

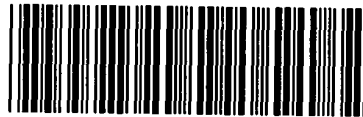
**Mitie T S 2 Limited**

Annual Report and Financial Statements

Registered number 06600039

31 March 2017

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## **Company information**

### **Directors**

R J Blumberger  
G Bonthron  
P J Dickinson

### **Company secretary**

Mitie Company Secretarial Services Limited

### **Registered office**

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

### **Auditor**

Deloitte LLP  
Statutory Auditor  
London  
United Kingdom

## Strategic report

Mitie T S 2 Limited ("the Company") is part of the Mitie Group of companies ("the Group"), the ultimate parent company being Mitie Group plc.

The Directors, in preparing this strategic report, have complied with Section 414c of the Companies Act 2006.

### Review of the business

Prior to 31 March 2016 the principal activity of the Company was to raise external debt finance for Mitie Group plc. On 31 March 2016 the trade and net assets of the Company were transferred as a going concern to Mitie Treasury Management Limited and since then the Company has not traded. During the year ended 31 March 2017 the Company paid a dividend of £3,083,000 to Mitie Treasury Management Limited (2016: £nil). The Directors do not intend to recommence trading in the foreseeable future and accordingly these financial statements have been prepared on a basis other than that of a going concern.

As shown in the Company's profit and loss account on page 8, the profit after tax was £nil (2016: £4,111,000). The reduction in profit follows the transfer of the Company's trade to Mitie Treasury Management Limited on 31 March 2016.

### Key performance indicators

The Group manages its operations on a divisional basis. For this reason, the Company's Directors do not believe further key performance indicators are necessary for an appropriate understanding of the performance and position of the Business. The performance of the Group's divisions is discussed in the Group's annual report which does not form part of this report.

### Principal risks and uncertainties

The Company did not trade during the year and there are no significant risks or uncertainties.

### Financial risk management

The Company does not enter into any hedging instruments, or any financial instruments for speculative purposes.

The Company has ceased trading and the remaining balances are intercompany.

### Future developments

The Directors do not expect the Company to trade in the forthcoming year following the transfer of trade and net assets to Mitie Treasury Management Limited on 31 March 2016.

### Post balance sheet events

There have been no significant events since the balance sheet date.

Approved by the Board and signed on its behalf by:



R J Blumberger  
Director

14 March 2018

## Directors' report

The Directors present the annual report and financial statements of Mitie T S 2 Limited ('the Company') for the year ended 31 March 2017.

In preparing this Directors' Report, the Directors have complied with Section S414c(11) of the Companies Act 2006 by including certain disclosures required by S416(4) within the Strategic Report.

### Going concern

As explained in the Strategic Report, the Company transferred its trade, assets and liabilities to Mitie Treasury Management Limited on 31 March 2016. The Directors do not expect to recommence trading in the foreseeable future and accordingly 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.

### Directors

The Directors who held office during the year, together with those subsequently appointed, were:

Director	Date of appointment	Date of resignation
R J Blumberger	23/02/2018	
G Bonthron		
P I M Skoulding	19/08/2016	23/02/2018
N L Beswick		19/08/2016
P J Dickinson	23/02/2018	

### Dividends

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

	2017	2016
	£	£
A Ordinary	0.04456	0.00
B Ordinary	0.04456	0.00

### 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.

### Political contributions

The Company made no political donations nor incurred any political expenditure during the year.

### Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he/she ought to have taken as a Director 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 Section 418 of the Companies Act 2006.

### Other information

An indication of likely future developments in the business, discussion of financial risk management and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 2.

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

The Directors are responsible for preparing the Strategic Report, 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.

By order of the Board and signed on its behalf by



**R J Blumberger**  
Director

Level 12 The Shard  
32 London Bridge Street  
London  
SE1 9SG  
14 March 2018

## Independent auditor's report to the members of Mitie T S 2 Limited

We have audited the financial statements of Mitie T S 2 Limited for the year ended 31 March 2017 which comprise the Profit and loss account, the Balance sheet, the Statement of changes in equity and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework.

