

Company Registration Number 3528320

**MITIE PROPERTY MANAGEMENT LIMITED
(FORMERLY MITIE PROPERTY SERVICES LIMITED)**

Report and Financial Statements

31 March 2009

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MITIE PROPERTY MANAGEMENT LIMITED (FORMERLY MITIE PROPERTY SERVICES LIMITED)

REPORT AND FINANCIAL STATEMENTS 2009

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MITIE PROPERTY MANAGEMENT LIMITED (FORMERLY MITIE PROPERTY SERVICES LIMITED)

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

S C Baxter
R McGregor-Smith
J Ridley
W Robson
R Robinson
MITIE Administration 1 Limited (appointed 2 June 2009)
MITIE Administration 2 Limited (appointed 2 June 2009)

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

AUDITORS

Deloitte LLP
Bristol

MITIE PROPERTY MANAGEMENT LIMITED (FORMERLY MITIE PROPERTY SERVICES LIMITED)

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the financial year ended 31 March 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company is a wholly owned subsidiary of MITIE Group PLC (the 'Group'). The company changed its name from MITIE Property Services Limited to MITIE Property Management Limited on 19 June 2009. The company provides management and administration services to certain fellow subsidiary undertakings. There have not been any significant changes in the company's principal activities in the year under review and the directors are not aware of any likely major changes.

The company's profit and loss account, on page 6, reveals that operating income has increased by 15.3% over the prior year as a result of an overall increase in profitability within the group of companies serviced by this company. Conversely, profit after tax has decreased by £153,086 (11.5%) due largely to higher management charges levied by the Group.

The balance sheet on page 7 of the financial statements shows that the company's financial position at the year end is, in net assets terms, improved on the prior year.

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

A dividend of £336,396 (2008: £517,522) per 'A' ordinary share was approved and paid during the year.

MITIE PROPERTY MANAGEMENT LIMITED (FORMERLY MITIE PROPERTY SERVICES LIMITED)

DIRECTORS' REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES

Loss of key customers is a key risk to the business. The company manages this risk by developing and maintaining strong relationships with these customers and suppliers.

Group risks are discussed in the Group's annual report which does not form part of this report.

GOING CONCERN

The company was profitable in the year. The directors have considered the forecast and budgeted profit and associated cash flows for the coming five years. The directors have considered the facilities available to the entity and believe that they can operate within the facilities available for the period of the cash flow forecast. Accordingly, the directors consider it is appropriate to adopt the going concern basis in the preparation of the company's financial statements.

FINANCIAL RISK MANAGEMENT

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

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

PAYMENT POLICY

The company's policy is to comply with the terms of payment agreed with a supplier. Where terms are not negotiated, the company endeavours to adhere with the supplier's standard terms. As at 31 March 2009 trade creditors, as a proportion of amounts invoiced from suppliers for the financial year, represented 39 days (2008: 45 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 offers equal opportunities to all applicants for employment whatever their sex, race or religion. Disabled persons are considered for employment, training, career development and promotion on the basis of their aptitudes and abilities in common with all employees, providing the disability does not make the particular employment impractical or the employee unable to conform to the stringent regulations which apply to the operations of the company.

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

MITIE PROPERTY MANAGEMENT LIMITED (FORMERLY MITIE PROPERTY SERVICES LIMITED)

DIRECTORS' REPORT (CONTINUED)

DIRECTORS

The directors during the year and subsequently were as follows:

S C Baxter
R McGregor-Smith
J Ridley
R Robinson
W Robson
MITIE Administration 1 (appointed 2 June 2009)
MITIE Administration 2 (appointed 2 June 2009)

AUDITORS

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

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

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

On 1 December 2008 Deloitte & Touche LLP changed its name to Deloitte LLP.

Pursuant to Section 386 Companies Act 1985, an elective resolution was passed on 14 March 2005 dispensing with the requirement to appoint auditors annually. Therefore, Deloitte LLP are deemed to continue as auditors.

