Norland Managed Services Limited

Directors' report and financial statements

Registered number 01799580

5 April 2013

Contents

Directors' report

The directors present their annual report and the audited financial statements for the 53 weeks ended 5 April 2013 (*2012 52 weeks ended 30 March 2012*)

Principal activity

The principal activity of the Company is the maintenance and installation of mechanical and electrical equipment within buildings and the provision of other facilities management services

Operating and financial review

The Norland Managed Services Group (Norland) has continued its profitable growth We have maintained our commitment to the provision of exceptional service to all our customers We have adhered to our strategy for growth by adding complementary services that are valued by our customers and have continued to broaden and enhance our skill base accordingly

During the 2012/13 financial period, the Group's sales have grown by 23 3% to £384 8m These results have been achieved against a background of very competitive market conditions with many of our customers rightly demanding value for money The Company mobilised 48 contracts including its 3 largest ever wins Consolidated operating profit rose by 40 0% from £10 0m to £14 0m

Underlying consolidated operating profit shows an increase of 29 8% from £18 2m to £23 7m (see table below) FRS20 (share based payment) costs have reduced during the period (note 17) and a charge relating to the amortisation of goodwill has been incurred following the acquisition of Reliance Facilities Management Limited Mobilisation costs of £1 1m in the period are highlighted as they relate to expensed, non-chargeable costs relating to the mobilisation of the 3 large contract wins noted above US costs relate to investment in the start up of the US operations by Norland Managed Services Incorporated (note 2)

		2013 £000's	2012 £000's	Reference
Turnover (per statutory P&L)		**384,838**	**312,089**	
Operating profit (per statutory P&L)		**14,003**	**10,001**	
Adjustments				
	FRS 20 charges	6,958	8,066	*Statutory P&L and note 8*
	Goodwill amortisation	336	-	*Statutory P&L and note 3*
	Mobilisation costs	1,080	-	*Statutory P&L*
	US costs	1,292	173	*Note 2*
Underlying operating profit		**23,669**	**18,240**	

During the period, Norland Managed Services Limited acquired the entire issued share capital of Reliance Facilities Management Limited (RFML), a company that operates in the UK and focuses on integrated facility management services to a wide range of customers (note 3) Since acquisition, RFML's investment in an associate company, Monteray Limited, has been sold and the remaining business has now been hived up into Norland Managed Services Limited The reorganisation and restructuring of the acquired business resulted in exceptional charges of £1 3m (note 9) The remaining business is expected to contribute in excess of £2m of operating profit in 2013/14

Directors' report *(continued)*

Underlying cash flow generation remains excellent, notwithstanding the growth-related working capital investment

		2013 £000's	2012 £000's	Reference
Net cash inflow/ (outflow)		**9,528**	**(14,173)**	*Statutory Cash Flow*
Adjustments				
	Equity dividends paid	4,777	6,898	*Statutory Cash Flow*
	Loan (repaid by)/advanced to parent company	(7,000)	7,000	*Statutory Cash Flow*
	Purchase of investment less cash acquired	5,603	-	*Statutory Cash Flow*
	Proceeds from sale of associate	(37)	-	*Statutory Cash Flow and note 14*
	Dividends received from associate	(2,541)	-	*Statutory Cash Flow and note 14*
	Cash impact of exceptional cost charge	782	-	
	Mobilisation costs	1,080	-	*Statutory P&L*
	US investment	2,017	173	
	Cash outflows relating to maturity of Long Term Incentive Plan	-	15,116	*Statutory Cash Flow*
Underlying cash flow		**14,209**	**15,014**	

Norland Managed Services (Ireland) Limited continued to grow and trade profitably During the period Norland Managed Services Incorporated won its first contract, in Chicago It has since won 2 more contracts and has further significant opportunities for growth

The Company has been successful in retaining its registration to ISO 14001, ISO 9001, ISO 18001 and PAS 99 It has also been awarded the RoSPA Gold Award of Health and Safety excellence for the sixth year in succession, demonstrating our ongoing commitment to Health and Safety

The strength of our ongoing term contract orders for 2013/14 of £242 5m *(2012 £173 4m)*, our highly skilled and motivated people and our exceptional range of services, combined with our strong balance sheet, give us confidence that we will continue our profitable growth Ongoing term contract orders relate to annual turnover of confirmed orders at year end including notified wins and losses

Going Concern

A description of the Group's business activities, together with the factors likely to affect its future development and position, are set out in the Operating and financial review above The Group is expected to continue to generate positive cash flows for the foreseeable future The Group participates in centralised Norland trading group treasury arrangements and so shares banking arrangements with its intermediate parent and fellow subsidiaries

Directors

The directors who served during the period were

P J Lester (Chairman)
M R Burdett
E F Brown
I D Entwisle
D J Green
T Meikle
P J Saville-King
K S Lynn
A Smith
J A Maidment
J A Archer (Appointed 03 04 12, Resigned 20 05 13)

Directors' report *(continued)*

Results and dividend

The Group's profit and loss account for the financial period is shown on page 6 A final dividend for 2011/12 of £33 61 per share was paid in June 2012 *(2011 £67 05)* and an interim dividend for 2012/13 of £43 60 per share was paid in December 2012 *(2011 £52 68)*

Charitable donations

The Group made charitable donations during the period of £850 *(2012 £8,950)*

Employees

The directors give the highest priority to ensuring that employees of the Group are regularly informed of, and involved in, all matters connected with the day to day conduct of the business and its future development Employees' opinions are sought on all aspects of improvement, change, progress and development In common with many other companies, these communications are largely oral and are promoted by the constant involvement of all employees, in working together to achieve the widely understood and accepted aims of the Group

Applications for employment by disabled persons are always fully considered, bearing in mind their respective aptitudes and abilities In the event of a member of staff becoming disabled, every effort is made to ensure that employment with the Group continues and the appropriate training is arranged It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability

