

# Nps Humber Limited

Private limited with Share Capital

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Company No : **06615072**

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Registered Address:

**Lancaster House, 16  
Central Avenue  
Norwich  
Norfolk  
NR7 0HR**

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# Financial Statements NPS Humber Limited

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For the year ended 31 January 2010

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Company No. 6615072

## Officers and professional advisers

<b>Company registration number</b>	6615072
<b>Registered office</b>	Lancaster House 16 Central Avenue St Andrews Business Park Norwich Norfolk NR7 0HR
<b>Directors</b>	K A Betts C Canadine M W Hudson C Powell A K Bell P Vozza S R Bush
<b>Secretary</b>	K A Betts
<b>Bankers</b>	The Co-operative Bank 69 London Street Norwich Norfolk NR2 1HT
<b>Solicitors</b>	Legal Services Norfolk County Council County Hall Martineau Lane Norwich Norfolk NR1 2DH
<b>Auditor</b>	Grant Thornton UK LLP Chartered Accountants Statutory Auditor Kingfisher House 1 Gilders Way St James Place Norwich 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 is that of professional property consultants, providing services in the areas of architectural design, building surveying and CDM and project management

### **Overview**

The year ended 31 January 2010 represents the company's first full year of trading following incorporation on 9 June 2008 and commencement of trading on 8 November 2008, as part of a fifteen year partnership deal with Kingston Upon Hull City Council

The company performed above forecast for the year, generating a pre-tax profit of £372,552 for the year (2009 – pre-tax profit of £66,357)

### **Outlook**

In the year to 31 January 2010, the company derived the majority of its turnover from Kingston Upon Hull City Council as part of the long-term partnership agreement. As such, future business prospects are good and the outlook for the company's core markets is positive

Although the partnership arrangement is secured, the Board recognise that the workload from this arrangement is subject to variation and continued dependency on a single major client represents a business risk. To mitigate this risk in a managed way, the Board are continually looking for new opportunities, both in terms of longer-term strategic partnerships as well as one-off commissions

In April 2010 the company moved to new premises located at Earle House. This move represents a significant capital investment and was undertaken to ensure that going forward staff have the correct resources necessary to provide quality services to its clients and to promote the professional qualities of the company and assist in the expansion of the customer base, as well as generating savings, both financial and non-financial, through improved working practices and procedures

### **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 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

**Principal activity and business review (continued)**

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

	2010	2009
Turnover (£)	10,336,292	2,334,564
Gross profit (£)	1,941,967	443,453
Gross profit margin	18.8%	19.0%
Net profit before tax (£)	372,552	66,357
Net margin	3.6%	2.8%
Average number of employees	115	111

The two periods covered by the business review are of differing lengths, but the results for the year ended 31 January 2010 are comparable to those for the period ended 31 January 2009 when grossed-up

The gross profit margin has remained stable over the two periods. The gross profit margin is relatively low, but this is because included with turnover and cost of sales are contractors payments exceeding £2 million upon which the company earns no margin

The increase in turnover produced an increase in other operating costs, but this has been contained by prudent management at a rate less than the increase in turnover. This combined with a stable gross profit margin on turnover, has resulted in an increased net profit margin

Average employee numbers have increased to 115 from 111. The Board views this as a positive measure as the company has been able to retain its high quality professional staff in an uncertain economic climate

**Results and dividends**

The profit for the financial year amounted to £267,434 (2009 47,225). The directors have not recommended a dividend

**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 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

K A Betts  
C Canadine  
M Collinson (resigned 31 October 2009)  
M W Hudson  
C Powell  
A K Bell  
P Vozza  
S R Bush (appointed 31 October 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 of employees
- Management training as appropriate
- Personal development

ON BEHALF OF THE BOARD



C Powell  
Director  
16 June 2010

## Independent auditor's report to the members of NPS Humber Limited

We have audited the financial statements of NPS Humber Limited for the year ended 31 January 2010 which comprise the profit and loss account, the balance sheet, the cash flow statement 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 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 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 the 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 matters 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 members of NPS Humber 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 historic cost convention, and in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

The company has made a significant profit in the year under review 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 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.

