

**ENTERPRISEMOUCHEL LIMITED
(FORMERLY ACCORDMP LIMITED)**

Report and Financial Statements

Year ended 25 July 2008

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ENTERPRISEMOUCHEL LIMITED (FORMERLY ACCORDMP LIMITED)

REPORT AND FINANCIAL STATEMENTS 2008

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ENTERPRISEMOUCHEL LIMITED (FORMERLY ACCORDMP LIMITED)

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Keith Jackson
Nick Clark
John Evans (appointed 24 September 2007)
Conal Neafcy (appointed 4 February 2008)
Martin Joyce (appointed 24 September 2007, resigned 4 February 2008)
Philip-Fellowes Prynne (resigned 24 September 2007)
Adam Shutkever (resigned 24 September 2007)
Phil Atkinson (resigned 4 October 2007)

SECRETARY

Catherine Engmann
Paula Kelly (resigned 7 November 2007)
Paul Birch (appointed 14 December 2007)

REGISTERED OFFICE

West Hall
Parvis Road
West Byfleet
Surrey
KT14 6EZ

BANKERS

National Westminster Bank plc
13 Stonehills
Welwyn Garden City
Herts
AL8 6ND

AUDITORS

Deloitte LLP
Chartered Accountants and Registered Auditors
Manchester
United Kingdom

ENTERPRISEMOUCHEL LIMITED (FORMERLY ACCORDMP LIMITED)

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 25 July 2008.

PRINCIPAL ACTIVITIES

EnterpriseMouchel (formerly AccordMP) is a strategic incorporated company, equally owned by two of the leading highways services providers: Enterprise (AOL) Limited (owned by Enterprise Group Holdings Limited) and Mouchel Limited (owned by Mouchel Group plc). The company has been set up to deliver integrated highways management and maintenance contracts for local authorities and the Highways Agency and hence supports clients to improve both local and strategic highways networks.

What is our business model?

- We operate in the highways sector, a mature market where contracts typically run for five or more years
- We are uniquely placed to offer benefits to clients through the combined experience of our parent companies and by capturing the synergies arising from working with both central and local government.

Our ambition is to be the public sector partner of choice delivering integrated highways services in the UK and in this, our second year, we have:

- secured our second Highways Agency contract covering Berkshire, Buckinghamshire, Dorset, Hampshire, Surrey & Oxon; and
- secured a contract with the London Borough of Hillingdon for road surfacing, civil engineering and street lighting works.

The business is continuing to bid for Managing Agent Contracts in other Highways Agency Areas as well as Local Authority contracts for integrated Highways Maintenance services.

EnterpriseMouchel's principal activity has not changed during the period under review.

BUSINESS REVIEW

As shown in the profit and loss account on page 7, EnterpriseMouchel's turnover has increased by £45.6m to £71.8m. The majority of this growth is due to the full year effect of the Transport for London contract, which only traded for 4 months in the previous reporting period. In addition, the 2007/8 accounting period covers a full 12 months compared with the previous 9 month accounting period.

Although the gross profit margin is broadly consistent with the previous accounting period, operating profit margin has improved significantly in line with management expectations due to economies of scale.

This operating profit margin improvement was achieved despite a continued high level of expenditure on business development which is critical to enabling growth targets of the business to be achieved. The order book of the business is now circa £490m.

The shareholders remain committed to the development and growth of the business and continue to offer their support to ensure that growth targets are achieved. (See Note 1).

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company did not make any political or charitable donations during the year (2007: Nil)

ENTERPRISEMOUCHEL LIMITED (FORMERLY ACCORDMP LIMITED)

DIRECTORS' REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

EnterpriseMouchel's business model is based around securing long-term and high value partnering contracts. These are delivered by local business units with central support provided both by the company and the parent companies. The local business units grow locally by winning additional work.

Once a contract is secured it guarantees a significant volume of business for a relatively long period. EnterpriseMouchel's growth in the period reflects the impact of the significant contract win with Transport for London and that the previous accounting period was for 9 months of trading whereas this accounting period reflects 12 months of trading.