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



S C Baxter
Director

17 July 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

MITIE PROPERTY MANAGEMENT LIMITED (FORMERLY MITIE PROPERTY SERVICES LIMITED)

We have audited the financial statements of MITIE Property Management Limited for the year ended 31 March 2009 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

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

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

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

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the company's affairs as at 31 March 2009 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Deoitte LLP

DELOITTE LLP

Chartered Accountants and Registered Auditors
Bristol, United Kingdom

17 July 2009

MITIE PROPERTY MANAGEMENT LIMITED (FORMERLY MITIE PROPERTY SERVICES LIMITED)

PROFIT AND LOSS ACCOUNT
Year ended 31 March 2009

	Note	Continuing operations	
		2009	2008
		£	£
Operating income	1	6,870,339	5,956,956
Administrative expenses		(5,195,625)	(3,998,976)
OPERATING PROFIT	2	<u>1,674,714</u>	<u>1,957,980</u>
Interest received and similar income	3	3,403	13,709
Interest paid and similar charges	3	(17,633)	(42,690)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>1,660,484</u>	<u>1,928,999</u>
Tax on profit on ordinary activities	4	(477,284)	(592,713)
PROFIT FOR THE FINANCIAL YEAR	10,11	<u>1,183,200</u>	<u>1,336,286</u>

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

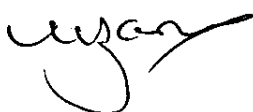
MITIE PROPERTY MANAGEMENT LIMITED (FORMERLY MITIE PROPERTY SERVICES LIMITED)

BALANCE SHEET
At 31 March 2009

	Note	2009		2008	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		4,419,356		5,121,115
			<u> </u>		<u> </u>
CURRENT ASSETS					
Debtors	7	828,704		821,692	
Cash at bank and in hand		394,418		-	
		<u> </u>		<u> </u>	
		1,223,122		821,692	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	(2,670,895)		(3,503,918)	
		<u> </u>		<u> </u>	
NET CURRENT LIABILITIES			(1,447,773)		(2,682,226)
			<u> </u>		<u> </u>
NET ASSETS			2,971,583		2,438,889
			<u> </u>		<u> </u>
SHARE CAPITAL AND RESERVES					
Called up share capital	9		2		2
Profit and loss account	10		2,912,538		2,402,131
Capital contribution reserve	10		59,043		36,756
			<u> </u>		<u> </u>
SHAREHOLDERS' FUNDS	11		2,971,583		2,438,889
			<u> </u>		<u> </u>

These financial statements were approved by the Board of Directors on 17 July 2009.

Signed on behalf of the Board of Directors



S C Baxter
Director

MITIE PROPERTY MANAGEMENT LIMITED (FORMERLY MITIE PROPERTY SERVICES LIMITED)

CASH FLOW STATEMENT
Year ended 31 March 2009

	Notes	2009		2008	
		£	£	£	£
Net cash inflow from operating activities	12	3,672,566		4,794,113	
Returns on investments and servicing of finance					
Interest received		2,820		13,709	
Interest payable		(21,971)		(43,279)	
Net cash outflow from returns on investments and servicing of finance		(19,151)		(29,570)	
Taxation					
UK corporation tax paid		(632,530)		(413,609)	
Capital expenditure					
Payments to acquire tangible fixed assets		(1,404,760)		(2,335,876)	
Receipts from disposal of tangible fixed assets		48,334		16,841	
Net cash outflow from capital expenditure		(1,356,426)		(2,319,035)	
Equity dividend paid		(672,793)		(1,035,043)	
Increase in cash in the year	13,14	991,666		996,856	

MITIE PROPERTY MANAGEMENT LIMITED (FORMERLY MITIE PROPERTY SERVICES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

1. ACCOUNTING POLICIES

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

Accounting convention

The financial statements are prepared under the historical cost convention.

Operating income

Operating income represents management charges receivable from other group companies.

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:

Office equipment	3 to 10 years
Motor vehicles	4 years

Operating leases

Rentals paid under operating leases are charged in the profit and loss account on a straight-line basis over the lease term.

Tax

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

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax 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.

Pension costs

Pension costs represent amounts paid to one of the Group's pension schemes. Details of the schemes are given in the financial statements of MITIE Group PLC.

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.

MITIE PROPERTY MANAGEMENT LIMITED (FORMERLY MITIE PROPERTY SERVICES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

2. OPERATING PROFIT

	2009	2008
	£	£
Operating profit is stated after charging/(crediting):		
Depreciation	2,051,653	1,542,965
Operating lease rentals:		
- plant and machinery	1,955	5,934
- other	90,500	79,264
Auditors' remuneration - audit services	(7,650)	3,500
Loss / (profit) on disposal of tangible fixed assets	6,533	(1,454)
	<u> </u>	<u> </u>

Auditors' remuneration is a credit in the current year due to the release of an over-accrual in the prior year of £16,650.

