

Company Registration Number 01158387

EPS GROUP LIMITED

Report and Financial Statements

Year ended 31 March 2013

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**EPS GROUP LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

Year ended 31 March 2013

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## **EPS GROUP LIMITED**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

P Griffin  
S Reeve  
J Ridley  
W Robson  
S C Baxter  
R McGregor-Smith

#### **SECRETARY**

MITIE Company Secretarial Services Limited

#### **REGISTERED OFFICE**

8 Monarch Court  
The Brooms  
Emersons Green  
Bristol  
BS16 7FH

#### **BANKERS**

HSBC Bank Plc  
62 George White Street  
Cabot Circus  
Bristol  
BS1 3BA

#### **AUDITOR**

Deloitte LLP  
London

## **EPS GROUP 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, 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 provided a wide variety of property maintenance and refurbishment activities, including reactive and planned maintenance of building fabric and building services, installation of new kitchens, bathrooms and central heating systems in social housing properties, complete internal and external refurbishment packages, and void property management.

On 31 March 2013, the trade, assets and liabilities of the company were transferred to MITIE Property Services (UK) Limited, a fellow subsidiary of MITIE Group PLC.

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:

Ordinary £0 per share (2012: £0)

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

As the trading assets and liabilities of the business were transferred to MITIE Property Services (UK) Limited on 31 March 2013, the business is now non-trading and faces no risk or uncertainty.

## **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**

As explained above, the company transferred its trade, assets and liabilities to a fellow subsidiary company in the year and has ceased trading. As required by Financial Reporting Standards 18 (Accounting policies), the directors have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All assets and liabilities were transferred to the fellow subsidiary company at book value.

### **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 who served during the year and to the date of this report, except where noted, were as follows:

P Griffin

S Reeve

J Ridley

W Robson

S C Baxter (Appointed 19 September 2012)

R McGregor-Smith (Appointed 19 September 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

27 June 2013

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EPS GROUP LIMITED**

We have audited the financial statements of EPS Group Limited for the year ended 31 March 2013 which comprise Profit and Loss Account, the Balance Sheet and the related notes 1 to 17. 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 2013 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.

### **Emphasis of matter – Financial statements prepared other than on a going concern basis**

In forming an opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financials have been prepared on a basis other than that of a going concern.

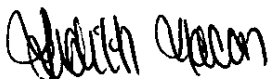
### **Opinion on other matters prescribed by the Companies Act 2006**

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.



**Judith Tacon (Senior Statutory Auditor)**  
**for and on behalf of Deloitte LLP**  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

27 June 2013

**EPS GROUP LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
Year ended 31 March 2013

|   | Note | 2013<br>£'000   | 2012<br>£'000   |
|---|------|-----------------|-----------------|
| <b>TURNOVER</b>   | 1    | 45,948          | 61,451          |
| Cost of sales   |      | <u>(34,106)</u> | <u>(46,754)</u> |
| <b>GROSS PROFIT</b>   |      | 11,842          | 14,697          |
| Administration expense  |      | <u>(9,896)</u>  | <u>(14,529)</u> |
| <b>OPERATING PROFIT</b>   | 2    | 1,946           | 168             |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION</b> |      | <u>1,946</u>    | <u>168</u>      |
| Interest receivable and similar income                            | 3    | <u>127</u>      | <u>49</u>       |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>              |      | 2,073           | 217             |
| Tax charge on profit on ordinary activities                       | 4    | <u>(478)</u>    | <u>(74)</u>     |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>                              | 10   | <u>1,595</u>    | <u>143</u>      |

The results for the period are wholly attributable to the discontinued 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.

The notes on pages 10 to 18 form an integral part of these financial statements.



