

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.

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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)

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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 28 / 10/ 2012 and signed on its behalf



M Ferguson
Director