Creditors payment policy

It is Group policy in respect of all its suppliers

(a) to agree the terms of payment with those suppliers when agreeing the terms for each transaction,
(b) to ensure that those suppliers are made aware of the terms of payment, and
(c) to abide by the terms of payment

Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditors are unaware, and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office

By Order of the Board

D J Green

Duncan Green
Financial Director

City Bridge House
57 Southwark Street
London
SE1 1RU

27 June 2013

Registered number 01799580

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

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 period Under that law they have elected to prepare the Group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 Group and parent company and of their profit or loss for that period In preparing each of the Group and parent company 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 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 Group and the parent company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities

Independent auditor's report to the members of Norland Managed Services Limited

We have audited the financial statements of Norland Managed Services Limited for the 53 week period ended 5 April 2013 set out on pages 6 to 32 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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 auditor
As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 (APB'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 Financial Reporting Council's website at www frc org uk/auditscopeukprivate

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 5 April 2013 and of the group's profit for the period then ended,
- have been properly prepared in accordance with UK 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 period 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

Martin Newsholme

Martin Newsholme (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 Forest Gate
Brighton Road
Crawley
RH11 9PT

21 June 2013

Consolidated profit and loss account

for the 53 weeks ended 5 April 2013

	Note	2013 £000's Trading	2013 £000's Other	2013 £000's Total	2012 £000's Total
Turnover		**384,838**	-	**384,838**	312,089
Cost of sales		(328,888)	-	(328,888)	(266,994)
Mobilisation costs		(1,080)	-	(1,080)	-
Total cost of sales		(329,968)	-	(329,968)	(266,994)
Gross profit		**54,870**	-	**54,870**	45,095
Administrative expenses		(33,573)	-	(33,573)	(27,028)
Goodwill amortisation	*12*	-	(336)	(336)	-
FRS20 charges	*8*	-	(6,958)	(6,958)	(8,066)
Total administrative expenses		(33,573)	(7,294)	(40,867)	(35,094)
Operating profit		**21,297**	**(7,294)**	**14,003**	10,001
Exceptional restructuring costs	*9*			(1,375)	-
Share of associate's results	*14*			1,082	-
Profit on sale of associate	*14*			37	-
Interest receivable and similar income	*5*			405	390
Interest payable and similar charges	*6*			(84)	(48)
Profit on ordinary activities before taxation	*4*			**14,068**	10,343
Current and deferred tax	*11*			(4,424)	(2,127)
Group relief charge	*11*			(1,628)	(3,633)
Tax on profit on ordinary activities	*11*			(6,052)	(5,760)
Profit for the period	*19*			**8,016**	4,583

All of the Group's activities are continuing

Acquisitions in the year contributed a Turnover of £21,961,000 and an operating loss of £801,000, which are included in the profit and loss account presented above

Consolidated statement of total recognised gains and losses

for the 53 weeks ended 5 April 2013

	2013 £000's	2012 £000's
Gain for the financial period	**8,016**	4,583
Loss on retranslation of foreign currency net investments	**(21)**	(17)
Total recognised gains relating to the financial period	**7,995**	4,566

The notes on pages 10 to 32 form part of these financial statements

Consolidated balance sheet
At 5 April 2013

	Note	2013 £000's	2013 £000's	2012 £000's	2012 £000's
Fixed assets					
Tangible assets	*13*		**2,858**		2,478
Investments	*14*		**5**		-
Intangible assets	*12*		**3,028**		-
			5,891		2,478
Current assets					
Work in progress		**10,546**		10,343	
Debtors	*15*	**87,609**		73,501	
Cash at bank		**21,670**		12,142	
		119,825		95,986	
Creditors amounts falling due within one year	*16*	**(87,643)**		(70,567)	
Net current assets			**32,182**		25,419
Total assets less current liabilities			**38,073**		27,897
Creditors: amounts falling due after more than one year	*17*		**(15,024)**		(8,066)
Net assets			**23,049**		19,831
Capital and reserves					
Called up share capital	*18*		**62**		62
Share premium account	*19*		**3,754**		3,754
Capital contribution reserve	*19*		**6,961**		6,961
Profit and loss account	*19*		**12,272**		9,054
Equity shareholders' funds	*19*		**23,049**		19,831

The notes on pages 10 to 32 form part of these financial statements

The financial statements were approved by the Board of Directors on 27 June 2013 and were signed on its behalf by

DJ Green

Duncan Green
Financial Director

Registered number 01799580

Company balance sheet
At 5 April 2013

	Note	2013 £000's	2013 £000's	2012 £000's	2012 £000's
Fixed assets					
Tangible assets	*13*		**2,832**		2,471
Investments	*14*		**5,987**		38
Intangible assets	*12*		**3,028**		-
			11,847		2,509
Current assets					
Work in progress		**10,205**		10,291	
Debtors	*15*	**87,451**		73,204	
Cash at bank		**20,717**		11,741	
		118,373		95,236	
Creditors: amounts falling due within one year	*16*	**(91,063)**		(69,916)	
Net current assets			**27,310**		25,320
Total assets less current liabilities			**39,157**		27,829
Creditors: amounts falling due after more than one year	*17*		**(14,952)**		(8,066)
Net assets			**24,205**		19,763
Capital and reserves					
Called up share capital	*18*		**62**		62
Share premium account	*19*		**3,754**		3,754
Capital contribution reserve	*19*		**6,961**		6,961
Profit and loss account	*19*		**13,428**		8,986
Equity shareholders' funds	*19*		**24,205**		19,763

