

# John Packer Associates Limited

Private limited with Share Capital

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Company No : **03434497**

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Registered Address:

**Lancaster House  
16 Central Avenue  
St Andrews Business Park  
Norwich Norfolk  
NR7 0HR**

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**Duedil Company Limited**

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Registered in : England / Wales

Company No : 06999618

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# Financial Statements John Packer Associates Limited

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**For the year ended 31 January 2010**



**Company No. 3434497**

## Officers and professional advisers

|                                    |   |
|------------------------------------|---|
| <b>Company registration number</b> | 3434497   |
| <b>Registered office</b>           | Lancaster House<br>16 Central Avenue<br>St Andrews Business Park<br>Norwich<br>Norfolk<br>NR7 0HR   |
| <b>Directors</b>                   | J M Quay<br>M Yarham<br>J A Porter<br>S Vincent   |
| <b>Secretary</b>                   | K A Betts   |
| <b>Bankers</b>                     | The Co-operative Bank<br>69 London Street<br>Norwich<br>Norfolk<br>NR2 1HT  |
| <b>Solicitors</b>                  | Legal Services<br>Norfolk County Council<br>County Hall<br>Martineau Lane<br>Norwich<br>Norfolk<br>NR1 2DH  |
| <b>Auditor</b>                     | Grant Thornton UK LLP<br>Chartered Accountants<br>Statutory Auditor<br>Kingfisher House<br>1 Gilders Way<br>St James Place<br>Norwich<br>Norfolk<br>NR3 1UB |

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## Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 January 2010

### **Principal activity and business review**

The principal activity of the company during the year was that of building services consultants, specialising in sustainable design

### **Overview**

The company performed in line with forecast, generating a pre-tax profit of £257,875 (2009 pre-tax profit of £305,439)

### **Outlook**

Despite good overall results for 2010, the company experienced more challenging trading conditions in the last quarter of 2010 and this has continued into the first quarter of 2011. Fewer opportunities have come to market and in addition there is more competition within the company's traditional markets and the company is also seeing more aggressive pricing by competitors to secure work.

The company will benefit from the success of securing the NPS Group in the Building Schools for the Future contracts (BSF) with North Lincolnshire County Council and the London Borough of Lambeth and this will provide a base line of work into 2011 and beyond. In addition to the base workload from these contract wins, the Lambeth bid provides the NPS Group with a significant opportunity to secure projects on the Primary and Community Programme (which is the programme of capital works for primary schools and children's community projects). John Packer Associates Limited will benefit from the opportunities under this arrangement.

The company's long term relationships still remain strong with its core clients of VUE Cinemas, Turner & Townsend and Cluttons, but the Board is mindful that additional commissions need to be secured.

The company's relationship with Barron & Smith Limited, also part of the NPS Group, is continuing to grow and this was a key component to the Lambeth BSF success.

### **Key performance indicators**

The company uses a range of performance measures to monitor and manage the business effectively. These are both financial and non-financial and the most significant of these are the key performance indicators (KPI's).

The key financial performance indicators are turnover, gross profit and margin and net profit and margin. These KPI's indicate the volume of work the company has undertaken as well as the efficiency and profitability with which this work has been delivered.

The key non-financial performance indicator is the average number of employees employed by the company.

### Key performance indicators (continued)

The KPI's for the year to 31 January 2010, together with comparatives for the year to 31 January 2009 are as follows

|                             | 2010      | 2009      |
|-----------------------------|-----------|-----------|
| Turnover (£)                | 1,812,906 | 2,170,888 |
| Gross profit (£)            | 745,787   | 771,906   |
| Gross profit margin         | 41.1%     | 35.6%     |
| Net profit before tax (£)   | 257,875   | 305,439   |
| Net profit margin           | 14.2%     | 14.1%     |
| Average number of employees | 25        | 23        |

The company offers specialist, niche market services, but despite its strong reputation in the sector, the more challenging trading conditions and increased competition in the market in the last quarter of 2010 has resulted in a decrease in turnover of just over £350,000 for the year. Turnover also decreased due to the nature of the work undertaken in bidding for the Lambeth BSF contract during the year.

