

Company Registration Number 1158387

EPS GROUP LIMITED

Report and Financial Statements

Year ended 31 March 2011

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EPS GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS 2011

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EPS GROUP LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P Griffin
P D Reader
S Reeve
L B Ginger
M Cox
M P Sturmer
P D Kelly
J Ridley
W Robson

SECRETARY

MITIE Company Secretarial Services Limited

REGISTERED OFFICE

8 Monarch Court
The Brooms
Emersons Green
Bristol
BS16 7FH

BANKERS

Bank of Scotland
Canons House
Canons Way
Bristol
BS99 7LB

AUDITOR

Deloitte LLP
Bristol

EPS GROUP LIMITED

DIRECTORS' REPORT

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgements and accounting estimates that are reasonable and prudent,
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company provides a wide range of property maintenance and refurbishment activities, including reactive and planned maintenance of building fabric and building services, installation of kitchens, bathrooms and central heating systems in social housing properties, complete internal and external refurbishment packages, and void property management.

The company performed well in the year, producing a profit before tax of £3,110,000 (2010: £1,538,000). In 2010, one off fair value provisions totalling £2,440,000 and share based payment charges totalling £430,000 (2011: £8,000) were charged to the Profit and Loss account.

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

DIVIDENDS

Dividends for each share class were declared as follows:

Ordinary shares: No Dividend

PRINCIPAL RISKS AND UNCERTAINTIES

Loss of key customers is a key risk to the business. The company manages this risk by developing and maintaining strong relationships with these customers.

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.

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.

GOING CONCERN

The company was profitable in the year. The directors have considered the forecasts and budgeted profit and associated cash flows for the coming five years. The directors have considered the facilities available to the entity and believe that they can operate within the facilities available for the period of the cash flow forecast. Accordingly, the directors consider it appropriate to adopt the going concern basis in the preparation of the company's financial statements.

PAYMENT POLICY

The company's policy is to comply with the terms of payment agreed with a supplier. Where terms are not negotiated, the company endeavours to adhere with the supplier's standard terms. As at 31 March 2011, trade creditors as a proportion of amounts invoiced from suppliers for the financial year represented 60 days (2010: 60 days).

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 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.

DIRECTORS' REPORT CONTINUED

DIRECTORS

The directors during the year and subsequently were as follows

P Griffin
P D Reader
S Reeve
L B Ginger
M Cox
M P Sturmer
P D Kelly
J Ridley
W Robson
G S Jefferys (Resigned 30 March 2011)
S J Jones (Resigned 30 March 2011)
J J Haythorpe (Resigned 30 March 2011)
B J Hickey (Resigned 30 March 2011)

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that
So far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP 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 auditor in the absence of an Annual General Meeting

Approved by the Board and signed on its behalf by



W Robson
Director

7 July 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EPS GROUP LIMITED

We have audited the financial statements of EPS Group Limited for the year ended 31 March 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 17. 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. 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 2011 and of its profit for the year ended then,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records 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 Auditor
Bristol, United Kingdom

11 July 2011

EPS GROUP LIMITED
PROFIT AND LOSS ACCOUNT
Year ended 31 March 2011

	Note	2011 £'000	2010 £'000
TURNOVER	1	75,541	77,869
Cost of sales		<u>(58,378)</u>	<u>(60,859)</u>
GROSS PROFIT		17,163	17,010
Administration expense		<u>(14,084)</u>	<u>(15,680)</u>
OPERATING PROFIT	2	3,079	1,330
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		<u>3,079</u>	<u>1,330</u>
Interest receivable and similar income	3	31	208
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>3,110</u>	<u>1,538</u>
Tax charge on profit on ordinary activities	4	<u>(885)</u>	<u>(433)</u>
PROFIT FOR THE FINANCIAL YEAR	10	<u>2,225</u>	<u>1,105</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

EPS GROUP LIMITED
BALANCE SHEET
As at 31 March 2011

		2011		2010	
	Note	£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	5		140		316
			140		316
CURRENT ASSETS					
Stocks	6	391		2,342	
Debtors					
- due within one year	7	16,137		15,064	
Cash at bank and in hand		16,000		11,003	
		32,528		28,409	
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	8	(19,896)		(18,186)	
NET CURRENT ASSETS			12,632		10,223
TOTAL ASSETS LESS CURRENT LIABILITIES			12,772		10,539
NET ASSETS			12,772		10,539
SHARE CAPITAL AND RESERVES					
Called up share capital	9		150		150
Profit and loss account	10		12,622		10,389
SHAREHOLDERS' FUNDS	11		12,772		10,539

The financial statements of EPS Group Limited, company registered number 1158387, were approved by the board and authorised for issue on 7 July 2011


W Robson
Director

EPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and the prior financial year, are described below.

