

Company Registration Number 04957244

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED

Report and Financial Statements

31 March 2010

WEDNESDAY



A9IFWNFE

A46

15/09/2010

250

COMPANIES HOUSE

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED

REPORT AND FINANCIAL STATEMENTS 2010

CONTENTS

	Page
Officers and professional advisers	1
Directors' report	2
Independent auditors' report	5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

S C Baxter
D Freeman
J J Kavanagh
R McGregor-Smith
I J Thompson

SECRETARY

MITIE Company Secretarial Services Limited

REGISTERED OFFICE

8 Monarch Court
The Brooms
Emersons Green
Bristol
BS16 7FH

BANKERS

HSBC Bank plc
62 George White Street
Cabot Circus
Bristol
BS1 3BA

AUDITORS

Deloitte LLP
Chartered Accountants
London
EC4A 3BZ

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31 March 2010

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, 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.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

On 31 March 2010 the company transferred its trade and assets to MITIE Engineering Services (Midlands) Limited. No profit or loss arose on the transfer of the trade and assets.

The company is a wholly owned subsidiary of MITIE Group PLC (the 'Group'). Prior to ceasing to trade, the company provided the installation of electrical and mechanical services in domestic, commercial and industrial premises. There have not been any significant changes in the company's principal activities up to the point that the company ceased to trade.

As shown in the company's profit and loss account on page 6, the company's sales have decreased by 57% over the prior period. Over the same period the company has incurred a loss before tax of £553,153 compared to a loss before tax of £656,732 in the previous year.

The balance sheet on page 7 of the financial statements shows that the company's financial position at the year end has, in net liabilities terms, deteriorated relative to the prior year.

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.

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED

DIRECTORS' REPORT (continued)

GOING CONCERN

On 31 March 2010 the company transferred all its assets and liabilities at book value to MITIE Engineering Services (Midlands) Limited under a formal transfer of going concern agreement. The company is dormant and therefore the accounts have been prepared on a basis other than that of a going concern (note 1)

DIVIDENDS

No final dividend was approved and paid per 'A' ordinary share (2009 nil) and per 'B' ordinary share (2009 nil)

PRINCIPAL RISKS AND UNCERTAINTIES

Prior to the transfer of trade the loss of key customers was a key risk to the business. The company managed 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. Copies of the group financial statements can be obtained from the Company Secretary at the registered office.

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.

Prior to the transfer of trade appropriate trade terms were negotiated with suppliers and customers. Management reviewed these terms and the relationships with suppliers and customers and managed any exposure on normal trade terms. The company prepared regular forecasts of cash flow and liquidity and any requirement for additional funding was managed as part of the overall MITIE Group PLC financing arrangements.

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 2010 trade creditors were transferred to MITIE Engineering Services (Midlands) Limited, and therefore, in this company, as a proportion of amounts invoiced from suppliers for the financial year, represented nil days (2009 43 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.

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED

DIRECTORS' REPORT (continued)

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.

DIRECTORS

The directors during the year and subsequently were as follows

- S C Baxter
- D Freeman
- J J Kavanagh
- R McGregor-Smith
- K Mills (Resigned 24 February 2010)
- I J Thompson

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.

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

1 September 2010.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED**

We have audited the financial statements of MITIE Engineering Services (West Midlands) Limited for the year ended 31 March 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 17. 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 auditors' 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 auditors

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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 2010 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.

Emphasis of matter – Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- 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.

Ian Krieger

Ian Krieger (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

1 September 2010.

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 March 2010

	Note	2010 £	2009 £
TURNOVER	1	1,369,888	3,162,906
Cost of sales		(1,423,095)	(2,772,114)
GROSS (LOSS)/PROFIT		(53,207)	390,792
Administrative expenses		(456,519)	(995,924)
OPERATING LOSS	2	(509,726)	(605,132)
Interest received and similar income	3	692	-
Interest paid and similar charges	3	(44,119)	(51,600)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(553,153)	(656,732)
Tax credit on loss on ordinary activities	4	400,665	6,437
LOSS FOR THE FINANCIAL YEAR	10	(152,488)	(650,295)

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

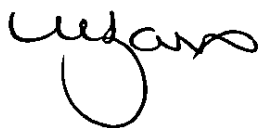
There are no recognised gains and losses for the current or preceding financial year other than as stated in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses is presented

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED

BALANCE SHEET
At 31 March 2010

	Note	2010		2009	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		-		36,860
CURRENT ASSETS					
Debtors	6	-		1,395,464	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	7	<u>(1,025,208)</u>		<u>(2,304,772)</u>	
NET CURRENT LIABILITIES			<u>(1,025,208)</u>		<u>(909,308)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(1,025,208)</u>		<u>(872,448)</u>
CREDITORS, AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	8		-		<u>(272)</u>
NET LIABILITIES			<u><u>(1,025,208)</u></u>		<u><u>(872,720)</u></u>
SHARE CAPITAL AND RESERVES					
Called up share capital	9		150,001		150,001
Profit and loss account	10		<u>(1,175,209)</u>		<u>(1,022,721)</u>
SHAREHOLDERS' DEFICIT	11		<u><u>(1,025,208)</u></u>		<u><u>(872,720)</u></u>