EnterpriseMouchel needs to ensure that sufficient new contracts are won to meet its long term growth targets. EnterpriseMouchel's business development and client relationship management processes use the combined expertise of the parent companies. The success of the company in the period reflects the strength of this approach. Demand for EnterpriseMouchel's services is heavily determined by government policies on public service reform and the role of the private sector. Public authorities face pressure to achieve significant efficiency gains while improving the quality of public services. This pressure creates new market opportunities for companies such as EnterpriseMouchel. EnterpriseMouchel actively contributes towards public policy formation and maintains close observation of changing public sector requirements.

Controls are in place around the tender process to ensure that new contracts are bid and won at margins that are sustainable with commercially secure yet flexible arrangements for handling price fluctuation and changing client requirements.

EnterpriseMouchel is exposed to some credit risk, although the overwhelming majority of its customers are public sector organisations where little effort is required from a credit control perspective. Controls over customer acceptance, invoicing and cash collection are in place. EnterpriseMouchel pays careful attention to the management of its cash and working capital position. Controls are in place to ensure that appropriate payment terms are included in contracts with clients, subcontractors and suppliers and as a supply partner to the Highways Agency, EnterpriseMouchel is committed to the Fair Payment Charter. Working capital management procedures are in place to ensure that EnterpriseMouchel operates within its banking facilities.

Although the majority of EnterpriseMouchel employees participate in a defined contribution pension scheme, EnterpriseMouchel is a participating employer in the Prudential Platinum pension scheme which is a sectionalised multi employer final salary pension scheme. It is therefore exposed to fluctuations in funding requirements, in particular the cost of funding any deficit in this scheme. EnterpriseMouchel seeks to manage this risk by restricting EnterpriseMouchel's liability to employee's service for the duration of the contract.

HEALTH AND SAFETY

EnterpriseMouchel operates in a high-risk environment. Accordingly, Health & Safety is afforded paramount importance. We identify and manage our risks and take all appropriate measures to minimise those risks for our employees, our clients, supply chain partners and our client's customers.

EnterpriseMouchel Accident Frequency Rate (RIDDOR reportable) for the 12 months, to July 2008 was 0.31. This is supported by the application of our Health and Safety Management system which places risk assessment and safe systems of work at the forefront of our activities.

As part of our commitment to excellence our Health and Safety Management system has been assessed and accredited against the internationally recognised OSHAS 18001 standard. In addition to this achievement our business units are audited externally by the British Safety Council as part of their 5 Star audit system.

ENVIRONMENT

EnterpriseMouchel recognises the importance of its environmental responsibilities. We continually assess the impacts of our activities on the environment and have put in place controls to minimise their effects. As part of our commitment, environmental protection systems have been developed; our Environmental Management System has been assessed and accredited to ISO 14001. We have worked closely with our clients to develop initiatives, including a commitment to carbon neutrality in 2010 within our TfL contract. These initiatives have made significant contributions to minimising the impacts of our activities on the local, regional and wider community.

ENTERPRISEMOUCHEL LIMITED (FORMERLY ACCORDMP LIMITED)

DIRECTORS' REPORT (continued)

EMPLOYEE INVOLVEMENT

The directors recognise the benefits which arise of keeping employees informed of the company's progress and plans, and through their participation in the company's performance. The company is therefore committed to providing its employees with information on a regular basis and consulting them so that their views may be taken into account in taking decisions which may affect their interests.

DISABLED EMPLOYEES

It is the company's policy to ensure that disabled persons are treated fairly and consistently in terms of recruitment, training, career development and promotion and their employment opportunities should be based on a realistic assessment of their aptitudes and abilities. Wherever possible, the company will continue the employment of persons who become disabled during the course of their employment with the company through retraining, acquisition of special aids equipment or through the provision of suitable alternative employment.

