

Company Registration Number 05909105

MITE SECURITY HOLDINGS LIMITED

Report and Financial Statements

Year ended 31 March 2012

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MITIE SECURITY HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS
Year ended 31 March 2012

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MITIE SECURITY HOLDINGS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J S Tomlin

R D Forsyth
M A Freeman

SECRETARY

MITIE Company Secretarial Services Limited

REGISTERED OFFICE

8 Monarch Court
The Brooms
Emersons Green
Bristol
BS16 7FH

BANKERS

Barclays Bank Plc
PO Box 119
Park House
New Brick Road
Stoke Gifford
BS34 8TN

AUDITOR

Deloitte LLP
London

MITIE SECURITY HOLDINGS LIMITED

DIRECTORS' REPORT

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 United Kingdom 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 ACTIVITIES AND REVIEW OF THE BUSINESS

The company is a majority owned subsidiary of MITIE Group PLC (the 'Group') and is the holding company for all the security-based companies within the Group. The directors are not aware that this will change in the future.

This business is an active non-trading company.

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

Dividends for each share class were declared as follows:

- 'A' Ordinary Shares £0.528 per share (2011: £0.481)
- 'B' Ordinary Shares £0 per share (2011: £0.08)
- 'C' Ordinary Shares £0 per share (2011: £0.08)

PRINCIPAL RISKS AND UNCERTAINTIES

Loss of key customers by subsidiary companies is a key risk to the business. The company's subsidiaries manage this risk by developing and maintaining strong relationships with these customers. Groups risks are discussed in the Group's annual report which does not form part of this report.

DIRECTORS' REPORT (continued)

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.

GOING CONCERN

The company was profitable in the year. The directors have considered the forecast and budgeted profit and associated cash flows for the foreseeable future. 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 appropriate to adopt the going concern basis in the preparation of the company's financial statements.

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.

DIRECTORS

The directors during the year and subsequently were as follows:

S C Baxter (Resigned 01 February 2012)
N R Goodman (Resigned 30 March 2012)
R McGregor-Smith (Resigned 01 February 2012)
J P Flanagan (Resigned 26 March 2012)
J S Tomlin
S J Bum (Resigned 26 March 2012)
R D Forsyth
L R Ward (Resigned 26 March 2012)
M A Freeman (Appointed 26 March 2012)

DIRECTORS' REPORT (continued)

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 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 auditor is 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 has indicated its willingness to be reappointed for another term and appropriate arrangements have been put in place for it to be deemed reappointed as auditor in the absence of an Annual General Meeting

Approved by the Board and signed on its behalf by

M A Freeman
Director



28 June 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MITIE SECURITY HOLDINGS LIMITED

We have audited the financial statements of MITIE Security Holdings Limited for the year ended 31 March 2012 which comprise Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. 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 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. 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 2012 and of its profit 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.

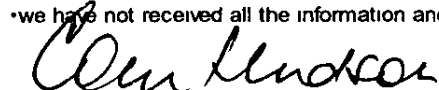
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the 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 or 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.



Colin Hudson FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

29 June 2012

PROFIT AND LOSS ACCOUNT

Year ended 31 March 2012

| | Note | 2012 £'000 | 2011 £'000 |
|---|------|---------------|---------------|
| TURNOVER | | - | - |
| Cost of sales | | - | - |
| GROSS PROFIT | | - | - |
| OPERATING PROFIT | | - | - |
| Income from shares in group undertakings | | 6,070 | 5,589 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION | | 6,070 | 5,589 |
| Interest payable and similar charges | 2 | (1) | (1) |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 6,069 | 5,588 |
| Tax charge on profit on ordinary activities | 4 | (126) | - |
| PROFIT FOR THE FINANCIAL YEAR | 9 | 5,943 | 5,588 |

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 year other than as stated in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses is presented

BALANCE SHEET
As at 31 March 2012

| | Note | 2012 | | 2011 | |
|--|------|--------------|-----------------|------------|----------------|
| | | £'000 | £'000 | £'000 | £'000 |
| FIXED ASSETS | | | | | |
| Investments | 5 | | <u>102,600</u> | | <u>102,600</u> |
| | | | <u>-102,600</u> | | <u>102,600</u> |
| CURRENT ASSETS | | | | | |
| Debtors | | | | | |
| - due within one year | 6 | 15,057 | | 15,058 | |
| Cash at bank and in hand | | <u>173</u> | | <u>-</u> | |
| | | 15,230 | | 15,058 | |
| CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR | | | | | |
| | 7 | <u>(104)</u> | | <u>(5)</u> | |
| NET CURRENT ASSETS | | | <u>15,126</u> | | <u>15,053</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 117,726 | | 117,653 |
| NET ASSETS | | | <u>117,726</u> | | <u>117,653</u> |
| SHARE CAPITAL AND RESERVES | | | | | |
| Called up share capital | 8 | | 11,152 | | 11,152 |
| Share premium account | 9 | | 106,498 | | 106,498 |
| Profit and loss account | 9 | | 76 | | 3 |
| SHAREHOLDERS' FUNDS | | | <u>117,726</u> | | <u>117,653</u> |

