

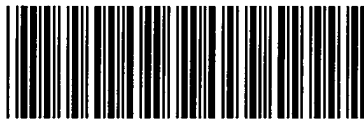
Company registration number: 05909105

**Mitie Security Holdings Limited**

**Annual Report and Financial Statements**

**For the year ended 31 March 2015**

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**Mitie Security Holdings Limited**  
**Company information**

05909105

**Directors**

M A Freeman  
R D Forsyth  
R McGregor-Smith  
S C Baxter  
J S Sheridan

**Secretary**

Mitie Company Secretarial Services Limited

**Registered office**

1 Harlequin Office Park  
Fieldfare  
Emersons Green  
Bristol  
BS16 7FN

**Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

**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 have no intention to change this in the foreseeable future.

On 30 November 2014 the Company disposed of its investments in Mitie Security (Scotland) Limited, Mitie Security (South West) Limited and The Watch Security Limited. No consideration was received on disposal, this created a loss on disposal which is disclosed within administrative expenses.

**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 other significant risks.

**Financial risk management**

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

Appropriate trade terms are negotiated with suppliers and customers. Management reviews these terms and the relationships with suppliers and customers and manages any exposure on normal trade terms. 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 to remain consistent with 2015 in the forthcoming year.

**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:



M A Freeman  
Director  
29 June 2015

The directors present their annual report and audited financial statements of Mitie Security Holdings Limited ("the Company") for the year ended 31 March 2015.

**Dividends**

Dividends for each share class were declared as follows:

- A Ordinary: £0.32 per share (2014: £0.67 per share)
- B Ordinary: £0.08 per share (2014: £0.08 per share)
- C Ordinary: £0.08 per share (2014: £0.08 per share)

**Going Concern**

The directors have considered the forecast results and associated cash flows for the foreseeable future, being the period not less than 12 months from the date of signing of these financial statements. The directors have considered the facilities available to the Company 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 and sustainability reports which do not form part of this report.

**Directors**

The directors who served during the year, together with those subsequently appointed were:

	<b>Date of appointment</b>	<b>Date of resignation</b>
M A Freeman	-	-
R D Forsyth	-	-
R McGregor-Smith	-	-
S C Baxter	-	-
J S Sheridan	27 April 2015	-
J S Tomlin	-	27 April 2015

**Post balance sheet events**

Information relating to events occurring after the balance sheet date is disclosed in the strategic report.

**Disclosure of information to the auditor**

Each of the directors in office as of the date of approval of this report confirms that:

- so far as he/she is aware, there is no relevant audit information (being information required by the auditor in the preparation of their report) of which the Company's auditor is unaware; and
- he/she has each 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 such information.

This confirmation is given, and should be interpreted in accordance with Section 418 of the Companies Act 2006.

**Appointment of auditor**

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.

**Directors' responsibilities statement**

The directors are responsible for preparing the Annual Report and Financial Statements. The directors have elected to prepare financial statements in accordance with UK GAAP. The directors are required to prepare financial statements for each financial year which 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare 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 which disclose with reasonable accuracy at any time the financial position of the Company, safeguarding the assets, taking reasonable steps for the prevention and detection of fraud and other irregularities, and the preparation of a Strategic report and a Directors' report which complies with the relevant requirements of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



M A Freeman  
Director  
29 June 2015

## **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 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. 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 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 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 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 2015 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 matter prescribed by the Companies Act 2006**

In our opinion 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.

## 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.



**Colin Hudson (Senior statutory auditor)**

**for and on behalf of Deloitte LLP**

Chartered Accountants and Statutory Auditor

London, United Kingdom

29 June 2015



**Mitie Security Holdings Limited**  
**Profit and loss account**  
**For the year ended 31 March 2015**

**05909105**

	<b>Note</b>	<b>2015</b> <b>£'000</b>	<b>2014</b> <b>£'000</b>
Administration expense		(2,162)	-
Income from shares in group undertakings		5,989	7,913
<b>Profit on ordinary activities before interest and taxation</b>		<u>3,827</u>	<u>7,913</u>
Interest receivable and similar income	5	31	30
<b>Profit on ordinary activities before taxation</b>		<u>3,858</u>	<u>7,943</u>
Tax on profit on ordinary activities	6	(180)	(185)
<b>Profit for the financial year</b>	<b>12</b>	<u><u>3,678</u></u>	<u><u>7,758</u></u>

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

There were no recognised gains or losses other than those stated in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses has been presented.