DIVIDENDS AND TRANSFERS TO RESERVES

The retained profit for the year of £1,615,000 (2007 - £300,000 loss) has been transferred to (2007 - withdrawn from) reserves. The directors do not recommend the payment of a final dividend.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and thereafter are shown on page 1. None of the directors had any interest in the share capital of the company.

STATEMENT OF DISCLOSURE TO AUDITOR

In the case of each of the persons who are directors of the company at the date when this report is approved:

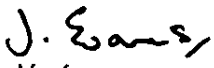
- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s234ZA of the Companies Act 1985.

AUDITORS

A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

By order of the Board

Director 
14 February 2009

Director 
14 February 2009

ENTERPRISEMOUCHEL LIMITED (FORMERLY ACCORDMP LIMITED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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). The financial statements are required by law to 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 estimates that are reasonable and prudent;
- state whether applicable UK 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 proper accounting records that 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 1985. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENTERPRISEMOUCHEL LIMITED (FORMERLY ACCORDMP LIMITED)

We have audited the financial statements of EnterpriseMouchel Limited (formerly AccordMP Limited) for the year ended 25 July 2008 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the other information contained in the Annual Report as described in the contents section, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 25 July 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
Manchester
United Kingdom
9 March 2009

ENTERPRISEMOUCHEL LIMITED (FORMERLY ACCORDMP LIMITED)

PROFIT AND LOSS ACCOUNT

Year ended 25 July 2008

	Note	Year ended 25 July 2008 £'000	9 month period ended 31 July 2007 £'000
TURNOVER	1	71,819	26,265
Cost of sales		(51,648)	(18,518)
GROSS PROFIT		20,171	7,747
Other operating expenses		(17,932)	(8,028)
OPERATING PROFIT/(LOSS)	3	2,239	(281)
Interest receivable	4	119	27
Interest payable	5	(9)	(3)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		2,349	(257)
Tax on profit/(loss) on ordinary activities	6	(734)	(43)
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		1,615	(300)
Profit and loss reserve brought forward		(1,215)	(915)
Profit and loss reserve carried forward	12	400	(1,215)

The above results all relate to continuing operations.

The company has no recognised gains or losses other than the profit for the current year and prior period. Accordingly a separate Statement of Total Recognised Gains and Losses has not been prepared.

The accompanying notes form an integral part of this profit and loss account.

ENTERPRISEMOUCHEL LIMITED (FORMERLY ACCORDMP LIMITED)

BALANCE SHEET

As at 25 July 2008

	Note	25 July 2008 £'000	£'000	31 July 2007 £'000	£'000
FIXED ASSETS					
Tangible assets	7		1,466		1,991
CURRENT ASSETS					
Stock	8	293		252	
Debtors	9	18,056		9,146	
Cash at bank and in hand		2,928		2,346	
		21,277		11,744	
CREDITORS: amounts falling due within one year	10	(21,793)		(14,450)	
NET CURRENT LIABILITIES			(516)		(2,706)
TOTAL ASSETS LESS CURRENT LIABILITIES			950		(715)
Provisions for liabilities	11		(50)		-
NET ASSETS/(LIABILITIES)			900		(715)
CAPITAL AND RESERVES					
Called up share capital	16		20		20
Profit and loss account	12		400		(1,215)
Share premium account	12		480		480
SHAREHOLDER'S FUNDS/(DEFICIT)			900		(715)

These financial statements were approved by the Board of Directors on

19 February

2009.

Signed on behalf of the Board of Directors

- Director

J. Evans,

- Director

K. O'Leary

The accompanying notes form an integral part of this balance sheet.

