

**Company Registration Number 03769974**

**ENVIRONMENTAL PROPERTY SERVICES LIMITED**  
**(formerly ENVIRONMENTAL PROPERTY SERVICES PLC)**

**Report and Financial Statements**

**31 March 2010**

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**ENVIRONMENTAL PROPERTY SERVICES LIMITED**  
**(formerly ENVIRONMENTAL PROPERTY SERVICES PLC)**

**REPORT AND FINANCIAL STATEMENTS 2010**

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**ENVIRONMENTAL PROPERTY SERVICES LIMITED**  
**(formerly ENVIRONMENTAL PROPERTY SERVICES PLC)**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

P Griffin  
P D Reader  
S Reeve  
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

**AUDITORS**

Deloitte LLP  
Bristol

**ENVIRONMENTAL PROPERTY SERVICES LIMITED**  
**(formerly ENVIRONMENTAL PROPERTY SERVICES PLC)**

**DIRECTORS' REPORT**

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

**DIRECTORS' RESPONSIBILITIES STATEMENT**

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

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

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The company acts as a holding company and administrative cost centre for the trading subsidiaries of the EPS group of companies.

On 20 November 2009, the shareholders of the company entered into an agreement to sell the entire share capital of the company to MITIE Group PLC.

On 27 November 2009, the company adopted new Articles of Association and re-registered as a private company.

The company's net assets were increased by the sale of its shares, partly through the reversal of the deduction against shareholders' funds for own shares held in accordance with UITF 38 (Accounting for ESOP Trusts), and partly through the exercise of share options held by various employees and directors.

**DIVIDENDS**

The directors do not recommend a final dividend for the year ended 31 March 2010 (2009: £nil). The dividend paid in the year was £nil (2009: £nil).

**ENVIRONMENTAL PROPERTY SERVICES LIMITED**  
**(formerly ENVIRONMENTAL PROPERTY SERVICES PLC)**

**DIRECTORS' REPORT (continued)**

**PRINCIPAL RISKS AND UNCERTAINTIES**

Loss of key customers of subsidiary undertakings 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.

**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.

**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.

**ENVIRONMENT**

MITIE Group PLC and its subsidiaries endeavour to identify, monitor and manage the impact of their activities on the environment and are fully committed to environmental accountability and protection. The company operates in accordance with Group policies, which are described in the Group's annual report which does not form part of this report.

**EMPLOYEES**

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

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

**ENVIRONMENTAL PROPERTY SERVICES LIMITED**  
**(formerly ENVIRONMENTAL PROPERTY SERVICES PLC)**

**DIRECTORS' REPORT (continued)**

**GOING CONCERN**

The company was profitable in the year. The directors have considered the forecast/budgeted profit and associated cash flows for the coming five years. The directors have considered the facilities available to the entity (through the Group) and believe that they can operate within the facilities available for the period of the cash flow forecast. For these reasons, the directors continue to adopt the going concern basis in preparing the financial statements.

**DIRECTORS**

The directors who held office throughout the year and subsequently unless otherwise stated were as follows:

D J Anderson (resigned 2 December 2009)  
P Griffin  
G R Rajendra (resigned 2 December 2009)  
P J Hutchinson (resigned 19 October 2010)  
P D Reader  
S Reeve  
J Ridley (appointed 2 December 2009)  
W Robson (appointed 2 December 2009)

**AUDITORS**

KPMG resigned as auditors of the company on 19 November 2009.

Deloitte LLP were appointed as auditors to the company on 17 May 2010.

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

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

A resolution to reappoint Deloitte LLP as the company's auditors will be proposed at the forthcoming Annual General Meeting.

