

Company Registration Number 3769974

ENVIRONMENTAL PROPERTY SERVICES  
LIMITED

Report and Financial Statements

Year ended 31 March 2012

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**ENVIRONMENTAL PROPERTY SERVICES LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

Year ended 31 March 2012

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**ENVIRONMENTAL PROPERTY SERVICES LIMITED**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

W Robson  
J Ridley  
P Griffin  
S Reeve

**SECRETARY**

MITIE Company Secretarial Services Limited

**REGISTERED OFFICE**

8 Monarch Court  
The Brooms  
Emerson Green  
Bristol  
BS16 7FH

**BANKERS**

Bank of Scotland  
Canons House  
Canons Way  
Bristol  
BS99 7LB

**AUDITOR**

Deloitte LLP  
London

## ENVIRONMENTAL PROPERTY SERVICES LIMITED

### DIRECTORS' REPORT

#### DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

- Select suitable accounting policies and then apply them consistently,
- Make judgements and accounting estimates that are reasonable and prudent,
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

#### PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company acts as a holding company and cost centre for the trading subsidiary EPS Group Limited. The depreciation charge is included as a charge in the Profit and Loss account of the company. This cost is recharged to EPS Group Limited, and the recharge is shown as other operating income in the Profit and Loss account.

The Group manages its operations on a divisional basis. For this reason, the company's directors do not believe further key performance indicators are necessary for an appropriate understanding of the performance and position of the business. The performance of the Group's divisions is discussed in the Group's annual report which does not form part of this report.

#### DIVIDENDS

Dividends for each share class were declared as follows:

- 'A' ordinary shares: No Dividend
- 'B' ordinary shares: No Dividend
- 'C' ordinary shares: No Dividend
- 'E' ordinary shares: No Dividend
- 'F' ordinary shares: No Dividend

#### PRINCIPAL RISKS AND UNCERTAINTIES

Loss of key customers of EPS Group Limited, its trading subsidiary, is a key risk to the business. The company manages this risk by developing and maintaining strong relationships with these customers. Risks are discussed in the Group's annual report which does not form part of this report.

## **DIRECTORS' REPORT (continued)**

### **FINANCIAL RISK MANAGEMENT**

The directors have reviewed the financial risk management objectives and policies of the company. The directors do not believe there to be significant risks in this area. The company does not enter into any hedging instruments, as there are not believed to be any material exposures. It does not enter into any financial instruments for speculative purposes.

Appropriate trade terms are negotiated with suppliers and customers. Management reviews these terms and the relationships with suppliers and customers and manages any exposure on normal trade terms. The company prepares regular forecasts of cash flow and liquidity and any requirement for additional funding is managed as part of the overall MITIE Group PLC financing arrangements.

### **GOING CONCERN**

The company has current net liabilities. The company is therefore reliant on the support of MITIE Group PLC to meet its liabilities as they fall due. The directors have considered the forecast and budgeted profit and associated cash flows for the foreseeable future being at least twelve months from the date of these financial statements. The directors have considered the facilities available to the entity, along with the support afforded to it by MITIE Group PLC, and believe the Company can operate within the facilities available for the period of the cash flow forecast. Accordingly, the directors consider it appropriate to adopt the going concern basis in the preparation of the company's financial statements.

### **PAYMENT POLICY**

The company's policy is to comply with the terms of payment agreed with a supplier. Where terms are not negotiated, the company endeavours to adhere with the supplier's standard terms. As at 31 March 2012, trade creditors as a proportion of amounts invoiced from suppliers for the financial year represented 0 days (2011: 109 days).

### **ENVIRONMENT**

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

### **EMPLOYEES**

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

### **DIRECTORS**

The directors during the year and subsequently were as follows:

W Robson

J Ridley

P Griffin

S Reeve

P D Reader (Resigned 20 March 2012)

## **DIRECTORS' REPORT (continued)**

### **AUDITOR**

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

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

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

Deloitte LLP has indicated its willingness to be reappointed for another term and appropriate arrangements have been put in place for it to be deemed reappointed as auditor in the absence of an Annual General Meeting

Approved by the Board and signed on its behalf by



W Robson  
Director

29 June 2012

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVIRONMENTAL PROPERTY SERVICES LIMITED**

We have audited the financial statements of Environmental Property Services Limited for the year ended 31 March 2012 which comprise Profit and Loss Account, Balance Sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of directors and auditor**