**EPS GROUP LIMITED**  
**BALANCE SHEET**  
As at 31 March 2013

|  |      | 2013    |        | 2012     |        |
|--|------|---------|--------|----------|--------|
|  | Note | £'000   | £'000  | £'000    | £'000  |
| <b>FIXED ASSETS</b>                                  |      |         |        |          |        |
| Tangible assets                                      | 5    |         | -      |          | 85     |
|  |      |         | -      |          | 85     |
| <b>CURRENT ASSETS</b>                                |      |         |        |          |        |
| Stocks   | 6    | -       |        | 205      |        |
| Debtors  |      |         |        |          |        |
| - due within one year                                | 7    | 18,326  |        | 23,847   |        |
| Cash at bank and in hand                             |      | -       |        | 6,200    |        |
|  |      | 18,326  |        | 30,252   |        |
| <b>CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR</b> |      |         |        |          |        |
|  | 8    | (3,791) |        | (17,409) |        |
| <b>NET CURRENT ASSETS</b>                            |      |         |        |          |        |
|  |      |         | 14,535 |          | 12,843 |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>         |      |         |        |          |        |
|  |      |         | 14,535 |          | 12,928 |
| <b>NET ASSETS</b>                                    |      |         |        |          |        |
|  |      |         | 14,535 |          | 12,928 |
| <b>SHARE CAPITAL AND RESERVES</b>                    |      |         |        |          |        |
| Called up share capital                              | 9    |         | 150    |          | 150    |
| Profit and loss account                              | 10   |         | 14,385 |          | 12,778 |
| <b>SHAREHOLDERS' FUNDS</b>                           |      |         |        |          |        |
|  |      |         | 14,535 |          | 12,928 |

The notes on pages 10 to 18 form an integral part of these financial statements

The financial statements of EPS Group Limited, company registered number 01158387, were approved by the board and authorised for issue on 27 June 2013



W Robson  
Director

## **EPS GROUP LIMITED**

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

Year ended 31 March 2013

#### **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**

As required by Financial Reporting Standard 18 (Accounting policies), the directors have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All assets and liabilities were transferred to the fellow subsidiary company at book value.

##### **Turnover**

Turnover represents the total, excluding sales taxes, receivable in respect of goods and services supplied. All turnover arises within the United Kingdom, from the company's principal activity. Revenue is recognised as services are delivered.

##### **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

Fixtures, fittings and equipment: 3 to 5 years

##### **Operating leases**

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

##### **Stock**

Stock and work in progress are valued at the lower of cost or net realisable value.

##### **Long-term contracts**

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts receivable as progress payments on account. Excess progress payments are included in creditors as payments on account. Cumulative costs incurred net of amounts transferred to cost of sales, less provision for contingencies and anticipated future losses on contracts, are included as long term contract balances in stock.

Profit is recognised on long term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of the total contract value which costs incurred to date bear to total expected costs for that contract.

##### **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.

## **EPS GROUP LIMITED**

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

Year ended 31 March 2013

#### **ACCOUNTING POLICY DISCLOSURE (continued)**

##### **Pension costs**

The company participates in the MITIE Group PLC Pension Schemes. One is a defined benefit multi-employer scheme, the assets and liabilities of which are held independently from the group. For the purposes of Financial Reporting Standard 17 ('Retirement Benefits'), the company has been unable to identify its share of the underlying assets and liabilities in the main group scheme on a consistent and reasonable basis. Therefore the company is accounting for contributions to the scheme as if it were a defined contribution scheme.

For defined contribution schemes the amount charged to the profit and loss account is the contributions payable in the year.

Where the company can separately identify its share of the underlying assets and liabilities of any defined benefit schemes to which it contributes, the company accounts for these schemes as required by FRS 17 with the cost of providing benefits determined using the Projected Unit Credit Method, based on actuarial valuations carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the period in which they occur. They are recognised outside the profit and loss account and presented in the statement of total recognised gains and losses. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the plan. Where the scheme is fully funded no asset or liability is recognised in the balance sheet.

##### **Share-based payments**

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.

**EPS GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2013

**2 OPERATING PROFIT**

|  | 2013<br>£'000 | 2012<br>£'000 |
|--|---------------|---------------|
| <b>Operating profit is stated after charging</b>                                     |               |               |
| Loss on disposal of fixed assets   | 8             | 2             |
| Depreciation of tangible fixed assets  |               |               |
| owned  | 60            | 93            |
| Redundancy costs   | 129           | -             |
| Operating lease rentals  |               |               |
| plant and machinery  | 518           | 906           |
| land and buildings   | 393           | 332           |
| Fees payable to the company's auditor for the audit of the company's annual accounts | 29            | 30            |