### **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 to date 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:

Plant & equipment	-	25% reducing balance per annum
Computer equipment	-	25% straight line per annum

### **Pension costs**

The contributions to the company pension scheme have been treated as a money purchase pension scheme, despite employees being members of the East Riding Pension Fund, a local government pension scheme. Under the terms of the transfer agreement, the actuarial risks associated with the scheme remain with Kingston Upon Hull City Council. The contributions paid by NPS Humber Limited are set in relation to the current service year only and as such the company has accounted for the contributions to the scheme as if it were a defined contribution scheme.

### **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, 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	Year ended 31 January 2010 £	Period ended 31 January 2009 £
Turnover	1	10,336,292	2,334,564
Cost of sales		<u>(8,394,325)</u>	<u>(1,891,111)</u>
Gross profit		1,941,967	443,453
Other operating charges	2	<u>(1,590,676)</u>	<u>(387,392)</u>
<b>Operating profit</b>	3	<b>351,291</b>	<b>56,061</b>
Interest receivable	6	21,261	10,296
<b>Profit on ordinary activity before taxation</b>		<u><b>372,552</b></u>	<u>66,357</u>
Tax on profit on ordinary activity	7	<u>(105,118)</u>	<u>(19,132)</u>
<b>Profit for the financial year/period</b>	16	<u><b>267,434</b></u>	<u><b>47,225</b></u>

The activity of the company is classed as continuing

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

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

## Balance sheet

	Note	2010 £	2009 £
<b>Fixed assets</b>			
Tangible assets	8	<u>134,453</u>	<u>22,147</u>
<b>Current assets</b>			
Stocks	9	93,725	20,990
Debtors	10	2,041,475	1,343,849
Cash at bank and in hand		300	200
		<u>2,135,500</u>	<u>1,365,039</u>
<b>Creditors, amounts falling due within one year</b>	12	<u>(1,955,284)</u>	<u>(1,339,380)</u>
<b>Net current assets</b>		<u>180,216</u>	<u>25,659</u>
<b>Total assets less current liabilities</b>		<u>314,669</u>	<u>47,806</u>
<b>Provisions for liabilities</b>			
Deferred taxation	11	-	(571)
<b>Net assets</b>		<u>314,669</u>	<u>47,235</u>
<b>Capital and reserves</b>			
Called-up equity share capital	15	10	10
Profit and loss account	16	<u>314,659</u>	<u>47,225</u>
<b>Equity shareholders' funds</b>	17	<u>314,669</u>	<u>47,235</u>

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



C Powell  
 Director

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

## Cash flow statement

		<b>Year ended</b>	<b>Period ended</b>
		<b>31 January</b>	<b>31 January</b>
		<b>2010</b>	<b>2009</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Net cash inflow from operating activity</b>	18	<b>217,033</b>	<b>26,240</b>
<b>Returns on investments and servicing of finance</b>	18	<b>21,261</b>	<b>10,296</b>
<b>Taxation</b>		<b>(107,086)</b>	<b>(18,561)</b>
<b>Capital expenditure and financial investment</b>	18	<b>(126,171)</b>	<b>(23,109)</b>
<b>Financing</b>	18	<b>-</b>	<b>10</b>
<b>Increase/(decrease) in cash</b>	18	<b><u>5,037</u></b>	<b><u>(5,124)</u></b>

**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

	Year ended 31 January 2010 £	Period ended 31 January 2009 £
Property consultancy and design services	<u>10,336,292</u>	<u>2,334,564</u>

### 2 Other operating charges

	Year ended 31 January 2010 £	Period ended 31 January 2009 £
Administrative expenses	<u>1,590,676</u>	<u>387,392</u>

### 3 Operating profit

Operating profit is stated after charging

	Year ended 31 January 2010 £	Period ended 31 January 2009 £
Depreciation of owned fixed assets	13,865	962
Auditor's remuneration - audit of the financial statements	5,100	5,000
Auditor's remuneration - other fees	<u>3,030</u>	<u>5,345</u>
- Taxation services - compliance	2,130	2,000
- Advisory Services	<u>900</u>	<u>3,345</u>
	<u>3,030</u>	<u>5,345</u>

**4 Particulars of employees**

The average number of staff, including directors, employed by the company during the financial year/period amounted to

	<b>Year ended 31 January 2010 Number</b>	<b>Period ended 31 January 2009 Number</b>
Architectural services	30	30
Building services	38	35
Business support	4	7
Quantity surveyors	3	2
Mechanical & electrical Estates	8 32	8 29
	<u>115</u>	<u>111</u>