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



**W Robson**  
Director

21 December 2010

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
ENVIRONMENTAL PROPERTY SERVICES LIMITED  
(formerly ENVIRONMENTAL PROPERTY SERVICES PLC)**

We have audited the financial statements of Environmental Property Services Limited (formerly Environmental Property Services PLC) for the year ended 31 March 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

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

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

*Nigel Thomas*

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

*22 December 2010*

**ENVIRONMENTAL PROPERTY SERVICES LIMITED**  
**(formerly ENVIRONMENTAL PROPERTY SERVICES PLC)**

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 March 2010**

	<b>Note</b>	<b>2010 £'000</b>	<b>2009 £'000</b>
Administrative expenses		(1,058)	(848)
Other operating income		1,252	1,275
<b>OPERATING PROFIT</b>	<b>2</b>	<b>194</b>	<b>427</b>
Interest payable and similar charges	<b>3</b>	<b>(158)</b>	<b>(392)</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>36</b>	<b>35</b>
Tax credit on profit on ordinary activities	<b>4</b>	<b>368</b>	<b>55</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>404</b>	<b>90</b>

The results for the year are wholly attributable to the continuing operations of the company

There are no recognised gains and losses for the current and 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**  
(formerly ENVIRONMENTAL PROPERTY SERVICES PLC)

**BALANCE SHEET**  
At 31 March 2010

	Note	2010 £'000	2009 £'000
<b>FIXED ASSETS</b>			
Investments	5	4,575	4,094
Tangible assets	6	1,435	1,316
		<u>6,010</u>	<u>5,410</u>
<b>CURRENT ASSETS</b>			
Debtors	7	1,638	3,300
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	8	<u>(2,499)</u>	<u>(4,414)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(861)</u>	<u>(1,114)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,149	4,296
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	9	-	(2,250)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	10	<u>(21)</u>	<u>(115)</u>
<b>NET ASSETS</b>		<u>5,128</u>	<u>1,931</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	140	132
Share premium account	12	4,937	4,937
Profit and loss account	12	51	(1,169)
Own shares held	12	-	(1,969)
<b>SHAREHOLDERS' FUNDS</b>	13	<u>5,128</u>	<u>1,931</u>

The financial statements of Environmental Property Services Limited, company registration number 03769974, were approved by the board on 21 December 2010



**W Robson**  
Director

**ENVIRONMENTAL PROPERTY SERVICES LIMITED**  
**(formerly ENVIRONMENTAL PROPERTY SERVICES PLC)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2010**

**1 ACCOUNTING POLICIES**

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

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Going concern**

The financial statements have been prepared under the going concern basis as discussed on page 4.

**Investments**

Investments in subsidiary undertakings are stated at cost less any provision for 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 life, as follows:

Computer equipment	3 to 5 years
Leasehold property improvements	Over the period of the lease
Fixtures and fittings	3 to 5 years

**Investments**

The company complies with the requirements of UITF 38 (Accounting for ESOP, Trusts) and deducts consideration paid for own shares from shareholders' funds.

**Tax**

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

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, 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.

**ENVIRONMENTAL PROPERTY SERVICES LIMITED**  
**(formerly ENVIRONMENTAL PROPERTY SERVICES PLC)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2010**

**1. ACCOUNTING POLICIES (continued)**

**Pension costs**

The company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The amount charged to the profit and loss account represents the contributions payable to the schemes in respect of the accounting period.

**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.

**Cash flow statement**

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

**2. OPERATING PROFIT**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Operating profit is stated after charging		
Depreciation	263	95
Operating lease rentals		
- land and buildings	185	185
- other	3	2
Auditors' remuneration		
- other services	-	36
- tax services	-	6
	<u>          </u>	<u>          </u>

In the current year, Auditors' remuneration of £1,500 has been borne by MITIE Group PLC and not recharged.

