

Company Registration Number: 01158387

EPS GROUP LIMITED

Report and Financial Statements

For the year ended 31 March 2014

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COMPANIES HOUSE

EPS Group Limited

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Officers and professional advisors

DIRECTORS

William Robson
Justin Ridley
Peter Griffin
Simon Reeve
Suzanne Claire Baxter
Ruby McGregor-Smith

SECRETARY

Mitie Company Secretarial Services Limited

REGISTERED OFFICE

1 Harlequin Office Park
Fieldfare
Emersons Green
Bristol
BS16 7FN

AUDITOR

Deloitte LLP
London

Strategic report

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

Review of the business

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

On 31 March 2013, the trade, assets and liabilities of the company were transferred to Mitie Property Services (UK) Limited, a fellow subsidiary of Mitie Group PLC.

Key performance indicators

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

Principal risks and uncertainties

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

Financial risk management

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

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 company to remain dormant in the forthcoming year.

Approved by the Board and signed on its behalf by:



William Robson
Director/Secretary
30 June 2014

The directors present the annual report and financial statements of EPS Group Limited ("the Company") for the year ended 31 March 2014.

Dividends

No dividend was declared or paid in the year (2013: no dividend).

Going Concern

As explained above, the Company transferred its trade, assets and liabilities to a fellow subsidiary company in the prior year and has now ceased trading. As required by FRS18 - Accounting Policies, the directors have prepared the financial statements on the basis that the Company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All assets and liabilities were transferred to the fellow subsidiary company at book value.

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.

The directors who served throughout the year are shown on page 1. There have been no changes since the year end date.

Financial risk management and future developments have been included in the Strategic Report.

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 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 Directors' report which complies with the relevant requirements of the Companies Act 2006.

Approved by the Board and signed on its behalf by:

William Robson
Director
30 June 2014



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 2014 which comprise the Profit and Loss Account, the Balance Sheet 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).

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 2014 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Opinion on other matters 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 EPS Group 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 FCA
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
30 June 2014

Profit and loss account**For the year ended 31 March 2014**

	Note	2014 £'000	2013 £'000
Turnover	1	-	45,948
Cost of sales		-	(34,106)
		<hr/>	<hr/>
Gross profit		-	11,842
Other operating income		-	-
Administration expense		-	(9,896)
		<hr/>	<hr/>
Operating profit	2	-	1,946
Income from shares in group undertakings		-	-
		<hr/>	<hr/>
Profit on ordinary activities before interest and taxation		-	1,946
Interest receivable and similar income	5	-	127
Interest payable and similar charges	5	-	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		-	2,073
Tax credit/(charge) on profit on ordinary activities	6	-	(478)
		<hr/>	<hr/>
Profit for the financial year		-	1,595
		<hr/> <hr/>	<hr/> <hr/>

The results for the period are wholly attributable to the discontinued operations of the Company. No other factors affect the profit reserve in the year.

Balance sheet**As at 31 March 2014**

	Note	2014 £'000	2013 £'000
Fixed assets			
Investments		-	-
Goodwill		-	-
Intangible assets		-	-
Tangible assets		-	-
		<hr/>	<hr/>
		-	-
Current assets			
Stocks		-	-
Debtors	7	-	-
- due within one year		16,111	18,326
- due after one year		-	-
Cash at bank and in hand		-	-
		<hr/>	<hr/>
		16,111	18,326
Creditors: amounts falling due within one year	8	(1,576)	(3,791)
		<hr/>	<hr/>
Net current assets		14,535	14,535
		<hr/>	<hr/>
Total assets less current liabilities		14,535	14,535
Creditors: amounts falling due after more than one year		-	-
Provisions for liabilities		-	-
		<hr/>	<hr/>
Net assets excluding pension asset		14,535	14,535
Pension asset		-	-
		<hr/>	<hr/>
Net assets		14,535	14,535
		<hr/>	<hr/>
Share capital and reserves			
Called up share capital	10	150	150
Share premium account		-	-
Hedging and translation reserve		-	-
Revaluation reserve		-	-
Profit and loss account	9	14,385	14,385
Other reserves		-	-
		<hr/>	<hr/>
Shareholders' funds		14,535	14,535
		<hr/>	<hr/>

The financial statements of EPS Group Limited were approved by the board of directors and authorised for issue on 30 June 2014.

