

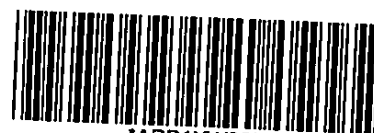
Company Registration Number 3769974

ENVIRONMENTAL PROPERTY
SERVICES LIMITED

Report and Financial Statements

Year ended 31 March 2011

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ENVIRONMENTAL PROPERTY SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS 2011

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ENVIRONMENTAL PROPERTY SERVICES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P Griffin
S Reeve
P D Reader
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

ENVIRONMENTAL PROPERTY SERVICES 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 acts as a holding company and cost centre for the trading subsidiaries of the EPS group of companies. The depreciation charge and charge for rent is included as a charge in the Profit and Loss account of the company. These costs are recharged out to the trading subsidiaries. These recharges are shown as other operating income in the Profit and Loss account.

On 1 April 2010, the employees of Environmental Property Services Limited were transferred to EPS Group Limited, a trading subsidiary.

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:

- 'A' Shares: No dividend in the current or prior year
- 'B' Shares: No dividend in the current or prior year
- 'C' Shares: No dividend in the current or prior year
- 'E' Shares: No dividend in the current or prior year
- 'F' Shares: No dividend in the current or prior year

PRINCIPAL RISKS AND UNCERTAINTIES

Loss of key customers of EPS Group Limited, its trading subsidiary, is a key risk to the business. The company manages this risk by developing and maintaining strong relationships with these customers. 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 has current net liabilities. The company is therefore reliant on the support of MITIE Group PLC to meet its liabilities as they fall due. 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, along with the support afforded to it by MITIE Group PLC, 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 109 days (2010: 104 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
S Reeve
P D Reader
J Ridley
W Robson

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 ENVIRONMENTAL PROPERTY SERVICES LIMITED

We have audited the financial statements of Environmental Property Services Limited for the year ended 31 March 2011 which comprise the Profit and Loss Account, the Balance Sheet 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 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 loss 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.

ENVIRONMENTAL PROPERTY SERVICES LIMITED
PROFIT AND LOSS ACCOUNT
Year ended 31 March 2011

	Note	2011 £'000	2010 £'000
TURNOVER	1	-	-
Cost of sales		-	-
GROSS PROFIT		-	-
Other operating income		648	1,252
Administration expense		(658)	(1,058)
OPERATING (LOSS)/PROFIT	2	(10)	194
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		(10)	194
Interest payable and similar charges	3	-	(158)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(10)	36
Tax (charge)/credit on (loss)/profit on ordinary activities	4	(94)	368
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	11	(104)	404

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

ENVIRONMENTAL PROPERTY SERVICES LIMITED
BALANCE SHEET
As at 31 March 2011

	Note	2011		2010	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Investments	5		4,575		4,575
Tangible assets	6		<u>1,099</u>		<u>1,435</u>
			5,674		6,010
CURRENT ASSETS					
Debtors					
- due within one year	7	<u>2,338</u>		<u>1,638</u>	
		2,338		1,638	
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR					
	8	<u>(2,929)</u>		<u>(2,499)</u>	
NET CURRENT LIABILITIES			<u>(591)</u>		<u>(861)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,083		5,149
Provisions for liabilities	9		<u>(59)</u>		<u>(21)</u>
NET ASSETS			<u>5,024</u>		<u>5,128</u>
SHARE CAPITAL AND RESERVES					
Called up share capital	10		140		140
Share premium account	11		4,937		4,937
Profit and loss account	11		(53)		51
SHAREHOLDERS' FUNDS	12		<u>5,024</u>		<u>5,128</u>

The financial statements of Environmental Property Services Limited, company registered number 3769974, were approved by the board and authorised for issue on 7 July 2011



W Robson
Director

ENVIRONMENTAL PROPERTY SERVICES 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.

Investments

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

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:

Computer equipment 3 to 5 years

Leasehold improvements lease term

Fixtures and fittings 3 to 5 years

Operating leases

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

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 a defined contribution scheme. The amount charged to the profit and loss account is the contribution payable in the year.

