

Registered number: 06079754

SITENSYS LTD

FOR THE YEAR ENDED 30 JUNE 2012

SITENSYS LTD
COMPANY INFORMATION

Directors

A J Heath
M C Dawson
M S Ferguson
A George (appointed 16 February 2012)
S Clarke (appointed 16 February 2012)
C Attenborough (appointed 6 November 2011)
L Masters (appointed 6 November 2011)
L Sharpe

Company Secretary

M E Lovejoy

Company Number

06079754

Registered office

34 - 37 Nelson House,
Admiral Way
Canary Wharf,
London E14 9QX

Auditor

Nexia Smith & Williamson
Chartered Accountants
Registered Auditors
25 Moorgate
London
EC2R 6AY

Tax advisors

Deloitte & Touche LLP
4 Brindley Place
Birmingham
B1 2HZ

SITENSYS LTD
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SITENSYS LTD**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2012**

The Directors present their report and the financial statements for the year ended 30 June 2012

Statement of Directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 is that of support services providing specialist outsourcing to commercial and public sector clients with an excellent track record of delivering high quality solutions and a clear strategic vision.

Sitensys Ltd works in partnership with a wide spectrum of clients across the United Kingdom. Sitensys Ltd focuses its resources on sectors and customers where its experience will enable high levels of performance to be delivered. In achieving its aim to become the leading mid-market support service provider, Sitensys Ltd will develop long term mutually profitable relationships. Sitensys Ltd is a quality provider in the specialist support services sector with innovation, operational investment, reach and capability at our disposal.

Cash management is an important part of effective capital management. The cash operating cycle remains consistent with 2011.

In March 2012 Sitensys Ltd acquired Ransford Commercial Cleaners Limited. Ransford Commercial Cleaners Limited provides cleaning services to circa 70 business centre locations throughout the UK. On the 30th June 2012 the trade of Ransford Commercial Cleaners Limited was hived up to Sitensys Ltd.

The directors are satisfied with the result for the year.

SITENSYS LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2012**

Future developments in the business

Development of long term contracts will continue to be maintained, with a comprehensive range of support services being offered Our philosophy is based on the development of long-term relationships with our customers

The Company's strategy for growth is achieved through a combination of organic growth and acquisitions

It is part of the Company's growth strategy to continue to actively seek out the right acquisition opportunities during the coming financial year The Company's flexible approach to the market enables it to react quickly and capitalise on new opportunities

Financial risk management

The Company's operations expose it to a variety of financial risks including the effects of changes in government legislation, credit risk and the effects of the general economic environment in which it operates

The Company is funded by a mixture of debt and equity Working capital is sufficient for the size and nature of the Company

The Company entered into a hedging arrangement in 2007 on the senior debt element of its funding

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub committee of the board The policies set by the board of directors are implemented by the Company's finance department

Disabled employees

It is the policy of the Company to give full and fair consideration to applications for employment from disabled persons having regard to their particular aptitude and abilities Training and career development opportunities are available to all employees and if necessary the Company endeavours to re-train any employee who develops a disability during employment

Employee participation

The Company values employee participation It holds regular meetings for managers from all areas of the business which facilitates open discussion on all aspects of financial and operational activity within the Company

Sitensys Ltd encourages employees at all levels to develop to their full potential and to the benefit of the business and our clients

Results and dividends

The profit for the year, after taxation, amounted to £4,365,340 (2011 - £4,304,447)

During the year final dividends were paid of £13.67 per ordinary share amounting to £4,100,000 (2011 - £4,000,000)

SITENSYS LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2012**

Company's policy for payment of creditors

The Company's policy is to settle terms within suppliers when agreeing contracts, to ensure that suppliers are aware of the terms of payment and to abide by them. The average number of creditor days during the year amounted to 43 days (2011 - 46 days)

Political and charitable contributions

The Company made charitable donations during the year amounting to £6,132 (2011 - £8,785)

Directors

The Directors who served during the year were

A J Heath

M C Dawson

M S Ferguson

A George (appointed 16 February 2012)

S Clarke (appointed 16 February 2012)

C Attenborough (appointed 6 November 2011)

L Masters (appointed 6 November 2011)

L Sharpe

J Waite(resigned 19 February 2012)

I Wellings (resigned 31 December 2011)