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

### Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its result 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 modified, 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, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

**Independent auditor's report to the members of Mitie T S 2 Limited** *continued*

**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.



Ivan Boonzaaier, FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP,  
Statutory Auditor

London  
United Kingdom

15 March 2018



**Profit and loss account**

	Note	2017 £000	2016 £000
Administrative expenses	3	-	(3)
Other operating income		-	425
<b>Operating profit</b>		-	422
Other interest receivable and similar income	5	-	10,860
Interest payable and similar expenses	6	-	(6,764)
<b>Profit before taxation</b>		-	4,518
Tax on profit	7	-	(407)
<b>Profit for the financial year</b>		-	4,111

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

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

**Balance sheet**

	<i>Note</i>	<b>2017</b> £000	2016 £000
<b>Current assets</b>			
Debtors	8	80,394	80,394
		<u>80,394</u>	<u>80,394</u>
Creditors: amounts falling due within one year		(3,083)	-
<b>Net current assets</b>		<u>77,311</u>	<u>80,394</u>
<b>Net assets</b>		<u>77,311</u>	<u>80,394</u>
<b>Capital and reserves</b>			
Called up share capital	10	69	69
Share premium account	10	69,121	69,121
Profit and loss account	10	8,121	11,204
<b>Shareholders' funds</b>		<u>77,311</u>	<u>80,394</u>

These financial statements of Mitie T S 2 Limited, company number 06600039, were approved by the Board of Directors on 14 March 2018 and were signed on its behalf by:



**R J Blumberger**  
*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 2015	69	69,121	7,093	76,283
Total comprehensive income for the year	-	-	4,111	4,111
Profit	-	-	4,111	4,111
Total comprehensive income for the year	-	-	4,111	4,111
Balance at 31 March 2016	69	69,121	11,204	80,394
	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2016	69	69,121	11,204	80,394
Dividends	-	-	(3,083)	(3,083)
Balance at 31 March 2017	69	69,121	8,121	77,311

## Notes

### 1 Accounting policies

#### **Basis of preparation**

Mitie TS2 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 06600039. The Company's registered office is Level 12 The Shard, 32 London Bridge Street, London, England SE1 9SG.

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](http://www.mitie.com)

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.

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; and
- Disclosures in respect of the compensation of Key Management Personnel.

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

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

#### **Measurement convention**

The financial statements are prepared on the recoverable amount basis.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Classification of financial instruments issued by the Company*

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a 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.

Assets that are assessed not to be individually impaired are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables includes the Company's past experience of collecting payments, the number of delayed payments in the portfolio past the average credit period as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the profit and loss account.

Financial assets comprise loans and receivables and are measured at initial recognition at fair value and subsequently at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised where there is objective evidence that the asset is impaired. Cash and cash equivalents comprise cash in hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities comprise trade payables and financing liabilities, including bank and other borrowings. These are measured at initial recognition at fair value and subsequently at amortised cost.

#### *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 the Company intends to settle its current tax assets and liabilities on a net basis.

## Notes (continued)

### 1 Accounting policies (continued)

#### **Amendments to IFRSs that are mandatorily effective for the current year**

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2016. The adoption of the changes set out below has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception*.
- Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*.
- Amendments to IAS 1 *Disclosure Initiative*.
- Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*.
- Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants*.
- Amendments to IAS 27 *Equity Method in Separate Financial Statements*.

Amendments to IFRSs included in the *Annual Improvements to IFRSs 2012-2014 Cycle*.

#### **New standards not yet adopted**

The Company has taken the exemption available under FR5101 in respect of not disclosing the impact of new standards that are not yet in effect.

### 2 Accounting estimates and judgements

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

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant.

The management has made no critical accounting judgements that are considered to have a significant effect on the amounts recognised in the financial statements.

#### **Key sources of estimation uncertainty are as follows:**

There are no key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year.

**Notes** (continued)

**3 Expenses and auditor's remuneration**

Included in profit are the following:  
Auditor's remuneration:

	2017 £000	2016 £000
Audit of these financial statements	-	3

The audit fee for the Company has been borne by Mitie Treasury Management Limited and no amount has been allocated or recharged.

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Mitie Group plc.

**4 Information regarding employees and directors**

The Company had no employees during the current and preceding year.

All Directors of the Company are non-executive directors and did not perform any qualifying services as a Director during the year. They therefore have no remuneration to disclose in relation to the financial year.

