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 the initial recognition of 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 on tax laws and rates that have been enacted or substantively enacted at the statement of financial position date. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited in 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 and 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.

SHARE CAPITAL

Ordinary shares

Ordinary shares are classified as equity.

NON-DERIVATIVE FINANCIAL INSTRUMENTS

Non-derivative financial instruments comprise, trade and other receivables, cash and cash equivalents, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to insignificant risk of change in value.

Trade and other receivables
Trade and other receivables do not carry any interest and is recognised and carried at the lower of their original invoiced value and recoverable amount. A provision made when there is objective evidence that the asset is impaired. Balances are written off when the probability of recovery is assessed as being remote.

Trade and other payables
Trade payables are non-interest bearing and are stated at their nominal value.

Other
Other non-derivative financial instruments are measured at amortised cost using effective interest method, less any impairment losses.

IMPAIRMENT

The carrying amount of the Company's assets is reviewed at each statement of financial position date to determine whether there is any indication of impairment, or more frequently if indicators of impairment arise.

FINANCIAL RISK MANAGEMENT

Exposure to credit and currency risk arises in the normal course of the Company's business.

Credit risk
Management has a credit risk policy in place. The Company's exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all new customers requiring credit over a set amount. The Company does not require collateral in respect of financial assets.

Maximum exposure to credit risk is represented by the carrying value of trade receivables.

Liquidity risk
Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flow. This is generally carried out at the Group level in accordance with the practice and limits set by MITIE Group PLC. In addition, the Group's liability management policy involves monitoring key balance sheet ratios against set internal measures.

The maximum exposure to liquidity risk is represented by the carrying value of trade payables which have a contractual maturity within 6 months.

RETIREMENT BENEFITS

The Company operates a defined contribution pension plan for its staff. Obligations for contributions for the period are recognised as an expense in the statement of comprehensive income as incurred.

OPERATING LEASES

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

SHARE BASED PAYMENTS

Where the Company's parent Company has granted rights to its equity instruments to employees of the Company, such arrangements are accounted for as equity-settled share-based payment arrangements. In such instances a capital contribution is recognised to the extent that the Company is not recharged by its parent.

Where the Company grants to its employees' rights to equity instruments of its parent, the Company accounts for such arrangements as cash-settled share-based payment arrangements.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions.

SHARE BASED PAYMENTS (CONTINUED)

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At each balance sheet date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

SAYE share options granted to employees are treated as cancelled when employees cease to contribute to the scheme. This results in accelerated recognition of the expenses that would have arisen over the remainder of the original vesting period.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

MITIE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 £
Revenue	1	**7,073,293**	8,675,734
Cost of sales		**(6,870,929)**	(8,142,865)
GROSS PROFIT		**202,364**	532,869
Operating expenses		**(372,014)**	(579,971)
OPERATING LOSS	3	**(169,650)**	(47,102)
Finance income	5	**1,379**	1,490
LOSS BEFORE TAXATION		**(168,271)**	(45,612)
Taxation	6	**32,959**	9,414
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	15	**(135,312)**	(36,198)

All recognised gains and losses for both the current year and the previous year are included in the statement of comprehensive income and arise from continuing operations.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016

	Called-up Share Capital £	Capital Contribution £	Profit and Loss Account £	Total £
At 1 April 2014	10	5,550	802,382	807,942
Transfers	-	(5,550)	5,550	-
Total comprehensive loss for the financial year	-	-	(36,198)	(36,198)
Capital contribution received (Note 14)	-	2,810	-	2,810
At 31 March 2015	10	2,810	771,734	774,554
Transfers	-	(2,810)	2,810	-
Total comprehensive loss for the financial year	-	-	(135,312)	(135,312)
Capital contribution received (Note 14)	-	213	-	213
At 31 March 2016	**10**	**213**	**639,232**	**639,455**