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

**3 INTEREST RECEIVABLE AND SIMILAR INCOME**

|               | 2013<br>£'000 | 2012<br>£'000 |
|---------------|---------------|---------------|
| Bank interest | 127           | 49            |
|               | <u>127</u>    | <u>49</u>     |

**4 TAX ON PROFIT ON ORDINARY ACTIVITIES**

|   | 2013<br>£'000 | 2012<br>£'000 |
|---|---------------|---------------|
| (a) Analysis of charge in the year            |               |               |
| United Kingdom corporation tax 24% (2012 26%) | 512           | 61            |
| Adjustment in respect of prior years          | (43)          | (19)          |
| Total current tax (Note 4(b))                 | <u>469</u>    | <u>42</u>     |
| Deferred taxation                             |               |               |
| Timing differences - origination and reversal | 4             | 20            |
| Adjustment in respect of prior years          | 5             | 12            |
| Tax on profit on ordinary activities          | <u>478</u>    | <u>74</u>     |

## EPS GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

#### 4 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 24% (2012 26%). The differences are as follows

|   | £'000        | £'000        |
|---|--------------|--------------|
| Profit on ordinary activities before tax                | 2,073        | 217          |
|   | <b>£'000</b> | <b>£'000</b> |
| Tax at 24% (2012 26%) thereon                           | 498          | 56           |
| Expenses not deductible for tax purposes                | 18           | 28           |
| Differences between capital allowances and depreciation | (4)          | (26)         |
| Utilisation of tax losses                               | -            | -            |
| Relief in respect of employee share options             | (3)          | -            |
| Other timing differences                                | 3            | 3            |
| Adjustments to tax charge in respect of prior periods   | (43)         | (19)         |
| <b>Current tax charge for the year (Note 4(a))</b>      | <b>469</b>   | <b>42</b>    |

The UK Government announced a reduction in the UK corporation tax rate from 24% to 23% from 1 April 2013, which was substantively enacted on 3 July 2012. The reduction in the balance sheet carrying value of deferred tax assets and liabilities to reflect the rate of tax at which those assets are expected to reverse has not had a material impact on the current year tax charge. The UK Government has indicated that it intends to enact further reductions in the main tax rate of 3% down to 20% by 1 April 2015. Future rate reductions would further reduce the UK deferred tax assets and liabilities recognised but the actual impact will be dependent on the deferred tax position at the time.

|   |              |              |
|---|--------------|--------------|
| The deferred tax balance comprises the following                                      | £'000        | £'000        |
| Depreciation in excess of capital allowances  | -            | 80           |
| Share-based payment timing difference   | -            | 5            |
| Other timing differences  | -            | 36           |
|   | <b>-</b>     | <b>121</b>   |
|   | <b>£'000</b> | <b>£'000</b> |
| Amount charged to the profit and loss account in the year in relation to deferred tax | 9            | 32           |

# EPS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

### 5 TANGIBLE FIXED ASSETS

|                                  | Leasehold<br>improvements<br>£'000 | Fixtures,<br>fittings and<br>equipment<br>£'000 | Total<br>£'000 |
|----------------------------------|------------------------------------|---|----------------|
| <b>Cost or valuation</b>         |                                    |   |                |
| At 1 April 2012                  | 38                                 | 486   | 524            |
| Additions                        | -                                  | 41  | 41             |
| Disposals                        | (38)                               | (407)   | (445)          |
| Transfers out to group companies | -                                  | (120)   | (120)          |
| <b>At 31 March 2013</b>          | <b>-</b>                           | <b>-</b>  | <b>-</b>       |
| <b>Depreciation</b>              |                                    |   |                |
| At 1 April 2012                  | 38                                 | 401   | 439            |
| Charge for the year              | -                                  | 60  | 60             |
| Disposals                        | (38)                               | (399)   | (437)          |
| Transfers out to group companies | -                                  | (62)  | (62)           |
| <b>At 31 March 2013</b>          | <b>-</b>                           | <b>-</b>  | <b>-</b>       |
| <b>Net book value</b>            |                                    |   |                |
| <b>At 31 March 2013</b>          | <b>-</b>                           | <b>-</b>  | <b>-</b>       |
| At 31 March 2012                 | -                                  | 85  | 85             |

