

Company Registration Number 04519178

MITIE COMPLIANCE LIMITED
(formerly Direct Enquires Ltd)

Report and Financial Statements

Year ended 31 March 2013



MITIE COMPLIANCE LIMITED
(formerly Direct Enquiries Ltd)

REPORT AND FINANCIAL STATEMENTS
Year ended 31 March 2013

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MITIE COMPLIANCE LIMITED
(formerly Direct Enquiries Ltd)

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G S Kennedy
C P Edwards
M J McIntyre
R Couzens
J S Sherdan
R I Cattell

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

MITIE COMPLIANCE LIMITED

(formerly Direct Enquiries Ltd)

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 principal activity of the company during the period continued to be that of an online nationwide register for disabled access and facilities, however the directors have also enhanced their product offering to include a full range of audit and compliance solutions.

The company changed its accounting reference date in 2012 and, accordingly, the comparative figures are for the 18 month period from 1 October 2011 to 31 March 2012. In the 12 months to 31 March 2013 the company made profit before tax of £64,000 against a prior period loss of £360,000.

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 Shares: No Dividend

Ordinary Class 2 Shares: No Dividend

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. Group 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 was profitable in the year. The directors have considered the forecast and budgeted profit and associated cash flows for the foreseeable future, being the period not less than 12 months from the date of signing of these financial statements. 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 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 2013, trade creditors as a proportion of amounts invoiced from suppliers for the financial year represented 53 days (2012: 50 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:

G S Kennedy

C P Edwards

M J McIntyre

R Couzens

J S Sheridan

R I Cattell

DIRECTORS' REPORT (continued)

AUDITOR

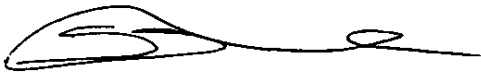
Each of the persons who is a director at the date of approval of this report confirms that

- 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



J S Shendan
Director

30 July 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MITIE COMPLIANCE LIMITED

We have audited the financial statements of MITIE Compliance Limited (formerly Direct Enquiries Limited) for the year ended 31 March 2013 which comprise Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, and the related notes 1 to 22. 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.

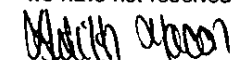
Opinion on other matters prescribed by the Companies Act 2006

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

30 July 2013

MITIE COMPLIANCE LIMITED
PROFIT AND LOSS ACCOUNT
Year ended 31 March 2013

		Year ended 31 March 2013 £'000	18 month period ended 31 March 2012 £'000
	Note		
TURNOVER	1	1,444	1,797
Cost of sales		(669)	-
GROSS PROFIT		<u>775</u>	<u>1,797</u>
Administration expense		(699)	(2,142)
OPERATING PROFIT/(LOSS)	2	<u>76</u>	<u>(345)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		<u>76</u>	<u>(345)</u>
Interest receivable and similar income	3	12	1
Interest payable and similar charges	3	(19)	(16)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>69</u>	<u>(360)</u>
Tax (charge)/credit on profit/(loss) on ordinary	4	(12)	74
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	13	<u>57</u>	<u>(286)</u>

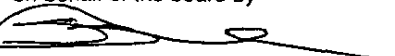
The results for the period are wholly attributable to the continuing operations of the company

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

MITIE COMPLIANCE LIMITED
BALANCE SHEET
As at 31 March 2013

		2013		2012	
	Note	£'000	£'000	£'000	£'000
FIXED ASSETS					
Intangible assets	6		327		180
Tangible assets	7		<u>27</u>		<u>53</u>
			354		233
CURRENT ASSETS					
Debtors					
- due within one year	8	690		664	
Cash at bank and in hand		<u>661</u>		<u>18</u>	
		1,351		682	
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>(1,355)</u>		<u>(610)</u>	
(LIABILITIES)/ASSETS			<u>(4)</u>		<u>72</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			350		305
CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	10		(23)		(32)
NET ASSETS			<u>327</u>		<u>273</u>
SHARE CAPITAL AND RESERVES					
Called up share capital	12		251		251
Share premium account	13		72		72
Profit and loss account	13		4		(50)
SHAREHOLDERS' FUNDS	14		<u>327</u>		<u>273</u>