The aggregate payroll costs of the above were

	<b>Year ended 31 January 2010 £</b>	<b>Period ended 31 January 2009 £</b>
Wages and salaries	3,372,326	794,091
Social security costs	252,431	59,844
Other pension costs	534,793	132,186
	<u>4,159,550</u>	<u>986,121</u>

**5 Directors**

Remuneration in respect of directors was as follows

	<b>Year ended 31 January 2010 £</b>	<b>Period ended 31 January 2009 £</b>
Emoluments receivable	<u>88,485</u>	<u>14,055</u>

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

	<b>2010 Number</b>	<b>2009 Number</b>
Defined benefit schemes	<u>4</u>	<u>4</u>

**6 Interest receivable**

	Year ended 31 January 2010 £	Period ended 31 January 2009 £
Interest receivable from group undertakings	21,261	10,104
Bank interest	-	192
	<u>21,261</u>	<u>10,296</u>

**7 Taxation on profit on ordinary activity**

(a) Analysis of charge in the year/period

	Year ended 31 January 2010 £	Period ended 31 January 2009 £
Current tax		
In respect of the year/period		
UK Corporation tax based on the results for the year/period at 28%	106,312	18,561
Under provision in respect of prior period	774	-
Total current tax (note 7 (b))	<u>107,086</u>	<u>18,561</u>
Deferred tax		
Origination and reversal of timing differences (note 11)	(1,429)	571
Adjustments in relation to prior periods (note 11)	(539)	-
Tax on profit on ordinary activity	<u>105,118</u>	<u>19,132</u>

(b) Factors affecting current tax charge

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

	Year ended 31 January 2010 £	Period ended 31 January 2009 £
Profit on ordinary activity before taxation	<u>372,552</u>	<u>66,357</u>
Profit on ordinary activity multiplied by rate of tax	104,315	18,580
Expenses not deductible for tax purposes	569	552
Capital allowances in excess of depreciation for the year/period	(11,331)	(571)
Other timing differences	12,759	-
Adjustments to tax in respect of prior periods	774	-
Total current tax	<u>107,086</u>	<u>18,561</u>

**8 Tangible fixed assets**

	Plant & equipment £	Computer equipment £	Total £
Cost			
At 1 February 2009	1,848	21,261	23,109
Additions	-	126,171	126,171
At 31 January 2010	<u>1,848</u>	<u>147,432</u>	<u>149,280</u>
Depreciation			
At 1 February 2009	76	886	962
Charge for the year	396	13,469	13,865
At 31 January 2010	<u>472</u>	<u>14,355</u>	<u>14,827</u>
Net book value			
At 31 January 2010	<u>1,376</u>	<u>133,077</u>	<u>134,453</u>
At 31 January 2009	<u>1,772</u>	<u>20,375</u>	<u>22,147</u>

**9 Stocks**

	2010 £	2009 £
Work in progress	<u>93,725</u>	<u>20,990</u>

**10 Debtors**

	2010 £	2009 £
Trade debtors	506,463	578,277
Amounts owed from group undertakings (note 14)	1,009,203	507,184
Amounts recoverable on contracts	230,801	216,221
Other debtors	26,893	29,277
Deferred tax asset (note 11)	1,397	-
Prepayments and accrued income	266,718	12,890
	<u>2,041,475</u>	<u>1,343,849</u>

**11 Deferred taxation**

The deferred tax included in the balance sheet is as follows

	2010 £	2009 £
Deferred tax provision	-	571
Deferred tax asset included within debtors (note 10)	<u>1,397</u>	<u>-</u>

The movement in the deferred taxation account during the year was

	2010 £	2009 £
Provision brought forward	(571)	-
Profit and loss account movement arising during the year	1,429	(571)
Adjustments in relation to prior periods	539	-
Asset/(provision) carried forward	<u>1,397</u>	<u>(571)</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	(11,362)	(571)
Other timing differences	12,759	-
	<u>1,397</u>	<u>(571)</u>

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

	2010 £	2009 £
Bank overdraft	387	5,324
Trade creditors	662,436	509,339
Other taxation and social security	117,718	84,527
Other creditors	73,755	2,596
Accruals and deferred income	1,100,988	737,594
	<u>1,955,284</u>	<u>1,339,380</u>

Included within other creditors at the year end are outstanding pension contributions of £63,349 (2009 £nil)