**Mitie Security Holdings Limited**  
**Balance sheet**  
**As at 31 March 2015**

**05909105**

	Note	2015 £'000	2014 £'000
<b>Fixed assets</b>			
Investments	8	100,438	102,600
		<u>100,438</u>	<u>102,600</u>
<b>Current assets</b>			
Debtors	9		
- due within one year		16,818	15,066
Cash at bank and in hand		639	620
		<u>17,457</u>	<u>15,686</u>
<b>Creditors: amounts falling due within one year</b>	10	(180)	(410)
<b>Net current assets</b>		<u>17,277</u>	<u>15,276</u>
<b>Total assets less current liabilities</b>		<u>117,715</u>	<u>117,876</u>
<b>Net assets</b>		<u><u>117,715</u></u>	<u><u>117,876</u></u>
<b>Share capital and reserves</b>			
Called up share capital	11	11,152	11,152
Share premium account	12	106,498	106,498
Profit and loss account	12	65	226
		<u>117,715</u>	<u>117,876</u>
<b>Shareholders' funds</b>	13	<u><u>117,715</u></u>	<u><u>117,876</u></u>

The financial statements of Mitie Security Holdings Limited were approved by the board of directors and authorised for issue on 29 June 2015

Signed on its behalf by:



M A Freeman  
 Director

## **1. Accounting policies**

The financial statements of the Company have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards and law.

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

The principal accounting policies are summarised below. They have been applied consistently throughout the current and preceding year.

### ***Group accounts***

Consolidated group accounts have not been prepared as the Company has taken advantage of the exemption from this requirement, conferred by FRS 2, 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.

### ***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 upon tax rates and legislation that have been enacted or substantively enacted at the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in tax 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.

### ***Investments***

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

### ***Cash flow statement***

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

## **2. Operating profit**

Audit fees of £99,000 (2014: £73,000) were borne by Mitie Security Limited and not recharged.

The Company has taken the exemption available to it not to disclose separately information about fees for non-audit services provided to the Company as this information is available in the consolidated financial statements of Mitie Group Plc.

**Mitie Security Holdings Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2015**

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**3. Employees**

The company has no employees (2014 nil).

**4. Directors**

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.

<b>Director</b>	<b>Remunerated by</b>
M A Freeman	Mitie Facilities Services Limited
R D Forsyth	Mitie Security Limited
R McGregor-Smith	Mitie Group plc
S C Baxter	Mitie Group plc
J S Tomlin (Resigned 27 April 2015)	Mitie Cleaning & Environmental Services Limited

**5. Interest**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
<b><i>Interest receivable and similar income</i></b>		
Bank interest	31	30
	<hr/>	<hr/>
	31	30
	<hr/> <hr/>	<hr/> <hr/>

**Mitie Security Holdings Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2015**

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**6. Tax on profit on ordinary activities**

	2015 £'000	2014 £'000
<b>(a) Analysis of charge in the year</b>		
United Kingdom corporation tax 21% (2014: 23%)	7	5
Adjustment in respect of prior years	173	180
	<hr/>	<hr/>
Total current tax (Note 6(b))	180	185
	<hr/>	<hr/>
Tax on profit on ordinary activities	180	185
	<hr/> <hr/>	<hr/> <hr/>

**(b) Factors affecting tax charge in the year**

The tax assessed for the year differs from that resulting from applying the standard rate of corporation tax in the UK of 21% (2014: 23%). The differences are as follows:

	2015 £'000	2014 £'000
Profit on ordinary activities before tax	3,858	7,943
	<hr/> <hr/>	<hr/> <hr/>
Tax at 21% (2014: 23%) thereon:	810	1,826
Expenses not deductible for tax purposes	455	-
Relief in respect of employee share options	-	(2)
Non-taxable income from shares in group undertakings	(1,258)	(1,820)
Other timing differences	-	1
Adjustments to tax charge in respect of prior periods	173	180
	<hr/>	<hr/>
<b>Current tax charge for the year (Note 6(a))</b>	<b>180</b>	<b>185</b>
	<hr/> <hr/>	<hr/> <hr/>

From 1 April 2015 the main rate of corporation tax reduced to 20%. There are no further announced changes to the main rate of corporation tax.