The financial statements of MITIE Compliance Limited (formerly Direct Enquiries Limited), company registered number 04519178, were approved by the board and authorised for issue. They were signed on behalf of the board by



J S Sheridan
Director

30 July 2013

MITIE COMPLIANCE LIMITED
CASH FLOW STATEMENT
Year ended 31 March 2013

		Year ended 31 March 2013		18 month period ended 31 March 2012	
	Note	£'000	£'000	£'000	£'000
Net cash inflow/(outflow) from operating activities	15		684		(187)
Returns on investments and servicing of finance					
Interest received		12		1	
Interest paid		<u>(19)</u>		<u>(16)</u>	
Net cash outflow from returns on investments and servicing of finance			(7)		(15)
Taxation					
UK corporation tax paid			39		(66)
Capital expenditure					
Payments to acquire tangible fixed assets		(90)		(13)	
Expenditure on product development		<u>(249)</u>		<u>(180)</u>	
Receipts from disposal of tangible fixed assets		<u>73</u>		<u>10</u>	
Net cash outflow from capital expenditure			(266)		(183)
Increase/(Decrease) in cash before financing			450		(451)
Financing					
Capital element of finance leases repaid		(7)		(20)	
New loan finance received		<u>200</u>		<u>(8)</u>	
Net cash inflow/(outflow) from financing			193		(28)
Increase/(Decrease) in cash in the year			<u>643</u>		<u>(479)</u>

MITIE COMPLIANCE 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

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

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.

Intangible assets

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is deferred and amortised over the period during which the Group is expected to benefit. Provision is made 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:

Fixtures & fittings 4 to 5 years

Motor vehicles 4 to 5 years

Computer equipment 4 years

Operating leases

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

Finance leases

Assets held under hire purchase arrangements, which confer rights and obligations similar to those attached to current assets, are capitalised as tangible fixed assets and depreciated over the shorter of the lease terms and useful lives. The capital elements of future hire purchase obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the lease to provide a constant rate of charge on the balance of capital repayments outstanding.

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.

MITIE COMPLIANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

ACCOUNTING POLICY DISCLOSURE (continued)

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.

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)

	2013 £'000	2012 £'000
Operating Profit/(Loss) is stated after charging/(crediting)		
Loss on disposal of fixed assets	-	3
Depreciation of tangible fixed assets		
owned	37	41
held under finance leases and hire purchase contracts	10	40
Impairment of tangible fixed assets		
owned	-	13
Operating lease rentals		
plant and machinery	-	38

Audit fees of £5,000 (2012: £5,000) were borne by MITIE Facilities Services Ltd 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.

There has been a change in accounting policy since 31 March 2013 to align reporting of cost of sales with MITIE Group policy. As a result the cost of sales for the period is £669,000 (2012: £904,000) and is made up predominantly of labour costs directly incurred in relation to sales made.

3. INTEREST

	2013 £'000	2012 £'000
Interest receivable and similar income		
Bank interest	12	1
	<u>12</u>	<u>1</u>
Interest payable and similar charges		
Bank interest	8	7
Finance leases	2	5
Other	9	4
	<u>19</u>	<u>16</u>

MITIE COMPLIANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

4 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	Year ended 31 March 2013 £'000	18 months ended 31 March 2012 £'000
(a) Analysis of charge in the year		
United Kingdom corporation tax 24% (2012 26%)	16	(51)
Adjustment in respect of prior years	1	-
Total current tax (Note 4(b))	<u>17</u>	<u>(51)</u>
Deferred taxation		
Timing differences - origination and reversal	1	(23)
Adjustment in respect of prior years	(6)	-
Tax on profit on ordinary activities	<u>12</u>	<u>(74)</u>

(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/(loss) on ordinary activities before tax	<u>69</u>	<u>(360)</u>
	£'000	£'000
Tax at 24% (2012 26%) thereon	17	(94)
Expenses not deductible for tax purposes	(2)	5
Differences between capital allowances and depreciation	27	15
Utilisation of tax losses	(27)	23
Other timing differences	1	-
Adjustments to tax charge in respect of prior periods	1	-
Current tax charge for the year (Note 4(a))	<u>17</u>	<u>(51)</u>