**ENVIRONMENTAL PROPERTY SERVICES LIMITED**  
**(formerly ENVIRONMENTAL PROPERTY SERVICES PLC)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2010**

<b>3. INTEREST PAYABLE AND SIMILAR CHARGES</b>	<b>2010 £'000</b>	<b>2009 £'000</b>
Bank loans and overdrafts	158	392
	<u>158</u>	<u>392</u>

<b>4 TAX CREDIT ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>2010 £'000</b>	<b>2009 £'000</b>
<b>(a) Analysis of credit in year</b>		
United Kingdom corporation tax at 28% (2009 28%)	(274)	(194)
<b>Total current tax</b>	<u>(274)</u>	<u>(194)</u>
Deferred taxation		
Timing differences - origination and reversal	(94)	139
<b>Tax credit on profit on ordinary activities</b>	<u>(368)</u>	<u>(55)</u>

**(b) Factors affecting tax charge in year**

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

	<b>£'000</b>	<b>£'000</b>
Profit on ordinary activities before tax	<u>36</u>	<u>35</u>
Tax charge at 28% (2009 28%) thereon	10	10
Expenses not deductible for tax purposes	8	23
Differences between depreciation and capital allowances	1	(49)
Relief in respect of share based payments	(292)	-
Other timing differences	(1)	(178)
<b>Current tax credit for the year (note 6(a))</b>	<u>(274)</u>	<u>(194)</u>

**(c) Factors affecting future tax charges**

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

**ENVIRONMENTAL PROPERTY SERVICES LIMITED**  
**(formerly ENVIRONMENTAL PROPERTY SERVICES PLC)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2010**

**5. INVESTMENTS**

	<b>Subsidiary undertakings £'000</b>
<b>Cost or valuation - shares</b>	
At 1 April 2009	4,094
Share based payment increase in investment in subsidiaries	481
At 31 March 2010	<u>4,575</u>

The investment in which the company's interest at the year end is 20% or more is as follows

<b>Principal subsidiary undertakings</b>	<b>Country of incorporation</b>	<b>Class and percentage of shares held</b>	<b>Principal activity</b>
Environmental Property Services Holdings Limited	United Kingdom	100%	Holding company

**6. TANGIBLE FIXED ASSETS**

	<b>Computer equipment £'000</b>	<b>Short leasehold property improvements £'000</b>	<b>Fixtures and fittings £'000</b>	<b>Total £'000</b>
<b>Cost</b>				
At 1 April 2009	1,342	58	84	1,484
Additions	377	-	5	382
At 31 March 2010	<u>1,719</u>	<u>58</u>	<u>89</u>	<u>1,866</u>
<b>Depreciation</b>				
At 1 April 2009	54	33	81	168
Charge for the year	247	13	3	263
At 31 March 2010	<u>301</u>	<u>46</u>	<u>84</u>	<u>431</u>
<b>Net book value</b>				
At 31 March 2010	<u>1,418</u>	<u>12</u>	<u>5</u>	<u>1,435</u>
At 31 March 2009	<u>1,288</u>	<u>25</u>	<u>3</u>	<u>1,316</u>

**ENVIRONMENTAL PROPERTY SERVICES LIMITED**  
**(formerly ENVIRONMENTAL PROPERTY SERVICES PLC)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2010**

**7. DEBTORS**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Other debtors	43	7
Amounts owed by subsidiary undertakings	1,252	3,009
Prepayments and accrued income	69	90
Group relief receivable	274	194
	<u>1,638</u>	<u>3,300</u>

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans and overdrafts	284	3,698
Trade creditors	366	330
Amounts owed by subsidiary undertakings	1,421	-
Other taxes and social security	80	32
Other creditors and accruals	348	355
	<u>2,499</u>	<u>4,415</u>

**9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>£'000</b>	<b>£'000</b>
Bank loans	<u>-</u>	<u>2,250</u>
<b>Analysis of loans</b>	<b>£'000</b>	<b>£'000</b>
Amounts falling due		
Between one and two years	-	1,608
Between two and five years	-	642
	<u>-</u>	<u>2,250</u>

**ENVIRONMENTAL PROPERTY SERVICES LIMITED**  
**(formerly ENVIRONMENTAL PROPERTY SERVICES PLC)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2010**