3. INTEREST

	2009	2008
	£	£
Interest received and similar income		
Bank interest	3,403	13,709
	<u> </u>	<u> </u>
Interest paid and similar charges	£	£
Bank interest	17,633	42,690
	<u> </u>	<u> </u>

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2009	2008
	£	£
(a) Analysis of charge on ordinary activities		
United Kingdom corporation tax at 28% (2008: 30%)	746,528	626,163
Adjustment in respect of prior years	(8,217)	12,806
	<u> </u>	<u> </u>
Total current tax (note 4(b))	738,311	638,969
Deferred taxation:		
Timing differences - origination and reversal	(262,561)	(29,697)
Decrease in tax rate	-	(4,714)
Adjustment in respect of prior years	1,534	(11,845)
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	477,284	592,713
	<u> </u>	<u> </u>

MITIE PROPERTY MANAGEMENT LIMITED (FORMERLY MITIE PROPERTY SERVICES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

4. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

(b) Factors affecting tax charge for the current year

The tax assessed for the year differs from that resulting from applying the standard rate of corporation tax in the UK of 28% (2008: 30%). The differences are as follows:

	2009	2008
	£	£
Profit on ordinary activities before tax	<u>1,660,484</u>	<u>1,928,999</u>
	£	£
Tax at 28% (2008 : 30%) thereon	464,935	578,700
Expenses not deductible for tax purposes	11,559	15,585
Capital allowances less than depreciation	244,037	1,291
Relief in respect of employee share options	7,473	2,181
Other timing differences	18,524	28,406
Adjustment in respect of prior years	(8,217)	12,806
Current tax charge for the year (note 4(a))	<u><u>738,311</u></u>	<u><u>638,969</u></u>

(c) Deferred tax note

	£	£
Movement on deferred taxation asset / (liability) in the year:		
Opening balance	(65,989)	(112,245)
Credit to profit and loss account (note 4 (a))	<u>261,027</u>	<u>46,256</u>
Closing balance (note 7)	<u><u>195,038</u></u>	<u><u>(65,989)</u></u>

(d) Analysis of deferred tax balance

	£	£
Capital allowances less than / (in excess of) depreciation	95,834	(146,670)
Short-term timing differences	92,903	72,860
Share-based payments	<u>6,301</u>	<u>7,821</u>
	<u><u>195,038</u></u>	<u><u>(65,989)</u></u>

MITIE PROPERTY MANAGEMENT LIMITED (FORMERLY MITIE PROPERTY SERVICES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

5. DIVIDENDS

The dividends approved and paid in the year are as follows:

	2009	2008
	£	£
£336,396 (2008: £517,522) per share on £1 'A' ordinary shares	<u>672,793</u>	<u>1,035,043</u>

6. TANGIBLE FIXED ASSETS

	Office equipment	Motor vehicles	Total
	£	£	£
Cost			
At 1 April 2008	214,219	7,246,138	7,460,357
Additions	75,096	1,329,664	1,404,760
Disposals	-	(112,420)	(112,420)
At 31 March 2009	<u>289,315</u>	<u>8,463,382</u>	<u>8,752,697</u>
Depreciation			
At 1 April 2008	107,642	2,231,600	2,339,242
Charge for the year	55,027	1,996,626	2,051,653
Disposals	-	(57,554)	(57,554)
At 31 March 2009	<u>162,669</u>	<u>4,170,672</u>	<u>4,333,341</u>
Net book value			
At 31 March 2009	<u>126,646</u>	<u>4,292,710</u>	<u>4,419,356</u>
At 31 March 2008	<u>106,577</u>	<u>5,014,538</u>	<u>5,121,115</u>

7. DEBTORS

	2009	2008
	£	£
Trade debtors	476,927	534,987
Amounts owed by group undertakings	30,913	31,940
Other debtors	125,243	254,765
Prepayments and accrued income	583	-
Deferred tax (note 4(c))	195,038	-
	<u>828,704</u>	<u>821,692</u>

A deferred tax asset of £195,038 has been recognised at 31 March 2009 (2008: nil). This asset relates to depreciation in excess of capital allowances and timing differences relating to share based payment expense. The directors are of the opinion that suitable profits will be available in the periods in which these differences will reverse. The amount charged to the profit and loss account in the year was a credit of £261,027 (2008: credit of £46,256).