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	27	-
Share-based payment timing difference	1	-
Other timing differences	-	23
	<u>28</u>	<u>23</u>
	£'000	£'000
Amount credited to the profit and loss account in the year in relation to deferred tax	<u>(5)</u>	<u>(23)</u>

MITIE COMPLIANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

5 INVESTMENTS

		2013 £'000	2012 £'000
Investments at	1 April 2012	-	-
Investments at	31 March 2013	-	-

The investments balance at 31 March 2013 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
Inclusive London Limited	Dormont	Ordinary Shares	100%	England

The company has taken advantage of Section 400 of the Companies Act 2006 and therefore no consolidated financial statements have been prepared

6 INTANGIBLE FIXED ASSETS

	Development expenditure £'000
Cost	
At 1 April 2012	180
Additions	249
At 31 March 2013	429
Amortisation	
At 1 April 2012	-
Charge for the year	102
At 31 March 2013	102
Net book value	
At 31 March 2013	327
At 31 March 2012	180

Software and development expenditure is capitalised as an intangible asset if the asset created can be identified, if it is probable that the asset created will generate future economic benefits and if the development cost of the asset can be measured reliably. Following initial recognition, the carrying amount of an intangible asset is its cost less any accumulated amortisation and any accumulated impairment losses. Amortisation expense is charged to administrative expenses in the profit and loss account on a straight-line basis over its useful life of 3 years once they have been brought into use.

MITIE COMPLIANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

7. TANGIBLE FIXED ASSETS

	Fixtures & fittings £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
Cost or valuation				
At 1 April 2012	16	85	119	220
Additions	-	90	-	90
Disposals	(9)	(117)	(26)	(152)
At 31 March 2013	7	58	93	158
Depreciation				
At 1 April 2012	15	50	103	167
Charge for the year	1	32	15	47
Reversal of past impairment losses	-	(5)	-	(5)
Disposals	(9)	(44)	(26)	(79)
At 31 March 2013	7	33	91	131
Net book value				
At 31 March 2013	-	25	2	27
At 31 March 2012	1	35	17	53
Leased assets included above				
Net book value				
At 31 March 2013	-	24	-	24
At 31 March 2012	-	34	-	34

8 DEBTORS

	2013 £'000	2012 £'000
Amounts falling due within one year		
Trade debtors	237	193
Amounts owed by Group undertakings	392	386
Other debtors	13	2
Prepayments and accrued income	20	9
Corporation tax	-	51
Deferred tax asset	28	23
	690	664

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £'000	2012 £'000
Obligations under finance leases and hire purchase contracts	8	6
Trade creditors	38	11
Amounts owed to Group undertakings	503	300
Corporation tax	5	-
Other taxation and social security	102	63
Other creditors	13	27
Accruals and deferred income	686	203
	1,355	610

MITIE COMPLIANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

10 CREDITORS' AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013 £'000	2012 £'000
Obligations under finance leases	23	32
	<u>23</u>	<u>32</u>

11. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

	2013 £'000	2012 £'000
Amounts payable under hire purchase agreements		
- within one year	9	6
- within two to five years	25	39
Less finance charges allocated to future periods	(2)	(7)
	<u>32</u>	<u>38</u>

All obligations under finance leases are secured against the assets to which they relate

12. CALLED UP SHARE CAPITAL

	2013 £'000	2012 £'000
Allotted, called up and fully paid share capital		
2,509,990 £0 1 Ordinary Shares	251	251
999 £0 1 Ordinary Class 2 Shares	-	-
	<u>251</u>	<u>251</u>

13 RESERVES

	Share premium account £'000	Profit and loss account £'000
At 1 April 2012	72	(50)
Profit for the financial year	-	57
Capital reduction relating to share-based payments	-	(3)
At 31 March 2013	<u>72</u>	<u>4</u>

14 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £'000	2012 £'000
Profit/(Loss) for the financial year	57	(286)
Capital (reduction)/contribution relating to share-based payments	(3)	-
Net addition to/(reduction in) shareholders' funds	<u>54</u>	<u>(286)</u>
Opening shareholders' funds	273	559
Closing shareholders' funds	<u>327</u>	<u>273</u>