**5 Other interest receivable and similar income**

	2017 £000	2016 £000
Net gain on financial instruments designated as fair value through profit or loss	-	504
Net gain on financial instruments held for trading	-	10,356
<b>Total interest receivable and similar income</b>	<b>-</b>	<b>10,860</b>

**6 Interest payable and similar expenses**

	2017 £000	2016 £000
Interest on intercompany loans	-	6,764
<b>Total other interest payable and similar expenses</b>	<b>-</b>	<b>6,764</b>

**Notes (continued)**

**7 Taxation**

	2017 £000	2016 £000
<i>Analysis of charge in the year</i>		
<i>UK corporation tax at 20% (2016: 20%)</i>		
Current tax on income for the year	-	359
Adjustments in respect of prior periods	-	(37)
<b>Total current tax</b>	<b>-</b>	<b>322</b>
<i>Deferred tax (see note 10)</i>		
Origination and reversal of temporary timing differences	-	85
<b>Total deferred tax</b>	<b>-</b>	<b>85</b>
<b>Tax on profit</b>	<b>-</b>	<b>407</b>

	2017 £000	2016 £000
<i>Reconciliation of effective tax rate</i>		
Profit for the year	-	4,111
Total tax expense	-	407
<b>Profit excluding taxation</b>	<b>-</b>	<b>4,518</b>
Tax using the UK corporation tax rate of 20% (2016: 20%)	-	904
Expenses not deductible for tax purposes	-	(460)
Adjustments in respect of prior periods	-	(37)
<b>Total tax expense</b>	<b>-</b>	<b>407</b>

The main rate of corporation tax was 20% until 1 April 2017 when it reduced to 19% and will remain at this level until a further reduction to 17% from 1 April 2020.

**8 Debtors**

	2017 £000	2016 £000
Amounts owed by Group undertakings	80,394	80,394
<b>Total</b>	<b>80,394</b>	<b>80,394</b>

In the opinion of the Directors, the fair value does not materially differ from the carrying value.  
Amounts due from Group undertakings are repayable on demand.



**Notes** (continued)

**9 Creditors: amounts falling due within one year**

	2017 £000	2016 £000
Amounts owed by Group undertakings	3,083	-
<b>Total</b>	<b>3,083</b>	<b>-</b>

In the opinion of the Directors, the fair value does not materially differ from the carrying value.  
Amounts due from Group undertakings are repayable on demand.

**10 Deferred tax assets and liabilities**

*Recognised deferred tax assets and liabilities*

*Movement in deferred tax during the year*

	1 April 2016 £000	Recognised in income £000	31 March 2017 £000
Provisions	-	-	-
	-	-	-
	-	-	-

*Movement in deferred tax during the prior period*

	1 April 2015 £000	Recognised in income £000	31 March 2016 £000
Provisions	85	(85)	-
	85	(85)	-

The UK Government announced reductions in the UK corporation tax rate from 20% to 19% from 1 April 2017 and from 19% to 17% from 1 April 2020, which have been substantively enacted.

**11 Capital and reserves**

Share capital authorised and fully paid	2017 £000	2016 £000
<b>Ordinary Shares</b>		
1 A Ordinary shares at £1 each	-	-
69,190,000 B Ordinary shares at £0.001 each	69	69
	69	69

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.

**Notes** (continued)

**11 Capital and reserves** (continued)

*Profit and loss reserve*

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.

*Dividend*

The following dividends were recognised during the period:

	2017 £000	2016 £000
£0.04456 (2016: £nil) per qualifying A ordinary share	-	-
£0.04456 (2016: £nil) per qualifying B ordinary share	3,083	-
	<u>3,083</u>	<u>-</u>

**12 Related parties**

*Related parties with which the Company has transacted*

Under FRS 101 the Company is exempt from disclosing key management personnel compensation and transactions with other companies wholly-owned by Mitie Group plc. Other related party transactions are disclosed below:

	Sales to 2017 £000	2016 £000	Purchases from 2017 £000	2016 £000
Subsidiaries and fellow subsidiaries of Mitie Group plc	-	705	-	-
	<u>-</u>	<u>705</u>	<u>-</u>	<u>-</u>

	Receivables outstanding 2017 £000	2016 £000	Creditors outstanding 2017 £000	2016 £000
Subsidiaries and fellow subsidiaries of Mitie Group plc	-	12,040	-	-
	<u>-</u>	<u>12,040</u>	<u>-</u>	<u>-</u>

All inter-company balances are unsecured; trading balances are payable within 30 days unless both parties agree an extension, funding balances are repayable on demand.

**Notes** (continued)

**13 Ultimate parent company and parent company of larger group**

The Company is a subsidiary undertaking of Mitie Limited (formerly Mitie Facilities Services Limited) which is the immediate parent company and is 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, Scotland. 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 1 Harlequin Office Park, Fieldfare, Emersons Green, Bristol BS16 7FN UK or from [www.mitie.com](http://www.mitie.com).