

Mitie Security Holdings Limited

Annual Report and Financial Statements

Registered number 05909105

31 March 2019



Contents

Company information	1
Directors' report	2
Statement of Directors' responsibilities in respect of the annual report and the financial statements	4
Profit and loss account	5
Balance sheet	6
Statement of changes in equity	7
Notes	8

Company information

Directors

M Idle
P J G Dickinson

Secretary

Mitie Company Secretarial Services Limited

Registered office

Level 12
The Shard
32 London Bridge Street
London
SE1 9SG

Directors' report

The Directors present the Annual Report and Financial Statements of Mitie Security Holdings Limited ("the Company") for the year ended 31 March 2019.

Review of the business

The principal activity of the Company is a holding Company for all security based companies within the Mitie Group ("the Group"). There have not been any significant changes in the Company's principal activities in the year under review. The Company is a non-trading holding Company and the Directors do not expect any changes to activity in the foreseeable future.

As shown in the Company's profit and loss account on page 5, the Company's turnover was £nil (2018: £nil) and the profit after tax was £39,016,000 (2018: loss after tax £1,089,000).

Going concern

The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its ultimate parent and fellow subsidiaries.

The Directors, having assessed the responses of the Directors of the Company's ultimate parent Mitie Group plc to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Mitie Group to continue as a going concern, or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Company's financial position and of the enquiries made of the Directors of Mitie Group plc, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors

The Directors who held office during the year were:

Director	Date of appointment	Date of resignation
M Idle	18/01/2019	
P J G Dickinson		
R J Blumberger		18/01/2019

A qualifying third-party indemnity provision as defined in Section 23 of the Companies Act 2006 is in force for the benefit of each of the Mitie Security Holdings Limited Directors listed above in respect of liabilities incurred as a result of their office to the extent permitted by law.

Dividends

Dividends per share for each share class were declared and paid during the year as follows:

	2019	2018
	£	£
A Ordinary	2.62	-
B Ordinary	2.62	-
C Ordinary	2.62	-

Total dividends of £37,109,000 were recognised during the period (2018: £nil).

Environment

The Group endeavours to identify, monitor and manage the impact of their activities on the environment and is fully committed to environmental accountability and protection. The Company operates in accordance with Group policies which are described in the Group's annual and sustainability reports which do not form part of this report.

Directors' report *(continued)*

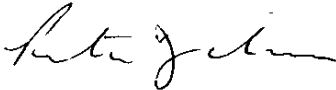
Political contributions

The Company made no political donations nor incurred any political expenditure during the year (2018: £nil).

Principal risks and uncertainties

The Company is part of the Mitie Group and manages its risks within the Mitie Group Risk Framework. Details of the principal risks and uncertainties are given in the Mitie Group plc annual report. The Directors have reviewed the financial risk management objectives and policies of the Company in light of the Group Risk Framework and do not believe there to be any significant risks.

On behalf of the Board



P J G Dickinson
Director

18 December 2019

Level 12
The Shard
32 London Bridge Street
London
SE1 9SG

Statement of Directors' responsibilities in respect of the annual report and financial statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

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

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

Profit and loss account

	<i>Note</i>	2019 £000	2018 £000
Administrative expenses		-	(924)
Operating loss		-	(924)
Income from shares in group undertakings	5	39,355	-
Interest receivable and similar income	3	-	21
Profit/(loss) before taxation		39,355	(903)
Tax charge	4	(339)	(186)
Profit/(loss) for the financial year		39,016	(1,089)

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

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

The notes on pages 8 to 15 form an integral part of the financial statements.

Balance sheet

	<i>Note</i>	2019 £000	2018 £000
Non-current assets			
Fixed asset investments in subsidiaries	5	98,752	98,752
Debtors	6	7	-
		<hr/> 98,759	<hr/> 98,752
Current assets			
Debtors	6	57,227	18,168
		<hr/> 57,227	<hr/> 18,168
Creditors: amounts falling due within one year	7	(37,460)	(303)
Net current assets		<hr/> 19,767	<hr/> 17,865
Total assets less current liabilities		<hr/> 118,526	<hr/> 116,617
Net assets		<hr/> 118,526	<hr/> 116,617
Capital and reserves			
Called up share capital	9	11,152	11,152
Share premium account	9	106,498	106,498
Profit and loss account	9	876	(1,033)
Shareholders' funds		<hr/> 118,526	<hr/> 116,617

The notes on pages 8 to 15 form an integral part of the financial statements.

The Company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 31 March 2019.

