

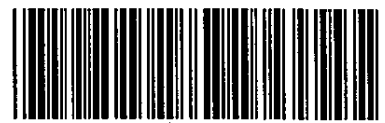
Company Registration Number 05909105

MITIE SECURITY HOLDINGS LIMITED

Report and Financial Statements

31 March 2010

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MITIE SECURITY HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 2010

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MITIE SECURITY HOLDINGS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

S C Baxter
N R Goodman
R McGregor-Smith
J P Flanagan
J S Tomlin
S J Burn
E I Dobbie
R D Forsyth
L R Ward

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

AUDITORS

Deloitte LLP
Bristol

MITIE SECURITY HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their report and audited financial statements for the financial year ended 31 March 2010

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 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 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 ACTIVITY 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 security based companies within the Group. The directors are not aware that this will change in the future.

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

The directors do not recommend a final dividend for the year ended 31 March 2010 (2009 £nil). An interim dividend of £4,227,000 was paid during the year (2009 £4,066,000).

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.

Group risks are discussed in the Group's annual report which does not form part of this report.

MITIE SECURITY HOLDINGS LIMITED

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.

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.

EMPLOYEES

The company offers equal opportunities to all applicants for employment whatever their sex, race or religion. Disabled persons are considered for employment, training, career development and promotion on the basis of their aptitudes and abilities in common with all employees, providing the disability does not make the particular employment impractical or the employee unable to conform to the stringent regulations which apply to the operations of the company.

The company recognises the importance of good communications and employee relationships. In each company there is a relationship between the Chief Executive of MITIE Group PLC and individual employees in the company. In these conditions, complex consultative procedures are seldom required to ensure that there is an understanding of the purpose of the business and the commercial realities of success. Employees are encouraged to become shareholders through the Savings Related Share Option Scheme.

GOING CONCERN

The company was profitable in the year. The directors have considered forecast profit and associated cash flows against facilities available to the entity and believe that the going concern basis of preparation for the financial statements continues to be appropriate.

DIRECTORS

The directors during the year and subsequently were as follows

S C Baxter
S J Burn
E I Dobbie
J P Flanagan
N R Goodman
R McGregor-Smith
B Smead (Resigned 22 March 2010)
J S Tomlin
L R Ward

MITIE SECURITY HOLDINGS LIMITED

DIRECTORS' REPORT (continued)

AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (2) 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 auditors are 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 have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board



S C Baxter
Director

9 July 2010

**INDEPENDENT AUDITORS' 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 2010 which comprise the 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 auditors' 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 auditors

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 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 (APB'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.

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 2010 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 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 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.

Nigel Thomas.

Nigel Thomas (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Bristol, United Kingdom

9 July 2010

MITIE SECURITY HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT
Year ended 31 March 2010

	Note	2010 £'000	2009 £'000
Income from shares in group undertakings		4,227	4,066
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		<u>4,227</u>	<u>4 066</u>
Interest receivable and similar income		-	1
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	4,227	4,067
Tax on profit on ordinary activities	3	-	(1)
PROFIT AFTER TAX AND PROFIT FOR THE FINANCIAL YEAR	9	<u>4,227</u>	<u>4,066</u>

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

MITIE SECURITY HOLDINGS LIMITED

BALANCE SHEET
At 31 March 2010

	Note	2010		2009	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Investments	5		102,600		102 600
CURRENT ASSETS					
Debtors	6	15,058		15 057	
		<u>15 058</u>		<u>15,057</u>	
CREDITORS, AMOUNTS FALLING DUE WITHIN ONE YEAR	7	(4)		(3)	
NET CURRENT ASSETS			15,054		15,054
NET ASSETS			<u>117,654</u>		<u>117,654</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		4		4
TOTAL SHAREHOLDERS' FUNDS	10		<u>117 654</u>		<u>117,654</u>

The financial statements of MITIE Security Holdings Limited, company registration number 05909105, were approved by the Board on 9 July 2010



S C Baxter
Director

MITIE SECURITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

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 financial statements are prepared under the historical cost convention

Going concern

The financial statements have been prepared under the going concern basis as discussed on page 3

Group accounts

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

Investments

Investments are stated at cost less any provision for impairment

Tax

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. 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

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

Auditors' remuneration is met by MITIE Security Limited. It is impractical to apportion the fee attributable to MITIE Security Holdings Limited

MITIE SECURITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2010

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2010	2009
	£'000	£'000
(a) Analysis of charge in year		
United Kingdom corporation tax at 28% (2009 28%)	-	1
Total current tax charge for the year (note 4(b))	<u>-</u>	<u>1</u>