MITIE PROPERTY MANAGEMENT LIMITED (FORMERLY MITIE PROPERTY SERVICES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2009	2008
	£	£
Trade creditors	87,230	24,890
Bank overdraft	-	597,248
Amounts owed to group undertakings	47,144	53,418
Corporation tax	685,539	579,759
Other taxation and social security	141,848	166,730
Accruals and deferred income	1,659,964	1,985,757
Other creditors	49,170	30,127
Deferred tax (note 4(d))	-	65,989
	<u>2,670,895</u>	<u>3,503,918</u>
 9. CALLED UP SHARE CAPITAL	 2009	 2008
	£	
1,000 £1 'A' ordinary shares	<u>1,000</u>	<u>1,000</u>
	£	£
Allotted and fully paid		
2 £1 'A' ordinary shares	<u>2</u>	<u>2</u>
 10. RESERVES	 Profit	 Capital
	and loss	contribution
	account	reserve
	£	£
At 1 April 2008	2,402,131	36,756
Profit for the financial year	1,183,200	-
Share-based payment expense	-	22,287
Dividends	(672,793)	-
 At 31 March 2009	 <u><u>2,912,538</u></u>	 <u><u>59,043</u></u>

MITIE PROPERTY MANAGEMENT LIMITED (FORMERLY MITIE PROPERTY SERVICES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2009	2008
	£	£
Profit for the financial year	1,183,200	1,336,286
Dividends (note 5)	(672,793)	(1,035,043)
Share-based payment expense	22,287	9,299
	<hr/>	<hr/>
Net addition to shareholders' funds	532,694	310,542
Opening shareholders' funds	2,438,889	2,128,347
	<hr/>	<hr/>
Closing shareholders' funds	<u>2,971,583</u>	<u>2,438,889</u>
 12. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES	 2009	 2008
	£	£
Operating profit	1,674,714	1,957,980
Depreciation	2,051,653	1,542,965
Loss / (profit) on disposal of tangible fixed assets	6,533	(1,454)
Decrease / (increase) in debtors	188,607	(41,251)
(Decrease) / increase in creditors	(271,228)	1,326,574
Share-based payment expense	22,287	9,299
	<hr/>	<hr/>
Net cash inflow from operating activities	<u>3,672,566</u>	<u>4,794,113</u>
 13. ANALYSIS OF CHANGES IN NET FUNDS / (DEBT)	 At 1 April	 At 31 March
	2008	2009
	£	£
Cash at bank and in hand	-	394,418
Bank overdraft	(597,248)	-
	<hr/>	<hr/>
	<u>(597,248)</u>	<u>394,418</u>
 14. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS / (DEBT)	 2009	 2008
	£	£
Increase in cash in the year	991,666	996,856
Net debt at beginning of year	(597,248)	(1,594,104)
	<hr/>	<hr/>
Net funds / (debt) at end of year	<u>394,418</u>	<u>(597,248)</u>

MITIE PROPERTY MANAGEMENT LIMITED (FORMERLY MITIE PROPERTY SERVICES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

15. FINANCIAL COMMITMENTS

Commitments on behalf of group undertakings

The company is party with other group undertakings to cross-guarantees of each other's bank overdrafts and loans. As at 31 March 2009, the overall commitment was £10 million (2008: £50 million).

Operating leases

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

	Land and buildings £	2009 Office equipment £	Land and buildings £	2008 Office equipment £
Expiry date:				
- within one year	-	-	-	1,655
- within two to five year	30,000	-	72,500	-
	<u>30,000</u>	<u>-</u>	<u>72,500</u>	<u>1,655</u>

16. DIRECTORS

The emoluments of directors of the company were:

Fees and other emoluments (excluding pension contributions but including benefits-in-kind)

2009 £	2008 £
<u>148,109</u>	<u>148,882</u>

The number of directors who were members of a defined benefit pension scheme

No.	No.
<u>2</u>	<u>2</u>

S C Baxter, R McGregor-Smith and W Robson are also directors of MITIE Group PLC. All disclosures relating to their emoluments, pension details and share options are disclosed in the group accounts. It is not practicable to allocate their remuneration between their services as directors of MITIE Property Management Limited (formerly MITIE Property Services Limited) and their services as directors of other group companies.

None of the other company directors exercised options in the shares of the ultimate group company, MITIE Group PLC, during the year (2008: two directors).

