

ENTERPRISEMOUCHEL LIMITED

Report and Financial Statements

Year ended 31 July 2009

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REPORT AND FINANCIAL STATEMENTS 2009

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Keith Jackson
Miles Barnard (appointed 6 July 2009)
John Evans
Conal Neafcy
Nick Clark (resigned 30 April 2009)

SECRETARY

Kelly Lee (appointed 26 May 2009)
Catherine Engmann (resigned 22 May 2009)
Paul Birch

REGISTERED OFFICE

Export House
Cawsey Way
Woking
Surrey
GU21 6QX

BANKERS

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

AUDITORS

Deloitte LLP
Chartered Accountants and Statutory Auditors
Manchester
United Kingdom

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the period from 26 July 2008 to 31 July 2009 (the "year ended 31 July 2009").

PRINCIPAL ACTIVITIES

EnterpriseMouchel 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 the Highways Agency and local authorities and hence supports clients to improve both local and strategic highways networks. Our business model is as follows;

- 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 fourth year, we have mobilised our second Highways Agency contract covering Berkshire, Buckinghamshire, Dorset, Hampshire, Surrey and Oxon and including 1,242 km of motorways.

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

The principal activity of the company has not changed during the period under review.

BUSINESS REVIEW

In its fourth year of trading, the company has continued to grow in line with expectations. Turnover increased by £50.9m to £122.7m. The majority of this growth is due to the commencement of the Highways Agency Area 3 Managing Agent Contract on 1st September 2008. The order book of the company stood at £383m at the end of July 2009.

Although gross margins remain consistent with the previous accounting period, operating profit margin has improved significantly in line with expectations due to economies of scale. Furthermore, the margin improvement has been achieved despite the company continuing to invest heavily in business development which is critical to enabling growth targets to be achieved.

Operating profit of £5.4m represents an increase of £3.2m over the previous year and operating cash flow of £3.4m represents a £2.9m improvement over the previous year. Consequently, the directors' view is that the company will meet all its current and forecast funding requirements through operating cash flow.

The company is not forecast to require any external funding from its parent companies or from financial institutions in order to maintain its existing business or to support its growth projections. However, both parent companies remain committed to the development and growth of the company and continue to provide support through their expertise in Business Development and Client Relationship Management and by providing services from their established central support functions.

The company's business model is based around securing long-term and high value partnering public sector contracts. Once a contract is secured it guarantees a significant volume of business for a relatively long period of time.

Demand for the company's services is heavily determined by government policies on public service reform and the role of the private sector. Although many public sector organisations are facing pressure to reduce costs which puts pressure on budgets and funding available to our clients, the deployment of short term fiscal stimulus, particularly in the transport sector that the company operates in, has actually had a positive impact on the company.

EnterpriseMouchel recognises that our clients will come under increasing pressure to achieve significant efficiency gains while improving the quality of services over the next 3 years. At the same time as presenting a risk, this pressure creates new market opportunities for companies such as EnterpriseMouchel which has a demonstrable track record of achievement in this area.

The company 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, and supply chain partners and that the company operates within its banking facilities. As a supply partner to the Highways Agency, EnterpriseMouchel is committed to the Fair Payment Charter.

DIRECTORS' REPORT**GOING CONCERN**

Given the current economic circumstances and the guidance issued by the Financial Reporting Council, additional disclosures are presented in note 1 to the financial statements. These detail the basis on which the directors have continued to adopt the going concern basis in preparing these financial statements.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company did not make any political or charitable donations during the period (2008: Nil).

PENSIONS

Although the vast majority of EnterpriseMouchel employees participate in a defined contribution pension scheme, the company 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. The company seeks to manage this risk by restricting its liability to the employee's service for the duration of the contract only.

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 clients' customers.

The company sets challenging targets for Accident Frequency Rates. The Accident Frequency Rate (AFR) is calculated by taking the number of RIDDOR reportable accidents x 100,000 and dividing by the number of hours worked. The Accident Frequency Rate for the 12 months to July 2009 was 0.12 (2008 - 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 the company is 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.

EMPLOYEE INVOLVEMENT

The directors recognise the benefits which arise from 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 period of £4,084,000 (2008: £1,615,000) has been transferred to reserves. The directors do not recommend the payment of a final dividend (2008 - £Nil).

DIRECTORS' REPORT (continued)

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 s418 of the Companies Act 2006.

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



15th DECEMBER
2009

Director



15th DECEMBER
2009

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). 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, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENTERPRISEMOUCHEL LIMITED

We have audited the financial statements of EnterpriseMouchel Limited for the year ended 31 July 2009 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement, the notes to the cash flow statement 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 sections 495 and 496 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 July 2009 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 period 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.