Despite the decrease in turnover, the company generated a gross profit comparable to that for 2009 by effective cost control and this resulted in an increase in the gross profit margin.

Other operating charges increased marginally over the year and the net impact was that net profit margins remained consistent year-on-year.

### Results and dividends

The profit for the financial year amounted to £187,093 (2009 £213,781)

The directors have not recommended a dividend for the year.

### Financial risk management objectives and policies

In common with other businesses, the company aims to minimise financial risk. The measures used by the directors to manage this risk include the preparation of profit and cash flow forecasts, regular monitoring of actual performance against these forecasts and ensuring that adequate financing facilities are in place to meet the requirements of the business. Trade debtors are also closely monitored to keep the risk of bad debts to a minimum level.

### Credit risk

Credit limits are set for customers based on a combination of credit checks and trading history, the limits are reviewed regularly and the debts are actively chased by the credit control department.

### Interest rate risk

The company does not have any significant external borrowings as any required finance is provided by the parent company, NPS Property Consultants Limited via an intercompany loan account. These borrowings attract interest at variable rates which are agreed at regular intervals with the parent undertaking.

### Liquidity risk

Working capital requirements are regularly reviewed in conjunction with available financing facilities as part of routine financial management.

### **Directors**

The directors who served the company during the year were as follows

|              |                          |
|--------------|--------------------------|
| J M Quay     |                          |
| A G M Blakey | (resigned 18 June 2009)  |
| R J E Finch  | (resigned 18 June 2009)  |
| M Yarham     |                          |
| J A Porter   |                          |
| S Vincent    | (appointed 18 June 2009) |

The company maintains liability insurance for its directors and officers. The directors and officers have also been granted a qualifying third party indemnity provision under section 234 of the Companies Act 2006. Neither the company's indemnity nor insurance provides cover in the event that a director or officer is proved to have acted fraudulently or dishonestly.

### **Policy on the payment of creditors**

The company settles amounts owing to suppliers in accordance with individual supplier terms and conditions.

### **Directors' responsibilities**

The directors are responsible for preparing the report of the directors 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable 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 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.

In so far as each of the directors is aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### **Disabled employees**

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employee becoming disabled, every effort is made to retrain them in order that their employment with the company may continue.

### **Employee involvement**

The directors recognise the importance of the employees to the ongoing success of the company and they ensure that they are all suitably qualified to undertake their roles and responsibilities. The recruitment and retention of employees is a key company objective and once employees have been recruited, all necessary training is put into place including

- Induction course
- Customer care training
- Continuous training and development for professional employees
- Business related training as identified via the appraisal employees
- Management training as appropriate
- Personal development

ON BEHALF OF THE BOARD



M Yatham  
Director  
16 June 2010



## Independent auditor's report to the member of John Packer Associates Limited

We have audited the financial statements of John Packer Associates Limited for the year ended 31 January 2010 which comprise the profit and loss account, the balance sheet and the related notes. 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 member 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 member 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 member, 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 statement of directors responsibilities set out on page 5, 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 (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 APB's website at [www.frc.org.uk/apb/scope/UKNP](http://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 31 January 2010 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 report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Independent auditor's report to the member of John Packer Associates Limited (continued)

## **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



**Patrick Harris**

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Norwich

16.6.2010

## Accounting policies

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

The company has historically been profitable and forecasts prepared by the directors indicate that it will continue to trade profitably in the current financial year. The company also does not have any external borrowings, other than a small overdraft, as any finance required is provided by the parent company, NPS Property Consultants Limited, via an intercompany loan account. As a consequence the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. Accordingly, it remains appropriate to prepare the financial statements on a going concern basis.

### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard 1 (revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is a wholly owned subsidiary undertaking, and consolidated financial statements in which the company is included are publicly available.

### **Turnover**

Turnover represents the amount derived from the provision of goods and services, excluding VAT and trade discounts, charged on an accruals basis and recognised to the extent that the company has obtained the right to consideration through its performance.

Turnover in respect of contracts and contracts for on-going services is recognised by reference to the stage of completion.