Accounting convention

The accounts are prepared under the historical cost convention.

Going concern

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

Turnover

Turnover represents the total, excluding sales taxes, receivable in respect of goods and services supplied. All turnover arises within the United Kingdom from the company's principal activity. Revenue is recognised as services are delivered.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold property improvements Over the remaining term of the lease

Fixtures, fittings and equipment Over 3 years

Operating leases

Rentals paid under operating leases are charged against income on a straight-line basis over the lease term.

Stocks

Stocks and work in progress are valued at the lower of cost or net realisable value. In the year to March 2010, the cost of works undertaken but not yet valued were classified as work in progress and valued at cost plus attributable overhead. From 1 April 2010, the value of these works were assessed and taken to turnover, with the corresponding debt classified as amounts recoverable on contracts. As this does not have a fundamental impact on the results of the prior year, comparatives have not been restated.

Long-term contracts

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts receivable as progress payments on account. Excess progress payments are included in creditors as payments on account. Cumulative costs incurred net of amounts transferred to cost of sales less provision for contingencies and anticipated future losses on contracts, are included as long-term contract balances in stock.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of the total contract value which costs incurred to date bear to total expected costs for that contract.

EPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011

ACCOUNTING POLICIES CONTINUED

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Share-based payment

The company participates in a number of MITIE Group PLC executive and employee share option schemes. For all grants of share options, the fair value as at the date of grant is calculated using the Black-Scholes model and the corresponding expense is recognised on a straight-line basis over the vesting period based on the company's estimate of shares that will actually vest.

Cashflow statement

The company has taken the exemption from the requirement to prepare a cashflow statement, as it is included within the consolidated financial statements of MITIE Group PLC and greater than 90% of the voting rights of the company are held by MITIE Group PLC.

Operating Income

Operating income represents management charges receivable from other group companies. Operating income from the supply of management services represents the value of services provided to the extent that there is a right to consideration and is recorded at the value of the consideration due.

2 OPERATING PROFIT

	2011 £'000	2010 £'000
Operating profit is stated after charging		
Loss on disposal of fixed assets	89	-
Depreciation of tangible fixed assets		
owned	144	135
Operating lease rentals		
plant and machinery	6	2
other	1,725	1,498
Fees payable to the company's auditor for the audit of the company's annual accounts	46	68

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.

EPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011

3 INTEREST

	2011 £'000	2010 £'000
Interest receivable and similar income		
Bank interest	31	208
	<u>31</u>	<u>208</u>

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2011 £'000	2010 £'000
(a) Analysis of charge in the year		
United Kingdom corporation tax at 28% (2010 28%)	636	895
Adjustment in respect of prior years	(187)	-
Total current tax (note 4(b))	<u>449</u>	<u>895</u>
Deferred taxation		
Timing differences - origination and reversal	102	(462)
Adjustment in respect of prior years	334	-
Tax on profit on ordinary activities	<u>885</u>	<u>433</u>

(b) Factors affecting tax charge in the year

The tax assessed for the period differs from that resulting from applying the standard rate of corporation tax in the UK of 28% (2010 28%). The differences are as follows

	£'000	£'000
Profit on ordinary activities before tax	<u>3 110</u>	<u>1,538</u>
	£'000	£'000
Tax at 28% (2010 28%) thereon	871	431
Expenses not deductible for tax	31	347
Differences between capital allowances and depreciation	24	(7)
Relief in respect of employee share	-	(223)
Other timing differences	(290)	347
Adjustments to tax charge in respect of prior periods	(187)	-
Current tax charge for the year (note 4(a))	<u>449</u>	<u>895</u>

The forthcoming changes in the corporation tax rate from 28% to 23% in future years will not materially affect the future tax charge

The deferred tax balance comprises the following

	£'000	£'000
Depreciation in excess of capital allowances	114	300
Share-based payment timing difference	-	282
Other timing differences	39	-
	<u>153</u>	<u>582</u>
	£'000	£'000

