

Mitie Security Holdings Limited

Annual Report and Financial Statements

Registered number 05909105

31 March 2017

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Company information

Directors

R J Blumberger
P J Dickinson

Company Secretary

Mitie Company Secretarial Services Limited

Registered office

1 Harlequin Office Park
Fieldfare
Emersons Green
Bristol
BS16 7FN

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

Strategic report

Mitie Security Holdings 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

The principal activity of the Company is a holding company for all security based companies within the Group. The Directors have no intention to change this in the foreseeable future. There have not been any significant changes in the Company's principal activities in the year under review.

During the year the Company wrote off its investments in Formcomplete Limited, Mitie Security (North) Limited and Mitie Security Systems Limited as these companies were dissolved on 21 March 2017.

As shown in the Company's profit and loss account on page 9, the Company's profit after tax was £15,613,000 (2016: £5,263,000).

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 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 the light of the Group Risk Framework. The Directors do not believe there to be any significant risks other than those detailed below.

Key risks include:

Strategic Risks

Changes in the market and to the economic conditions

The Company is exposed to UK market conditions. Company performance and resourcing requirements may be impacted by any changes in the market. We have an ability to recognise and adapt to any change in requirement for services and are well placed to adapt to policy changes.

Financial Risks

Reliance on material counterparties

The Company depends on a number of significant counterparties, including banks and insurers, to maintain its business. The failure of a key business partner could affect the business. This risk is mitigated by limiting the dependency on any one partner.

Strategic report *(continued)*

Key risks include: *(continued)*

Operational Risks

Significant health, safety or environmental incident

The potential to cause harm to employees, clients, or to damage the environment exists and is mitigated by an extensive Quality, Health, Safety and Environmental (QHSE) programme that is monitored closely.

System, process or control failure

Increased reliance on business systems dictates a robust governance framework and set of processes. Failure of the framework could impact on operational performance. Mitie's core policies provide the basis of the governance framework. These are subject to reviews which underpins the mitigation activity for this risk. These reviews are carried out alongside regular, formal, documented testing of business critical systems.

Attracting and retaining skilled people

Failure to attract new talent and develop existing employees could impact growth. The Company utilises Mitie's career development, recruitment and talent management programmes to ensure that it attracts and retains key people.

Financial risk management

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

The Company prepares regular forecasts of cash flow and liquidity and any requirement for additional funding is managed as part of the overall Mitie Group plc financing arrangements.

Future developments

The Directors expect the general level of activity in the forthcoming year to remain consistent with 2016. We are closely monitoring the outcomes of the European Union exit negotiations and any resulting policy changes to determine the impact on future contract opportunities and availability of resources.

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

20 February 2018

Directors' report

The Directors present the Annual Report and audited Financial Statements of Mitie Security Holdings Limited ('the Company') for the year ended 31 March 2017.

In preparing this Directors' Report, the Directors have complied with S414C(11) of the Companies Act 2006 by including certain disclosures required by S416(4) within the Strategic Report.

Going concern

The Company's business activities, together with the factors likely to affect its future development and position are set out in the Strategic report.

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, together with those subsequently appointed, were:

Director	Date of appointment	Date of resignation
R J Blumberger	19/04/2017	
P J Dickinson	19/04/2017	
M A Freeman		19/04/2017
R D Forsyth		27/04/2017
J S Sheridan		06/10/2017

Dividends

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

	2017	2016
	£	£
A Ordinary	1.0955	0.369
B Ordinary	1.0955	0.369
C Ordinary	1.0955	0.369

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.

Directors' report *(continued)*

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 ought to have taken as a Director to make himself 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, 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 3.

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



R J Blumberger
Director

1 Harlequin Office Park
Fieldfare
Emersons Green
BS16 7FN

20 February 2018

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 2017 which comprise the Profit and loss account, the Balance sheet, the Statement of changes in equity and the related notes 1 to 14. 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 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, 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 Directors' Report have been prepared in accordance with applicable legal requirements.

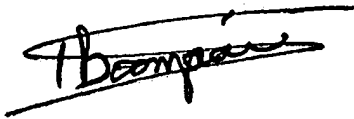
In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' report.

Independent auditor's report to the members of Mitie Security Holdings 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 Boonzaaler, FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP,
Statutory Auditor
London
United Kingdom

20 February 2018

Profit and loss account

	<i>Note</i>	2017	2016
		£000	£000
Administrative expenses		-	(23)
Amounts written off investments	4	(563)	-
Operating loss		(563)	(23)
Income from shares in group undertakings	9	16,288	5,431
Other interest receivable and similar income	7	52	38
Profit on ordinary activities before taxation		15,777	5,446
Tax on profit on ordinary activities	8	(164)	(183)
Profit for the financial year		15,613	5,263

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 year. Accordingly, no statement of other comprehensive income has been prepared.