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016

	Notes	2016 £	2015 £
NON-CURRENT ASSETS			
Intangible assets	7	**897**	1,725
Property, plant and equipment	8	**48,559**	81,926
Deferred tax asset	9	**4,479**	4,595
TOTAL NON-CURRENT ASSETS		**53,935**	88,246
CURRENT ASSETS			
Inventory	10	**47,382**	27,900
Trade and other receivables	11	**1,322,703**	1,632,307
Cash and cash equivalents		**726,480**	827,913
Corporation tax receivable		**51,604**	134,680
TOTAL CURRENT ASSETS		**2,148,169**	2,622,800
TOTAL ASSETS		**2,202,104**	2,711,046
CURRENT LIABILITIES			
Trade and other payables	12	**1,562,649**	1,936,492
TOTAL CURRENT LIABILITIES		**1,562,649**	1,936,492
EQUITY			
Called up share capital	13	**10**	10
Capital contribution	14	**213**	2,810
Profit and loss account		**639,232**	771,734
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS		**639,455**	774,554
TOTAL EQUITY AND LIABILITIES		**2,202,104**	2,711,046

The financial statements of MITIE Limited, registered number: NI57012, were approved by the Board of Directors and authorised for issue on .....18th August 2016.......................... and signed on its behalf by:

Paddy Byrne

Padraig Byrne
Director

1. REVENUE

	2016	2015
	£	£
Cleaning	**2,162,300**	2,502,900
Security	**1,907,366**	2,362,500
Other	**3,003,627**	3,810,334
Total	**7,073,293**	8,675,734

Other includes management services, mechanical & electrical maintenance and project works, reception, mailroom, pest, waste, etc. All revenue arises in Northern Ireland and the United Kingdom.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described on Statement of Accounting Policies in pages 12 to 17, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies
The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Accrued Revenue
Revenue includes estimates in respect of amounts to be invoiced after the financial year end for goods and services provided. Particular judgement is required in evaluating the recoverability of costs incurred in the provision of goods and services disputed by clients.

3. OPERATING LOSS

	2016	2015
	£	£
This is stated after charging/(crediting) the following:		
Auditor's remuneration for the audit of the financial statements	**9,583**	39,135
Operating lease rentals:		
- Motor vehicles	**33,241**	20,175
Depreciation	**28,521**	35,167
Amortisation	**828**	828
Foreign exchange gain	**(167)**	(28)
Gain on sale of fixed assets	**3,084**	1,135

Directors' remuneration was borne by another MITIE Group Company.

4. STAFF NUMBERS AND COSTS

The average monthly number of employees (including Executive Directors) during the year, analysed by function, were:

	2016 Number	2015 Number
Management	3	6
Administration	9	11
Operations	280	345
	292	362

	2016 £	2015 £
Wages and salaries	2,724,779	2,987,088
Social security costs	146,442	180,458
Pension	14,591	27,909
	2,885,812	3,195,455

5. FINANCE INCOME

	2016 £	2015 £
Interest income	1,379	1,490
Net finance income	1,379	1,490

6. TAXATION

	2016 £	2015 £
Recognised in the income statement		
Current tax:		
UK Corporation tax on loss for the year	**(33,075)**	(10,616)
Deferred tax charge (Note 9)	**116**	1,202
	(32,959)	(9,414)
Reconciliation of total credit		
Loss before tax	**(168,271)**	(45,612)
Loss before tax multiplied by the UK standard rate of *corporation tax of 20% (2015: 21%)*	**(33,654)**	(9,578)
Effects of:		
Depreciation in excess of capital allowances	**-**	2,528
Other timing differences	**506**	590
Relief in respect of employee share options	**185**	(849)
Adjustments to tax charge in respect of prior periods	**(72)**	(3,307)
Deferred tax charge	**76**	1,202
Tax credit for the year	**(32,959)**	(9,414)

7. INTANGIBLE ASSETS

	Computer Software £
Cost:	
At 1 April 2014	4,140
At 1 April 2015	4,140
At 31 March 2016	**4,140**
Amortisation:	
At 1 April 2014	1,587
Amortisation charge	828
At 1 April 2015	2,415
Amortisation charge	828
At 31 March 2016	**3,243**
Carrying Amount:	
At 31 March 2016	**897**
Carrying Amount:	
At 31 March 2015	1,725

