

Company Registration Number 07252300

MITIE PROPERTY SOLUTIONS LIMITED

Report and Financial Statements

31 March 2011

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MITIE PROPERTY SOLUTIONS LIMITED

REPORT AND FINANCIAL STATEMENTS 2011

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MITIE PROPERTY SOLUTIONS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P R Cutler
W Felton
J Ridley
S C Baxter
N Turner
W Robson

SECRETARY

MITIE Company Secretarial Services Limited

REGISTERED OFFICE

8 Monarch Court
The Brooms
Emersons Green
Bristol
BS16 7FH

BANKERS

HSBC Bank plc
3 Rivergate
Temple Quay
Bristol
BS1 6ER

AUDITORS

Deloitte LLP
Bristol

MITIE PROPERTY SOLUTIONS LIMITED

DIRECTORS' REPORT

The directors present their first annual report and audited financial statements for the period ended 31 March 2011

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company is a subsidiary of MITIE Group PLC (the 'Group'). The company provides surveying and repair services within the insurance industry. This being the first period of trading, there have not been any significant changes in the company's principal activities in the period under review and the directors are not aware of any likely major changes.

As shown in the company's profit and loss account on page 6, the company has no prior year numbers as it is the first period of trading for the company. The company was incorporated on 13 May 2010.

The balance sheet on page 7 of the financial statements shows the company's net asset position as at 31 March 2011.

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.

DIVIDENDS

No dividends were approved or paid during the period.

MITIE PROPERTY SOLUTIONS LIMITED

DIRECTORS' REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

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

Group risks are discussed in the Group's annual report which does not form part of this report.

FINANCIAL RISK MANAGEMENT

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

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

GOING CONCERN

The directors have considered the forecast and budgeted profit and associated cash flows for the coming five years. The directors have considered the facilities available to the entity and believe that they can operate within the facilities available for the period of the cash flow forecast. Accordingly, the directors consider it is appropriate to adopt the going concern basis in the preparation of the company's financial statements.

PAYMENT POLICY

The company's policy is to comply with the terms of payment agreed with a supplier. Where terms are not negotiated, the company endeavours to adhere with the supplier's standard terms. As at 31 March 2011 trade creditors, as a proportion of amounts invoiced from suppliers for the financial period, represented 50 days.

ENVIRONMENT

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

EMPLOYEES

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

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

MITIE PROPERTY SOLUTIONS LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS

The directors during the period and subsequently were as follows

P R Cutler (appointed 28 May 2010)
W Felton (appointed 28 May 2010)
J Ridley (appointed 26 July 2010)
S C Baxter (appointed 13 May 2010)
N Turner (appointed 28 May 2010)
W Robson (appointed 26 July 2010)

AUDITORS

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

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

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

Deloitte LLP were appointed as the company's auditor during the period. A resolution to reappoint Deloitte LLP as the company's auditors will be proposed at the forthcoming Annual General Meeting

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



S C Baxter
Director

30 August 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MITIE PROPERTY SOLUTIONS LIMITED

We have audited the financial statements of MITIE Property Solutions Limited for the period ended 31 March 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and 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.

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 2011 and of its loss for the period 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 matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Nigel Thomas.

Nigel Thomas (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Bristol, United Kingdom

31 August 2011

MITIE PROPERTY SOLUTIONS LIMITED

PROFIT AND LOSS ACCOUNT 46 weeks ended 31 March 2011

	Note	2011 £
TURNOVER	1	235,721
Cost of sales		(134,952)
GROSS PROFIT		100,769
Administrative expenses		(433,985)
OPERATING PROFIT	2	(333,216)
Interest received and similar income	3	1,022
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(332,194)
Tax on profit on ordinary activities	4	91,900
PROFIT FOR THE FINANCIAL PERIOD	8 & 9	(240,294)