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D J Green

Duncan Green
Financial Director

Registered number 01799580

Cash flow from operating activities and Consolidated cash flow statement

for the 53 weeks ended 5 April 2013

Cash flow from operating activities	Note	2013 £000's	2013 £000's	2012 £000's	2012 £000's
Net cash inflow from operating activities *(before long term incentive plan cash outflows)*	*21*		**12,823**		21,391
Cash outflows in relation to maturity of long term incentive plan	*21*		-		(15,116)
Net cash inflow from operating activities *(after long term incentive plan cash outflows)*	*21*		**12,823**		6,275

Consolidated cash flow statement	Note	2013 £000's	2013 £000's	2012 £000's	2012 £000's
Net cash inflow from operating activities			**12,823**		6,275
Returns on investments and servicing of finance					
Interest received		**72**		179	
Net cash inflow from return on investments and servicing of finance			**72**		179
Taxation paid			**(1,214)**		(5,280)
Capital expenditure and financial investment					
Purchase of tangible fixed assets	*13*	**(1,351)**		(1,449)	
Purchase of investments	*14*	**(10,006)**		-	
Cash at bank acquired with subsidiary	*3*	**4,403**		-	
Dividends received from associate	*14*	**2,541**		-	
Proceeds from sale of associate	*14*	**37**			
Loan repaid by/(advanced to) ultimate parent holding company		**7,000**		(7,000)	
Net cash inflow/(outflow) from capital expenditure and financial investment			**2,624**		(8,449)
Equity dividend paid			**(4,777)**		(6,898)
Net cash inflow/(outflow) before financing			**9,528**		(14,173)
Financing			-		-
Increase/(decrease) in cash	*22*		**9,528**		(14,173)
Opening cash			**12,142**		26,315
Closing cash			**21,670**		12,142

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's and the Group's financial statements

Basis of preparation

The financial statements have been prepared under the historical cost accounting convention and in accordance with applicable accounting standards in the United Kingdom The financial statements present the term contract revenue and associated costs for the 12 month period Due to the nature of the Group's small works and projects trade and accounting processes, the financial statements for each entity in the Group are prepared to a Friday either coterminous with or immediately preceding 5 April each year Accordingly, these financial statements present the term contract revenue for the 12 month period and small works and project results of the Company for the 53 weeks ended 5 April 2013 (*2012 52 weeks ended 30 March 2012*) and its balance sheet as at that date

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 5 April 2013 The acquisition method of accounting has been adopted Under this method, the results of subsidiary undertakings acquired or disposed of in the period are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal

Turnover

Turnover, which excludes Value Added Tax, represents the invoiced value of goods and services supplied and has been derived entirely in the United Kingdom, Ireland and the USA Maintenance revenue is recognised in the profit and loss account over a 12 month period Revenue on small works is recognised on completion of the works and acceptance by the client and raising of the invoice, while revenue on projects is recognised on the percentage of completion basis

Long term contracts

Turnover and invoicing on long term contracts is determined on a contract by contract basis as the completed portion of the total expected income Profits on long term contracts are only recognised where the outcome of the contract can be assessed with reasonable certainty Where a loss is expected on the contract as a whole, all of the loss is recognised as soon as it is foreseen

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred taxation is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19 (deferred taxation)

Pensions

The cost of the Group's defined contribution pension arrangements is charged to the profit and loss account as incurred

The Company also participates in a pension scheme providing benefits based on final pensionable pay for a small number of employees The assets of the scheme are held separately from those of the Company with the pension provider As required by FRS17 (retirement benefits), the assets and liabilities are valued at each balance sheet date When a deficit arises the amount is recognised on the balance sheet as per the requirements of FRS17 (retirement benefits) When the scheme is in a surplus position, this surplus is not recognised as the Company does not have controlling use of the underlying assets The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period

Notes *(continued)*

1 Accounting policies *(continued)*

Foreign exchange

The results of overseas subsidiary undertakings are translated into Sterling at the average exchange rate for the period Foreign currency assets and liabilities are translated into Sterling at the rates of exchange ruling at the balance sheet date

Gains or losses arising in the ordinary course of business are dealt with in arriving at operating results and those on the retranslation of assets and liabilities of overseas subsidiary undertakings are dealt with in the Statement of Total Recognised Gains and Losses

Fixed assets and depreciation

The cost of tangible fixed assets is their purchase price, together with any incidental costs of acquisition Depreciation is calculated to write off the cost of each item in equal annual instalments over its expected useful life The expected useful lives are

Computers, tools, furniture and fittings - 3-5 years

Goodwill

Goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions is capitalised Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life The estimated useful life of the Group's goodwill is 10 years

Investments

Investments are carried at historical cost, less any provision for impairment

Associates

In the Group accounts, investments in associates are accounted for using the equity method The consolidated profit and loss account includes the Group's share of associates' profits less losses, but shown separately from the that of the Group, while the Group's share of net assets of associates is shown in the consolidated balance sheet

Work in progress

Work in progress is stated at the lower of cost and net realisable value Cost includes labour, subcontractor costs and materials directly attributable to the work being undertaken

Operating leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Share based payments

The company has applied the requirements of FRS20 (share based payment)

For cash settled share based payment transactions, the fair value of the amount payable to the employee is recognised as an expense with a corresponding increase in liabilities The fair value determined at the date of grant is expensed on a straight line basis over the vesting period during which the employees become unconditionally entitled to payment, based on the Company's estimate of shares that are forecast to vest The fair value is measured based on a pricing model taking into account the terms and conditions upon which the instruments were issued The liability is revalued at each balance sheet date and settlement date with any changes to fair value being recognised in the profit and loss account

Exceptional Costs

Exceptional costs are disclosed separately on the face of the profit and loss account when they meet the criteria set out in FRS3 (reporting financial performance) Exceptional items in the period ended 5 April 2013 relate to restructuring and legal costs primarily associated with the acquisition of and transfer of trade from RFML and other non-recurring operational reorganisation costs

Notes *(continued)*

2 Segmental information

In presenting information on the basis of geographical operating segments, segment revenue and segment assets are based on the geographic location of our entities across the world and are consolidated into three distinct geographical regions which the Board use to monitor and assess the Group