**13 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)

**14 Related party transactions**

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

2010

	Transactions		Balances	
	Sales £	Purchases £	Debtor £	Creditor £
NPS Property Consultants Limited	6,510	316,121	1,009,203	-
NPS North West Limited	-	31,251	-	-
NPS North East Limited	40,954	15,605	-	-
NPS Stockport Limited	-	236	-	-
Robson Liddle Limited	-	174,770	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

2009

	Transactions		Balances	
	Sales £	Purchases £	Debtor £	Creditor £
NPS Property Consultants Limited	-	53,671	507,184	-
NPS North West Limited	-	42,818	-	-
NPS North East Limited	11,374	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

In addition to the above, management charges of £203,280 (2009 £44,970) were charged to the company by the immediate parent undertaking, NPS Property Consultants Limited

The company had the following transactions in the normal course of trade with the minority shareholder, Kingston Upon Hull City Council

2010

	Transactions		Balances	
	Sales £	Purchases £	Debtor £	Creditor £
Kingston Upon Hull City Council	7,473,203	798,055	471,847	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

2009

	Transactions		Balances	
	Sales £	Purchases £	Debtor £	Creditor £
Kingston Upon Hull City Council	2,232,040	211,308	577,357	106,200
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**15 Share Capital**

Authorised share capital

	2010	2009
	£	£
6 Ordinary "A" shares of £1 each	6	6
4 Ordinary "B" shares of £1 each	4	4
	<u>10</u>	<u>10</u>

Allotted, called up and fully paid

	2010	2009
	£	£
6 Ordinary "A" shares of £1 each	6	6
4 Ordinary "B" shares of £1 each	4	4
	<u>10</u>	<u>10</u>

The 'A' and 'B' ordinary shares rank pari passu in all respects

**16 Profit and loss account**

	2010	2009
	£	£
Balance brought forward	47,225	-
Profit for the financial year/period	267,434	47,225
Balance carried forward	<u>314,659</u>	<u>47,225</u>

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

	2010	2009
	£	£
Profit for the financial year/period	267,434	47,225
New ordinary share capital subscribed	-	10
Net increase in shareholder's funds	<u>267,434</u>	<u>47,235</u>
Opening shareholder's funds	47,235	-
Closing shareholder's funds	<u>314,669</u>	<u>47,235</u>

**18 Notes to the statement of cash flows**

**Reconciliation of operating profit to net cash inflow from operating activity**

	Year ended 31 January 2010 £	Period ended 31 January 2009 £
Operating profit	351,291	56,061
Depreciation	13,865	962
Increase in stocks	(72,735)	(20,990)
Increase in debtors	(696,229)	(1,343,849)
Increase in creditors	620,841	1,334,056
Net cash inflow from operating activity	<u>217,033</u>	<u>26,240</u>

**Returns on investments and servicing of finance**

	Year ended 31 January 2010 £	Period ended 31 January 2009 £
Interest received	<u>21,261</u>	<u>10,296</u>

**Capital expenditure**

	Year ended 31 January 2010 £	Period ended 31 January 2009 £
Amounts paid to acquire tangible fixed assets	<u>(126,171)</u>	<u>(23,109)</u>

**Financing**

	Year ended 31 January 2010 £	Period ended 31 January 2009 £
Issue of equity share capital	<u>-</u>	<u>10</u>

**18 Notes to the statement of cash flows (continued)**

**Reconciliation of net cash flow to movement in net debt**

	Year ended 31 January 2010	Period ended 31 January 2009
	£	£
Net debt at 1 February 2009	(5,124)	-
Increase/(decrease) in cash in the year/period	<u>5,037</u>	<u>(5,124)</u>
Net debt at 31 January 2010	<u>(87)</u>	<u>(5,124)</u>

**Analysis of changes in net debt**

	At 1 Feb 2009	Cash flows	At 31 Jan 2010
	£	£	£
Net cash			
Cash in hand and at bank	200	100	300
Bank overdraft	<u>(5,324)</u>	<u>4,937</u>	<u>(387)</u>
Net debt	<u>(5,124)</u>	<u>5,037</u>	<u>(87)</u>

**19 Capital commitments**

At the year end the company was committed to further capital expenditure of £313,925 (2009 £nil)

**20 Ultimate parent undertaking**

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 available from Companies House, Cardiff, CF4 3UZ

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