(b) Factors affecting tax charge in year

The tax assessed for the period differs from that resulting from applying the standard rate of corporation tax in the UK of 28% (2009 28%) The differences are as follows

	£'000	£'000
Profit on ordinary activities before tax	<u>4,227</u>	<u>4,067</u>
	£'000	£'000
Tax at 28% (2009 28%) thereon	1,184	1,139
Non-taxable income from shares in group undertakings	<u>(1,184)</u>	<u>(1,138)</u>
Current tax charge for the year (note 4(a))	<u>-</u>	<u>1</u>

(c) Factors affecting future tax charges

The company is not aware of any factors that will materially affect the future tax charge apart from the proposed, phased reduction in corporation tax rates to 24% by 2015 which has not yet been enacted

4. DIVIDENDS

	2010	2009
	£'000	£'000
The dividends approved and paid in the year are as follows		
£0.38 (2009 £0.37) per A` ordinary share	<u>4,277</u>	<u>4,066</u>

MITIE SECURITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2010

5. FIXED ASSET INVESTMENTS

	Shares in group undertakings £'000
Cost and net book value	
At 1 April 2009 and 31 March 2010	102,600

At 31 March 2010, the company owned the equity share capital of the following subsidiary undertakings

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

The subsidiary companies set out above are all incorporated in 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

The financial statements therefore present information about the company alone. Consolidated group accounts have been prepared by the ultimate parent company, MITIE Group PLC

MITIE SECURITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2010

6. DEBTORS		2010	2009	
		£'000	£'000	
Amounts owed by group undertakings		15,057	15,057	
Corporation tax recoverable		1	-	
		<u>15,058</u>	<u>15,057</u>	
7. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR		2010	2009	
		£'000	£'000	
Bank overdraft		4	2	
Corporation tax payable		-	1	
		<u>4</u>	<u>3</u>	
8. CALLED UP SHARE CAPITAL		2010	2009	
		£'000	£'000	
Allotted, called up and fully paid				
11,121,496 £1 'A' ordinary shares		11,121	11,121	
1,050,000 1p 'B' ordinary shares		11	11	
2,000,000 1p 'C' ordinary shares		20	20	
		<u>11,152</u>	<u>11,152</u>	
9. RESERVES				
	Share capital	Share premium	Profit and loss account	Total
	£000	£000	£000	£000
At 1 April 2009	11,152	106,498	4	117,654
Profit for the financial year	-	-	4,227	4,227
Dividends (note 5)	-	-	(4,227)	(4,227)
	<u>11,152</u>	<u>106,498</u>	<u>4</u>	<u>117,654</u>
At 31 March 2010	<u>11,152</u>	<u>106,498</u>	<u>4</u>	<u>117,654</u>

MITIE SECURITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

10	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2010 £000	2009 £000
	Profit for the financial year	4,227	4 066
	Dividends (note 5)	(4,227)	(4,066)
	Net addition to shareholders' funds	-	-
	Opening shareholders' funds	117,654	117,654
	Closing shareholders' funds	117,654	117,654

11. FINANCIAL COMMITMENTS

Commitments on behalf of the group undertakings

The company is party with other group undertakings to cross-guarantees of each other's bank overdrafts and loans. As at 31 March 2010, the overall commitment was £109 million (2009: £10 million).

12. DIRECTORS

S C Baxter, N R Goodman and R McGregor-Smith are also directors at MITIE Group PLC. All disclosures relating to their emoluments, pension details and share options are disclosed in the group accounts. It is not practicable to allocate their remuneration between their services as directors of MITIE Security Holdings Limited and their services as directors of other group companies.

No directors exercised options in the shares of the ultimate holding company, MITIE Group PLC, during the period (2009: no directors) excluding those directors who are also directors of MITIE Group PLC in respect of whom disclosures are made in the group accounts.

No directors were paid by MITIE Security Holdings Limited during either period. J P Flanagan and J S Tomlin are directors of MITIE Security Limited, a fellow group company, which pays their directors' emoluments (including pension contributions).

13. EMPLOYEES

The company had no employees during the year (2009: nil).

MITIE SECURITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

14. RELATED PARTY TRANSACTIONS

There were no transactions which require disclosure under FRS 8

Dividends paid to directors amounted to £nil (2009 £nil), no amounts were owing at the year end

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The directors regard MITIE Group PLC, a company registered in Scotland, as the company's ultimate parent undertaking and controlling party. The immediate controlling party is MITIE Facilities Services Limited. MITIE Facilities Services Limited is the smallest group and MITIE Group PLC the largest group for which group accounts are prepared. Copies of these financial statements can be obtained from the company secretary at the registered office.