The Group is composed of the following three main geographical operating segments

- UK
- Other Europe, which includes Ireland, Netherlands and Germany
- USA

The table below sets out information for each of the Group's geographic areas of operation

	UK		Other Europe		USA		Total	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
	£000's	£000's	**£000's**	£000's	**£000's**	£000's	**£000's**	£000's
Turnover								
Total sales	**377,064**	308,328	**5,905**	3,971	**2,722**	-	**385,691**	312,299
Inter-segment sales	**(470)**	(138)	**(383)**	(72)	**-**	-	**(853)**	(210)
Sales to third parties	**376,594**	308,190	**5,522**	3,899	**2,722**	-	**384,838**	312,089
Group operating profit	**15,113**	10,085	**127**	89	**(1,237)**	(173)	**14,003**	10,001
Net interest	**377**	342	**(1)**	-	**(55)**	-	**321**	342
Exceptionals	**(1,375)**	-	**-**	-	**-**	-	**(1,375)**	-
Share of associate's results	**1,082**	-	**-**	-	**-**	-	**1,082**	-
Profit on sale of associate	**37**	-	**-**	-	**-**	-	**37**	-
Group profit/(loss) before taxation	**15,234**	10,427	**126**	89	**(1,292)**	(173)	**14,068**	10,343
Net assets/(liabilities)	**24,205**	19,763	**366**	68	**(1,522)**	-	**23,049**	19,831

Notes *(continued)*

3 Acquisitions - Group

On 5 April 2012 the Group acquired all of the shares of Reliance Facilities Management Limited (RFML) The resulting goodwill was capitalised and will be written off over 10 years being the average life of the contracts acquired

	Book value £000's	Revaluation £000's	Fair value £000's
Fixed assets			
Intangible	-	-	-
Tangible	253	(154)	99
Investments	1,459	-	1,459
Current assets			
Stock	5	-	5
Debtors	6,676	-	6,676
Cash	4,403	-	4,403
Total assets	12,796	(154)	12,642
Liabilities			
Creditors	(6,155)	149	(6,006)
Net assets	6,641	(5)	6,636
Goodwill			3,364
Purchase consideration			10,000

RFML was acquired on 5 April 2012, at the start of the financial period, and hence the full year results have been included within these financial statements as no additional transactions took place between the start of its financial period and the date of acquisition

In its previous financial period commencing on 1 April 2011 the consolidated profit after tax of RFML was £632,000

Neither the net assets nor purchase consideration was determined on a provisional basis

Notes *(continued)*

4 Profit on ordinary activities before taxation

	2013 £000's	2012 £000's
Profit on ordinary activities before taxation is stated after charging		
Auditor's remuneration		
Audit of these financial statements	**62**	63
The auditing of accounts of subsidiaries and associates pursuant to legislation (including that of countries and territories outside the United Kingdom)	**15**	8
Other services relating to taxation	**52**	32
Advice on retirement benefits	**5**	-
Depreciation and other amounts written off tangible fixed assets		
Owned	**1,070**	896
Amortisation	**336**	-
Hire of other assets – operating leases		
Land and buildings	**834**	652
Other	**1,705**	1,367

5 Interest receivable and similar income

	2013 £000's	2012 £000's
Bank interest receivable	**75**	101
Other interest receivable	**330**	289
Total interest receivable	**405**	390

6 Interest payable and similar charges

	2013 £000's	2012 £000's
On other borrowings repayable within five years	**84**	48

Notes *(continued)*

7 Remuneration of directors

	2013 £000's	2012 £000's
Aggregate emoluments and benefits	**2,021**	1,889
Amounts receivable under long term incentive plans	**-**	-
Company contributions to money purchase pension schemes	**196**	130
	2,217	2,019

The number of directors during the period in a defined contribution pension scheme for which the Group contributed was 8 *(2012 7)*

The emoluments of the highest paid director including benefits were £440,000 *(2012 £507,000)* Company contributions to defined contribution pension schemes for the highest paid director amounted to £56,000 *(2012 £50,800)*

8 Staff numbers and costs

The average number of persons (including directors) employed by the Group during the period was

	Number of employees	
	2013	2012
By activity		
Management staff	**598**	474
Administrative staff	**432**	330
Operational staff	**2,388**	1,738
	3,418	2,542

The aggregate payroll costs of these persons were as follows

	2013 £000's	2012 £000's
Staff costs		
Wages and salaries	**122,360**	102,881
Social security costs	**13,101**	10,283
Other pension costs	**2,614**	1,905
FRS20 Charges	**6,958**	8,066
	145,033	123,135

Notes *(continued)*

9 Exceptional costs

Exceptional costs in the period of £1,375,000 *(2012 £nil)* relate to restructuring and legal costs primarily associated with the acquisition of and transfer of trade from RFML and other non-recurring operational reorganisation costs

	2013
	£000's
RFML staff costs	**518**
RFML office closure costs	**461**
RFML other investment costs	**282**
Norland divisional restructure	**114**
Total exceptional costs	**1,375**

10 Result of the Company

As permitted by Section 408 of the Companies Act 2006, the Company's profit and loss account has not been included in these financial statements The Company's profit after tax for the 53 weeks to 5 April 2013 was £9,219,000 (*52 week period to 30 March 2012 £4,689,000*)

11 Taxation

The tax charge is based on the profit for the period and comprises

	2013	2012
	£000's	£000's
Current tax		
Corporation tax on the profit for the period	**4,901**	1,102
Amount charged for group relief	**1,628**	3,633
Under provision in prior periods	**(113)**	3
	6,416	4,738
Deferred tax (note 15)		
Originating and reversing timing differences	**(364)**	1,022
Tax charge for the period	**6,052**	5,760