Balance sheet

	<i>Note</i>	2017 £000	Restated * 2016 £000
Fixed assets			
Investments	9	99,876	100,438
		<u>99,876</u>	<u>100,438</u>
Current assets			
Debtors	10	17,031	16,648
Cash at bank and in hand		1,115	868
		<u>18,146</u>	<u>17,516</u>
Creditors: amounts falling due within one year	11	(145)	(165)
Net current assets		<u>18,001</u>	<u>17,351</u>
Total assets less current liabilities		<u>117,877</u>	<u>117,789</u>
Net assets		<u>117,877</u>	<u>117,789</u>
Capital and reserves			
Called up share capital	12	11,152	11,152
Share premium account	12	106,498	106,498
Profit and loss account	12	227	139
Shareholders' funds		<u>117,877</u>	<u>117,789</u>

* The balance sheet at 31 March 2016 has been restated as explained in note 2 to the financial statements.

These financial statements of Mitie Security Holdings Limited, company number 05909105, were approved by the Board of Directors on 20 February 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	11,152	106,498	65	117,715
Effect of prior year adjustment (see note 2)	-	-	20	20
Balance at 1 April 2015 restated	11,152	106,498	85	117,735
Total comprehensive income for the year				
Profit for the year	-	-	5,263	5,263
Total comprehensive income for the year	-	-	5,263	5,263
Transactions with owners, recorded directly in equity				
Tax on share based payment	-	-	1	1
Dividends	-	-	(5,231)	(5,231)
Equity settled share based payments	-	-	21	21
Total distributions to owners	-	-	(5,209)	(5,209)
Balance at 31 March 2016	11,152	106,498	139	117,789

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2016	11,152	106,498	139	117,789
Total comprehensive income for the year				
Profit for the year	-	-	15,613	15,613
Total comprehensive income for the year	-	-	15,613	15,613
Transactions with owners, recorded directly in equity				
Dividends	-	-	(15,525)	(15,525)
Total distributions to owners	-	-	(15,525)	(15,525)
Balance at 31 March 2017	11,152	106,498	227	117,877

Notes

1 Accounting policies

Mitie Security Holdings Limited (the "Company") is incorporated in England and Wales and domiciled in the UK.

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.

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 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:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

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

Judgements made by the Directors, in the application of these accounting policies, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3.

Measurement convention

The financial statements are prepared on the historical cost basis.

Notes (continued)

1 Accounting policies (continued)

Investments

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

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 uncollectible 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.

Notes (continued)

1 Accounting policies (continued)

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.

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 FRS101 in respect of not disclosing the impact of new standards that are not yet in effect.

Notes (continued)

2 Explanation of prior year restatement

In preparing its balance sheet, the Company has adjusted amounts reported previously in its financial statements.

The prior year restatement relates to the reduction of the creditor in respect of Corporation tax at 31 March 2015 by £20,000.

3 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 judgement, 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.

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:

Measurement and impairment of intangible investment assets

The measurement of intangible assets on a business combination involves estimation of future cash flows and the selection of suitable discount rates. Determining whether other intangible assets are impaired requires an estimation of the value in use of the CGUs to which the other intangible assets has been allocated. The value in use calculation involves an estimation of the future cash flows of CGUs and also the selection of appropriate discount rates to use in order to calculate present values. The carrying value of intangible investment assets is £99,876,000 (2016: £100,438,000) at the balance sheet date; see note 9.

4 Expenses and auditor's remuneration

Included in profit are the following:

	2017 £000	2016 £000
Impairment on investment in subsidiaries	563	-
<i>Auditor's remuneration:</i>		
	2017 £000	2016 £000
Audit fees paid by Mitie Security Limited and not recharged	-	80

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.

5 Staff numbers and costs

Mitie Security Holdings Limited had no employees in the year ended 31 March 2017 (2016: nil).

Notes (continued)

6 Directors' remuneration

All 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 and disclosed in
M A Freeman	Mitie Facilities Services Limited
R Forsyth	Mitie Cleaning & Environmental Services Limited
J S Sheridan	Mitie Facilities Services Limited

R J Blumberger and P J G Dickinson were appointed as Director after 31 March 2017 and therefore have no remuneration to disclose in relation to any qualifying services as a Director.