The financial statements of MITE Security Holdings Limited, company registered number 05909105, were approved by the board and authorised for issue. They were signed on behalf of the board by

M A Freeman
Director



28 June 2012

MITIE SECURITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

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 accounts are prepared under the historical cost convention.

Going concern

Details regarding the directors' consideration of going concern are given in the going concern section of the directors' report.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

Taxation

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 is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. 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.

Group accounts

Consolidated group accounts are not prepared as the group has taken advantage of the exemption from this requirement, conferred by Financial Reporting Standard 2 and section 400 of the Companies Act 2006, on the grounds that its accounts are consolidated in the larger group of MITIE Group PLC. Accordingly, the financial statements present information about the company as an entity and not as a group.

Cashflow statement

The company has taken the exemption from the requirement to prepare a cashflow 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.

MITIE SECURITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

2 INTEREST

| | 2012 | 2011 |
|--------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Interest payable and similar charges | | |
| Bank interest | <u>1</u> | <u>1</u> |
| | <u>1</u> | <u>1</u> |

3 DIVIDENDS

The dividends approved and paid in the year are as follows

| | 2012 | 2011 |
|---------------------|--------------|--------------|
| | £'000 | £'000 |
| 'A' Ordinary Shares | 5,870 | 5,345 |
| 'B' Ordinary Shares | - | 84 |
| 'C' Ordinary Shares | - | 160 |
| | <u>5,870</u> | <u>5,589</u> |

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

| | 2012 | 2011 |
|---|--------------|--------------|
| | £'000 | £'000 |
| (a) Analysis of charge in the year | | |
| United Kingdom corporation tax 26% (2011 28%) | - | - |
| Adjustment in respect of prior years | <u>126</u> | - |
| Total current tax (Note 4(b)) | <u>126</u> | - |
| Deferred taxation | | |
| Timing differences - origination and reversal | - | - |
| Tax on profit on ordinary activities | <u>126</u> | - |

MITIE SECURITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

(b) Factors affecting tax charge in the year

The tax assessed for the period differs from that resulting from applying the standard rate of corporation tax in the UK of 26% (2011 28%) The differences are as follows

| | £'000 | £'000 |
|---|-------------------|-----------------|
| Profit on ordinary activities before tax | <u>6,069</u> | <u>5,588</u> |
| | £'000 | £'000 |
| Tax at 26% (2011 28%) thereon | 1,578 | 1,565 |
| Differences between capital allowances and depreciation | - | - |
| Utilisation of tax losses | - | - |
| Non-taxable income from shares in group undertakings | (1,578) | (1,565) |
| Adjustments to tax charge in respect of prior periods | <u>126</u> | <u>-</u> |
| Current tax charge for the year (Note 4(a)) | <u>126</u> | <u>-</u> |

The UK Government announced a reduction in the UK corporation tax rate from 26% to 24% from 1 April 2012, which was substantively enacted on 26 March 2012. The reduction in the balance sheet carrying value of deferred tax assets and liabilities to reflect the rate of tax at which those assets are expected to reverse has not had a material impact on the current year tax charge. The UK Government has indicated that it intends to enact further reductions in the main tax rate of 1% each year down to 22% by 1 April 2014. Future rate reductions would further reduce the UK deferred tax assets and liabilities recognised but the actual impact will be dependent on the deferred tax position at the time.

5 INVESTMENTS

| | | 2012 £'000 | 2011 £'000 |
|----------------|---------------|----------------|----------------|
| Investments at | 1 April 2011 | <u>102,600</u> | <u>102,600</u> |
| Investments at | 31 March 2012 | <u>102,600</u> | <u>102,600</u> |

MITIE SECURITY HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2012

INVESTMENTS (continued)