The following directors were appointed subsequent to the year end

A Walker (appointed 16 February 2012)

Provision of information to auditors

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that

- so far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information

Auditors

The auditors, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006

This report was approved by the board on 28th October 2012 and signed on its behalf



M Ferguson
Director

SITENSYS LTD**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SITENSYS LTD**

We have audited the financial statements of Sitensys Ltd for the year ended 30 June 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 24. 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/UKNP/

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 30 June 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SITENSYS LTD

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



Ronald Dexter (Senior statutory auditor)

for and on behalf of

Nexia Smith & Williamson

Chartered Accountants

Registered Auditors

25 Moorgate

London

EC2R 6AY

Date: 17 / 12 2012

SITENSYS LTD

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2012

		2012	2011
	Note	£	£
TURNOVER	1,2	91,814,265	88,413,769
Cost of sales		(78,671,856)	(75,815,390)
GROSS PROFIT		13,142,409	12,598,379
Administrative expenses		(7,121,584)	(6,746,257)
OPERATING PROFIT	3	6,020,825	5,852,122
Interest receivable		31,490	111,206
Interest payable	7	(54,232)	(51,504)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,998,084	5,911,824
Tax on profit on ordinary activities	8	(1,632,744)	(1,607,378)
PROFIT FOR THE FINANCIAL YEAR	17	4,365,340	4,304,447
Dividends paid and proposed	9	(4,100,000)	(4,000,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR		265,340	304,447

SITENSYS LTD
REGISTERED NUMBER 06079754

BALANCE SHEET
AS AT 30 JUNE 2012

FIXED ASSETS	Note	2012	2011
		£	£
Intangible fixed assets	10	3,534,028	2,247,898
Tangible fixed assets	11	2,224,311	3,179,690
Fixed asset investments	12	305,476	0
		<u>6,063,815</u>	<u>5,427,588</u>
CURRENT ASSETS			
Debtors	13	14,217,406	13,190,665
Cash at bank		2,117,414	2,362,407
		<u>16,334,820</u>	<u>15,553,072</u>
CREDITORS amounts falling due within one year	14	<u>(14,148,934)</u>	<u>(12,996,299)</u>
NET CURRENT ASSETS		<u>2,185,886</u>	<u>2,556,773</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,249,701</u>	<u>7,984,361</u>
CREDITORS amounts falling due after more than one year	15	<u>(463,332)</u>	<u>(463,332)</u>
NET ASSETS		<u><u>7,786,369</u></u>	<u><u>7,521,029</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	300,000	300,000
Share premium account	17	3,817,214	3,817,214
Profit and loss account	17	3,669,155	3,403,815
SHAREHOLDERS' FUNDS	18	<u><u>7,786,369</u></u>	<u><u>7,521,029</u></u>

The financial statements were approved and authorised for issue by the board and signed on its behalf on

M Ferguson

The notes on pages 8 to 17 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and include the results of the Company's operations which are described in the Directors' Report and all of which are continuing

1.2 Turnover

Revenue is recognised in line with the performance of contractual obligations for the supply of services
Payments received in advance of performance are included as creditors

1.3 Intangible fixed assets and amortisation

Purchased goodwill has been transferred into the Company from other group companies in the current and previous years. The purchased goodwill has arisen on the acquisition of the trade and assets of another entity and represents the difference between the consideration and the aggregate of the fair value of the identifiable assets. Goodwill is being amortised over a period of twenty years which is considered to be the estimated useful economic life of the asset in the view of the directors.

Amortisation is provided at the following rates

Intellectual property rights	over 20 years
Goodwill	over 20 years

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Long Term Leasehold Property - over the period of the lease
Plant & machinery - 25-50% straight line
Motor vehicles - 25% straight line
Fixtures & fittings - 10-50% straight line

Depreciation is charged to the profit and loss account from the month of acquisition of the asset. Fully depreciated assets are written off in the accounts

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment

SITENSYS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**1 ACCOUNTING POLICIES (continued)****1.6 Operating leases**

Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.8 Pensions

The employees of the Company have personal private pension plans with life assurance companies, the premiums for which are funded by the Company and by voluntary contributions. The contributions are charged against profits in the year in which contributions are made.

1.9 Share-based employee remuneration

When share options are granted to employees a charge is made to the profit and loss account and a reserve created in capital and reserves to record the fair value of the awards in accordance with FRS 20 "Share-based payment". No charge has been made to date as the directors consider the fair value of the awards to be immaterial.