The 2013 Budget on 20 March 2013 announced that the UK corporation tax rate will reduce to 20% by 2015 A reduction in the rate to 23% (effective from 1 April 2013) was substantively enacted on 3 July 2012 This will reduce the company's current tax charge in future years accordingly The deferred tax asset at 5 April 2013 has been calculated on the rate of 23% substantively enacted at the balance sheet date It has not been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge / (credit) and reduce the company's deferred tax asset accordingly

Notes *(continued)*

11 Taxation *(continued)*

Factors affecting the tax charge for the current period

The current tax charge for the period is higher *(2012 higher)* than the standard rate of corporation tax in the UK of 24% (*2012 26%*) The differences are explained below

	2013	2012
	£000's	£000's
Profit on ordinary activities before tax	**14,068**	10,343
UK corporation tax rate of 24% *(2012 26%)*	**3,377**	2,689
Effects of		
Group relief charge at loss amount (see below)	**1,237**	1,400
Permanently disallowable expenditure	**1,454**	1,569
Accelerated capital allowances	**41**	26
Other timing differences	**(13)**	64
Amortisation	**81**	-
Fair value adjustment on acquisition	**349**	-
UK dividend income	**(610)**	-
Non-taxable income	**(9)**	-
Timing differences relating to share based payments	**320**	(1,047)
Non-utilisation of losses in foreign subs	**323**	52
Irish corporation tax rate of 12 5%	**(21)**	(18)
Under provision in respect of prior periods	**(113)**	3
	6,416	4,738

Group loss relief

The policy is for loss relief from Norland parent companies to be reimbursed at the amount of the losses, rather than the tax amount Loss relief from Norland subsidiary companies is to be reimbursed at £nil

Loss relief from non-Norland trading group companies is to be reimbursed at the tax amount of the losses

Notes *(continued)*

12 Intangible assets

Group

	Goodwill £000's	Total £000's
Cost		
At 30 March 2012	-	-
Additions	3,364	3,364
At 5 April 2013	**3,364**	**3,364**
Amortisation		
At 30 March 2012	-	-
Charge in period	336	336
At 5 April 2013	**336**	**336**
Net book value		
At 5 April 2013	**3,028**	**3,028**
At 30 March 2012	-	-

Goodwill was realised on the acquisition of RFML (note 3) This goodwill is being amortised over a useful economic life of 10 years This period reflects management's assessment of the average expected lives of the contracts that were acquired as part of the business

Notes *(continued)*

12 Intangible assets *(continued)*

Company

	Goodwill £000's	Total £000's
Cost		
At 30 March 2012	-	-
Additions	3,028	3,028
Disposals	-	
At 5 April 2013	**3,028**	**3,028**
Amortisation		
At 30 March 2012	-	-
Charge in period	-	-
At 5 April 2013	-	-
Net book value		
At 5 April 2013	**3,028**	**3,028**
At 30 March 2012	-	-

On 31 March 2013 the trade and assets of RFML were hived up into Norland Managed Services Limited The addition to goodwill in the Company relates to the remaining carrying value of the investment which is transferred to goodwill following the hive up of the trade and assets (note 14) and is being amortised over the useful economic life of 10 years

Notes *(continued)*

13 Tangible fixed assets

Group	Computers, tools, furniture and fittings £000's	Total £000's
Cost		
At 31 March 2012	6,332	6,332
Additions	1,351	1,351
Assets acquired through acquisition	253	253
Disposals	(253)	(253)
At 5 April 2013	**7,683**	**7,683**
Depreciation		
At 30 March 2012	3,854	3,854
On disposals	(99)	(99)
Charge for the period	1,070	1,070
At 5 April 2013	**4,825**	**4,825**
Net book value		
At 5 April 2013	**2,858**	**2,858**
At 31 March 2012	2,478	2,478

Included within Group totals above are items with net book values totalling £26,000 *(2012 £7,000)* relating to the subsidiary undertakings The net book value of tangible fixed assets for the company as at 5 April 2013 is £2,832,000 *(2012 £2,471,000)*

Notes *(continued)*

14 Fixed asset investment

Group

	2013 £000's	2012 £000's
At beginning of period	**-**	-
Additions	**1,464**	-
Share of associate's results	**1,082**	-
Dividends received from associate	**(2,541)**	-
At end of period	**5**	-

Shares in investments	2013 £000's	2012 £000's
At 5 April 2013 – Investment in European Customer Synergy SA (5 5% of the issued share capital)	**5**	-

Disposal of associate

During the period as part of the acquisition of RFML, the Group acquired 24 5% of the shares in Monteray Ltd which were subsequently disposed of on 31 August 2012 The disposal comprised a pre-disposal dividend and the subsequent sale of shares

	2013 £000's
Proceeds of sale	113
Legal fees	(76)
Profit arising on sale of associate	37

Company

	2013 £000's	2012 £000's
At beginning of period	**38**	-
Additions	**10,006**	38
Provision against investment	**(1,029)**	-
Goodwill recognised on hive up	**(3,028)**	-
At end of period	**5,987**	38

Notes *(continued)*

14 Fixed asset investment *(continued)*

The cost of the Company's investment in Reliance Facilities Management Limited reflects the underlying fair value of its net assets and goodwill at the time of the acquisition As a result of the trade and assets hive up, the value of the Company's investment in this company fell below the amount at which it was stated in the Company's accounting records Schedule 1 to the Companies Act 2006, *The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2009 (SI 2009 No 401)* requires that the investment be written down accordingly and that the amount be charged as a loss in the Company's profit and loss account However, the directors consider that there has been no overall loss to the Company, therefore it would fail to give a true and fair view to charge that diminution to the Company's profit and loss account for the year and it should instead be re-allocated to goodwill The effect from this departure is to increase the profit recognised in the Company's profit and loss account for the financial year by £3,028,000 and to increase the value of goodwill on the Company's balance sheet at the date of hive up by £3,028,000 The value of the Company's investment in the subsidiary undertakings for the period ended 5 April 2013 is decreased by £3,028,000 in the Company's balance sheet due to the effect of the transfer of trade and assets from the subsidiary into the Company in the current period