### 6 STOCKS

|               | 2013<br>£'000 | 2012<br>£'000 |
|---------------|---------------|---------------|
| Raw materials | -             | 205           |
|               | <b>-</b>      | <b>205</b>    |

### 7 DEBTORS

|  | 2013<br>£'000 | 2012<br>£'000 |
|--|---------------|---------------|
| <b>Amounts falling due within one year</b> |               |               |
| Trade debtors                              | -             | 6,202         |
| Amounts recoverable on contracts           | -             | 3,930         |
| Amounts owed by Group undertakings         | 18,326        | 12,832        |
| Other debtors                              | -             | 43            |
| Prepayments and accrued income             | -             | 189           |
| Corporation tax                            | -             | 530           |
| Deferred tax asset                         | -             | 121           |
|  | <b>18,326</b> | <b>23,847</b> |

### 8 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

|                                    | 2013<br>£'000 | 2012<br>£'000 |
|------------------------------------|---------------|---------------|
| Payments received on account       | -             | 417           |
| Trade creditors                    | -             | 11,055        |
| Amounts owed to Group undertakings | 3,791         | 3,772         |
| Other taxation and social security | -             | 1,443         |
| Other creditors                    | -             | 492           |
| Accruals and deferred income       | -             | 230           |
|                                    | <b>3,791</b>  | <b>17,409</b> |

## EPS GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

#### 9 CALLED UP SHARE CAPITAL

|  | 2013<br>£'000 | 2012<br>£'000 |
|--|---------------|---------------|
| Allotted, called up and fully paid share capital |               |               |
| 150,000 £1 Ordinary                              | 150           | 150           |
|  | <u>150</u>    | <u>150</u>    |

#### 10 RESERVES

|   | Profit and<br>loss<br>account<br>£'000 |
|---|--|
| At 1 April 2012                                       | 12,778                                 |
| Profit for the financial year                         | 1,595                                  |
| Capital contribution relating to share-based payments | 12                                     |
| At 31 March 2013                                      | <u>14,385</u>                          |

#### 11 FINANCIAL COMMITMENTS

The company has annual lease commitments under non-cancellable operating leases as detailed below

|                              | 2013                           |                               | 2012                           |                               |
|------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
|                              | Land and<br>buildings<br>£'000 | Plant &<br>Machinery<br>£'000 | Land and<br>buildings<br>£'000 | Plant &<br>Machinery<br>£'000 |
| Expiry date                  |                                |                               |                                |                               |
| - in less than one year      | -                              | -                             | 8                              | 206                           |
| - between two and five years | -                              | -                             | 385                            | 312                           |
|                              | <u>-</u>                       | <u>-</u>                      | <u>393</u>                     | <u>518</u>                    |

#### Capital commitments

The company did not have any outstanding capital commitments that were not provided for at the end of the current or prior year

#### 12 DIRECTORS

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.

| Director         | Remunerated by                      |
|------------------|-------------------------------------|
| P Griffin        | MITE Property Services (UK) Limited |
| S Reeve          | MITE Property Services (UK) Limited |
| J Ridley         | MITE Property Management Limited    |
| W Robson         | MITE Group PLC                      |
| R McGregor-Smith | MITE Group PLC                      |

## EPS GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

#### 13 EMPLOYEES

##### Average employee numbers

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

|                        | 2013<br>No   | 2012<br>No    |
|------------------------|--------------|---------------|
| Operations             | 162          | 236           |
| Administration         | 131          | 268           |
|                        | <u>293</u>   | <u>504</u>    |
| <b>Employment cost</b> | <b>£'000</b> | <b>£'000</b>  |
| Wages and salaries     | 8,125        | 14,266        |
| Social security costs  | 859          | 1,477         |
| Other pension costs    | 84           | 204           |
| Share-based payments   | 12           | 13            |
|                        | <u>9,080</u> | <u>15,960</u> |

#### 14 SHARE-BASED PAYMENTS

The company participates in the following MITIE Group PLC share option schemes

##### The MITIE Group PLC 2001 Executive share option scheme

The Executive share option scheme exercise price is equal to the average market value of the shares over the five day period immediately preceding the date of grant. The vesting period is three years. If the options remain unexercised after a period of ten years from the date of grant the options expire. Options may be forfeited if the employee leaves the group. Before options can be exercised, a performance condition must be satisfied, the performance condition is linked to the percentage growth in earnings per share over a three-year period.