Amount charged/(credited) to the profit and loss account in the year in relation to deferred tax

	<u>436</u>	<u>(462)</u>
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EPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011

5 TANGIBLE FIXED ASSETS

	Leasehold property improvements £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost or valuation			
At 1 April 2010	226	554	780
Additions	-	106	106
Disposals	(167)	(12)	(179)
Transfers in from group companies	-	29	29
Transfers out to group companies	-	(185)	(185)
At 31 March 2011	59	492	551
Depreciation			
At 1 April 2010	71	393	464
Charge for the year	58	86	144
Disposals	(81)	(8)	(89)
Transfers in from group companies	-	12	12
Transfers out to group companies	-	(120)	(120)
At 31 March 2011	48	363	411
Net book value			
At 31 March 2011	11	129	140
At 31 March 2010	155	161	316

6 STOCKS

Amounts disclosed as work in progress in 2010 are classified as amounts recoverable on contracts in 2011

Please see the accounting policies note for further detail

	2011 £'000	2010 £'000
Raw materials	391	125
Work in progress	-	2,217
	391	2,342

EPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011

7 DEBTORS

	2011 £'000	2010 £'000
Amounts falling due within one year		
Trade debtors	9,464	11,794
Amounts recoverable on contracts	4,355	352
Amounts owed by Group undertakings	2,007	1,994
Other debtors	42	194
Prepayments and accrued income	116	148
Deferred tax asset	153	582
	<u>16,137</u>	<u>15,064</u>

Amounts disclosed as work in progress in 2010 are disclosed as amounts recoverable on contracts in 2011. Please refer to the accounting policies note for further detail.

8 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £'000	2010 £'000
Bank loans and overdrafts	253	-
Trade creditors	11,827	12,059
Amounts owed to Group undertakings	4,348	1,092
Corporation tax	136	674
Other taxation and social security	1,944	1,754
Other creditors	788	1,925
Accruals and deferred income	600	682
	<u>19,896</u>	<u>18,186</u>

9 CALLED UP SHARE CAPITAL

	2011 £'000	2010 £'000
Allotted, called up and fully paid share capital		
150,000 £1 Ordinary shares	150	150
	<u>150</u>	<u>150</u>

10 RESERVES

	Profit and loss account £'000
At 1 April 2010	10,389
Profit for the financial year	2,225
Capital contribution relating to share-based payments	8
At 31 March 2011	<u>12,622</u>

EPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011

11 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £'000	2010 £'000
Profit for the financial year	2,225	1,105
Capital contribution relating to share-based payments	8	431
Net addition to shareholders' funds	2 233	1,536
Opening shareholders' funds	10,539	9,003
Closing shareholders' funds	12 772	10,539

12 FINANCIAL COMMITMENTS

The company has annual lease commitments under non-cancellable operating leases as detailed below

	2011		2010	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Expiry date				
- in less than one year	113	331	52	116
- between two and five years	202	444	105	837
	315	775	157	953

Capital commitments

Capital commitments are as follows

	2011 £'000	2010 £'000
Contracted but not provided for		
- capital expenditure	31	-
	31	-

Performance bonds

The company has outstanding performance bonds as follows

	2011 £'000	2010 £'000
Performance bonds	1,786	1,786

Commitments on behalf of group undertakings

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

	2011 £'000	2010 £'000
Overall commitment	195 300	109,000

EPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011

13 DIRECTORS

The emoluments of the directors of the company were

- Aggregate emoluments
- Aggregate value of contributions paid to a money purchase pension scheme

2011 £'000	2010 £'000
842	772
50	38
<u>892</u>	<u>810</u>

Highest paid director

- Aggregate emoluments
- Aggregate value of contributions paid to a money purchase pension scheme

£'000	£'000
158	99
14	9
<u>172</u>	<u>108</u>

No No

The number of directors who were members of a money purchase pension scheme

<u>9</u>	<u>9</u>
----------	----------

No No

The number of directors who exercised share options in the year

<u>-</u>	<u>7</u>
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The highest paid director did not exercise share options in the year

The following directors are remunerated by the company shown. It is not practicable to allocate their remuneration between their services as directors of this company and as employees of other group companies. Where the directors remuneration is shown in other financial statements, their share options have been disclosed in the same financial statements