The financial statements of MITIE Engineering Services (West Midlands) Limited, company registration number 04957244, were approved by the board and authorised for issue on



S C Baxter
Director

1 September 2010.

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

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 and the prior financial year, are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Basis of preparation and going concern

As explained in the directors' report, the company transferred its trade, assets and liabilities to a fellow subsidiary company at book value on 31 March 2010 and has ceased trading. As required by FRS 18 Accounting Policies, the directors have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

Turnover

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

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets 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 office equipment	3 to 10 years
Motor vehicles	4 years

Leasing and hire purchase commitments

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

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.

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

1. ACCOUNTING POLICIES (continued)

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 by 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 is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. 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

The company participates in the 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 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.

For defined contribution schemes, the amount charged to the profit and loss account is the contribution payable in the year.

Shared-based payments

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 Black-Scholes 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.

Cash flow statement

The company has taken the exemption from the requirement to prepare a cash flow statement as it is included within the consolidated financial statements of MITIE Group PLC and greater than 90% of the voting rights of the company are held by MITIE Group PLC.

2. OPERATING LOSS

	2010	2009
	£	£
Operating loss is stated after charging/(crediting)		
Depreciation on owned assets	-	29,302
Depreciation on leased assets	-	3,308
Auditors' remuneration - audit services	-	4,500
Profit on disposal of tangible fixed assets	-	(5,300)
	<u> </u>	<u> </u>

Audit fees of £1,500 were borne by MITIE Group PLC and not recharged

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2010

3. INTEREST

	2010	2009
	£	£
Interest received and similar income		
Other interest	692	-
	<u>692</u>	<u>-</u>
Interest paid and similar charges		
Bank interest	44,119	51,421
Other interest	-	179
	<u>44,119</u>	<u>51,600</u>

4. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	2010	2009
	£	£
(a) Analysis of charge in year		
United Kingdom corporation tax at 28% (2009 28%) (note 4(b))	(162,025)	(6,114)
Adjustment in respect of prior years	406	-
	<u>(161,619)</u>	<u>(6,114)</u>
Total current tax	(161,619)	(6,114)
Deferred taxation		
Timing differences - origination and reversal	7,142	817
Adjustment in respect of prior years	(246,188)	(1,140)
	<u>(400,665)</u>	<u>(6,437)</u>
Tax credit on loss on ordinary activities	<u>(400,665)</u>	<u>(6,437)</u>

(b) Factors affecting tax credit in year

The tax assessed for the year differs from that resulting from applying the standard rate of corporation tax in the UK of 28% (2009 28%). The differences are as follows

	£	£
Loss on ordinary activities before tax	<u>(553,153)</u>	<u>(656,732)</u>
	£	£
Tax at 28% (2009 28%) thereon	(154,883)	(183,885)
Expenses not deductible for tax purposes	-	12,849
Capital allowances greater than depreciation	(7,142)	(835)
Relief in respect of employee share options	-	219
Adjustments in respect of prior years	406	-
Generation of tax losses	-	165,538
	<u>(161,619)</u>	<u>(6,114)</u>
Current tax credit for the year (note 4(a))	<u>(161,619)</u>	<u>(6,114)</u>

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2010

4 TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES (continued)

(c) Factors affecting future tax charges

The company has unutilised tax losses of £873,282 (2009 £869,888) that are available for off-set against future taxable profits. A deferred tax asset in relation to these losses has been transferred to MITIE Engineering Services (Midlands) Limited (note 6)

5 TANGIBLE FIXED ASSETS

	Plant and office equipment	Motor vehicles	Total
	£	£	£
Cost			
At 1 April 2009	38,704	86,076	124,780
Transfers	(38,704)	(86,076)	(124,780)
At 31 March 2010	-	-	-
Depreciation			
At 1 April 2009	24,360	63,560	87,920
Transfers	(24,360)	(63,560)	(87,920)
At 31 March 2010	-	-	-
Net book value			
At 31 March 2010	-	-	-
At 31 March 2009	14,344	22,516	36,860

Net book value at 31 March 2010 includes £nil in respect of assets acquired under finance leases (2009 £9,716)

6. DEBTORS

	2010	2009
	£	£
Trade debtors	-	977,720
Amounts recoverable on contracts	-	182,266
Amounts owed by group undertakings	-	26,288
Other debtors	-	183,927
Called up share capital not paid	-	1
Deferred tax asset	-	23,335
Prepayments and accrued income	-	1,927
	-	1,395,464