Timothy Edge (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Manchester, United Kingdom
18 December 2009

PROFIT AND LOSS ACCOUNT
Year ended 31 July 2009

	Note	Year ended 31 July 2009 £'000	Year ended 25 July 2008 £'000
TURNOVER	1	122,678	71,819
Cost of sales		(88,216)	(51,648)
GROSS PROFIT		34,462	20,171
Other operating expenses		(29,021)	(17,932)
OPERATING PROFIT	3	5,441	2,239
Interest receivable	4	86	119
Interest payable	5	(18)	(9)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,509	2,349
Tax on profit on ordinary activities	6	(1,425)	(734)
PROFIT FOR THE FINANCIAL YEAR		4,084	1,615

The above results all relate to continuing operations.

The company has no recognised gains or losses other than the profit for the current and prior year. 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

BALANCE SHEET As at 31 July 2009

	Note	31 July 2009 £'000	25 July 2008 £'000
FIXED ASSETS			
Tangible assets	7	2,044	1,466
CURRENT ASSETS			
Stock	8	1,320	293
Debtors	9	24,932	18,056
Cash at bank and in hand		4,509	2,928
		30,761	21,277
CREDITORS: amounts falling due within one year	10	(27,821)	(21,793)
NET CURRENT ASSETS/(LIABILITIES)		2,940	(516)
TOTAL ASSETS LESS CURRENT LIABILITIES		4,984	950
Provision for liabilities	11	-	(50)
NET ASSETS		4,984	900
CAPITAL AND RESERVES			
Called up share capital	16	20	20
Profit and loss account	12	4,484	400
Share premium account	12	480	480
SHAREHOLDERS' FUNDS		4,984	900

These financial statements of Enterprisemouchel Limited, registered company number 05606089, were approved by the Board of Directors on 15th DECEMBER 2009.

Signed on behalf of the Board of Directors


- Director

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

CASH FLOW STATEMENT
Year ended 31 July 2009

	Note	Year ended 31 July 2009 £'000	Year ended 25 July 2008 £'000
Net cash inflow from operating activities	1	3,414	487
Returns on investments and servicing of finance			
Net interest		68	110
Taxation paid		(275)	-
Capital expenditure		(1,626)	(15)
INCREASE IN CASH IN THE YEAR		1,581	582

NOTES TO THE CASH FLOW STATEMENT
Year ended 31 July 2009

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

	Year ended 31 July 2009 £'000	Year ended 25 July 2008 £'000
Operating profit	5,441	2,239
Depreciation of tangible assets	883	462
Loss on disposal of tangible fixed assets	137	-
Increase in stocks	(1,027)	(41)
Increase in debtors	(6,776)	(8,690)
Increase in creditors	4,756	6,517
Net cash inflow from operating activities	3,414	487

2. Analysis of net funds

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

	£'000
Cash balance at 26 July 2008	2,928
Cash inflow in the year	1,581
Cash balance at 31 July 2009	4,509

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2009

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 current and the preceding year.

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.

Going Concern

The performance, financial position and key risks impacting the company are set out in the Directors' Report.

Management is of the opinion that the company will continue to meet its performance obligations under its client contracts.

The company has maintained detailed 12 month rolling forecast profit and loss accounts, balance sheets and cash flows throughout the financial year and continues to do so. The 12 month rolling forecasts form part of a 6 year financial plan which is reviewed quarterly. The 6 year plan sits at the heart of a comprehensive 6 year Business Plan which has been reviewed and approved by the shareholders and has been cascaded throughout the Management of the company.

In carrying out their duties in respect of going concern, the Directors have carried out a comprehensive review of the company financial position and cash flow forecast for a period of 12 months from the date of signing these financial statements. This review has taken account of client spend forecasts as well as any risk and uncertainty brought about by the current economic environment.

Having taken all of the above factors into consideration, the Directors have concluded that the Company should continue to adopt the going concern basis for preparing the annual report and accounts.

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 the level of work completed. 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2009

1. ACCOUNTING POLICIES (continued)

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.

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 profits are recognised in line with the level of contract activity.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2009

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Year ended 31 July 2009 No.	Year ended 25 July 2008 No.
Average number of persons employed		
Management and administration	120	86
Direct labour	687	319
	<u>807</u>	<u>405</u>
	Year ended 31 July 2009 £'000	Year ended 25 July 2008 £'000
Staff costs during the year		
Wages and salaries	28,120	14,012
Social security costs	2,874	1,472
Pension costs	768	276
	<u>31,762</u>	<u>15,760</u>

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

3. OPERATING PROFIT

	Year ended 31 July 2009 £'000	Year ended 25 July 2008 £'000
Operating profit is stated after charging:		
Depreciation	883	462
Rentals under operating leases		
Plant & machinery	3,773	1,204
Others	629	441
Auditors' remuneration	31	32
- audit of the company's annual accounts		
- non audit (taxation compliance services)	5	5
	<u></u>	<u></u>

4. INTEREST RECEIVABLE

	Year ended 31 July 2009 £'000	Year ended 25 July 2008 £'000
Bank interest receivable	<u>86</u>	<u>119</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2009

5. INTEREST PAYABLE

	Year ended 31 July 2009 £'000	Year ended 25 July 2008 £'000
On loans and overdrafts	18	9