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

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

MITIE PROPERTY SOLUTIONS LIMITED

BALANCE SHEET
At 31 March 2011

	Note	2011 £	£
CURRENT ASSETS			
Debtors	5	308,338	
Cash at bank and in hand		69,159	
		<u>377,497</u>	
CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR	6	(183,016)	
NET CURRENT ASSETS			<u>194,481</u>
NET ASSETS			<u>194,481</u>
SHARE CAPITAL AND RESERVES			
Called up share capital	7	434,775	
Profit and loss account	8	(240,294)	
SHAREHOLDERS' FUNDS	9		<u>194,481</u>

The financial statements of MITIE Property Solutions Limited, company registration number 07252300, were approved by the board and authorised for issue on 30 August 2011



S C Baxter
Director

MITIE PROPERTY SOLUTIONS LIMITED**CASH FLOW STATEMENT****46 weeks ended 31 March 2011**

	Note	2011 £
Net cash inflow from operating activities	10	(433,014)
Returns on investments and servicing of finance		
Interest received		993
Taxation		
UK corporation tax received		66,405
Cash outflow before management of liquid resources and financing		(365,616)
Issued share capital		434,775
Increase in cash in the period	11 & 12	69,159

MITIE PROPERTY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **46 weeks ended 31 March 2011**

1 ACCOUNTING POLICIES

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

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

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

Going concern

The directors have considered the forecast and budgeted profit and associated cash flows for the coming five years. The directors have considered the facilities available to the entity and believe that they can operate within the facilities available for the period of the cash flow forecast. Accordingly, the directors consider it is appropriate to adopt the going concern basis in the preparation of the company's financial statements.

Long-term contracts

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts receivable as progress payments on account. Excess progress payments are included in creditors as payments on account. Cumulative costs incurred net of amounts transferred to cost of sales, less provision for contingencies and anticipated future losses on contracts, are included as long-term contract balances in stock.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of the total contract value which costs incurred to date bear to total expected costs for that contract.

Tax

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

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Pension costs

Pension costs represent amounts paid to one of the Group's pension schemes.

MITIE PROPERTY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS 46 weeks ended 31 March 2011

2	OPERATING LOSS	2011
		£
	Operating loss is stated after charging	
	Auditors' remuneration - audit services	<u>3,500</u>
3	INTEREST RECEIVABLE AND SIMILAR INCOME	2011
		£
	Bank interest	<u>1,022</u>
4	TAX ON LOSS ON ORDINARY ACTIVITIES	2011
		£
	(a) Analysis of tax credit on ordinary activities	
	United Kingdom corporation tax at 28%	<u>91,533</u>
	Total current tax (note 4(b))	91,533
	Deferred taxation	
	Timing differences - origination and reversal	395
	Decrease in tax rate	<u>(28)</u>
	Tax on loss on ordinary activities	<u>91,900</u>
	(b) Factors affecting tax credit for the period	
	The tax assessed for the period differs from that resulting from applying the standard rate of corporation tax in the UK of 28%. The differences are as follows	
		£
	Loss on ordinary activities before tax	<u>332,195</u>
		£
	Tax at 28% thereon	93,015
	Expenses not deductible for tax purposes	(1,087)
	Movement in short-term timing differences	<u>(395)</u>
	Current tax refund for the period (note 4(a))	<u>91,533</u>

MITIE PROPERTY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS 46 weeks ended 31 March 2011

4 TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

(c) Deferred tax note

	2011 £
Movement on deferred taxation asset in the period	
Opening balance	-
Charge to profit and loss account (note 4 (a))	367
Closing balance	367

(d) Analysis of deferred tax asset

	£
Capital allowances less than depreciation	-
Short-term timing differences	(367)
Share-based payments	-
	(367)

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

5 DEBTORS

	2011 £
Trade debtors	37,122
Amounts recoverable on contracts	244,780
Prepayments and accrued income	941
Corporation tax	25,128
Deferred tax asset (note 4 (c))	367
	308,338

A deferred tax asset of £367 has been recognised at 31 March 2011. This asset relates to depreciation in excess of capital allowances and share-based payments. The directors are of the opinion that suitable profits will be available within the periods in which these differences will reverse.