### **Work in progress**

The attributable profit on contracts is recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed at the year end on the project. Costs associated with contracts are included in stock to the extent that they cannot be matched with contract work accounted for as turnover. Contract balances included in stocks are stated at cost after provision has been made for any foreseeable losses and the deduction of applicable payments on account. Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

### **Fixed assets**

All fixed assets are initially recorded at cost.

### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

|                                 |                        |
|---------------------------------|------------------------|
| Leasehold property improvements | - 25% reducing balance |
| Plant & machinery               | - 25% reducing balance |
| Computer equipment              | - 25% straight line    |

### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

### **Pension costs**

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

### **Taxation**

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

Deferred tax is recognised on all timing differences where the transactions or events that give an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred but not reversed by the balance sheet date.

Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date and is not discounted.

### **Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

## Profit and loss account

|  | Note | 2010<br>£      | 2009<br>£      |
|--|------|----------------|----------------|
| Turnover   | 1    | 1,812,906      | 2,170,888      |
| Cost of sales                                      |      | (1,067,119)    | (1,398,982)    |
| Gross profit                                       |      | <u>745,787</u> | <u>771,906</u> |
| Other operating charges                            | 2    | (488,493)      | (464,269)      |
| <b>Operating profit</b>                            | 3    | <u>257,294</u> | <u>307,637</u> |
| Interest receivable                                | 6    | 581            | 272            |
| Interest payable                                   |      | -              | (2,470)        |
| <b>Profit on ordinary activity before taxation</b> |      | <u>257,875</u> | <u>305,439</u> |
| Taxation on profit on ordinary activity            | 7    | (70,782)       | (91,658)       |
| <b>Profit for the financial year</b>               | 19   | <u>187,093</u> | <u>213,781</u> |

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

**The accompanying accounting policies and notes form part of these financial statements.**

## Balance sheet

|   | Note | 2010<br>£        | 2009<br>£        |
|---|------|------------------|------------------|
| <b>Fixed assets</b>                                   |      |                  |                  |
| Tangible assets                                       | 9    | <u>51,532</u>    | <u>45,998</u>    |
| <b>Current assets</b>                                 |      |                  |                  |
| Stocks  | 10   | 25,430           | -                |
| Debtors   | 11   | 650,648          | 814,195          |
| Cash at bank and in hand                              |      | 200              | 200              |
|   |      | <u>676,278</u>   | <u>814,395</u>   |
| <b>Creditors' amounts falling due within one year</b> | 12   | <u>(388,196)</u> | <u>(707,872)</u> |
| <b>Net current assets</b>                             |      | <u>288,082</u>   | <u>106,523</u>   |
| <b>Net assets</b>                                     |      | <u>339,614</u>   | <u>152,521</u>   |
| <b>Capital and reserves</b>                           |      |                  |                  |
| Called-up equity share capital                        | 17   | 100              | 100              |
| Share premium account                                 | 18   | 7,554            | 7,554            |
| Profit and loss account                               | 19   | 331,960          | 144,867          |
| <b>Equity shareholder's funds</b>                     | 20   | <u>339,614</u>   | <u>152,521</u>   |

These financial statements were approved by the directors and authorised for issue on 16 June 2010 and signed on their behalf by



M Yarham  
Director

**The accompanying accounting policies and notes form part of these financial statements.**

## Notes to the financial statements

### 1 Turnover

Turnover, which took place in the UK, is attributable to the following class of business

|  | 2010<br>£        | 2009<br>£        |
|--|------------------|------------------|
| Property consultancy and design services | <u>1,812,906</u> | <u>2,170,888</u> |

### 2 Other operating charges

|                         | 2010<br>£      | 2009<br>£      |
|-------------------------|----------------|----------------|
| Administrative expenses | <u>488,493</u> | <u>464,269</u> |