**10. PROVISIONS FOR LIABILITIES AND CHARGES**

The amounts provided for deferred taxation are set out below

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Accelerated capital allowances	(115)	(116)
Other timing differences	-	1
Share based payments	94	-
<b>Deferred tax liabilities</b>	<b>(21)</b>	<b>(115)</b>
 Movement in the year		
	<b>£'000</b>	
At 1 April 2009	(115)	
Credit to the profit and loss account	94	
<b>At 31 March 2010</b>	<b>(21)</b>	

**11. CALLED UP SHARE CAPITAL**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
<b>Allotted, called up and fully paid</b>		
550,000 0 1p Ordinary 'A' shares	1	1
1,592,057 (2009 1,422,742) 0 1p Ordinary 'B' shares	1	1
1,000,000 10p Ordinary 'C' shares	100	100
Nil (2009 299,758) 10p Ordinary 'D' shares	-	30
373,901 (2009 nil) 9p Ordinary 'E' shares	34	-
373,901 (2009 nil) 1p Ordinary 'F' shares	4	-
	<b>140</b>	<b>132</b>

The 'B' ordinary shares carry 1 83 votes per share, the 'A' ordinary shares carry one vote per share and the 'C' ordinary shares carry no votes per share

During the year, all the ordinary 'D' shares were cancelled and replaced with 'E' shares of 9p each and ordinary 'F' shares of 1p each

The authorised share capital was also changed during the year to

2,285,000 'A' shares of 0 1p  
1,592,057 'B' shares of 0 1p  
1,000,000 'C' shares of 10p  
373,901 'E' shares of 9p  
373,901 'F' shares of 1p

The 'E' shares carry 1 83 votes per share and the 'F' shares carry no votes per share

**ENVIRONMENTAL PROPERTY SERVICES LIMITED**  
**(formerly ENVIRONMENTAL PROPERTY SERVICES PLC)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2010**

**11. CALLED UP SHARE CAPITAL (continued)**

All shares rank pari passu for distribution and winding up purposes, except 'E' shares, which gain value on a winding up of up to £2 95 per share 'F' shares gain value on winding up only after the value per share exceeds £2 95 each

During the year, 74,143 'E' Ordinary shares, 74,143 'F' Ordinary shares and 169,315 'B' Ordinary shares were allotted and issued

**12. RESERVES**

	Share premium account £'000	Profit and loss account £'000	Own shares reserve £'000	Total £'000
At 1 April 2009	4,937	(1,170)	(1,969)	1,798
Retained profit for the financial year	-	404	-	404
Sale of own shares	-	-	1,969	1,969
Share based payments	-	817	-	817
<b>At 31 March 2010</b>	<b>4,937</b>	<b>51</b>	<b>-</b>	<b>4,988</b>

The group had acquired its own shares through an employee benefit trust which is used to distribute shares to its employees During the year, these shares were granted to the holder of the share options (see note 17) and subsequently were sold to MITIE Group PLC by the shareholders

**13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2010 £'000	2009 £'000
Profit for the financial year	404	90
Purchase of own shares	-	(30)
Issue of shares	8	-
Sale of own shares	1,969	21
Capital contribution related to share based payments	817	-
<b>Net addition to shareholders' funds</b>	<b>3,198</b>	<b>81</b>
Opening shareholders' funds	1,930	1,849
<b>Closing shareholders' funds</b>	<b>5,128</b>	<b>1,930</b>



**ENVIRONMENTAL PROPERTY SERVICES LIMITED**  
(formerly ENVIRONMENTAL PROPERTY SERVICES PLC)

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2010**

**14. FINANCIAL COMMITMENTS**

**Operating leases**

At 31 March 2010 the company had annual commitments under non-cancellable operating leases as follows