ENVIRONMENTAL PROPERTY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011

Accounting Policies continued

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.

Group accounts

Consolidated group accounts are not prepared as the group has taken advantage of the exemption from this requirement, conferred by Financial Reporting Standard 2, on the grounds that its accounts are consolidated in the larger group of MITIE Group PLC. Accordingly, the financial statements present information about the company as an entity and not as a group.

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 (LOSS)/PROFIT

	2011 £'000	2010 £'000
Operating (loss)/profit is stated after charging		
Depreciation of tangible fixed assets		
owned	473	263
Operating lease rentals		
other	185	188

Audit fees of £1,000 (2010: £1,000) were borne by EPS Group 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.

3 INTEREST

	2011 £'000	2010 £'000
Interest payable and similar charges		
Bank interest	-	158
	<u>-</u>	<u>158</u>

ENVIRONMENTAL PROPERTY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011

4 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2011	2010
	£'000	£'000
(a) Analysis of charge in the year		
United Kingdom corporation tax at 28% (2010 28%)	69	(274)
Adjustment in respect of prior years	(13)	-
Total current tax (note 5(b))	<u>56</u>	<u>(274)</u>
Deferred taxation		
Timing differences - origination and reversal	(72)	(94)
Adjustment in respect of prior years	110	-
Tax on (loss)/profit on ordinary activities	<u>94</u>	<u>(368)</u>

(b) Factors affecting tax charge/(credit) 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
(Loss)/profit on ordinary activities before tax	<u>(10)</u>	<u>36</u>
	£'000	£'000
Tax at 28% (2010 28%) thereon	(3)	10
Expenses not deductible for tax purposes	-	8
Differences between capital allowances and depreciation	72	1
Relief in respect of employee share options	-	(292)
Other timing differences	-	(1)
Adjustments to tax charge in respect of prior periods	(13)	-
Current tax charge/(credit) for the year (note 4(a))	<u>56</u>	<u>(274)</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	(59)	(115)
Share-based payment timing difference	-	94
	<u>(59)</u>	<u>(21)</u>
	£'000	£'000
Amount charged/(credited) to the profit and loss account in the year in relation to deferred tax	<u>38</u>	<u>(94)</u>

ENVIRONMENTAL PROPERTY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011

5 INVESTMENTS

	2011	2010
	£'000	£'000
Investments at 1 April 2010	4 575	4,094
Share-based payment increase in investment	-	481
Investments at 31 March 2010	<u>4,575</u>	<u>4 575</u>

The investments balance at 31 March 2011 represented interests in the following company

Name of subsidiary	Principal activity	Class of shares held	Percentage of shares and voting rights held	Country of incorporation
Environmental Property Services Holdings Limited	Holding company	Ordinary	100%	United Kingdom

6 TANGIBLE FIXED ASSETS

	Computer equipment	Leasehold improvements	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 April 2010	1,719	58	89	1,866
Additions	158	-	3	161
Transfers out to group companies	(39)	-	-	(39)
At 31 March 2011	<u>1,838</u>	<u>58</u>	<u>92</u>	<u>1,988</u>
Depreciation				
At 1 April 2010	301	46	84	431
Charge for the year	457	12	4	473
Transfers out to group companies	(15)	-	-	(15)
At 31 March 2011	<u>743</u>	<u>58</u>	<u>88</u>	<u>889</u>
Net book value				
At 31 March 2011	<u>1,095</u>	<u>-</u>	<u>4</u>	<u>1,099</u>
At 31 March 2010	<u>1,418</u>	<u>12</u>	<u>5</u>	<u>1,435</u>

ENVIRONMENTAL PROPERTY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011

7 DEBTORS

	2011 £'000	2010 £'000
Amounts falling due within one year		
Amounts owed by Group undertakings	2,188	1,252
VAT	150	-
Other debtors	-	43
Prepayments and accrued income	-	69
Corporation tax	-	274
	<u>2,338</u>	<u>1,638</u>