### 3 Operating profit

Operating profit is stated after charging

|  | 2010<br>£    | 2009<br>£    |
|--|--------------|--------------|
| Depreciation of owned fixed assets                         | 22,154       | 17,129       |
| Loss on disposal of fixed assets                           | -            | 383          |
| Operating lease costs                                      |              |              |
| Land & buildings   | 45,500       | 45,500       |
| Plant & machinery  | 1,351        | 3,400        |
| Auditor's remuneration - audit of the financial statements | 5,100        | 5,000        |
| Auditor's remuneration - other fees                        | <u>3,030</u> | <u>2,810</u> |

|                                     | 2010<br>£    | 2009<br>£    |
|-------------------------------------|--------------|--------------|
| Auditor's remuneration - other fees |              |              |
| - Taxation services - compliance    | 2,130        | 2,000        |
| - Advisory                          | <u>900</u>   | <u>810</u>   |
|                                     | <u>3,030</u> | <u>2,810</u> |

**4 Particulars of employees**

The average number of staff employed by the company during the financial year amounted to

|                      | 2010<br>Number | 2009<br>Number |
|----------------------|----------------|----------------|
| Engineering staff    | 21             | 19             |
| Administrative staff | 4              | 4              |
|                      | <u>25</u>      | <u>23</u>      |

The aggregate payroll costs of the above were

|                       | 2010<br>£      | 2009<br>£        |
|-----------------------|----------------|------------------|
| Wages and salaries    | 862,584        | 881,777          |
| Social security costs | 83,523         | 97,120           |
| Pension costs         | 39,849         | 32,658           |
|                       | <u>985,956</u> | <u>1,011,555</u> |

**5 Directors**

Remuneration in respect of directors was as follows

|                       | 2010<br>£      | 2009<br>£      |
|-----------------------|----------------|----------------|
| Emoluments receivable | <u>137,279</u> | <u>157,447</u> |

The number of directors who accrued benefits under group pension schemes was as follows

|                                | 2010<br>Number | 2009<br>Number |
|--------------------------------|----------------|----------------|
| Company money purchase schemes | 2              | 2              |
| Group defined benefit scheme   | <u>4</u>       | <u>4</u>       |

**6 Interest receivable**

|                                  | 2010<br>£  | 2009<br>£  |
|----------------------------------|------------|------------|
| Interest from group undertakings | <u>581</u> | <u>272</u> |



**7 Taxation on profit on ordinary activity**

| (a) Analysis of charge in the year                          | 2010           | 2009           |
|---|----------------|----------------|
|   | £              | £              |
| Current tax   |                |                |
| In respect of the year                                      |                |                |
| UK Corporation tax based on the results for the year at 28% | 80,870         | 97,735         |
| Over provision in prior year                                | <u>(6,607)</u> | <u>(691)</u>   |
| Total current tax (note 7(b))                               | 74,263         | 97,044         |
| Deferred tax  |                |                |
| Origination and reversal of timing differences (note 13)    | 5,027          | (8,418)        |
| Adjustment in respect of prior year (note 13)               | <u>(8,508)</u> | <u>3,032</u>   |
| Total deferred tax  | <u>(3,481)</u> | <u>(5,386)</u> |
| Taxation on profit on ordinary activity                     | <u>70,782</u>  | <u>91,658</u>  |

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activity for the year is higher than the standard rate of corporation tax in the UK of 28% (2009 - 30%)

|   | 2010           | 2009           |
|---|----------------|----------------|
|   | £              | £              |
| Profit on ordinary activity before taxation             | <u>257,875</u> | <u>305,439</u> |
| Profit on ordinary activity multiplied by rate of tax   | 72,205         | 85,523         |
| Expenses not deductible for tax purposes                | 157            | 2,663          |
| Differences between capital allowances and depreciation | (89)           | 300            |
| Other timing differences                                | 8,597          | 8,118          |
| Adjustments to tax charge in respect of previous period | <u>(6,607)</u> | <u>(691)</u>   |
| Effect of higher tax rate at start of year              | -              | 1,131          |
| Total current tax (note 7(a))                           | <u>74,263</u>  | <u>97,044</u>  |

**8 Dividends**

**Dividends on shares classed as equity**

|  | 2010     | 2009           |
|--|----------|----------------|
|  | £        | £              |
| Paid during the year                     |          |                |
| Equity dividends paid on ordinary shares | <u>-</u> | <u>100,000</u> |