##### The MITIE Group PLC 2001 Savings Related share option scheme

The SAYE scheme is open to all employees. The exercise price is not less than 80.0% of the market value of the shares on the day preceding the date on which invitations to participate in the scheme are issued. For options granted prior to September 2008, the vesting period is five years. For options granted in September 2008 and thereafter, the vesting period is three years. If the options remain unexercised after a period of six months from the date of vesting, the options expire. Options may be forfeited if the employee leaves the group.

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

|  | 2013                          |   | 2012                          |   |
|--|-------------------------------|---|-------------------------------|---|
|  | Number of<br>share<br>options | Weighted<br>average<br>exercise<br>price (in p) | Number of<br>share<br>options | Weighted<br>average<br>exercise<br>price (in p) |
| Outstanding at beginning of the year                     | 73,302                        | 190   | 114,838                       | 190   |
| Granted during the year                                  | 19,196                        | 247   |                               |   |
| Forfeited during the year                                | (15,800)                      | 199   | (24,527)                      | 190   |
| Transferred (to)/from Group subsidiaries during the year | (63,800)                      | 205   | (17,009)                      | 190   |
| Exercised during the year                                | (12,898)                      | 190   |                               |   |
| <b>Outstanding at end of the year</b>                    | <u>-</u>                      | <u>-</u>  | <u>73,302</u>                 | <u>190</u>                                      |
| <b>Exercisable at end of year</b>                        | <u>-</u>                      | <u>-</u>  | <u>-</u>                      | <u>-</u>  |



## EPS GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

#### 14 SHARE BASED PAYMENTS (continued)

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

|  | 2013<br>£'000 | 2012<br>£'000 |
|--|---------------|---------------|
| 2001 Executive share options           |               |               |
| 2001 Savings Related share options     | 12            | 13            |
| Long-term incentive plan scheme (LTIP) |               |               |
|  | <u>12</u>     | <u>13</u>     |
|  | 2013          | 2012          |

The weighted average share price at the date of exercise for share options exercised during the year was (p)

The options outstanding at the year-end had a weighted average price of (p)  
The options outstanding at the year-end had a weighted average remaining contractual life of (years)

|     |     |
|-----|-----|
| 291 | 190 |
| -   | 2   |

The company granted options in the period as detailed below

| Share scheme | Fair value<br>£'000 |
|--------------|---------------------|
| ESOS         | 7                   |

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

|                         | 2013      | 2012      |
|-------------------------|-----------|-----------|
| Share price (p)         | 198-274   | 191-243   |
| Exercise price (p)      | 0-254     | 0-254     |
| Expected volatility (%) | 32-35     | 28-36     |
| Expected life (years)   | 3-5       | 3-6       |
| Risk-free rate (%)      | 0.55-2.42 | 1.48-5.25 |
| Expected dividends (%)  | 3.30-4.10 | 2.22-4.10 |

#### 15 PENSION ARRANGEMENTS

The company participates in the MITIE Group PLC Pension Scheme. This is a defined benefit multi-employer scheme, the assets and liabilities of which are held independently from the Group. For the purposes of Financial Reporting Standard 17 ('Retirement Benefits'), the company has been unable to identify its share of the underlying assets and liabilities in the main Group scheme on a consistent and reasonable basis. Therefore the company is accounting for contributions to the scheme as if it were a defined contribution scheme. Note to the Report and Accounts of the Group sets out the details of the International Accounting Standard 19 'Employee Benefits' net pension deficit of £29.7 million (2012 deficit of £17.2 million).

Employer contributions to the scheme for the period are shown in note 13. The agreed contribution rate for employee and employer contributions for the next 12 months is 18.5% (2012 18.5%).

## **EPS GROUP LIMITED**

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

Year ended 31 March 2013

#### **16 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.

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

Environmental Property Services Holdings Limited is the immediate controlling party and the directors regard MITIE Group PLC, a company registered in Scotland, as the ultimate parent company 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.