	<b>At 31 March 2010</b>		<b>At 31 March 2009</b>	
	<b>Other £'000</b>	<b>Land and buildings £'000</b>	<b>Other £'000</b>	<b>Land and buildings £'000</b>
Expire date				
- within one year	-	154	-	-
- within two to five years	3	-	3	185
- after five years	-	-	-	-
	<u>3</u>	<u>154</u>	<u>3</u>	<u>185</u>

**Commitments on behalf of group undertakings**

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

**15. DIRECTORS**

	<b>2010 £'000</b>	<b>2009 £'000</b>
The emoluments of directors of the company were		
Fees and other emoluments (excluding pension contributions but including benefits-in-kind)	702	763
Contributions to money purchase pension schemes	<u>72</u>	<u>75</u>
Fees and emoluments disclosed above (excluding pension contributions) include amounts paid to	<b>£'000</b>	<b>£'000</b>
The highest paid director	164	139
Contributions to company pension schemes	<u>18</u>	<u>16</u>
	<u>182</u>	<u>155</u>
	<b>No.</b>	<b>No.</b>
The number of directors who were members of money purchase schemes	<u>6</u>	<u>6</u>
The number of directors who exercised share options in the year	<u>4</u>	<u>4</u>

**ENVIRONMENTAL PROPERTY SERVICES LIMITED**  
**(formerly ENVIRONMENTAL PROPERTY SERVICES PLC)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2010**

**16. EMPLOYEES**

**Number of employees**

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

	<b>2010 No.</b>	<b>2009 No.</b>
Administration	67	62
Operatives	-	-
	<u>67</u>	<u>62</u>
<b>Employment costs</b>	<b>£'000</b>	<b>£'000</b>
Wages and salaries	2,806	2,666
Social security costs	304	265
Other pension costs	140	137
Recharges to other group companies	(2,972)	(2,773)
Share-based payment (see note 18)	336	-
	<u>614</u>	<u>295</u>

**17. SHARE-BASED PAYMENT**

The company participates in a variety of share option schemes

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

	<b>2010 Number of share options</b>	<b>Weighted average exercise price (in p)</b>	<b>2009 Number of share options</b>	<b>Weighted average exercise price (in p)</b>
Outstanding at beginning of the year	259,190	168	400,000	27
Forfeited during the year	(700)	-	126,690	274
Exercised during the year	(258,490)	168	(267,500)	7
<b>Outstanding at end of the year</b>	<u>-</u>	<u>-</u>	<u>259,190</u>	<u>168</u>
<b>Exercisable at end of the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**ENVIRONMENTAL PROPERTY SERVICES LIMITED**  
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**18. SHARE BASED PAYMENT (continued)**

The company recognised the following expenses related to share-based payment

	<b>2010</b> <b>£'000</b>	<b>2009</b> <b>£'000</b>
Exercise of share options	336	-
	<u>336</u>	<u>-</u>

The weighted average share price at the date of exercise for share options exercised during the period was nil (2009 300p)

There were no options outstanding at 31 March 2010. The options outstanding at 31 March 2009 had a weighted average exercise price of 167p and a weighted average remaining contractual life of 8.49 years.

In the year ended 31 March 2010, no further options were granted.

In the year ended 31 March 2009, options were granted in May 2008. The aggregate of the estimated fair values of the options granted on those dates is £347,131.

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

	<b>2010</b>	<b>2009</b>
Share price (p)	-	300
Exercise price (p)	-	237
Expected volatility (%)	-	50
Expected life (years)	-	9.8
Risk-free rate (%)	-	3
Expected dividends (%)	-	0

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.

**18. PENSION ARRANGEMENTS**

The pension cost charge represents contributions payable by the company into defined contribution pension schemes and amounted to £140,000 (2009 £137,000). Contributions totalling £nil (2009 £4,000) were payable at the year end and are included in creditors.

**19. RELATED PARTIES**

There are no transactions with related parties that require disclosure under FRS 8.

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**20. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

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