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £
Payments on account	-
Trade creditors	108,359
Amounts owed to group undertaking	9,010
Other taxes and social security	24,421
Other creditors	1,411
Accruals and deferred income	39,815
	183,016

MITIE PROPERTY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS 46 weeks ended 31 March 2011

7	CALLED UP SHARE CAPITAL	2011 £
	Allotted, called up and fully paid	
	255,000 £1 'A' ordinary shares	255,000
	179,775 £1 'B' ordinary shares	179,775
		<u>434,775</u>
	During the period, 255,000 'A' ordinary shares and 179,775 'B' ordinary shares were issued	
8	RESERVES	Profit and loss account £
	Profit for the financial period	(240,294)
	At 31 March 2011	<u>(240,294)</u>
9	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2011 £
	Profit for the financial period	(240,294)
	Net reduction to shareholders' funds	(240,294)
	Share issue on incorporation	434,775
	Closing shareholders' funds	<u>194,481</u>
10	RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES	2011 £
	Operating loss	(333,216)
	Increase in debtors	(282,814)
	Increase in creditors	183,016
	Net cash outflow from operating activities	<u>(433,014)</u>

MITIE PROPERTY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS 46 weeks ended 31 March 2011

11 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2010 £	Cash flows £	At 31 March 2011 £
Cash at bank and in hand	-	69,159	69,159

12. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2011 £
Increase in cash in the period	69,159
Net funds at beginning of period	-
Net funds at end of period	69,159

13 FINANCIAL COMMITMENTS

Commitments on behalf of the group undertakings

The company is party with other group undertakings to cross-guarantees of each other's bank overdrafts and loans. As at 31 March 2011, the overall commitment was £195,300,000.

14. DIRECTORS

S C Baxter and W Robson are directors of MITIE Group PLC. All disclosures relating to their emoluments, pension details and share options are disclosed in the group accounts. It is not practicable to allocate their remuneration between their services as directors of MITIE Property Solutions Limited and their services as directors of other group companies.

J Ridley and W Robson are directors of MITIE Property Solutions Limited. All disclosures relating to his emoluments, pension details and share options are disclosed in that company's accounts.

No directors exercised options in the shares of the ultimate holding company, MITIE Group PLC, during the period, excluding those directors who are also directors of MITIE Group PLC in respect of whom disclosures are made in the group accounts.

MITIE PROPERTY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS 46 weeks ended 31 March 2011

15 EMPLOYEES

Number of employees

The average number of persons (including directors) employed by the company during the year was

	2011 No.
Administration and management	<u>6</u>
Employment costs (including directors)	£
Wages and salaries	266,429
Social security costs	47,643
Other pension costs	653
	<u>314,725</u>

16 PENSION ARRANGEMENTS

The company participates in the MITIE Group PLC Pension Scheme. This is a defined benefit multi-employer scheme, the assets and liabilities of which are held independently from the Group. For the purposes of Financial Reporting Standard 17 ('Retirement Benefits'), the company has been unable to identify its share of the underlying assets and liabilities in the main Group 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. Note 35 to the Report and Accounts of the Group sets out the details of the International Accounting Standard 19 'Employee Benefits' net pension deficit of £3.0 million (2010 deficit of £6.8 million).

Employer contributions to the scheme for the period are shown in note 15. The agreed contribution rate for employee and employer contributions for the next 12 months is 17.5% (2010 17.5%).

MITIE PROPERTY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS 46 weeks ended 31 March 2011

17 RELATED PARTY TRANSACTIONS

The company entered into transactions with entities that are not 100% owned by MITIE Group PLC which require disclosure under FRS 8

Related party	Nature of transaction	Amount of transaction 2011 £	Year end balance 2011 £
MITIE Catering Ltd	Catering for meeting	65	-
MITIE Document Solutions Ltd	Tender documents	198	-
MITIE Group plc	Bank Interest	(1,022)	-
MITIE Interiors Ltd	Finance and telephone recharges	16,978	-
MITIE Property Investment Ltd	Catering for meeting	33	-
MITIE Property Management Ltd	Insurance, IT and bank recharges	26,667	-
MITIE Property Services (UK) Ltd	Mobile phone recharges	509	-

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

18 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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