8. PROPERTY, PLANT AND EQUIPMENT

	Plant and Equipment £	Office Equipment £	Vehicles £	Total £
Cost:				
At 1 April 2014	52,144	7,808	60,289	120,241
Additions	56,545	-	-	56,545
Disposals	-	-	(22,658)	(22,658)
At 1 April 2015	108,689	7,808	37,631	154,128
Disposals	-	-	(13,092)	(13,092)
At 31 March 2016	**108,689**	**7,808**	**24,539**	**141,036**
Accumulated depreciation:				
At 1 April 2014	18,597	2,437	28,375	49,409
Charge for the year	21,270	1,562	12,335	35,167
Disposals	-	-	(12,374)	(12,374)
At 1 April 2015	39,867	3,999	28,336	72,202
Charge for the year	23,065	1,562	3,895	28,521
Disposals	-	-	(8,246)	(8,246)
At 31 March 2016	**62,932**	**5,561**	**23,985**	**92,477**
Carrying Amount:				
At 31 March 2016	**45,757**	**2,247**	**554**	**48,559**
Carrying Amount:				
At 31 March 2015	68,822	3,809	9,295	81,926

9. DEFERRED TAX ASSET

	2016 £	2015 £
Opening balance	**4,595**	5,797
(Utilised)/provided during year	**(116)**	(1,202)
Closing balance	**4,479**	4,595

The deferred tax asset comprises short term temporary differences arising on fixed assets and share based payments.

10. INVENTORY

	2016 £	2015 £
Finished goods	**47,382**	27,900

11. TRADE AND OTHER RECEIVABLES

	2016 £	2015 £
Trade receivables	**527,095**	782,896
Prepayments and accrued income	**297,013**	392,628
Amounts due from other MITIE Group companies	**498,595**	456,783
	1,322,703	1,632,307

12. TRADE AND OTHER PAYABLES

	2016 £	2015 £
Trade payables and accruals	**644,445**	841,018
VAT	**91,955**	156,553
PAYE/NIC	**34,644**	40,218
Amounts due to fellow group undertakings	**660,105**	722,625
Deferred income	**131,500**	176,078
	1,562,649	1,936,492

Deferred income arises on advanced payments received from customers.

13. SHARE CAPITAL

	2016 £	2015 £
Allotted, called-up and fully paid:		
10 ordinary shares of STG£1 each	**10**	10

14. CAPITAL CONTRIBUTION AND SHARE BASED PAYMENT

During the year the Company received a capital contribution of £213 (2015: £2,810) in relation to share options granted by the ultimate parent Company to one employee. The expense recognised in the year arising from share-based payment transactions is £213 (2015: £2,810). The detailed disclosures are not included on the basis that they are not material to the accounts.

15. ULTIMATE PARENT UNDERTAKING

MITIE Limited is a limited Company incorporated in Northern Ireland.

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 consolidated financial statements are prepared. Copies of the Group financial statements can be obtained from the Company secretary at the registered office.

The immediate parent undertaking of MITIE Limited is MITIE Facilities Management Limited, an Irish registered undertaking.

16. OPERATING LEASES

Non-cancellable operating lease rentals are payable as set out below. These amounts represent the minimum future lease payments, in aggregate, that the Company is required to make under existing lease agreements.

	Motor Vehicles 2016 £	Motor Vehicles 2015 £
Less than one year	**26,935**	31,686
Between two and five years	**35,050**	58,690
	61,985	90,376

17. RETIREMENT BENEFITS

The Company operates a defined contribution retirement benefit scheme for qualifying employees. The assets of the scheme are held separately from those of the Company in funds controlled by the scheme providers. The Company paid employer contributions of £14,591 (2015: £27,909) during the year. As at 31 March 2016, contributions of £1,930 (2015: £5,927) due in respect of the current reporting year had not been paid over to the scheme.

18. EXPLANATION OF TRANSITION TO FRS 101

This is the first year the company has presented its financial statements under FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council. The last financial statements under full IFRS were for the year ended 31 March 2015 and the date of transition to FRS 101 was therefore 1 April 2015. As a consequence of adopting FRS 101, a number of accounting policies have been changed to comply with that standard. None of these changes have resulted in an adjustment to equity reported under previous Irish GAAP at 31 March 2015 or 1 April 2015 and there was no effect on profits previously reported for the year ended 31 March 2015.

19. SUBSEQUENT EVENTS

There have been no reportable events since year end.