

Company Registration Number: 1535256

COLE MOTORS LIMITED

Report and Financial Statements

Year ended 31 March 2012

MONDAY



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**COLE MOTORS LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

Year ended 31 March 2012

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COLE MOTORS LIMITED

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

I Irvine  
M A Freeman  
I M Skoulding

**SECRETARY**

MITIE Company Secretarial Services Ltd

**REGISTERED OFFICE**

8 Monarch Court  
The Brooms  
Emerson Green  
London  
BS16 7FH

**BANKERS**

HSBC Bank Plc  
62 George White Street  
Cabot Circus  
Bristol  
BS1 3BA

**AUDITOR**

Deloitte LLP  
London

## COLE MOTORS 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 the sale and servicing of motor vehicles. The only change to the company's principal activities in the year, was the transfer of the Fleet team out of Cole Motors Limited into MITIE Group PLC. This has affected Cole Motors cost base. The directors are not aware of any likely further major changes.

As shown in the company's profit and loss account, the company's operating profit has increased by 225% over the prior year. This is due to the fleet team being transferred to MITIE Group. The balance sheet shows the company's financial position at the year end has in net terms increased from the prior year.

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: £0.609 per share (2011: £0.680)

#### PRINCIPAL RISKS AND UNCERTAINTIES

The majority of the work that Cole Motors Ltd undertake will be for other businesses within MITIE Group. Group risks are discussed in the Group's annual report which does not form part of this report.

## **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 forecast and budgeted profit and associated cash flows for the foreseeable future, being the period of no less than 12 months after the date of signing of these financial statements. 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 2012, trade creditors as a proportion of amounts invoiced from suppliers for the financial year represented 16 days (2011: 10 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**

The directors during the year and subsequently were as follows:

S C Baxter (Resigned 19 September 2012)  
M A Freeman (Appointed 19 September 2012)  
I M Skoulding (Appointed 19 September 2012)  
I Irvine (Appointed 03 July 2012)  
R McGregor-Smith (Resigned 06 January 2012)

**DIRECTORS' REPORT (continued)**

**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 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

Approved by the Board and signed on its behalf by

Director

IAN IRVINE



27.09 2012

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLE MOTORS LIMITED**

We have audited the financial statements of Cole Motors Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Note of Historical Cost Profits and Losses and the related notes 1 to 18. 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 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 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

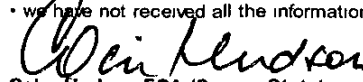
### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion 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.

  
Colin Hudson FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

*2 October 2012*

**PROFIT AND LOSS ACCOUNT**  
Year ended 31 March 2012

	Note	2012 £'000	2011 £'000
<b>TURNOVER</b>	1	3,049	3,018
Cost of sales		(2,468)	(2,329)
<b>GROSS PROFIT</b>		<u>581</u>	<u>689</u>
Other operating income		-	9
Administration expense		(123)	(557)
<b>OPERATING PROFIT</b>	2	<u>458</u>	<u>141</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION</b>		<u>458</u>	<u>141</u>
Interest receivable and similar income	3	9	1
Interest payable and similar charges	3	(2)	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>465</u>	<u>142</u>
Tax charge on profit on ordinary activities	5	(126)	(43)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	11	<u>339</u>	<u>99</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

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

Year ended 31 March 2012

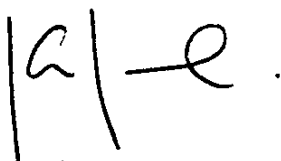
	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Profit on ordinary activities before taxation	465	142
Difference between a historical cost depreciation charge and revalued assets and the actual depreciation charge for the year calculated on the revalued amount	-	1
<b>Historical cost profit on ordinary activities before taxation</b>	<b>465</b>	<b>143</b>
<b>Historical cost profit for the year after taxation</b>	<b>339</b>	<b>100</b>

**BALANCE SHEET**  
As at 31 March 2012

		2012		2011	
	Note	£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	6		372		394
			<u>372</u>		<u>394</u>
<b>CURRENT ASSETS</b>					
Stocks	7	74		36	
Debtors					
- due within one year	8	167		226	
Cash at bank and in hand		<u>632</u>		<u>180</u>	
		873		442	
<b>CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	<u>(371)</u>		<u>(253)</u>	
<b>NET CURRENT ASSETS</b>			<u>502</u>		<u>189</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			874		583
<b>NET ASSETS</b>			<u>874</u>		<u>583</u>
<b>SHARE CAPITAL AND RESERVES</b>					
Called up share capital	10		8		8
Share premium account	11		144		144
Capital redemption reserve			51		51
Profit and loss account	11		671		380
<b>SHAREHOLDERS' FUNDS</b>	12		<u>874</u>		<u>583</u>