7 Other interest receivable and similar income

	2017 £000	2016 £000
Amounts receivable from Group undertakings	52	38
Total interest receivable and similar income	<u>52</u>	<u>38</u>

8 Taxation

	2017 £000	2016 £000
<i>Analysis of charge in the year</i>		
UK corporation tax at 20% (2016: 20%)		
Current tax on income for the year	(2)	7
Adjustments in respect of prior periods	166	176
Total current tax	<u>164</u>	<u>183</u>
Tax on profit	<u>164</u>	<u>183</u>

Notes *(continued)*

8 Taxation *(continued)*

	2017	2016
<i>Reconciliation of effective tax rate</i>	£000	£000
Profit for the year	15,613	5,263
Total tax expense	164	183
Profit excluding taxation	<u>15,777</u>	<u>5,446</u>
Tax using the UK corporation tax rate of 20% (2016: 20%)	3,155	1,089
Expenses not deductible for tax purposes	101	-
Non-taxable income from shares in group undertakings	(3,258)	(1,086)
Relief in respect of employee share options	-	4
Adjustments in respect of prior periods	166	176
Total tax expense	<u>164</u>	<u>183</u>

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.

Notes (continued)

9 Fixed asset investments

	Shares in Group undertakings £000
Cost	
At beginning of year	100,438
Impairment	(562)
	<hr/>
At end of year	99,876
	<hr/>
Net book value	
At 31 March 2016	100,438
	<hr/>
At 31 March 2017	99,876
	<hr/>

	Country of Incorporation	Class of shares held	Ownership 2017	2016
Formcomplete Limited	England and Wales	Ordinary	-	100%
Mitie Aviation Security Limited	England and Wales	Ordinary	99.99%	99.99%
Mitie Security (London) Limited	England and Wales	Ordinary	100%	100%
Mitie Security (North) Limited	England and Wales	Ordinary	-	100%
Mitie Security Limited	England and Wales	Ordinary	100%	100%
Mitie Security Systems Limited	England and Wales	Ordinary	-	50%
Procius Limited	England and Wales	Ordinary	100%	100%
UK CRBS Limited	England and Wales	Ordinary	100%	100%

The Company holds its investments in Mitie Aviation Security Limited, Procius Limited and UK CRBS Limited through Mitie Security Limited. The Company held its investment in Formcomplete Limited through Mitie Security Limited until Formcomplete Limited was dissolved on 21 March 2017.

The registered office of all of the companies listed above is 1 Harlequin Office Park, Fieldfare, Emersons Green, Bristol, South Gloucestershire, BS16 7FN.

During the year the Company wrote off its investments in Mitie Security (North) Limited and Mitie Security Systems Limited as these companies were dissolved on 21 March 2017.

	£000
During the year the Company received dividends from:	
Mitie Security Limited	14,603
Mitie Security (London) Limited	1,123
Mitie Security (North) Limited	562
	<hr/>
	16,288
	<hr/>

Notes (continued)

10 Debtors

	2017	2016
	£000	£000
Amounts owed by Group undertakings	17,017	16,648
Interest receivable	14	-
Total	<u>17,031</u>	<u>16,648</u>
Due within one year	<u>17,031</u>	<u>16,648</u>

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 and bear no interest (2016: no interest).

11 Creditors: amounts falling due within one year

	2017	2016
	£000	£000
Corporation tax	143	162
Accruals and deferred income	2	3
	<u>145</u>	<u>165</u>

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

Notes (continued)

12 Capital and reserves

Share capital authorised and fully paid	2017 £000	2016 £000
Ordinary Shares		
11,121,496 A Ordinary shares at £1 each	11,121	11,121
1,050,000 B Ordinary shares at £0.01 each	11	11
2,000,000 C Ordinary shares at £0.01 each	20	20
	<u>11,152</u>	<u>11,152</u>

The holders of A, B and C 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.

Dividend

The following dividends were recognised during the period:

	2017 £000	2016 £000
£1.0955 (2016: £0.3691) per qualifying A ordinary share	12,185	4,105
£1.0955 (2016: £0.3691) per qualifying B ordinary share	1,150	388
£1.0955 (2016: £0.3691) per qualifying C ordinary share	2,191	738
	<u>15,525</u>	<u>5,231</u>

13 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.

14 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Mitie Group plc which is the immediate parent company and is incorporated in Scotland. 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, South Gloucestershire, BS16 7FN, UK or from www.mitie.com.