The Group financial statements are not affected by this transfer

	2013	2012
	£	£
Investment (Company)		
At 31 March 2012 – Investment in Norland Managed Services (Ireland) Limited	**91**	91
At 31 March 2012 – Investment in Norland Managed Services (Netherlands) BV	**15,907**	15,907
At 31 March 2012 – Investment in Norland Managed Services (Germany) GmbH	**21,713**	21,713
At 31 March 2012 – Investment in Norland Managed Services Incorporated	**648**	648
At 2 April 2012 – Investment in European Customer Synergy SA	**5,276**	-
At 5 April 2012 – Investment in Reliance Facilities Management Limited	**5,943,071**	-
At 5 April 2013	**5,986,706**	38,359

Norland Managed Services Limited holds 5 5% of the issued share capital of European Customer Synergy SA and 100% of the issued share capital of the other entities listed above

Notes *(continued)*

14 Fixed asset investment *(continued)*

The principal undertakings are

Name	Principal Activity	Class and percentage of shares held
Norland Managed Services (Ireland) Limited (incorporated in the Republic of Ireland)	Maintenance and installation of mechanical and electrical equipment within buildings and other facilities management services	100 Ordinary (direct)
Norland Managed Services (Netherlands) BV (incorporated in the Netherlands)	Maintenance and installation of mechanical and electrical equipment within buildings and other facilities management services	100 Ordinary (direct)
Norland Managed Services (Germany) GmbH (incorporated in Germany)	Maintenance and installation of mechanical and electrical equipment within buildings and other facilities management services	100 Ordinary (direct)
Norland Managed Services Incorporated (incorporated in the United states of America)	Maintenance and installation of mechanical and electrical equipment within buildings and other facilities management services	100 Ordinary (direct)
Reliance Facilities Management	Maintenance and installation of mechanical and electrical equipment within buildings and other facilities management services	100 Ordinary (direct)
European Customer Synergy SA	An alliance of selected companies across Europe which aims to win and strategically manage Pan-European business	5 5 Ordinary (direct)

15 Debtors

	2013		2012	
	Group £000's	**Company £000's**	Group £000's	Company £000's
Trade debtors	**63,539**	**61,478**	49,877	49,483
Other debtors	**522**	**476**	1,334	1,298
Amounts owed by group undertaking	**11,177**	**13,689**	12,051	12,245
Prepayments and accrued income	**11,017**	**10,454**	8,401	8,369
Corporation tax debtor	**-**	**-**	970	941
Deferred tax asset	**1,354**	**1,354**	868	868
	87,609	**87,451**	73,501	73,204

Included within prepayments and accrued income is a balance of £46,000 (*2012 £66,000*) which is due after more than one year

Notes *(continued)*

15 Debtors *(continued)*

Deferred tax asset

	2013		2012	
	Group £000's	**Company £000's**	Group £000's	Company £000's
Group and Company				
At beginning of period	**868**	**868**	1,890	1,890
Amount credited to profit and loss account on acquisition	**122**	**-**	-	-
Amount credited/(debited) to profit and loss account (note 11)	**364**	**486**	(1,022)	(1,022)
	1,354	**1,354**	868	868
The deferred tax asset comprises				
Depreciation less than capital allowances	**133**	**133**	74	74
Tax losses	**167**	**167**	-	-
Other timing differences	**169**	**169**	190	190
Timing differences in relation to FRS20 charges 2011 scheme	**885**	**885**	604	604
	1,354	**1,354**	868	868

The majority of the deferred tax balance is expected to be recovered after more than one year

Notes *(continued)*

16 Creditors: amounts falling due within one year

	2013		2012	
	Group	**Company**	Group	Company
	£000's	**£000's**	£000's	£000's
Trade creditors	**29,990**	**29,622**	18,450	18,350
Corporation tax payable	**2,482**	**2,482**	-	-
Amounts owed to group undertakings	**1,254**	**7,197**	2,717	2,717
Other creditors including tax and social security	**11,164**	**10,959**	9,512	9,455
Accruals and deferred income	**42,753**	**40,803**	39,888	39,394
	87,643	**91,063**	70,567	69,916

17 Creditors: amounts falling due after more than one year

	2013		2012	
	Group	**Company**	Group	Company
	£000's	**£000's**	£000's	£000's
FRS20 LTIP accrual	**15,024**	**14,952**	8,066	8,066

Long-Term Incentive Share Plan

The Long-Term Incentive Plan ("the Plan") was set up by Norland Holdings Limited, the intermediate parent company of Norland Managed Services Limited Under the Plan, participants are invited to subscribe for A ordinary shares of £0 00000266183704 in Norland Holdings Limited on the basis of the subscription price At the end of the maturity period (30 June 2015), the company retains the right and intention to repurchase the shares at the prevailing market value The average price per share of those issued was £21 The securities have been treated as cash settled for the purposes of FRS 20

The fair value of the securities for the purposes of the share based payment charge under FRS 20 was determined on the basis of linear accretion to expected market value over the Plan period, with the following key assumptions

- an EBITDA multiple adjusting for debt and cash positions with a discount factor applied to reflect the unlisted status of those shares as determined at the date of initial grant (29 September 2011),
- planned future growth

The Long Term Incentive Plan was set up on the following terms

- full legal and beneficial ownership of ordinary shares rests with the majority shareholder of Norland Managed Services Limited There is a restriction on dividends and voting rights in respect of the 'A' ordinary shares until such shares have vested,
- the vesting period is likely to be the period of four years, ending on 30 June 2015,
- there are no performance conditions,
- the restriction on dividends and voting rights will end at the end of the vesting period,