**9 Tangible fixed assets**

|                     | Leasehold<br>property<br>improvements<br>£ | Plant &<br>machinery<br>£ | Computer<br>equipment<br>£ | Total<br>£     |
|---------------------|--|---------------------------|----------------------------|----------------|
| Cost                |  |                           |                            |                |
| At 1 February 2009  | 24,443                                     | 6,441                     | 53,543                     | 84,427         |
| Additions           | -  | 4,060                     | 23,628                     | 27,688         |
| At 31 January 2010  | <u>24,443</u>                              | <u>10,501</u>             | <u>77,171</u>              | <u>112,115</u> |
| Depreciation        |  |                           |                            |                |
| At 1 February 2009  | 14,882                                     | 1,917                     | 21,630                     | 38,429         |
| Charge for the year | 2,694                                      | 1,898                     | 17,562                     | 22,154         |
| At 31 January 2010  | <u>17,576</u>                              | <u>3,815</u>              | <u>39,192</u>              | <u>60,583</u>  |
| Net book value      |  |                           |                            |                |
| At 31 January 2010  | <u>6,867</u>                               | <u>6,686</u>              | <u>37,979</u>              | <u>51,532</u>  |
| At 31 January 2009  | <u>9,561</u>                               | <u>4,524</u>              | <u>31,913</u>              | <u>45,998</u>  |

**10 Stocks**

|                  | 2010<br>£     | 2009<br>£ |
|------------------|---------------|-----------|
| Work in progress | <u>25,430</u> | <u>-</u>  |

**11 Debtors**

|   | 2010<br>£      | 2009<br>£      |
|---|----------------|----------------|
| Trade debtors                                 | 314,078        | 499,480        |
| Amounts due from parent undertaking (note 16) | 181,235        | -              |
| Amounts recoverable on contracts              | 118,476        | 270,440        |
| Other debtors                                 | 507            | 666            |
| Deferred tax asset (note 13)                  | 7,700          | 4,219          |
| Prepayments and accrued income                | 28,652         | 39,390         |
|   | <u>650,648</u> | <u>814,195</u> |

**12 Creditors: amounts falling due within one year**

|   | 2010           | 2009           |
|---|----------------|----------------|
|   | £              | £              |
| Bank overdraft  | 150            | 332            |
| Trade creditors   | 49,701         | 47,356         |
| Amounts owed to group undertakings (note 16)            | -              | 91,301         |
| Amounts owed to fellow subsidiary undertaking (note 16) | 37,245         | 37,245         |
| Other tax and social security                           | 29,566         | 57,296         |
| Other creditors   | 2,074          | 1,026          |
| Accruals and deferred income                            | 269,460        | 473,316        |
|   | <u>388,196</u> | <u>707,872</u> |

Included within other creditors at the year end are outstanding pension contributions of £3,512 (2009 £nil)

**13 Deferred taxation**

The deferred tax included in the balance sheet is as follows

|                               | 2010         | 2009         |
|-------------------------------|--------------|--------------|
|                               | £            | £            |
| Included in debtors (note 11) | <u>7,700</u> | <u>4,219</u> |

The movement in the deferred taxation account during the year was

|  | 2010         | 2009         |
|--|--------------|--------------|
|  | £            | £            |
| Balance brought forward - asset/(liability)                | 4,219        | (1,167)      |
| Origination and reversal of timing differences (note 7(a)) | (5,027)      | 8,418        |
| Adjustments in respect of prior periods (note 7(a))        | 8,508        | (3,032)      |
| Balance carried forward - asset                            | <u>7,700</u> | <u>4,219</u> |

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

|  | 2010         | 2009         |
|--|--------------|--------------|
|  | £            | £            |
| Difference between capital allowances and depreciation | <u>7,700</u> | <u>4,219</u> |

#### 14 Commitments under operating leases

At 31 January 2010 the company had annual commitments under non-cancellable operating leases as set out below

|                               | 2010                  |                        | 2009                  |                        |
|-------------------------------|-----------------------|------------------------|-----------------------|------------------------|
|                               | Land & buildings<br>£ | Plant & machinery<br>£ | Land & buildings<br>£ | Plant & machinery<br>£ |
| Operating leases which expire |                       |                        |                       |                        |
| Within 1 year                 | -                     | 1,351                  | -                     | -                      |
| Within 1 to 2 years           | 45,500                | -                      | -                     | 1,351                  |
| Within 2 to 5 years           | -                     | -                      | 45,500                | -                      |
|                               | <u>45,500</u>         | <u>1,351</u>           | <u>45,500</u>         | <u>1,351</u>           |