MITIE COMPLIANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

15 RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2013 £'000	2012 £'000
Operating profit/(loss)	76	(345)
Depreciation and amortisation	149	81
Reversal of impairment of tangible fixed assets	(5)	13
Loss/(profit) on sale of tangible fixed assets	-	3
Increase in debtors	(72)	(124)
Increase in creditors	539	185
Share-based payment expense	(3)	-
Net cash inflow/(outflow) from operating activities	684	(187)

16 ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

	At 1 April 2012 £'000	Cash flow £'000	At 31 March 2013 £'000
Cash at bank and in hand	18	643	661
Net cash	18	643	661
Finance leases	(38)	(7)	(31)
Debt	(38)	(7)	(31)
Net (debt)/funds	(20)	636	630

17. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2013 £'000	2012 £'000
Increase/(decrease) in cash in the year	643	(479)
Cash decrease from outflow in debt and lease financing	(7)	(16)
Change in net debt resulting from cashflows	636	(495)
Net (debt)/funds at beginning of the year	(20)	475
Net funds/(debt) at end of the year	616	(20)

18 DIRECTORS

	2013 £'000	2012 £'000
The emoluments of the directors of the company were		
- Aggregate emoluments	269	416
- Aggregate value of contributions paid to a money purchase pension scheme	-	-
	269	416
	2013 No.	2012 No.
The number of directors who were members of a defined benefit pension scheme	-	-
were members of a defined contribution pension scheme	-	-
exercised share options in the year	-	-

MITIE COMPLIANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

DIRECTOR REMUNERATION (continued)

	2013 £'000	2012 £'000
Highest paid director		
- Aggregate emoluments	135	209
- Aggregate value of contributions paid to a money purchase pension scheme	-	-
	<u>135</u>	<u>209</u>

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

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
R Couzens	MITIE Facilities Services Ltd
J S Sheridan	MITIE Facilities Services Ltd
R I Cattell	MITIE Facilities Services Ltd

19 EMPLOYEES

Average employee numbers

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

	2013 No.	2012 No.
Operations	24	28
Administration	<u>2</u>	<u>2</u>
	<u>26</u>	<u>30</u>
Employment cost	£'000	£'000
Wages and salaries	663	1,015
Social security costs	65	154
Share-based payments	<u>(3)</u>	<u>-</u>
	<u>725</u>	<u>1,169</u>

20 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.

MITIE COMPLIANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

SHARE BASED PAYMENTS (continued)

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.

The MITIE Group PLC Long Term Incentive Plan (LTIP)

The LTIP was introduced in 2007. The awards of shares or rights to acquire shares (the awards) are offered to a small number of key senior management. Where offered as options the exercise price is nil. The vesting period is three years. If the awards remain unexercised after a period of four years from the date of grant, the awards expire. The awards may be forfeited if the employee leaves the group. Before the awards can be exercised, a performance condition must be satisfied, the number of awards that vest is determined by a sliding scale based on growth in earnings per share over a three-year period.

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

	2013		2012	
	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 year	-	-	-	-
Granted during the year	14,687	223	-	-
Forfeited during the year	(4,035)	223	-	-
Outstanding at end of the year	10,652	223	-	-
Exercisable at end of year	-	-	-	-

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

	2013 £'000	2012 £'000
2001 Executive share options	-	-
2001 Savings Related share options	3	-
Long-term incentive plan scheme (LTIP)	-	-
	3	-
	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)	223	-
The options outstanding at the year-end had a weighted average remaining contractual life of (years)	3	-

MITIE COMPLIANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

SHARE BASED PAYMENTS (continued)

The company granted options in the period as detailed below

Share scheme	Fair value £'000
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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 to 274	191 to 243
Exercise price (p)	0 to 254	0 to 254
Expected volatility (%)	32 to 35	28 to 36
Expected life (years)	3 to 5	3 to 6
Risk-free rate (%)	0.55 to 2.42	1.48 to 5.25
Expected dividends (%)	3.30 to 4.10	2.22 to 4.10

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.

21 RELATED PARTY TRANSACTIONS

Set out below are the related party transactions

Related Party	Nature of transaction	Transaction amount		Year end balance	
		2013 £'000	2012 £'000	2013 £'000	2012 £'000
MITIE Treasury Services II Limited	Intercompany loan	200	300	500	300

22 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Direct Enquines Holdings Ltd 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.