The financial statements of Cole Motors Limited, company registered number 1535256, were approved by the board and authorised for issue on 27.09.2012

Director

  
IAN IRVINE

## **COLE MOTORS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2012

#### **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:

Freehold land and buildings 50 years  
Plant and office equipment 3 to 10 years  
Motor vehicles 4 years

##### **Stock**

Stocks and work in progress are valued at the lower of cost or net realisable value.

##### **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.

##### **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 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.

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

## COLE MOTORS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

#### 1 ACCOUNTING POLICIES (continued)

##### 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 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

	2012 £'000	2011 £'000
<b>Operating Profit is stated after charging/(crediting)</b>		
Loss on disposal of fixed assets	4	-
Depreciation of tangible fixed assets owned	17	27
Fees payable to the company's auditor for the audit of the company's annual accounts	-	5

Audit fees of £5,000 were borne by MITIE Group PLC 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.

#### 3 INTEREST

	2012 £'000	2011 £'000
<b>Interest receivable and similar income</b>		
Bank interest	9	1
	<u>9</u>	<u>1</u>
<b>Interest payable and similar charges</b>		
Bank interest	2	-
	<u>2</u>	<u>-</u>

# **COLE MOTORS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2012

### **4 DIVIDENDS**

The dividends approved and paid in the year are as follows

	2012 £'000	2011 £'000
ordinary shares	49	54
	<u>49</u>	<u>54</u>

### **5 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2012 £'000	2011 £'000
(a) Analysis of charge in the year		
United Kingdom corporation tax 26% (2011 28%)	136	37
Adjustment in respect of prior years	1	-
Total current tax (Note 5(b))	<u>137</u>	<u>37</u>
Deferred taxation		
Timing differences - origination and reversal	(12)	6
Adjustment in respect of prior years	1	-
Tax on profit on ordinary activities	<u>126</u>	<u>43</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 26% (2011 28%) The differences are as follows

	£'000	£'000
Profit on ordinary activities before tax	<u>465</u>	<u>142</u>
	£'000	£'000
Tax at 26% (2011 28%) thereon	121	40
Expenses not deductible for tax purposes	3	3
Differences between capital allowances and depreciation	12	(5)
Utilisation of tax losses	-	-
Other timing differences	-	(1)
Adjustments to tax charge in respect of prior periods	1	-
<b>Current tax charge for the year (Note 5(a))</b>	<u>137</u>	<u>37</u>

The UK Government announced a reduction in the UK corporation tax rate from 26% to 24% from 1 April 2012, which was substantively enacted on 26 March 2012 The reduction in the balance sheet carrying value of deferred tax assets and liabilities to reflect the rate of tax at which those assets are expected to reverse has not had a material impact on the current year tax charge The UK Government has indicated that it intends to enact further reductions in the main tax rate of 1% each year down to 22% by 1 April 2014 Future rate reductions would further reduce the UK deferred tax assets and liabilities recognised but the actual impact will be dependent on the deferred tax position at the time

The deferred tax balance comprises the following

	£'000	£'000
Depreciation in excess of capital allowances	19	8
Share based payment timing difference	-	-
Other timing differences	-	-
	<u>19</u>	<u>8</u>

**COLE MOTORS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2012

**5 TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)**

	£'000	£'000
Amount (credited)/charged to the profit and loss account in the year in relation to deferred tax	(11)	6

**6 TANGIBLE ASSETS**

	Freehold land and buildings £'000	Plant and office equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost or valuation</b>				
At 1 April 2011	407	101	66	574
Additions	-	4	22	26
Disposals	-	-	(66)	(66)
<b>At 31 March 2012</b>	<b>407</b>	<b>105</b>	<b>22</b>	<b>534</b>
<b>Depreciation</b>				
At 1 April 2011	60	87	34	181
Charge for the year	6	8	3	17
Disposals	-	-	(36)	(36)
<b>At 31 March 2012</b>	<b>66</b>	<b>95</b>	<b>1</b>	<b>162</b>
<b>Net book value</b>				
<b>At 31 March 2012</b>	<b>341</b>	<b>10</b>	<b>21</b>	<b>372</b>
<b>At 31 March 2011</b>	<b>347</b>	<b>14</b>	<b>32</b>	<b>393</b>
Leased assets included above				
<b>Net book value</b>				
<b>At 31 March 2012</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 March 2011</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**7 STOCKS**