ENTERPRISEMOUCHEL LIMITED (FORMERLY ACCORDMP LIMITED)

CASH FLOW STATEMENT

Year ended 25 July 2008

	Note	Year ended 25 July 2008 £'000	9 month period ended 31 July 2007 £'000
Net cash inflow from operating activities	1	487	3,164
Returns on investments and servicing of finance			
Net interest		110	24
Capital expenditure and financial investment		(15)	(1,418)
CASH INFLOW BEFORE FINANCING		582	1,770
Financing		-	500
INCREASE IN CASH IN THE PERIOD		582	2,270

NOTES TO THE CASH FLOW STATEMENT

Year ended 25 July 2008

1. Reconciliation of operating profit to net cash inflow from operating activities

	Year ended 25 July 2008 £'000	9 month period ended 31 July 2007 £'000
Operating profit/(loss)	2,239	(281)
Depreciation of tangible assets	462	345
Increase in stocks	(41)	(122)
Increase in debtors	(8,690)	(5,990)
Increase in creditors	4,602	4,136
Increase in amounts owed to related parties	1,915	5,076
Net cash inflow from operating activities	487	3,164

2. Analysis of net funds

The movement in cash balances in the year equates to the movement in net funds.

	£'000
Cash balance at 1 August 2007	2,346
Cash inflow in the period	582
Cash balance at 25 July 2008	2,928

ENTERPRISEMOUCHEL LIMITED (FORMERLY ACCORDMP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 25 July 2008

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable law and United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the year and the preceding period.

The company obtains funding from its two joint venture owners. The directors have received confirmation that the shareholders remain committed to the development and growth of the business and continue to offer their support to ensure that growth targets are achieved.

Accounting convention and basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Short term leasehold property	Over the term of the lease
Plant & machinery	5 to 8 years
Computer and office equipment	3 to 5 years
Motor vehicles	3 to 5 years

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Contracts

The activities of the company are largely undertaken through long-term framework contracts under which turnover and profit are recognised in line with each separate supply. Where losses are foreseeable in respect of future supplies committed under those framework contracts, provision is made. In addition, a provision is maintained for future remedial works that may be required in respect of supplies already made.

Amounts recoverable on long term contracts which are not framework contracts represent the excess of recorded turnover over payments on account. Profit is recognised on such contracts where the total profit can be assessed with reasonable certainty. Provision is made for the full amount of foreseeable losses on contracts.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are differences between the company's taxable profit and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are re-valued unless by the balance sheet date there is a binding agreement to sell the re-valued assets and the gain or loss expected to arise on the sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

ENTERPRISEMOUCHEL LIMITED (FORMERLY ACCORDMP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 25 July 2008

1. ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities have not been discounted.

Stocks

Stocks are valued at the lower of cost and net realisable value after make due allowance for obsolete and slow moving stocks.

Turnover

Turnover represents amounts derived from the provision of services under the company's framework contracts which fall within the company's ordinary activities after deduction of value added tax. The turnover and pre-tax profit, all of which arises in the United Kingdom, is attributable to the company's principal activity. Turnover and contracts are recognised in line with the level of contract activity.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Year ended 25 July 2008 No.	9 month period ended 31 July 2007 No.
Average number of persons employed		
Management and administration	86	86
Direct labour	319	165
	<u>405</u>	<u>251</u>
	Year ended 25 July 2008 £'000	9 month period ended 31 July 2007 £'000
Staff costs during the year		
Wages and salaries	14,012	10,008
Social security costs	1,472	639
Pension costs	276	147
	<u>15,760</u>	<u>10,794</u>

The directors did not receive any emoluments from the company during the current year or prior period.

ENTERPRISEMOUCHEL LIMITED (FORMERLY ACCORDMP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 25 July 2008

3. OPERATING PROFIT / (LOSS)

	Year ended 25 July 2008 £'000	9 month period ended 31 July 2007 £'000
Operating profit/(loss) is stated after charging:		
Depreciation - on owned assets	462	345
Rentals under operating leases		
Plant & machinery	1,204	933
Others	441	74
Auditors' remuneration	32	17
- audit of the company's annual accounts		
- non audit (taxation compliance services)	5	5
	<u> </u>	<u> </u>

4. INTEREST RECEIVABLE

	Year ended 25 July 2008 £'000	9 month period ended 31 July 2007 £'000
Bank interest receivable	119	27
	<u> </u>	<u> </u>