#### 15 Contingent liability

The company is part of a group VAT registration and as such is jointly and severally liable for the VAT liability of the entire group. The amount owed by the group at the year end was £1,707,181 (2009 £2,375,902)

#### 16 Related party transactions

The company had the following transactions in the normal course of trade with related parties within the NPS Property Consultants group

|                                  | Transactions      |                   | Balances          |                   |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                  | Sales<br>£        | Purchases<br>£    | Debtor<br>£       | Creditor<br>£     |
| <b>2010</b>                      |                   |                   |                   |                   |
| NPS Property Consultants Limited | 290,615           | 34,123            | 181,235           | -                 |
| NPS North West Limited           | 4,980             | -                 | -                 | -                 |
| NPS North East Limited           | 32,500            | -                 | -                 | -                 |
| NPS Stockport Limited            | 1,350             | -                 | -                 | -                 |
| NPS South West Limited           | 25,701            | -                 | -                 | -                 |
| Barron and Smith Limited         | 39,050            | -                 | -                 | -                 |
| Hanson Partnership Limited       | 20,330            | -                 | -                 | -                 |
| NPS South East Limited           | 20,310            | 31,486            | -                 | -                 |
|                                  | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
|                                  |                   |                   |                   |                   |
|                                  | Sales<br>£        | Purchases<br>£    | Debtor<br>£       | Creditor<br>£     |
| <b>2009</b>                      |                   |                   |                   |                   |
| NPS Property Consultants Limited | 132,418           | 55,224            | -                 | 91,301            |
| NPS North West Limited           | 1,042             | -                 | -                 | -                 |
|                                  | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |

In addition to the above, management charges of £159,000 (2009 £159,000) were charged to the company by the immediate parent undertaking, NPS Property Consultants Limited

At the year end the company owed £37,245 (2009 £37,245) to Addfill Limited, a wholly owned subsidiary of Norse Group Limited. This relates to the surrender of group relief in prior years

**17 Share capital**

Authorised share capital

|                                  | 2010         | 2009         |
|----------------------------------|--------------|--------------|
|                                  | £            | £            |
| 1,000 Ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |

Allotted, called up and fully paid

|                            | 2010       |            | 2009       |            |
|----------------------------|------------|------------|------------|------------|
|                            | No         | £          | No         | £          |
| Ordinary shares of £1 each | <u>100</u> | <u>100</u> | <u>100</u> | <u>100</u> |

**18 Share premium account**

There was no movement on the share premium account during the financial year

**19 Profit and loss account**

|                               | 2010           | 2009           |
|-------------------------------|----------------|----------------|
|                               | £              | £              |
| Balance brought forward       | 144,867        | 31,086         |
| Profit for the financial year | 187,093        | 213,781        |
| Equity dividends paid         | -              | (100,000)      |
| Balance carried forward       | <u>331,960</u> | <u>144,867</u> |

**20 Reconciliation of movements in shareholder's funds**

|                                     | 2010           | 2009           |
|-------------------------------------|----------------|----------------|
|                                     | £              | £              |
| Profit for the financial year       | 187,093        | 213,781        |
| Equity dividends paid               | -              | (100,000)      |
| Net increase in shareholder's funds | <u>187,093</u> | <u>113,781</u> |
| Opening shareholder's funds         | 152,521        | 38,740         |
| Closing shareholder's funds         | <u>339,614</u> | <u>152,521</u> |

**21 Ultimate parent company**

The immediate parent undertaking is NPS Property Consultants Limited and consolidated financial statements for this group are available from Companies House, Cardiff, CF4 3UZ

The ultimate parent undertaking is Norse Group Limited and consolidated financial statements for this group are also available from Companies House, Cardiff, CF4 3UZ

The company's ultimate controlling party is Norfolk County Council by virtue of its ownership of 100% of the ordinary share capital of Norse Group Limited