8 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £'000	2010 £'000
Bank loans and overdrafts	1,072	284
Trade creditors	379	366
Amounts owed to Group undertakings	1,421	1,421
Corporation tax	56	-
Other taxation and social security	-	80
Other creditors	1	348
	<u>2,929</u>	<u>2,499</u>

9 PROVISIONS FOR LIABILITIES

	Deferred tax £'000	Total £'000
At 1 April 2010	21	21
Charged to profit and loss account	38	38
At 31 March 2011	<u>59</u>	<u>59</u>

10 CALLED UP SHARE CAPITAL

	2011 £'000	2010 £'000
Allotted, called up and fully paid share capital		
550,000 £0 001 'A' Shares	1	1
1,592,057 £0 001 'B' Shares	2	2
1,000,000 £0 1 'C' Shares	100	100
373,901 £0 09 'E' Shares	33	33
373,901 £0 01 'F' Shares	4	4
	<u>140</u>	<u>140</u>

ENVIRONMENTAL PROPERTY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011

11 RESERVES

	Share premium account £'000	Profit and loss account £'000
At 1 April 2010	4,937	51
Loss for the financial year	-	(104)
At 31 March 2011	<u>4,937</u>	<u>(53)</u>

12 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £'000	2010 £'000
(Loss)/profit for the financial year	(104)	404
Issue of share capital	-	8
Sale of share capital	-	1,969
Capital contribution relating to share-based payments	-	817
Net (reduction in)/addition to shareholders' funds	<u>(104)</u>	<u>3,198</u>
Opening shareholders' funds	5,128	1,930
Closing shareholders' funds	<u>5,024</u>	<u>5,128</u>

13 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	-	-	154	-
- between two and five years	-	-	-	3
	<u>-</u>	<u>-</u>	<u>154</u>	<u>3</u>

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	<u>195,300</u>	<u>109,000</u>

ENVIRONMENTAL PROPERTY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011

14 DIRECTORS

	2011 £'000	2010 £'000
The emoluments of the directors of the company were		
- Aggregate emoluments	-	702
- Aggregate value of contributions paid to a money purchase pension scheme	-	72
	<u>-</u>	<u>774</u>

	£'000	£'000
Highest paid director		
- Aggregate emoluments	-	164
- Aggregate value of contributions paid to a money purchase pension scheme	-	18
	<u>-</u>	<u>182</u>

	No	No
--	----	----

The number of directors who were members of a defined contribution pension scheme	-	6
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	No	No
--	----	----

The number of directors who exercised share options in the year	-	4
---	---	---

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

The following directors are also directors 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 of other group companies.

Director	Remunerated by
P Griffin	EPS Group Limited
S Reeve	EPS Group Limited
P D Reader	MITIE Property Management Limited
J Ridley	MITIE Property Management Limited
W Robson	MITIE Group PLC

The disclosure in the accounts above includes share options exercised

15 EMPLOYEES

Average employee numbers

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

	2011 No	2010 No
Administration	-	67
	<u>-</u>	<u>67</u>

	£'000	£'000
Employment cost		
Wages and salaries	-	2,806
Social security costs	-	304
Other pension costs	-	140
Recharges to other group companies	-	(2,972)
Share-based payments	-	336
	<u>-</u>	<u>614</u>

ENVIRONMENTAL PROPERTY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011

16 SHARE-BASED PAYMENTS

The company participated in a variety of share option schemes

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	-	-	259,190	168
Forfeited during the year	-	-	(700)	-
Exercised during the year	-	-	(258,490)	168
Outstanding at end of the year	-	-	-	-
Exercisable at end of the year	-	-	-	-

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

	2011 £'000	2010 £'000
Exercise of share options	-	336
	-	336
	2011	2010
The options outstanding at the year-end had a weighted average remaining contractual life of (years)	-	-

17 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

There were no transactions with entities other than members of MITIE Group PLC which require disclosure under FRS 8

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