The investments balance at 31 March 2012 represented interests in the following companies

| Name of subsidiary | Principal Activity | Class of shares held | Percentage of shares and voting rights held | Country of incorporation |
|---------------------------------|---------------------------|-----------------------------|--|---------------------------------|
| MITIE Aviation Security Limited | Security | Ordinary | 99.999% | England & Wales |
| MITIE Security (London) Limited | Security | Ordinary | 100% | England & Wales |
| MITIE Security (North) Limited | Dormant | Ordinary | 100% | England & Wales |
| MITIE Security (Scotland) | Dormant | Ordinary | 100% | England & Wales |
| MITIE Security (South West) | Dormant | Ordinary | 100% | England & Wales |
| MITIE Security (Southern) | Dormant | Ordinary | 100% | England & Wales |
| MITIE Security (2006) Limited | Dormant | Ordinary | 100% | England & Wales |
| MITIE Security Limited | Security | Ordinary | 100% | England & Wales |
| MITIE Security Services Limited | Dormant | Ordinary | 50% | England & Wales |
| MITIE Security Systems Limited | Security | Ordinary | 100% | England & Wales |
| MITIE Trident Security Limited | Dormant | Ordinary | 100% | England & Wales |
| The Watch Security Limited | Dormant | Ordinary | 100% | England & Wales |
| Trident Safeguards Limited | Dormant | Ordinary | 100% | England & Wales |

6 DEBTORS

| | 2012 | 2011 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Amounts falling due within one year | | |
| Amounts owed by Group undertakings | 15,057 | 15,057 |
| Corporation tax | - | 1 |
| | <u>15,057</u> | <u>15,058</u> |

7 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2012 | 2011 |
|---------------------------|--------------|--------------|
| | £'000 | £'000 |
| Bank loans and overdrafts | - | 5 |
| Corporation tax | 104 | - |
| | <u>104</u> | <u>5</u> |

MITIE SECURITY HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2012

8 CALLED UP SHARE CAPITAL

| | 2012 £'000 | 2011 £'000 |
|---|---------------|---------------|
| Allotted, called up and fully paid share capital | | |
| 11,121,496 £1 'A' Ordinary Shares | 11,121 | 11,121 |
| 1,050,000 £0 01 'B' Ordinary Shares | 11 | 11 |
| 2,000,000 £0 01 'C' Ordinary Shares | 20 | 20 |
| | <u>11,152</u> | <u>11,152</u> |

9 RESERVES

| | Share premium account £'000 | Profit and loss account £'000 |
|-------------------------|--------------------------------------|--|
| At 1 April 2011 | 106,498 | 3 |
| Profit for the year | - | 5,943 |
| Dividend | - | (5,870) |
| At 31 March 2012 | <u>106,498</u> | <u>76</u> |

10 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

| | 2012 £'000 | 2011 £'000 |
|---|----------------|----------------|
| Profit for the financial year | 5,943 | 5,588 |
| Dividends paid on equity shares | (5,870) | (5,589) |
| Net addition to/(reduction in) shareholders' funds | 73 | (1) |
| Opening shareholders' funds | <u>117,653</u> | <u>117,654</u> |
| Closing shareholders' funds | <u>117,726</u> | <u>117,653</u> |

11 FINANCIAL COMMITMENTS

The company had no commitments in respect of operating leases at the end of the current or prior year

Capital commitments

The company did not have any outstanding capital commitments that were not provided for at the end of the current or prior years

Commitments on behalf of group undertakings

The company is party with other group undertakings to cross-guarantees of each others' bank overdrafts and loans

| | 2012 £'000 | 2011 £'000 |
|--------------------|----------------|----------------|
| Overall commitment | <u>157,300</u> | <u>195,300</u> |

MITIE SECURITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

12 DIRECTORS

The following directors are also directors or employees of another group company. They are remunerated by the company shown. It is not practicable to allocate their remuneration between their services as directors of this company and as directors or employees of other group companies.

| Director | Remunerated by |
|------------------|-----------------------------------|
| S C Baxter | MITIE Group PLC |
| N R Goodman | MITIE Group PLC |
| R McGregor-Smith | MITIE Group PLC |
| J P Flanagan | MITIE Group PLC |
| J S Tomlin | MITIE Security Limited |
| S J Burn | MITIE Security Limited |
| R D Forsyth | MITIE Security Limited |
| L R Ward | MITIE Security Limited |
| M A Freeman | MITIE Facilities Services Limited |

13 EMPLOYEES

The company had no employees in the current period (2011 nil)

14 RELATED PARTY TRANSACTIONS

The company has taken the exemption available under FRS 8 not to disclose transactions with other wholly-owned subsidiaries of MITIE Group PLC. There were no transactions with entities other than members of MITIE Group PLC which require disclosure under FRS 8.

15 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The directors regard MITIE Group PLC, a company registered in Scotland, as the company's immediate and ultimate parent undertaking and controlling party.

MITIE Facilities Services Limited is the smallest group and MITIE Group PLC the 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.