Signed on its behalf by:
William Robson
Director



Notes to the financial statements**Year ended 31 March 2014****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 basis other than the going concern basis.

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

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.

Turnover from a contract to provide services is recognised by reference to the state of completion of the contract at the balance sheet date. Turnover from time and materials contracts is recognised at the contractual rates as labour hours and tasks are delivered and direct expenses incurred. In other cases, where services provided reflect a contractual arrangement to deliver an indeterminate number of acts over the contract term, turnover is recognised on a straight-line basis unless this is not an accurate reflection of the work performed. In such instances, for example if specific works on contracts represent a significant element of the whole, turnover is recognised based on the percentage of completion method, based on the proportion of costs incurred at the balance sheet date relative to the total estimated cost of completing the contracted work.

Operating leases

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

Pension costs

The Company participates in the Mitie Group plc Pension Schemes. One is a defined benefit multi-employer scheme, the assets and liabilities of which are held independently from the group. For the purposes of FRS 17 ('Retirement Benefits'), the Company has been unable to identify its share of the underlying assets and liabilities in the main group scheme on a consistent and reasonable basis. Therefore the Company is accounting for contributions to the scheme as if it were a defined contribution scheme.

For defined contribution schemes the amount charged to the profit and loss account is the contributions payable in the year.

Where the Company can separately identify its share of the underlying assets and liabilities of any defined benefit schemes to which it contributes, the Company accounts for these schemes as required by FRS 17 with the cost of providing benefits determined using the Projected Unit Credit Method, based on actuarial valuations carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the period in which they occur. They are recognised outside the profit and loss account and presented in the statement of total recognised gains and losses. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the plan. Where the scheme is fully funded no asset or liability is recognised in the balance sheet.

Notes to the financial statements

Year ended 31 March 2014

1. 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 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.

Share-based payments

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 appropriate valuation 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. Further details of the Group's share option schemes are contained in the Mitie Group plc annual report.

Notes to the financial statements**Year ended 31 March 2014****1. Accounting policies (continued)*****Tangible fixed assets and depreciation***

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged so as to write off the cost of the assets over their estimated useful lives and is calculated on a straight-line basis as follows:

Leasehold improvements	-	period of the lease
Plant, office equipment and motor vehicles	-	3-5 years

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.

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.

Notes to the financial statements

Year ended 31 March 2014

2. Operating profit

	2014 £'000	2013 £'000
Operating Profit is stated after charging/(crediting)		
Depreciation of tangible fixed assets:		
owned	-	60
held under finance leases and hire purchase contracts	-	-
Impairment of tangible fixed assets:		
owned	-	-
Amortisation of goodwill	-	-
Research and development:		
- Current year expenditure	-	-
- Amortisation of deferred expenditure	-	-
Loss/(profit) on disposal of tangible fixed assets	-	8
Operating lease rentals:		
plant and machinery	-	518
other	-	393
Fees payable to the Company's auditor for the audit of the Company's annual accounts	-	29
	<u> </u>	<u> </u>

Audit fees of £5,000 (2013: £nil) were borne by Mitie Property Services (UK) 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.

Notes to the financial statements

Year ended 31 March 2014

3. Employees

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

	2014 No.	2013 No.
Operations	-	162
Administration	-	131
	<u>-</u>	<u>293</u>

Employment cost

	£'000	£'000
Wages and salaries	-	8,125
Social security costs	-	859
Terminations/redundancy costs	-	-
Other pension costs	-	84
Share-based payments	-	12
	<u>-</u>	<u>9,080</u>

Notes to the financial statements**Year ended 31 March 2014****4. Directors**

The highest paid director did not exercise share options in the year.