Notes *(continued)*

17 Creditors: amounts falling due after more than one year *(continued)*

- the A shares will vest in four equal tranches on 30 June 2012, 2013, 2014 and 2015 The consequence of the A shares being Vested or Unvested is for the price at which the Participant can be required to sell A shares on a compulsory transfer event,
- where the holder is a "good" leaver (death, ill health or similar circumstances) he or she can be required to offer any vested A shares for sale to the majority shareholder for a price equal to the higher of the subscription price and the A Share Entitlement A "good" leaver will be required to offer unvested A Shares for sale at the subscription price,
- if the holder is an "intermediate" leaver, he can be required to offer his A shares for sale to the majority shareholder for the subscription price,
- if the holder is a "bad" leaver, the holder will receive the lower of the A Share Entitlement of the A Shares on the date he ceases employment, and original subscription price of shares

Long-Term Incentive Cash Scheme

In 2011 the Group put in place cash bonus arrangements whereby selected individuals will potentially become entitled to cash bonuses These bonuses will be calculated on the growth in the modelled EBITDA multiple valuation of Norland Managed Services Limited and/or Norland Holdings Limited over periods that match those for the Share Plan The payment under the Scheme will be made at the maturity date of the Share Plan, which is expected to be 30 June 2015 Accordingly, the Group has provided for the expected liability using a projected financial performance model, consistent with that used in the share Plan

18 Called up share capital

	2013	2012
	£000's	£000's
Allotted, called up and fully paid		
Ordinary shares of £1 each	**62**	62

There are 61,869 shares in issue at the period end *(2012 61,869)* of which 61,869 *(2012 61,689)* are eligible for dividends and voting rights

Notes *(continued)*

19 Reserves

Group	Share Capital £000's	Share Premium £000's	Capital Contribution Reserve £000's	Profit and Loss Account £000's	Total £000's
Opening balance	62	3,754	6,961	9,054	**19,831**
Dividends paid	-	-	-	(4,777)	**(4,777)**
Profit for the period	-	-	-	8,016	**8,016**
Other movements in reserves	-	-	-	-	-
Exchange rate gain	-	-	-	(21)	**(21)**
At end of period	62	3,754	6,961	12,272	**23,049**

Company	Share Capital £000's	Share Premium £000's	Capital Contribution Reserve £000's	Profit and Loss Account £000's	Total £000's
Opening balance	62	3,754	6,961	8,986	**19,763**
Dividends paid	-	-	-	(4,777)	**(4,777)**
Other movements in reserves	-	-	-	-	-
Profit for the period	-	-	-	9,219	**9,219**
At end of period	62	3,754	6,961	13,428	**24,205**

The Capital contribution reserve arose under the group share scheme accounting requirements of FRS20

Notes *(continued)*

20 Obligations under operating leases

Annual rentals payable under non-cancellable operating leases

	2013 £000's	2012 £000's
Land and buildings		
Expiring		
- within one year	**76**	151
- between two and five years	**710**	506
	786	657
Other leases		
Expiring		
- within one year	**323**	92
- between two and five years	**1,449**	1,345
	1,772	1,437

21 Reconciliation of operating profit to net cash inflow from operating activities

	2013 £000's	2012 £000's
Operating profit	**14,003**	10,001
Exceptional costs	**(1,375)**	-
Depreciation	**1,070**	896
Amortisation	**336**	-
Increase in provision for share based payment (before cash settlement on maturity)	**6,958**	8,066
Adjusted EBITDA	**20,992**	18,963
Amount charged for group relief (note 11)	**(1,628)**	(3,633)
(Increase) in work in progress	**(198)**	(1,219)
(Increase) in debtors (before loan to parent for share scheme settlement)	**(15,159)**	(5,593)
Increase in trade creditors	**10,799**	1,087
(Decrease) / increase in other creditors including tax and social security	**(2,426)**	3,319
Increase in accruals and deferred income	**464**	8,144
Write back to reserves re lapsed shares	**-**	340
Exchange rate (loss) / gain	**(21)**	(17)
Net cash inflow from operating activities *(before long term incentive plan cash outflows)*	**12,823**	21,391
Cash outflows in relation to maturity of long term incentive plan	**-**	(15,116)
Net cash inflow from operating activities *(after long term incentive plan cash outflows)*	**12,823**	6,275

Notes *(contınued)*

22 Reconcılıation of net cash flow to movement ın net funds

	2013 £000's	2012 £000's
Increase/(decrease) ın cash ın the perıod	**9,528**	(14,173)
Movement ın net funds ın the perıod	**9,528**	(14,173)
Net funds at begınnıng of perıod	**12,142**	26,315
Net funds at end of perıod	**21,670**	12,142

23 Pensıon costs

Defined contrıbution scheme

The Group operates a group personal defined contrıbutıon pensıon scheme for employees elıgıble and wıshıng to partıcıpate At the perıod end, pensıon contrıbutıons of £301,000 *(2012 £278,000)* were outstandıng Thıs amount was paıd ın Aprıl 2013

Defined benefit scheme

Thıs ıs a small pensıon scheme held wıth Prudentıal Pensıons Lımıted The FRS17 (retırement benefits) valuatıon ıs performed by an actuary

	2013 £000's	2012 £000's
Present value of funded defined benefit oblıgatıons	**(1,151)**	(661)
Faır value of plan assets	**1,553**	891
Surplus	**402**	230
Related deferred tax asset	**72**	-
Net asset	**474**	230

As the assets and lıabılıtıes were ımmaterıal durıng the prıor financıal year, the dırectors chose not to dısclose them ın the financıal statements The dırectors do not have the full prıor year ınformatıon avaılable and therefore no comparatıves have been ıncluded wıthın thıs note to the accounts

No asset has been recognısed ın the Group's or Company's balance sheet for the scheme surplus as ıt cannot be recovered through reduced future contrıbutıons or a refund from the scheme