5. INTEREST PAYABLE

	Year ended 25 July 2008 £'000	9 month period ended 31 July 2007 £'000
On bank loans and overdrafts	9	3
	<u> </u>	<u> </u>

ENTERPRISEMOUCHEL LIMITED (FORMERLY ACCORDMP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 25 July 2008

6. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	Year ended 25 July 2008 £'000	9 month period ended 31 July 2007 £'000
UK corporation tax at 29.5% (2007 – 30%) - current year	335	-
Total current tax	335	-
Deferred taxation (see note 11)	399	43
	<u>734</u>	<u>43</u>

The tax assessed for the year is different from that resulting from applying the standard rate of corporation tax (30%). The differences are explained below:

	Year ended 25 July 2008 £'000	9 month period ended 31 July 2007 £'000
Profit/(loss) on ordinary activities before taxation	2,349	(257)
Tax at 29.5% (2007: 30%)	693	(77)
Expenses not deductible for tax purposes	82	89
Capital allowances for period in excess of depreciation	14	(17)
Other short term timing differences	-	5
Losses	(454)	-
Current tax charge for the year	<u>335</u>	<u>-</u>

7. TANGIBLE FIXED ASSETS

	Land and buildings - short leasehold £'000	Plant & machinery £'000	Computer and office equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 August 2007	1,000	27	1,295	35	2,357
Additions	-	15	-	-	15
Transfers	(69)	-	(9)	-	(78)
At 25 July 2008	<u>931</u>	<u>42</u>	<u>1,286</u>	<u>35</u>	<u>2,294</u>
Accumulated depreciation					
At 1 August 2007	110	1	246	9	366
Charge for the year	178	5	268	11	462
At 25 July 2008	<u>288</u>	<u>6</u>	<u>514</u>	<u>20</u>	<u>828</u>
Net book value					
At 25 July 2008	<u>643</u>	<u>36</u>	<u>772</u>	<u>15</u>	<u>1,466</u>
At 31 July 2007	<u>890</u>	<u>26</u>	<u>1,049</u>	<u>26</u>	<u>1,991</u>

ENTERPRISEMOUCHEL LIMITED (FORMERLY ACCORDMP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 25 July 2008

8. STOCKS

	25 July 2008 £'000	31 July 2007 £'000
Raw materials and consumables	293	252

There is no material difference between the balance sheet value of stocks and their replacement cost.

9. DEBTORS

	25 July 2008 £,000	31 July 2007 £,000
Amounts due within one year		
Trade debtors	5,512	4,089
Amounts owed from related parties	142	-
Amounts recoverable on contracts	11,329	3,917
Other debtors	106	3
Prepayments and accrued income	967	788
Deferred tax asset (see note 12)	-	349
	<u>18,056</u>	<u>9,146</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	25 July 2008 £'000	31 July 2007 £'000
Trade creditors	4,036	1,591
Amounts owed to related parties	9,468	7,411
Corporation tax	335	-
Other creditors including taxation and social security	1,054	1,896
Accruals and deferred income	6,900	3,552
	<u>21,793</u>	<u>14,450</u>

ENTERPRISEMOUCHEL LIMITED (FORMERLY ACCORDMP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 25 July 2008

11. PROVISION FOR LIABILITIES

	£'000
Deferred taxation:	
Balance at 1 August 2007	349
Charge to profit and loss account	(399)
	<hr/>
Balance at 25 July 2008	(50)
	<hr/>

The amounts provided in the financial statements are as follows:

	Provided 2008 £'000	Provided 2007 £'000
Accelerated capital allowances	(58)	(33)
Other timing differences	8	7
Tax losses	-	375
	<hr/>	<hr/>
	(50)	349
	<hr/>	<hr/>

There are no unprovided deferred taxation balances (2007 – same).