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
Justin Ridley	Mitie Property Management Limited
Peter Griffin	Mitie Property Services (UK) Limited
William Robson	Mitie Group PLC
Simon Reeve	Mitie Property Services (UK) Limited
Suzanne Claire Baxter	Mitie Group PLC
Ruby McGregor-Smith	Mitie Group PLC

Notes to the financial statements

Year ended 31 March 2014

6. Tax on profit on ordinary activities

	2014 £'000	2013 £'000
(a) Analysis of credit/(charge) in the year		
United Kingdom corporation tax 23% (2013: 24%)	-	512
Adjustment in respect of prior years	-	(43)
	<hr/>	<hr/>
Total current tax (Note 7(b))	-	469
Deferred taxation:		
Timing differences - origination and reversal	-	4
Decrease in tax rate	-	-
Adjustment in respect of prior years	-	5
	<hr/>	<hr/>
Tax on profit on ordinary activities	-	478
	<hr/>	<hr/>
(b) Factors affecting tax credit/(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 23% (2013: 24%). The differences are as follows:		
Profit on ordinary activities before tax	-	2,073
	<hr/>	<hr/>
Tax at 23% (2013: 24%) thereon:	-	498
Expenses not deductible for tax purposes	-	18
Differences between capital allowances and depreciation	-	(4)
Utilisation of tax losses	-	-
Rollover relief on profit on disposal of property	-	-
Higher tax rates on overseas earnings	-	-
Relief in respect of employee share options	-	(3)
Non-taxable income from shares in group undertakings	-	-
Other timing differences	-	3
Adjustments to tax charge in respect of prior periods	-	(43)
	<hr/>	<hr/>
Current tax credit/(charge) for the year (Note 6(a))	-	469
	<hr/>	<hr/>

Notes to the financial statements

Year ended 31 March 2014

6. Tax on profit on ordinary activities

The UK Government announced reductions in the UK corporation tax rate from 23% to 21% from 1 April 2014 and from 21% to 20% from 1 April 2015, which were substantively enacted on 2 July 2013. The reduction in the balance sheet carrying value of deferred tax assets and liabilities to reflect the rate of tax at which those differences are expected to reverse has not had a material impact on the current year tax charge.

The deferred tax balance comprises the following:

Depreciation in excess of capital allowances	-	-
Share-based payment timing difference	-	-
Other timing differences	-	-
	<u> </u>	<u> </u>
Total deferred tax asset	-	-
	<u> </u>	<u> </u>
Amount charged to the profit and loss account in the year in relation to deferred tax	-	9
	<u> </u>	<u> </u>

Notes to the financial statements

Year ended 31 March 2014

7. Debtors

	2014 £'000	2013 £'000
<i>Amounts falling due within one year:</i>		
Trade debtors	-	-
Amounts recoverable on contracts	-	-
Amounts owed by Group undertakings	16,111	18,326
VAT	-	-
Other debtors	-	-
Prepayments and accrued income	-	-
Corporation tax	-	-
Share capital called up not paid	-	-
Deferred tax asset	-	-
Unpaid share capital	-	-
	<u>16,111</u>	<u>18,326</u>

Notes to the financial statements

Year ended 31 March 2014

9.	Reserves				
	Share premium account	Hedging and translation reserve	Revaluation reserve	Profit and loss account	Other reserves
	£'000	£'000	£'000	£'000	£'000
At start of year and end of year	-	-	-	14,385	-

10. Called up share capital

	2014 £'000	2013 £'000
Allotted and called up share capital		
150,000 £1 Ordinary	150	150
- £1 A Ordinary	-	-
- £1 B Ordinary	-	-
- £1 C Ordinary	-	-
- £1 D Ordinary	-	-
- £1 E Ordinary	-	-
- £1 Redeemable preference shares	-	-
- £1 Class II shares	-	-
	<u>150</u>	<u>150</u>

Notes to the financial statements**Year ended 31 March 2014****12. Share-based payments**

The Company participates in the following Mitie Group plc share option schemes:

The Mitie Group Plc 2011 Executive share option scheme

The Executive Share Option Scheme exercise price is equal to the average market value of the shares on the business day preceding grant or, if the Remuneration Committee decided, the average market value of share over a number of preceding business days (not to exceed 20). 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, a performance condition must be satisfied; the performance condition is linked to the percentage growth in earnings per share over a three-year period.