MITIE PROPERTY MANAGEMENT LIMITED (FORMERLY MITIE PROPERTY SERVICES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2009

17. EMPLOYEES

Number of employees

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

	2009 No.	2008 No.
Administration and management	32	27
	<u>32</u>	<u>27</u>
Employment costs (including directors)	£	£
Wages and salaries	2,538,386	2,159,411
Social security costs	264,763	270,880
Other pension costs	110,790	91,907
Share-based payments (note 18)	22,287	9,299
	<u>2,936,226</u>	<u>2,531,497</u>

18. 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 is open to all employees. The exercise price is equal to the market value of the shares on 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, the performance condition that must be satisfied is that the percentage growth in the earnings per share over a three year period must be equal or greater than 10.0% per annum compound in respect of awards prior to 26 July 2007 and 4.0% above the Retail Price per annum thereafter.

The MITIE Group PLC 2001 Savings related share option scheme

The Savings related share option 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. The vesting period is five years. If the options remain unexercised after a period of five years and nine months from the date of grant, the options expire. Options may be forfeited if the employee leaves the Group.

MITIE PROPERTY MANAGEMENT LIMITED (FORMERLY MITIE PROPERTY SERVICES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2009

18. SHARE-BASED PAYMENTS (continued)

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

	2009		2008	
	Number of share options	Weighted average exercise price (in p)	Number of share options	Weighted average exercise price (in p)
Outstanding at beginning of the period ⁽¹⁾	125,696	180	150,754	152
Granted during the period	47,215	131	32,502	241
Forfeited during the period	(16,778)	167	(5,000)	130
Transferred to Group subsidiaries during the period	(9,757)	165	(46,560)	144
Exercised during the period	(1,327)	120	(6,000)	127
Outstanding at end of the period	145,049	167	125,696	180
Exercisable at end of the period	25,000	158	125,696	180

⁽¹⁾ Included within this balance are nil (2008: nil) options that have not been recognised in accordance with FRS 20 as the options were granted on or before 7 November 2002.

The company recognised the following expenses related to share-based payments:

	2009	2008
	£	£
2001 Executive share options	8,798	6,313
2001 Saving related share options	7,070	2,986
Long term incentive plan scheme	6,419	-
	22,287	9,299

The weighted average share price at the date of exercise for share options exercised during the year was 197p (2008: 271p).

The options outstanding at 31 March 2009 had a weighted average exercise price of 158p (2008: 180p) and a weighted average remaining contractual life of 5.27 years (2008: 5.94 years).

MITIE PROPERTY MANAGEMENT LIMITED (FORMERLY MITIE PROPERTY SERVICES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2009

18. SHARE-BASED PAYMENTS (continued)

In the year ended 31 March 2009, options were granted in July and September 2008 in respect of the Executive and Savings related share option schemes respectively. The aggregate of the estimated fair values of the options granted on those dates is £34,937.

In the year ended 31 March 2008, options were granted in July and August 2008 in respect of the Executive and Savings related share option schemes respectively. The aggregate of the estimated fair values of the options granted on those dates is £11,994.

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

	2009	2008
Share price (p)	133 to 230	133 to 230
Exercise price (p)	0 to 254	120 to 254
Expected volatility (%)	27 to 30	27 to 30
Expected life (years)	4 to 6	4 to 5
Risk-free rate (%)	4.17 to 5.25	4.17 to 5.12
Expected dividends (%)	1.43 to 3.15	1.43 to 2.29

Expected volatility was based on historical volatility over the expected life of the schemes. The expected life is based upon historical data and has been adjusted based on management's best estimates for the effects of non-transferability, exercise restrictions and behavioural considerations.

19. 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 34 to the Report and Accounts of the Group sets out the details of the International Accounting Standard 19 'Employee Benefits' net pension surplus of £3.0 million (2008: £9.9 million).

Contributions to the scheme for the period are shown in note 17 of the Group accounts and the agreed contribution rate for the next 12 months is 10% (2008: 10%) and 7.5% (2008: 7.5%) for the Group and employees respectively.

20. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of MITIE Group PLC, MITIE Property Management Limited (formerly MITIE Property Services Limited) has taken advantage of the exemption from the requirement to disclose related party transactions with MITIE Group PLC and companies within the group.

MITIE PROPERTY MANAGEMENT LIMITED (FORMERLY MITIE PROPERTY SERVICES LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2009

21. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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