	2012 £'000	2011 £'000
Raw materials	74	36
	<b>74</b>	<b>36</b>

**COLE MOTORS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2012

**8 DEBTORS**

	2012 £'000	2011 £'000
<b>Amounts falling due within one year</b>		
Trade debtors	141	157
Amounts owed by Group undertakings	-	55
Prepayments and accrued income	7	6
Deferred tax asset	19	8
	<u>167</u>	<u>226</u>

**9 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2012 £'000	2011 £'000
Trade creditors	68	61
Corporation tax	117	46
Other taxation and social security	19	22
Other creditors	21	48
Accruals and deferred income	146	76
	<u>371</u>	<u>253</u>

**10 CALLED UP SHARE CAPITAL**

	2012 £'000	2011 £'000
<b>Allotted, called up and fully paid share capital</b>		
80,000 £0.1 ordinary shares	8	8
	<u>8</u>	<u>8</u>

**11 RESERVES**

	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000
<b>At 1 April 2011</b>	144	51	380
Profit for the year	-	-	339
Dividend	-	-	(49)
Capital contribution relating to share based payments	-	-	1
<b>At 31 March 2012</b>	<u>144</u>	<u>51</u>	<u>671</u>

**12 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2012 £'000	2011 £'000
Profit for the financial year	339	99
Dividends paid on equity shares	(49)	(54)
Capital contribution/(reduction) relating to share-based payments	1	(2)
<b>Net addition to shareholders' funds</b>	<u>291</u>	<u>43</u>
Opening shareholders' funds	583	540
<b>Closing shareholders' funds</b>	<u>874</u>	<u>583</u>

## COLE MOTORS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

#### 13 DIRECTORS

The following 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
S C Baxter	MITIE Group PLC
I Irvine	MITIE Group PLC

#### 14 EMPLOYEES

##### Average employee numbers

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

	2012 No	2011 No
Operations	9	11
Administration	2	10
	<u>11</u>	<u>21</u>

Employment cost	£'000	£'000
Wages and salaries	211	511
Social security costs	18	49
Other pension costs	10	33
Share-based payments	1	(2)
	<u>240</u>	<u>591</u>

#### 15 SHARE BASED PAYMENTS

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

	2012		2011	
	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	1,010	190	-	-
Forfeited during the year	(1,010)	190	-	-
Transferred (to)/from Group subsidiaries during the year	-	-	1,010	190
<b>Outstanding at end of the year</b>	<u>-</u>	<u>-</u>	<u>1,010</u>	<u>190</u>
<b>Exercisable at end of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

## COLE MOTORS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

#### 15 SHARE-BASED PAYMENTS (continued)

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

	2012 £'000	2011 £'000
2001 Savings Related share options	-	(2)
Long-term incentive plan scheme (LTIP)	-	-
	<u>-</u>	<u>(2)</u>
	2012	2011
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)	-	190
The options outstanding at the year-end had a weighted average remaining contractual life of (years)	-	1

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

	2012	2011
Share price (p)	191 to 243	191 to 230
Exercise price (p)	0 to 254	0 to 254
Expected volatility (%)	28 to 36	28 to 36
Expected life (years)	3 to 6	3 to 6
Risk-free rate (%)	1.48 to 5.25	1.49 to 5.25
Expected dividends (%)	2.22 to 4.10	2.22 to 3.93

#### 16 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 37 to the Report and Accounts of the Group sets out the details of the International Accounting Standard 19 'Employee Benefits' net pension deficit of £17.2 million (2011: deficit of £3 million).

Employer contributions to the scheme for the period are shown in note 14. The agreed contribution rate for employee and employer contributions for the next 12 months is 18.5% (2011: 17.5%).

#### 17 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.

**COLE MOTORS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2012

**18 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The directors regard MITIE Group PLC, a company registered in Scotland, as the company's immediate and ultimate parent undertaking 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.