A net deferred tax asset of £262,381 was transferred to MITIE Engineering Services (Midlands) Limited at 31 March 2010. This asset relates to negative accelerated capital allowances and revenue losses. The amount credited to the profit and loss account in the year was £239,046 (2009 £323)

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2010

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2010	2009
	£	£
Bank overdraft	-	1,829,798
Payments on account	-	5,847
Trade creditors	-	373,433
Amounts owed to group undertakings	1,025,208	29,545
Corporation tax	-	17,256
Other taxes and social security costs	-	5,047
Accruals and deferred income	-	43,846
	<u>1,025,208</u>	<u>2,304,772</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2010	2009
	£	£
Obligations under finance leases payable in the second to fifth year inclusive	-	272
	<u>-</u>	<u>272</u>

9. CALLED UP SHARE CAPITAL	2010	2009
	£	£
Allotted, called up and issued		
76,500 £1 'A' ordinary shares	76,500	76,500
73,500 £1 'B' ordinary shares	73,500	73,500
1 £1 'C' ordinary share	1	1
	<u>150,001</u>	<u>150,001</u>

All shares are fully paid up excluding the 'C' ordinary share

10. PROFIT AND LOSS ACCOUNT	£
At 1 April 2009	(1,022,721)
Loss for the financial year	(152,488)
At 31 March 2010	<u>(1,175,209)</u>

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2010 £	2009 £
Loss for the financial year	(152,488)	(650,295)
Capital contribution	-	783
Net increase of shareholders' deficit	(152,488)	(649,512)
Opening shareholders' deficit	(872,720)	(223,208)
Closing shareholders' deficit	(1,025,208)	(872,720)

12. DIRECTORS

	2010 £	2009 £
The emoluments of the directors of the company were		
Emoluments	-	193,646
Compensation for loss of office	-	20,317
Fees and emoluments disclosed above (excluding pension contributions) include amounts paid to	£	£
The highest paid director	-	92,682
	No.	No.
The number of directors paid by the company who were members of a defined benefit pension scheme	-	1

S C Baxter and R McGregor-Smith are directors of MITIE Group PLC. All disclosures relating to their emoluments, pension details and share options are disclosed in the accounts of MITIE Group PLC. I J Thompson and K Mills are remunerated by MITIE Engineering Services (Wales) Limited. D Freeman is remunerated by MITIE Engineering Services Limited and J J Kavanagh is remunerated by MITIE Engineering Services (Midlands) Limited. It is not practicable to allocate their remuneration between their services as directors of MITIE Engineering Services (West Midlands) Limited and their services to other group companies.

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2010

13. EMPLOYEES

Number of employees

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

	2010	2009
	No.	No.
Administration and management	<u>1</u>	<u>12</u>
Employment costs	£	£
Wages and salaries	78,807	531,387
Social security costs	10,903	63,104
Pension costs	-	11,812
Share-based payments expense (see note 14)	-	783
	<u>89,710</u>	<u>607,086</u>

The amount charged to the profit and loss account in the year represented recharges from other group companies and transactions relating to the previous year

14. SHARE-BASED PAYMENTS

The company participates in the following MITIE Group PLC share option schemes

The MITIE Group PLC 2001 Savings Related share option scheme

The Savings Related share option scheme is open to all employees. The exercise price is not less than 80.0% of the market value of the shares on the day preceding the date on which invitations to participate in the Scheme are issued. For options granted prior to September 2008 the vesting period is five years. For options granted in September 2008 and thereafter, the vesting period is three years. If the options remain unexercised after a period of six months from the date of vesting, the options expire. Options may be forfeited if the employee leaves the Group.

There were no options outstanding at 31 March 2010 or at 31 March 2009

There were no shares exercised during the period or during the prior period

The company recognised the following expenses related to share-based payments

	2010	2009
	£	£
2001 Savings Related share options	<u>-</u>	<u>783</u>

MITIE ENGINEERING SERVICES (WEST MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

15. 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 33 to the Report and Accounts of the Group sets out the details of the International Accounting Standard 19 'Employee Benefits' pension deficit of £6.8 million (2009 surplus of £3.0 million).

Employer contributions to the scheme for the period are shown in note 13. The combined contribution rate for employee and employer contributions for the next 12 months is 17.5% (2009 17.5%).

16. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of MITIE Group PLC. 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		Year end balance	
		2010	2009	2010	2009
		£	£	£	£
MITIE Engineering Services (Midlands) Ltd	Transfer of trade	1,025,208	-	1,025,208	-
MITIE Engineering Services (Midlands) Ltd	Transfer of fixed assets	36,860	-	-	-
MITIE Engineering Services (Midlands) Ltd	Services provided	-	145	-	145
MITIE Cleaning and Environmental Services Ltd	Services received	263	499	-	-
MITIE Engineering Services (Midlands) Ltd	Services received	9,470	-	-	-
MITIE Engineering Services (Midlands) Ltd	Management charges paid	363,918	-	-	-

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

17. 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 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.