Notes *(continued)*

23 Pension schemes *(continued)*

Movements in present value of defined benefit obligation

	2013 £000's
At 31 March 2012	661
Current service cost	308
Contributions by members	35
Interest Cost	38
Liabilities transferred in on acquisition of RFML	115
Benefits paid	(110)
Actuarial gain	104
At 5 April 2013	**1,151**

Movements in fair value of defined benefit plan assets

	2013 £000's
At 31 March 2012	891
Expected return on plan assets	43
Contributions by employer	339
Contributions by members	35
Assets transferred in on acquisition of RFML	151
Benefits paid	(110)
Actuarial gains	204
At 5 April 2013	**1,553**

Expense recognised in the profit and loss account

	2013 £000's
Current service cost	308
Expected return on defined benefit pension plan assets	(43)
Interest on defined benefit pension plan obligation	38
Adjustment for RFML Sub-scheme	(36)
Total	**267**

The adjustment for RFML Sub-scheme is the difference between the assets and liabilities of the RFML Sub-Scheme on the FRS 17 basis at the date of transfer

Notes *(continued)*

23 Pension schemes *(continued)*

The defined benefit expense is recognised in the following line items in the profit and loss account

	2013 £000's
Cost of sales	339

The total amount recognised in the defined benefit scheme consolidated statement of total recognised gains and losses in respect of actuarial gains and losses is £100,000

The fair value of the defined benefit plan assets and the return on those assets were as follows

	2013 £000's
Equities	288
Bonds	935
Diversified Growth Fund	136
	1,359
Actual return on defined benefit plan assets	247

The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio

Principal actuarial assumptions (expressed as weighted averages) at the period end were as follows

	2013 %
Discount rate	3 90
Expected rate of return on plan assets	3.74
Expected return on plan assets at beginning of the period	3.88
Future salary increases	3.00
Revaluation of deferred benefits	2.00
Pension increases	
Retail Price Index	2.50
Limited Price Index 5	2.20
Limited Price Index 6	2.30

Notes *(continued)*

23 Pension schemes *(continued)*

In valuing the liabilities of the pension fund at 5 April 2013, mortality assumptions have been made as indicated below

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows

- Current pensioner aged 65 87 7 years (male), 90 1 years (female)
- Future retiree upon reaching 65 89 6 years (male), 92 0 years (female)

The Group expects to contribute approximately £381,000 to its defined benefit plans in the next financial year

24 Related party disclosures

During the period, consultancy fees of £90,000 *(2012 £90,000)* were charged by Irondeed Limited which is a related party of Norland Managed Services Limited due to Mr Brian Kingham being the ultimate controlling party of both companies The balance owed to Irondeed Limited at the balance sheet date and included within creditors was £27,000 *(2012 £27,000)*

During the period, fees of £24,000 *(2012 £44,000)* were charged by Reliance Hi-Tech Limited Reliance Hi-Tech Limited is a related party due to Mr Brian Kingham being the ultimate controlling party of both companies The balance owed to Reliance Hi-Tech Limited at the balance sheet and included within creditors was £nil *(2012 £5,000)*

Included within creditors is an amount owed to Norland Holdings Limited of £1,254,000 *(2012 £1,313,000)*, the intermediate parent undertaking

Included within debtors is an amount owed to William Investments Ltd of £511,000 *(2012 £1,404,000 creditor)*, the ultimate parent undertaking being the amount due for intra group tax credits

Included within debtors is an amount owed from Norland Enablement Limited of £10,666,000 *(2012 £12,051,000)*, the intermediate parent undertaking

25 Post Balance Sheet Events

On 22 May 2013 the Group incorporated a subsidiary in Singapore, Norland PTE Ltd The newly incorporated company aims to provide facilities management services

26 Ultimate parent undertaking and ultimate controlling party

At the balance sheet date, William Investments Ltd, a company incorporated in the United Kingdom was the ultimate parent undertaking The ultimate controlling party, by virtue of his shareholding in William Investments Ltd, is Mr B Kingham Copies of the consolidated financial statements of the ultimate parent company are available from the registered office at 130-132 Buckingham Palace Road, London, SW1W 9SA, England

Five Year Record
(Consolidated)

	2013 £000's	2012 £000's	2011 £000's	2010 £000's	2009 £000's
Turnover	384,838	312,089	250,705	210,212	190,493
Underlying operating profit (note 1)	23,669	18,240	18,079	11,526	8,404
Profit before tax	14,068	10,343	13,297	5,754	7,508
Operating assets employed (note 2)	17,531	13,917	4,296	4,405	8,764
Cash	21,670	12,142	26,315	13,843	6,943
Equity shareholder's funds	23,049	19,831	18,184	12,426	15,179
Return on operating assets employed (note 3)	135 0%	131 1%	420 8%	261 7%	95 9%
Turnover per employee	113	123	117	111	114

Note 1
Underlying operating profit

	2013 £000's	2012 £000's	2011 £000's
Operating profit	14,003	10,001	13,200
Plus FRS20 charge	6,958	8,066	4,801
Plus stamp duty	-	-	78
Plus amortisation	336	-	-
Plus mobilisation costs	1,080	-	-
Plus US costs	1,292	173	-
	23,669	18,240	18,079

Note 2
Operating assets employed

	2013 £000's	2012 £000's	2011 £000's
Net Assets	23,049	19,831	18,184
Less cash	(21,670)	(12,142)	(26,315)
Less deferred tax asset	(1,354)	(868)	(1,890)
Plus corporation tax	2,482	(970)	2,868
Plus FRS20 accrual	15,024	8,066	7,733
Plus stamp duty	-	-	78
Plus dividend proposed	-	-	3,638
	17,531	13,917	4,296

Note 3
Being underlying operating profit / year end operating assets employed