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

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

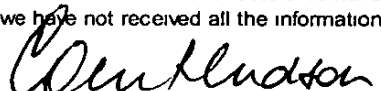
### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

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

  
Colin Hudson FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

*2 July 2012*

**ENVIRONMENTAL PROPERTY SERVICES LIMITED****PROFIT AND LOSS ACCOUNT**

Year ended 31 March 2012

	Note	2012 £'000	2011 £'000
<b>TURNOVER</b>		-	-
Cost of sales		-	-
<b>GROSS PROFIT</b>		-	-
Other operating income	1	222	648
Administration expense		(222)	(658)
<b>OPERATING PROFIT/(LOSS)</b>	2	-	(10)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		-	(10)
Tax credit/(charge) on profit/(loss) on ordinary	3	2	(94)
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	10	<u>2</u>	<u>(104)</u>

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

There are no recognised gains and losses for the current or preceding financial year other than as stated in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses is presented



**ENVIRONMENTAL PROPERTY SERVICES LIMITED**

**BALANCE SHEET**

As at 31 March 2012

		2012		2011	
	Note	£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Investments	4		4,575		4,575
Tangible assets	5		<u>877</u>		<u>1,099</u>
			5,452		5,674
<b>CURRENT ASSETS</b>					
Debtors					
- due within one year	6	<u>1,382</u>		<u>2,338</u>	
		1,382		2,338	
<b>CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	7	<u>(1,782)</u>		<u>(2,929)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(400)</u>		<u>(591)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			5,052		5,083
Provisions for liabilities	8		<u>(26)</u>		<u>(59)</u>
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>			5,026		5,024
<b>NET ASSETS</b>			<u>5,026</u>		<u>5,024</u>
<b>SHARE CAPITAL AND RESERVES</b>					
Called up share capital	9		140		140
Share premium account	10		4,937		4,937
Profit and loss account	10		<u>(51)</u>		<u>(53)</u>
<b>SHAREHOLDERS' FUNDS</b>	11		<u>5,026</u>		<u>5,024</u>

The financial statements of Environmental Property Services Limited, company registered number 03769974, were approved by the board and authorised for issue on

W Robson  
Director



29 June 2012

## **ENVIRONMENTAL PROPERTY SERVICES LIMITED**

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

Year ended 31 March 2012

#### **1 ACCOUNTING POLICIES**

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

##### **Accounting convention**

The accounts are prepared under the historical cost convention.

##### **Going concern**

Details regarding the directors' consideration of going concern are given in the going concern section of the directors' report.

##### **Investments**

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

##### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold improvements: lease term

Computer equipment: 3 to 10 years

Fixtures and fittings: 3 to 5 years

##### **Taxation**

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

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

##### **Group accounts**

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

##### **Cashflow statement**

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

## ENVIRONMENTAL PROPERTY SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

#### ACCOUNTING POLICIES (continued)

##### Operating Income

Operating income represents management charges receivable from other group companies. Operating income from the supply of management services represents the value of services provided to the extent that there is a right to consideration and is recorded at the value of the consideration due.

#### 2 OPERATING PROFIT/(LOSS)

	2012 £'000	2011 £'000
Operating Profit/(Loss) is stated after charging		
Depreciation of tangible fixed assets owned	222	473
Operating lease rentals other	-	185

Audit fees of £1,000 (2011: £1,000) were borne by EPS Group Limited and not recharged.

The company has taken the exemption available to it not to disclose separately information about fees for non-audit services provided to the company as this information is available in the consolidated financial statements of MITIE Group PLC.

#### 3 TAX ON LOSS/PROFIT ON ORDINARY ACTIVITIES

	2012 £'000	2011 £'000
(a) Analysis of charge in the year		
United Kingdom corporation tax 26% (2011: 28%)	31	69
Adjustment in respect of prior years	-	(13)
Total current tax (Note 3(b))	31	56
Deferred taxation		
Timing differences - origination and reversal	(31)	(72)
Adjustment in respect of prior years	(2)	110
Tax on profit on ordinary activities	(2)	94

# ENVIRONMENTAL PROPERTY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

### TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

(b) Factors affecting tax charge in the year

The tax assessed for the period differs from that resulting from applying the standard rate of corporation tax in the UK of 26% (2011 28%) The differences are as follows