The Mitie Group Plc 2001 Savings Related share option scheme

The SAYE 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.

The Mitie Group Plc 2011 SAYE Scheme

The SAYE scheme is open to all employees. The exercise price is not less than 80.0% of the market value of the shares determined using either: the share price preceding the date on which invitations to participate in the scheme are issued; or an average share price over five days preceding the invitation date. 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.

Notes to the financial statements

Year ended 31 March 2014

12. Share-based payments (continued)

The Mitie Group Plc Long Term Incentive Plan (LTIP)

The LTIP was introduced in 2007. 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 based on growth in earnings per share over a three-year period.

The Share Incentive Plan (SIP)

The SIP was introduced in 2011 and is a non-discretionary scheme open to all eligible UK resident employees. Under the scheme, eligible employees are invited to invest in Partnership Shares which are purchased in the market on their behalf and held in a UK employee benefit trust. One Matching Share is awarded for every ten Partnership Shares purchased and has a holding period of three years. Matching Shares are funded by way of market purchases.

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

	2014		2013	
	Number of share options	Weighted average exercise price (p)	Number of share options	Weighted average exercise price (p)
Outstanding at beginning of the year	-	-	73,302	190
Granted	-	-	19,196	247
Forfeited	-	-	(15,800)	199
Transferred from/(to) group companies	-	-	(63,800)	205
Exercised	-	-	(12,898)	190
	<hr/>	<hr/>	<hr/>	<hr/>
Outstanding at end of the year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Exercisable at end of year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the financial statements

Year ended 31 March 2014

12. Share-based payments (continued)

The Company recognised the following expense related to share-based payments:

	2014 £'000	2013 £'000
Executive share options	-	-
Savings related share options	-	12
LTIP	-	-
	<u>-</u>	<u>12</u>
	<u>-</u>	<u>12</u>
	2014	2013
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)	-	291
The options outstanding at the year-end had a weighted average remaining contractual life of: (years)	-	-
	<u>-</u>	<u>-</u>

The Company granted options under the following schemes in the year:

	Fair value £'000
LTIP	-
Savings related share options	-
Executive share options	-

Notes to the financial statements

Year ended 31 March 2014

12. Share-based payments (continued)

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

	2014	2013
Black-Scholes		
Share price (p)	219 - 274	198 - 274
Exercise price (p)	0 - 254	0 - 254
Expected volatility (%)	30 - 32	32 - 35
Expected life (years)	3 - 5	3 - 5
Risk-free rate (%)	0.55 - 1.48	0.55 - 2.42
Expected dividends (%)	3.5 - 4.1	3.3 - 4.1
Monte-Carlo		
Share price (p)	251	-
Exercise price (p)	32	-
Expected volatility (%)	24	-
Expected life (years)	3	-
Risk-free rate (%)	0.64	-
Expected dividends (%)	4.1	-

Expected volatility was based on historical volatility over the expected life of the schemes. The expected life is based upon historical data and has been adjusted based on management's best estimates for the effects of non-transferability, exercise restrictions and behavioural considerations.

13. Pension arrangements

The Company participates in the Mitie Group Plc Pension Scheme. This is a defined benefit multi-employer scheme, the assets and liabilities of which are held independently from the Group. For the purposes of Financial Reporting Standard 17 ('Retirement Benefits'), the Company has been unable to identify its share of the underlying assets and liabilities in the main Group scheme on a consistent and reasonable basis. Therefore the Company is accounting for contributions to the scheme as if it were a defined contribution scheme. Note 21 to the Report and Accounts of the Group sets out the details of the International Accounting Standard 19 'Employee Benefits' net pension deficit of £17.0 million (2013: deficit of £30 million).

Employer contributions to the scheme for the period are shown. The agreed contribution rate for employee and employer contributions for the next 12 months is 18.5% (2013: 18.5%).

Notes to the financial statements

Year ended 31 March 2014

14. Ultimate parent undertaking and controlling party

Environment 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.