2 TURNOVER

The whole of the turnover is attributable to the one principal activity of the Company being site support services providing specialist outsourcing to commercial and public sector clients.

All turnover arose within the United Kingdom.

SITENSYS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

3 OPERATING PROFIT

The operating profit is stated after charging

	2012	2011
	£	£
Amortisation - intangible fixed assets	124,024	113,048
Depreciation of tangible fixed assets		
- owned by the company	1,026,711	1,056,429
Operating lease rentals		0
- plant and machinery	637,409	549,511
- other operating leases	605,551	450,594
Exceptional items	754,927	-

£405,297 of exceptional items relates to a loss on a contract entered into as a strategic move into a potential new market

The remainder of £349,630 relates to redundancy, recruitment and other costs associated with a company reorganisation

4 AUDITORS' REMUNERATION

	2012	2011
	£	£
Fees payable to the company's auditor for the audit of the Company's annual accounts	30,400	27,700

5 STAFF COSTS

Staff costs, including Directors' remuneration, were as follows

	2012	2011
	£	£
Wages and salaries	65,573,585	62,113,476
Social security costs	4,209,957	4,135,643
Other pension costs	170,481	165,273
	69,954,023	66,414,392

The average monthly number of employees, including the Directors, during the year was as follows

	2012	2011
	No.	No.
Operatives	6,479	6,488
Administration	85	74
Management	221	198
	6,785	6,760

SITENSYS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

6 DIRECTORS' REMUNERATION

	2012	2011
	£	£
Emoluments	<u>1,047,588</u>	<u>952,113</u>
Company pension contributions to money purchase pension schemes	<u>9,996</u>	<u>23,532</u>
Compensation for loss of office	<u></u>	<u>42,149</u>

During the year retirement benefits were accruing to 1 Director (2011 - 2) in respect of money purchase pension schemes

The highest paid Director received remuneration of £182,120 (2011 - £196,300)

The value of the Company's contributions paid to a money purchase pension scheme in respect of the highest paid Director amounted to £9,996 (2011 - £NIL)

7 Interest Payable

Bank loans and overdrafts	17,165	14,437
Other loans	37,067	37,067
	<u>54,232</u>	<u>51,504</u>

8 TAXATION

	2012	2011
	£	£
Analysis of tax charge in the year Current tax (see note below)		
UK corporation tax charge on profit for the year	1,593,109	1,823,253
Adjustments in respect of prior periods	(7,961)	(7,667)
Total current tax	<u>1,585,148</u>	<u>1,815,586</u>
Deferred tax		
Deferred tax - current year	(2,245)	3,580
Deferred tax - prior year	49,841	(211,788)
Total deferred tax (see note 14)	<u>47,596</u>	<u>(208,208)</u>
Tax on profit on ordinary activities	<u>1,632,744</u>	<u>1,607,378</u>

SITENSYS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

8 TAXATION (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (*2011 - higher than*) the standard rate of corporation tax in the UK (28%) The differences are explained below

	2012	2011
	£	£
Profit on ordinary activities before tax	5,998,084	5,911,824
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (<i>2011 - 28%</i>)	1,679,463	1,655,311
Effects of:		
Expenses not deductible for tax purposes	71,279	175,029
Capital allowances for year in excess of depreciation	3,213	(4,753)
Adjustments to tax charge in respect of prior periods	(168,807)	(10,001)
Current tax charge for the year (see note above)	1,585,148	1,815,586

9 DIVIDENDS PAID AND PROPOSED

	2012	2011
	£	£
Ordinary: Interim paid	3,300,000	3,200,000
Ordinary: Interim proposed	800,000	800,000
	4,100,000	4,000,000

10 INTANGIBLE FIXED ASSETS

	Patents and trademarks	Goodwill	Total
	£	£	£
Cost			
At 1 July 2011	10,000	2,469,217	2,479,217
Additions	-	1,393,370	1,393,370
At 30 June 2012	10,000	3,862,587	3,872,587
Amortisation			
At 1 July 2011	2,838	228,481	231,319
Charge for the year	394	106,846	107,240
At 30 June 2012	3,232	335,327	338,559
Net book value			
At 30 June 2012	6,768	3,527,260	3,534,028
At 30 June 2011	7,162	2,240,736	2,247,898