Director

J Ridley
W Robson
P Reader
S Jones
J Haythorpe

Remunerated by

MPM Limited
MITIE Group PLC
MPM Limited
MITIE Engineering Services SE Limited
MITIE Engineering Services SE Limited

EPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011

14 EMPLOYEES

Average employee numbers

The average number of persons (including directors) employed by the company during the financial year was

	2011 No	2010 No
Operations	286	290
Administration	314	237
	<u>600</u>	<u>527</u>

Employment cost

	£'000	£'000
Wages and salaries	17,749	15,214
Social security costs	1,830	1,572
Other pension costs	303	233
Share-based payments	8	431
	<u>19,890</u>	<u>17,450</u>

15 SHARE-BASED PAYMENTS

The company participates in the following MITIE Group PLC share option schemes

The MITIE Group PLC 2001 Executive share option scheme

The Executive share option scheme exercise price is equal to the average market value of the shares over the five-day period immediately preceding the date of grant. The vesting period is three years. If the options remain unexercised after a period of ten years from the date of grant the options expire. Options may be forfeited if the employee leaves the Group. Before options can be exercised, the performance condition that must be satisfied is that the percentage growth in the earnings per share over a three-year period must be equal or greater than 10.0% per annum compound in respect of awards prior to July 2007 and 4.0% above the Retail Price Index per annum thereafter.

The MITIE Group PLC 2001 Savings Related share option scheme

The Savings Related share option scheme is open to all employees. The exercise price is not less than 80.0% of the market value of the shares on the day preceding the date on which invitations to participate in the Scheme are issued. For options granted prior to September 2008, the vesting period is five years. For options granted in September 2008 and thereafter, the vesting period is three years. If the options remain unexercised after a period of six months from the date of vesting, the options expire. Options may be forfeited if the employee leaves the Group.

EPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011

SHARE BASED PAYMENT CONTINUED

The MITIE Group PLC Long Term Incentive Plan (LTIP)

The LTIP was introduced in July 2007 following shareholder approval at the AGM. The awards of shares or rights to acquire shares (the awards) are offered to a small number of key senior management. Where offered as options the exercise price is nil. The vesting period is three years. If the awards remain unexercised after a period of four years from the date of grant, the awards expire. The awards may be forfeited if the employee leaves the Group. Before the awards can be exercised, a performance condition must be satisfied, the number of awards that vest is determined by a sliding scale of between 5.0% and 14.0% above the Retail Price Index per annum compound growth in earnings per share over a three-year period.

Details of the share options outstanding during the year are as follows:

	2011		2010	
	Number of share options	Weighted average exercise price (in p)	Number of share options	Weighted average exercise price (in p)
Outstanding at beginning of the year	-	-	209,832	128
Granted during the year	116,732	190	45,000	295
Forfeited during the year	(1,894)	190	(22,350)	1
Exercised during the year	-	-	(232,482)	173
Outstanding at end of the year	114,838	190	-	-
Exercisable at end of the year	-	-	-	-

EPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011

SHARE BASED PAYMENT CONTINUED

The company recognised the following expense related to share-based payments

	2011 £'000	2010 £'000
Employee share options	-	431
2001 Savings Related share options	9	-
	<u>9</u>	<u>431</u>
	2011	2010

The weighted average share price at the date of exercise for share options exercised during the year was (p)

The options outstanding at the year-end had a weighted average price of (p)

The options outstanding at the year-end had a weighted average remaining contractual life of (years)

-	701
190	n/a
<u>3</u>	<u>n/a</u>

The company granted options in the period as detailed below

Share scheme

Savings related scheme

Fair value £'000
<u>38</u>

The fair value of options is measured by use of the Black-Scholes model. The inputs into the Black-Scholes model are as follows

	2011	2010
Share price (p)	191-230	-
Exercise price (p)	0-254	-
Expected volatility (%)	28-36	-
Expected life (years)	3-6	-
Risk-free rate (%)	1.49-5.25	-
Expected dividends (%)	2.22-3.93	-

16 RELATED PARTY TRANSACTIONS

The company has taken the exemption available under FRS8 not to disclose transactions with other wholly owned subsidiaries of MITIE Group PLC

17 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Environmental Property Services (Holdings) Limited 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.