	£'000	£'000
Loss on ordinary activities before tax	-	(10)
	£'000	£'000
Tax at 26% (2011 28%) thereon	-	(3)
Differences between capital allowances and depreciation	31	72
Utilisation of tax losses	-	-
Adjustments to tax charge in respect of prior periods	-	(13)
<b>Current tax charge for the year (Note 3(a))</b>	<b>31</b>	<b>56</b>

The company is not aware of any factors that will materially affect the future tax charge

	£'000	£'000
The deferred tax balance comprises the following		
Depreciation in excess of capital allowances	(26)	(59)
	(26)	(59)
	£'000	£'000
Amount (credited)/charged to the profit and loss account in the year in relation to deferred tax	(33)	38

### 4 INVESTMENTS

		2012 £'000	2011 £'000
Investments at 1 April 2011		4,575	4,575
Investments at 31 March 2012		4,575	4,575

The investments balance at 31 March 2012 represented interests in the following companies

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

**ENVIRONMENTAL PROPERTY SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2012

**5 TANGIBLE ASSETS**

	Leasehold improvements £'000	Computer equipment £'000	Fixtures and fittings £'000	Total £'000
<b>Cost or valuation</b>				
At 1 April 2011	58	1,838	92	1,988
At 31 March 2012	58	1,838	92	1,988
<b>Depreciation</b>				
At 1 April 2011	58	743	88	889
Charge for the year	-	219	3	222
At 31 March 2012	58	962	91	1,111
<b>Net book value</b>				
At 31 March 2012	-	876	1	877
At 31 March 2011	-	1,095	4	1,099

**6 DEBTORS**

	2012 £'000	2011 £'000
<b>Amounts falling due within one year</b>		
Amounts owed by Group undertakings	1,382	2,188
VAT	-	150
	<u>1,382</u>	<u>2,338</u>

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

	2012 £'000	2011 £'000
Bank loans and overdrafts	-	1,072
Trade creditors	-	379
Amounts owed to Group undertakings	1,422	1,421
Corporation tax	360	56
Other creditors	-	1
	<u>1,782</u>	<u>2,929</u>

**8 PROVISIONS FOR LIABILITIES**

	Deferred tax £'000
At 1 April 2011	59
Credited to profit and loss account	(33)
At 31 March 2012	<u>26</u>

# ENVIRONMENTAL PROPERTY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

### 9 CALLED UP SHARE CAPITAL

	2012 £'000	2011 £'000
<b>Allotted, called up and fully paid share capital</b>		
550,000 £0 001 'A' ordinary shares	1	1
1,592,057 £0 001 'B' ordinary shares	2	2
1,000,000 £0 1 'C' ordinary shares	100	100
373,901 £0 09 'E' ordinary shares	33	33
373,901 £0 01 'F' ordinary shares	4	4
	<u>140</u>	<u>140</u>

### 10 RESERVES

	Share premium account £'000	Profit and loss account £'000
<b>At 1 April 2011</b>	4,937	(53)
Profit for the year	-	2
<b>At 31 March 2012</b>	<u>4,937</u>	<u>(51)</u>

### 11 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £'000	2011 £'000
Profit/(Loss) for the financial year	2	(104)
<b>Net addition to/(reduction in) shareholders' funds</b>	<u>2</u>	<u>(104)</u>
Opening shareholders' funds	5,024	5,128
<b>Closing shareholders' funds</b>	<u>5,026</u>	<u>5,024</u>

### 12 FINANCIAL COMMITMENTS

The company had no commitments in respect of operating leases at the end of the current or prior year

#### Capital commitments

The company is party with other group undertakings to cross-guarantees of each others' bank overdrafts and loans

	2012 £'000	2011 £'000
Overall commitment	<u>157,300</u>	<u>195,300</u>

### 13 DIRECTORS

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

## **ENVIRONMENTAL PROPERTY SERVICES LIMITED**

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

Year ended 31 March 2012

#### **DIRECTORS (continued)**

The following directors are also directors or employees of another group company. They are remunerated by the company shown. It is not practicable to allocate their remuneration between their services as directors of this company and as directors or employees of other group companies.

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

#### **14 RELATED PARTY TRANSACTIONS**

The company has taken the exemption available under FRS 8 not to disclose transactions with other wholly-owned subsidiaries of Mitie Group PLC. There were no transactions with entities other than members of MITIE Group PLC which require disclosure under FRS 8.

#### **15 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

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

MITIE Group PLC is the largest and smallest group for which group accounts are prepared. Copies of the group financial statements can be obtained from the Company Secretary at the registered office.