The members have not required the company to obtain an audit of its financial statement for the year ended 31 March 2019 in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006; and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements for the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements of Mitie Security Holdings Limited, company number 05909105, were approved by the Board of Directors and authorised for issue on 18 December 2019 and were signed on its behalf by:



P J G Dickinson
 Director

Statement of changes in equity

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2017	11,152	106,498	227	117,877
Total comprehensive income for the year				
Loss for the year	-	-	(1,089)	(1,089)
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive expense for the year	-	-	(1,089)	(1,089)
	<hr/>	<hr/>	<hr/>	<hr/>
Transactions with owners				
Share-based payments	-	-	(171)	(171)
	<hr/>	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	-	(171)	(171)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2018	11,152	106,498	(1,033)	116,617

	Called up share capital £000	Share Premium Account £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2018	11,152	106,498	(1,033)	116,617
Total comprehensive income for the year				
Profit for the year	-	-	39,016	39,016
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	39,016	39,016
	<hr/>	<hr/>	<hr/>	<hr/>
Transactions with owners				
Dividends	-	-	(37,109)	(37,109)
Other movement	-	-	2	2
	<hr/>	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	-	(37,107)	(37,107)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2019	11,152	106,498	876	118,526

The notes on pages 8 to 15 form an integral part of the financial statements.

Notes

1 Accounting policies, judgements and estimates

a) General information

Mitie Security Holdings Limited (the "Company") is a private company limited by shares and is incorporated in England and Wales and domiciled in the UK. The Company's registered number is 05909105. The Company's registered office is Level 12, The Shard, 32 London Bridge Street, SE1 9SG. Details of the Company's activities are set out in the Directors' Report.

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

As more fully detailed in the Directors' report, the Company's financial statements have been prepared on a going concern basis.

b) Statement of compliance with FRS101

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

c) Basis of preparation

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel;
- Disclosure in respect of related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

As the consolidated financial statements of Mitie Group plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of Group settled share based payments;
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

There are no new and mandatorily effective standards in the year that would have a material impact on the financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Notes (continued)

1 Accounting policies, judgements and estimates (continued)

d) Significant accounting policies

Measurement convention

The financial statements are prepared on the historical cost basis.

Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument. The Company derecognises financial assets and liabilities only when the contractual rights and obligations are transferred, discharged or expire.

Financial assets comprise amounts owed by Group undertakings and other receivables that are measured at initial recognition at fair value and subsequently at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised including where there is objective evidence that the asset is impaired.

Financial liabilities comprise amounts owed by Group undertakings and corporation tax payable. These are measured at initial recognition at fair value and subsequently at amortised cost.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less, where appropriate, allowances for impairment.

Dividends

Dividends are recognised when they become legally payable. This is when approved by the Shareholders of the Company.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based upon tax rates and legislation that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; when they relate to income taxes levied by the same taxation authority; and when the Company intends to settle its current tax assets and liabilities on a net basis.

Notes *(continued)*

e) Critical accounting judgements and key sources of estimation uncertainty

Critical accounting judgements in applying the Company's accounting policies:

There are no judgements that have a significant effect on the financial statements.

Key sources of estimation uncertainty

Fixed asset investment

The measurement of investment accounted for as fixed assets involves the estimation of future cash flows in the underlying businesses to determine whether the value of the investment has been impaired. The Directors have considered these cash flows and determined no impairment was required.

2 Directors' remuneration

All following Directors were also Directors or employees of another Group company during the year. They are remunerated by the company shown. It is not practicable to allocate their remuneration between their services as Directors of this Company and as Directors or employees of other Group companies.

Director	Remunerated by	Disclosed by
M Idle	Mitie Limited	Mitie Limited
P J G Dickinson	Mitie Limited	Mitie Limited
R J Blumberger	Mitie Limited	Mitie Limited

There are no employees in the Company (2018: nil).

3 Interest receivable and similar income

	2019	2018
	£000	£000
Interest receivable and similar from Group undertakings	-	21
Total interest receivable and similar income	-	21

Notes (continued)

4 Taxation

	2019 £000	2018 £000
<i>Analysis of charge in the year</i>		
<i>UK corporation tax at 19% (2018: 19%)</i>		
Current tax on income for the period	172	7
Adjustments in respect of prior periods	173	179
	<hr/>	<hr/>
Total current tax	345	186
Origination and reversal of temporary timing differences	(7)	-
Reduction in statutory tax rate	1	-
	<hr/>	<hr/>
Total tax charge	339	186
	<hr/> <hr/>	<hr/> <hr/>
	2019 £000	2018 £000
<i>Reconciliation of effective tax rate</i>		
Profit/(loss) for the year	39,016	(1,089)
Total tax charge	339	186
	<hr/>	<hr/>
Profit/(loss) before taxation	39,355	(903)
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 19% (2018: 19%)	7,477	(172)
Expenses not deductible for tax purposes	166	213
Non-taxable income from shares in Group undertakings	(7,477)	-
Relief in respect of employee share options	-	(34)
Adjustments in respect of prior periods	173	179
	<hr/>	<hr/>
Total tax charge	339	186
	<hr/> <hr/>	<hr/> <hr/>

The main rate of corporation tax will reduce from 19% to 17% from 1 April 2020. These rates have been used to calculate the deferred tax balance as they were substantively enacted at the balance sheet date.