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 31 July 2009 £'000	Year ended 25 July 2008 £'000
UK corporation tax at 28% (2008: 29.5%) - current period	1,635	335
Adjustment in respect of prior years	(60)	-
Total current tax	1,575	335
Deferred taxation		
Current year movement	(43)	399
Adjustment in respect of prior years	(107)	-
Total deferred taxation (credit) / charge for the year	(150)	399
Total taxation charge for the year	1,425	734

The current tax assessed for the period is different from that resulting from applying the standard rate of corporation tax (28%). The differences are explained below:

	Year ended 31 July 2009 £'000	Year ended 25 July 2008 £'000
Profit on ordinary activities before taxation	5,509	2,349
Tax at 28% (2008: 29.5%)	1,542	693
Expenses not deductible for tax purposes	50	82
Depreciation for period in excess of capital allowances	43	14
Losses	-	(454)
Prior period adjustments	(60)	-
Current tax charge for the year	1,575	335

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2009

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 26 July 2008	931	42	1,286	35	2,294
Additions	-	125	1,501	-	1,626
Disposals	-	-	(234)	-	(234)
Transfers	(28)	-	-	-	(28)
At 31 July 2009	903	167	2,553	35	3,658
Accumulated depreciation					
At 26 July 2008	288	6	514	20	828
Charge for the year	178	8	688	9	883
Disposals	-	-	(97)	-	(97)
At 31 July 2009	466	14	1,105	29	1,614
Net book value					
At 31 July 2009	437	153	1,448	6	2,044
At 25 July 2008	643	36	772	15	1,466

8. STOCKS

	31 July 2009 £'000	25 July 2008 £'000
Raw materials and consumables	1,320	293

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

9. DEBTORS

	31 July 2009 £'000	25 July 2008 £'000
Amounts due within one year:		
Trade debtors	6,295	5,512
Amounts owed by related parties	2,419	142
Amounts recoverable on contracts	14,563	11,329
Other debtors	123	106
Prepayments and accrued income	1,432	967
Deferred tax asset (see note 11)	100	-
	24,932	18,056

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2009

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 July 2009 £'000	25 July 2008 £'000
Trade creditors	2,185	4,036
Amounts owed to related parties	7,403	9,468
Corporation tax	1,661	335
Other creditors including taxation and social security	1,453	1,054
Accruals and deferred income	15,119	6,900
	<u>27,821</u>	<u>21,793</u>

11. DEFERRED TAXATION

The movements in deferred taxation during the current year are as follows:

	£'000
Deferred taxation:	
Balance at 26 July 2008	(50)
Charge to profit and loss account	43
Prior year adjustment	107
Balance at 31 July 2009 (see note 9)	<u>100</u>

The amounts provided in the financial statements are as follows:

	2009 £'000	2008 £'000
Accelerated capital allowances	43	(58)
Other timing differences	57	8
	<u>100</u>	<u>(50)</u>

There are no unprovided deferred taxation balances (2008: same).

12. RESERVES

	Share premium account £'000	Profit and loss account £'000
At 26 July 2008	480	400
Profit for the financial year after taxation	-	4,084
At 31 July 2009	<u>480</u>	<u>4,484</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2009

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

	31 July 2009 £'000	25 July 2008 £'000
Opening shareholders' funds/(deficit)	900	(715)
Profit for the financial year	4,084	1,615
Closing shareholders' funds	4,984	900

14. FINANCIAL COMMITMENTS

Operating lease commitments

At 31 July 2009 the company had annual commitments under non cancellable operating leases as follows:

	31 July 2009 Land and buildings £'000	31 July 2009 Other £'000	25 July 2008 Land and buildings £'000	25 July 2008 Other £'000
Leases which expire:				
Within one year	60	173	-	46
Within 2 to 5 years	1,184	5,916	72	752
After 5 years	101	589	369	166
	1,345	6,678	441	964

15. PENSION COMMITMENTS

The company participates 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 £444,000 (2008: £86,000). The actuarial value relating to the company's share of the scheme assets and liabilities at 31 July 2009 was equal to a net asset of £234,000 (2008: £51,000). On the basis of materiality the company has not provided full FRS 17 disclosures in these financial statements.

The Company also operates a contract based defined contribution Stakeholder Pension Scheme insured with Legal & General. The pension cost charge for the year represents contributions payable by the company to the Scheme and amounted to £324,000 (2008: £190,000).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2009

16. CALLED UP SHARE CAPITAL

	31 July 2009 £'000	25 July 2008 £'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 Export House, Causey Way, Woking, Surrey, GU21 6QX and Enterprise (AOL) 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 parent company of Enterprise (AOL) Limited is 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:

	31 July 2009		25 July 2008	
	Purchases £'000	Year end creditor £'000	Purchases £'000	Year end creditor £'000
Enterprise Group Holdings Limited and its subsidiaries	7,109	3,629	6,116	4,671
Mouchel Group Plc and its subsidiaries	12,673	3,774	6,426	4,655

	31 July 2009		25 July 2008	
	Sales £'000	Year end debtor £'000	Sales £'000	Year end debtor £'000
Mouchel Group Plc and its subsidiaries	959	2,419	144	142