SITENSYS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

11 Tangible Fixed Assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 July 2011	467,179	3,108,918	227,169	3,803,266
Additions	45,859	934,246	5,724	985,829
Fully depreciated assets		(367,346)	-	(367,346)
Disposals		(1,238,433)	(41,902)	(1,280,335)
At 30 June 2012	<u>513,039</u>	<u>2,437,385</u>	<u>190,991</u>	<u>3,141,414</u>
Depreciation				
At 1 July 2011	14,856	429,048	179,673	623,576
Charge for the year	39,371	958,037	29,303	1,026,711
Fully depreciated assets		(367,346)		(367,346)
On disposals		(320,560)	(45,278)	(365,838)
At 30 June 2012	<u>134,893</u>	<u>488,582</u>	<u>114,391</u>	<u>917,103</u>
Net book value				
At 30 June 2012	<u>378,146</u>	<u>1,948,803</u>	<u>76,600</u>	<u>2,224,311</u>
At 30 June 2011	452,324	2,679,870	47,496	3,179,690

12 FIXED ASSET INVESTMENTS

	Investment in group undertakings £
Cost or valuation	
At 1 July 2011	
Additions	305,476
At 30 June 2012	<u>305,476</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
Ransford Commercial Cleaners Limited	Ordinary	100%

The aggregate of the share capital and reserves as at 30 June 2012 and of the profit for the year ended on that date for the subsidiary undertakings were as follows

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Ransford Commercial Cleaners Limited	<u>305,476</u>	<u>305,476</u>

SITENSYS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

13 DEBTORS

	2012	2011
	£	£
Trade debtors	13,206,933	12,473,057
Other debtors	186,899	161,126
Prepayments and accrued income	509,643	208,249
Deferred tax asset (see note 14)	313,931	348,233
	<u>14,217,406</u>	<u>13,190,665</u>

14 CREDITORS

Amounts falling due within one year

	2012	2011
	£	£
Trade creditors	1,996,186	1,914,388
Amounts owed to group undertakings	3,587,891	2,116,397
Proposed dividend	800,000	800,000
Social security and other taxes	3,055,725	3,776,494
Other creditors	4,324,854	3,985,989
Accruals and deferred income	384,278	403,031
	<u>14,148,934</u>	<u>12,996,299</u>

15 CREDITORS

Amounts falling due after more than one year

	2012	2011
	£	£
Debenture loans: 8% unsecured loan stock 2018	<u>463,332</u>	<u>463,332</u>

16 DEFERRED TAX ASSET

	2012	2011
	£	£
At beginning of year	266,969	58,761
(Charge for) / released during year	(47,596)	208,208
At end of year	<u>219,373</u>	<u>266,969</u>

The deferred tax asset is made **up** as follows

	2012	2011
	£	£
Accelerated capital allowances	<u>219,373</u>	<u>266,969</u>

SITENSYS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

17	SHARE CAPITAL	2012	2011
	Allotted, called up and fully paid	£	£
	300,000 Ordinary shares of £1 each	300,000	300,000

18	RESERVES	Share Premium £	Profit and loss account £
	At 1 July 2011	3,817,214	3,403,815
	Profit for the year		4,365,340
	Dividends Equity capital		(4,100,000)
	At 30 June 2012	<u>3,817,214</u>	<u>3,669,155</u>

19	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2012 £	2011 £
	Opening shareholders' funds	5,503,661	3,965,395
	Profit for the year	4,165,747	4,538,266
	Dividends	(4,250,000)	(3,000,000)
	Closing shareholders' funds	<u>5,419,408</u>	<u>5,503,661</u>

20 CONTINGENT LIABILITIES

There are no known contingent liabilities at the balance sheet date

21 PENSION COMMITMENTS

The employees of the Company have personal private pension plans with life assurance companies, the premiums for which are funded by the Company and by voluntary contributions. The Company's contributions are charged against profits in the year in which the contributions are made.

SITENSYS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

22 OPERATING LEASE COMMITMENTS

At 30 June 2012 the Company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2012	2011	2012	2011
	£	£	£	£
Expiry date.				
Within 1 year	-	11,740	90,071	97,631
Between 2 and 5 years	312,642	287,619	357,692	385,148