**7. Dividends**

	2015 £'000	2014 £'000
The dividends approved and paid in the year were:		
A Ordinary: £0.27 per share	3,003	7,456
B Ordinary: £0.28 per share	296	84
C Ordinary: £0.27 per share	540	160
	<hr/>	<hr/>
	3,839	7,700
	<hr/> <hr/>	<hr/> <hr/>

**Mitie Security Holdings Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2015**

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**8. Investments**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
At start of year	102,600	102,600
Disposals	(2,162)	-
	<hr/>	<hr/>
At end of year	<b>100,438</b>	<b>102,600</b>
	<hr/> <hr/>	<hr/> <hr/>

On 30 November 2014 the Company disposed of its investments in Mitie Security (Scotland) Limited, Mitie Security (South West) Limited and The Watch Security Limited. No consideration was received on disposal. The loss of £2,162,000 is disclosed within administrative expenses.

The investments balance at 31 March 2015 represented interests in the following companies:

<b>Name of undertaking</b>	<b>Principal Activity</b>	<b>Class of shares held</b>	<b>% of shares held</b>	<b>% of voting rights held</b>	<b>Country of incorporation</b>
Mitie Aviation Security Limited (Subsidiary of Mitie Security Limited)	Security	Ordinary	99.99%	100%	England and Wales
Mitie Security (London) Limited	Security	Ordinary	100%	100%	England and Wales
Mitie Security (North) Limited	Dormant	Ordinary	100%	100%	England and Wales
Mitie Security (Southern) Limited	Dormant	Ordinary	100%	100%	England and Wales
Mitie Security (2006) Limited	Dormant	Ordinary	100%	100%	England and Wales
Mitie Security Limited	Security	Ordinary	100%	100%	England and Wales
Mitie Security Services Limited	Dormant	Ordinary	100%	100%	England and Wales
Mitie Security Systems Limited	Dormant	Ordinary	50%	50%	England and Wales

The Company has taken advantage of Section 400 of the Companies Act 2006 and therefore no consolidated financial statements have been prepared.

**Mitie Security Holdings Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2015**

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**9. Debtors**

	2015 £'000	2014 £'000
<i>Amounts falling due within one year:</i>		
Amounts owed by Group undertakings	16,818	15,059
Prepayments and accrued income	-	8
	<u>16,818</u>	<u>15,066</u>

**10. Creditors: amounts falling due within one year**

	2015 £'000	2014 £'000
Corporation tax	180	410
	<u>180</u>	<u>410</u>

**11. Called up share capital**

	2015 £'000	2014 £'000
Allotted and called up share capital		
11,121,496 £1 A Ordinary	11,121	11,121
1,050,000 £0.01 B Ordinary	11	11
2,000,000 £0.01 C Ordinary	20	20
	<u>11,152</u>	<u>11,152</u>

**12. Reserves**

	Share premium account £'000	Profit and loss account £'000
At start of year	106,498	226
Profit for the financial year	-	3,678
Dividends paid	-	(3,839)
At end of year	<u>106,498</u>	<u>65</u>

**Mitie Security Holdings Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2015**

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**13. Reconciliation of movement in shareholders' funds**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Profit for the financial year	3,678	7,758
Dividends paid on equity shares	(3,839)	(7,700)
	<hr/>	<hr/>
Net addition to shareholders' (deficit)/funds	(161)	58
Opening shareholders' funds	117,876	117,818
	<hr/>	<hr/>
Closing shareholders' funds	<u>117,715</u>	<u>117,876</u>

**14. Financial commitments**

***Commitments on behalf of group undertakings***

The Company is party with other group undertakings to cross-guarantees of each other's bank overdrafts and loans.

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Overall commitment	-	260,606
	<hr/>	<hr/>

At 31 March 2015 the company is no longer a guarantor under the group's banking guarantee arrangements.

**15. 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.

**16. Ultimate parent undertaking and controlling party**

Mitie Group Plc is the immediate controlling party and the directors regard Mitie Group Plc, a company registered in Scotland, as the ultimate parent company and controlling party.

Mitie Group Plc is the largest and smallest group for which group accounts are prepared. Copies of the group financial statements can be obtained from the Company Secretary at the registered office.