12. RESERVES

	Share premium account £'000	Profit and loss account £'000
At 1 August 2007	480	(1,215)
Profit for the year after taxation	-	1,615
	<hr/>	<hr/>
At 25 July 2008	480	400
	<hr/>	<hr/>

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS/(DEFICIT)

	25 July 2008 £'000	31 July 2007 £'000
Opening shareholders' deficit	(715)	(915)
Profit/(loss) for the year	1,615	(300)
Shares issued during the period	-	20
Share premium on shares issued (net of expenses)	-	480
	<hr/>	<hr/>
Closing shareholders' funds/(deficit)	900	(715)
	<hr/>	<hr/>

ENTERPRISEMOUCHEL LIMITED (FORMERLY ACCORDMP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 25 July 2008

14. FINANCIAL COMMITMENTS

Operating lease commitments

At 25 July 2008 the company had annual commitments under non cancellable operating leases as follows:

	25 July 2008 Land and buildings £'000	25 July 2008 Other £'000	31 July 2007 Land and buildings £'000	31 July 2007 Other £'000
Leases which expire:				
Within one year	-	46	-	19
Within 2 to 5 years	72	752	-	179
After 5 years	369	166	367	745
	<u>441</u>	<u>964</u>	<u>367</u>	<u>943</u>

15. PENSION COMMITMENTS

The Company operates a Defined Benefit Scheme by participating in the Prudential Platinum Pension Scheme. The Platinum Scheme is a sectionalised multi employer final salary pension arrangement. The assets of the EnterpriseMouchel section are administered by Trustees in funds independent of those of the Company and other sections of the Scheme. The administration is also conducted by external professional Pension Administrators. The Scheme operates for staff whose employment is transferred in connection with client contracts that require the Company to offer comparable pension arrangements. The terms of the Scheme allow the company to exit when the last member has left employment without additional payments, provided the related assets equal or exceed the value of the past service liabilities on a buy out basis. However, if the estimated value of the assets arising from the Company's contributions is less than the value of the past service liabilities for which the Company is responsible, then the Company will be required to make good the shortfall. The Scheme is subject to regular review and the Employer's contribution in relation to future service is adjusted accordingly. Additional employer contributions also fall due if a past service deficit is identified on a buy out basis. The pension cost charge for the period represents contributions payable by the Company to the Scheme and amounted to £86k (2007: £69k).

The Company also operates a contract based defined contribution Stakeholder Pension Scheme insured with Legal & General. The pension cost charge for the period represents contributions payable by the Company to the Scheme and amounted to £190k (2007: £78k).

ENTERPRISEMOUCHEL LIMITED (FORMERLY ACCORDMP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 25 July 2008

16. CALLED UP SHARE CAPITAL

	25 July 2008 £'000	31 July 2007 £'000
Authorised		
100,000 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
Called up, allotted and fully paid		
20,002 Ordinary shares of £1 each	20	20
	<u>20</u>	<u>20</u>

17. ULTIMATE CONTROLLING PARTY

The company is jointly controlled by two joint venture partners; Mouchel Limited, whose principal place of business is at West Hall, Parvis Road, West Byfleet, Surrey, KT14 6EZ and Enterprise (AOL) Limited (formerly Accord Operations Limited), whose principal place of business is at Lancaster House, Centurion Way, Leyland, Lancashire, PR26 6TX. The arrangement is such that neither party assumes dominant control.

The ultimate controlling party of Mouchel Limited is Mouchel Group PLC. The ultimate controlling party of Enterprise (AOL) Limited (formerly Accord Operations Limited) changed from being Accord Limited on 20 September 2007, when an offer was made for its entire share capital. The company's ultimate parent company and controlling party is now Enterprise Group Holdings Limited, a company also registered in England and Wales.

18. RELATED PARTY TRANSACTIONS

During the year the company incurred costs in relation to services including staff time, and other costs associated with the contracts. The details of transactions were as follows:

	25 July 2008		31 July 2007	
	Purchases £'000	Year end creditor £'000	Purchases £'000	Year end creditor £'000
Enterprise Group Holdings Limited and its subsidiaries	6,116	4,671	2,784	3,075
Mouchel Group Plc and its subsidiaries	6,426	4,655	5,836	4,336