Notes (continued)

5 Fixed asset investments

The Company has the following investments in subsidiaries:

	Shares in Group undertakings £000
Cost	
At beginning of year	100,438
At end of year	100,438
Provisions	
At beginning of year	(1,686)
At end of year	(1,686)
Net book value	
At 31 March 2018	98,752
At 31 March 2019	98,752

	Country of Incorporation	Class of shares held	Ownership 2019	2018
Mitie Aviation Security Limited	England and Wales	Ordinary	99.99%	99.99%
Mitie Security (London) Limited	England and Wales	Ordinary	100%	100%
Mitie Security Limited	England and Wales	Ordinary	100%	100%
Procius Limited	England and Wales	Ordinary	100%	100%
UK CRBS Limited	England and Wales	Ordinary	100%	100%

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

During the year the Company received dividends from:

	2019 £000	2018 £000
Mitie Security Limited	39,355	-
Total income from shares in group undertakings	39,355	-

Notes *(continued)*

6 Debtors

	2019	2018
	£000	£000
Amounts owed by Group undertakings	57,201	18,168
Deferred tax assets	7	-
Other debtors	26	-
	<hr/>	<hr/>
Total	57,234	18,168
	<hr/> <hr/>	<hr/> <hr/>
Due within one year	57,227	18,168
Due after more than one year	7	-
	<hr/> <hr/>	<hr/> <hr/>

In the opinion of the Directors, the fair value does not materially differ from the carrying value.

Amounts owed by Group undertakings are repayable on demand.

7 Creditors: amounts falling due after more than one year

	2019	2018
	£000	£000
Amounts owed to Group undertakings	37,109	-
Taxation and social security	-	328
Accruals	-	(25)
Corporation Tax	351	-
	<hr/>	<hr/>
	37,460	303
	<hr/> <hr/>	<hr/> <hr/>

In the opinion of the Directors, the fair value does not materially differ from the carrying value.

Amounts due to Group undertakings are repayable on demand.

Notes (continued)

9 Capital and reserves

Share capital authorised and fully paid	At start of year	At end of year	2019 £000	2018 £000
Ordinary Shares				
A Ordinary shares at £1 each	11,121,496	11,121,496	11,121	11,121
B Ordinary shares at £0.01 each	1,050,000	1,050,000	11	11
C Ordinary shares at £0.01 each	2,000,000	2,000,000	20	20
	<u>14,171,496</u>	<u>14,171,496</u>	<u>11,152</u>	<u>11,152</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Share Premium Account

The share premium account represents the premium arising on the issue of equity shares.

Profit and loss account

The profit and loss account comprises the retained earnings and losses of the Company, less amounts distributed to the Company's shareholder.

Share premium account

The share premium account represents the premium arising on the issue of equity shares.

Profit and loss account

The profit and loss account comprises the retained earnings and losses of the Company, less amounts distributed to the Company's shareholder.

Dividend

The following dividends were recognised during the period:

	2019 £000	2018 £000
£2.62 (2018: £nil) per qualifying A ordinary share	29,122	-
£2.62 (2018: £nil) per qualifying B ordinary share	2,749	-
£2.62 (2018: £nil) per qualifying C ordinary share	5,238	-
	<u>37,109</u>	<u>-</u>

10 Related Parties

Under FRS 101 the Company is exempt from disclosing key management personnel compensation and transactions with other Companies wholly owned by Mitie Group plc.

11 Subsequent events

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

Notes *(continued)*

12 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Mitie Limited which is the immediate parent company incorporated in England and Wales. The ultimate controlling party is Mitie Group plc, a company incorporated in Scotland with its registered office at 35 Duchess Road, Rutherglen, Glasgow, G73 1AU. Mitie Group plc is the parent company of the largest and smallest groups into which the accounts of the Company are consolidated. The consolidated financial statements of Mitie Group plc are available to the public and may be obtained from the Company Secretary at Level 12, The Shard, 32 London Bridge Street, SE1 9SG, UK or from www.mitie.com.