

Nps North West Limited

Private limited with Share Capital

Company No : **05026630**

Registered Address:

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

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Financial Statements

NPS North West Limited

For the year ended 31 January 2010



Company No. 05026630

Officers and professional advisers

Company registration number	05026630
Registered office	Lancaster House 16 Central Avenue St Andrews Business Park Norwich Norfolk NR7 0HR
Directors	K Anderson M L Britch C Powell G Reynolds I S Johnson G A Williamson
Secretary	G Reynolds
Bankers	The Co-operative Bank 69 London Street Norwich Norfolk NR2 1HT
Solicitors	Legal Services Norfolk County Council County Hall Martineau Lane Norwich Norfolk NR1 2DH
Auditor	Grant Thornton UK LLP Chartered Accountants Statutory Auditor Kingfisher House 1 Gilders Way St James Place Norwich Norfolk 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 company performed below forecast for the year, generating a pre-tax loss, before any FRS 17 pension adjustment, of £338,783 (2009 - pre-tax profit of £49,953)

There were a number of factors that had a negative impact on the company's 2009/10 results, delayed commissions for a number of significant projects from core clients, a lower level of external commissions reflecting the tough economic climate, particularly during the second half of 2009 and re-structuring costs

In the second half of the year the company was successful in its bid to provide Mechanical and Electrical engineering services to Manchester City Council, its first major non-core client success. This framework success is anticipated to provide additional opportunities in other areas with this client. The company also continues to follow-up on all potential opportunities. Since the year-end the company has received two commissions from Wigan MBC to design two Primary schools with an overall construction value of £6 million and therefore, although disappointed by the 2010 results, the Board are satisfied that they do not constitute a fundamental problem to the company's ongoing commercial viability.

Outlook

The company currently derives the majority of its turnover from Wigan Council and South Lakeland District Council as part of long-term partnership agreements. As such, future business prospects are good and the outlook for the company's core markets is positive.

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

The company has strong order books for 2010/11 from its core clients, recently enhanced by the two new primary school commissions.

The company is also in advanced discussions with Wigan MBC to take-over additional services during 2010/11 which has the potential to double the size of the Wigan operation.

FRS 17 pension adjustment represents the difference between employer contributions paid (£633,000) and the pension cost charged to operating profit (£974,000) plus the net finance charge within interest payable (£289,000)

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/(loss) 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 Board believe that in order to gain a true reflection and appreciation of the company's trading activities, the financial KPI's should be stated before the impact of FRS 17 (see footnote)

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

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

	2010	2009
Turnover (£)	6,544,195	6,925,202
Gross profit (£)	1,705,199	1,951,910
Gross profit margin	26.1%	28.2%
Net (loss)/profit before tax (£)	(338,783)	49,953
Net (loss)/profit margin	(5.2%)	0.7%
Average number of employees	138	148

As referred to above, the company's 2010 results were affected by fewer external commissions and delayed core client commissions, which resulted in turnover being £381,007 lower than in 2009 and gross profit margin declining to 26.1% (2009 – 28.2%)

In addition to the lower gross profit margin, other operating charges increased largely due to restructuring costs which resulted in a net loss before tax of £338,783 (2009 – net profit before tax of £49,953) which translated into the net margin declining to -5.2% compared to 0.7% in 2009.

The average number of staff decreased slightly from 148 to 138. Importantly the company retained all key professional staff.

Results and dividends

The loss for the financial year amounted to £699,968. 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.

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 Anderson	
M L Britch	
M A Hussey	(resigned 30 April 2009)
C Powell	
G Reynolds	
I S Johnson	
G A Williamson	(appointed 1 May 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.

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 period. 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.

Directors' responsibilities (continued)

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.

Policy on the payment of creditors

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

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 an 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

BY ORDER OF THE BOARD



G Reynolds
Secretary
16 June 2010



Report of the independent auditor to the member of NPS North West Limited

We have audited the financial statements of NPS North West Limited for the year ended 31 January 2010 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses 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 pages 5 and 6, 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.

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 loss 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.

Report of the independent auditor to the member of NPS North West 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

Grant Thornton UK LLP

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)

Going concern

The company 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. NPS Property Consultants Limited has confirmed that it will continue to provide any financial support required for a period of at least twelve months from the date of signing these financial statements. As a consequence, notwithstanding the net current liability position at the year end, 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 subsidiary undertaking where 90% or more of the voting rights are controlled within the group, 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 reorganised to the extent that the company has obtained the right to consideration through its performance.

Turnover in respect of long-term 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

Leasehold property improvements	-	Over period of lease
Plant & equipment	-	25% reducing balance
Computer equipment	-	25% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value

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 and other post-retirement benefits

Defined benefit scheme

The amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the company, in a separate trustee-administered fund. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are prepared on a triennial basis and updated annually. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet. Further details regarding the company pension scheme are contained in note 15 to the financial statements.

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 £	2009 £
Turnover	1	6,544,195	6,925,202
Cost of sales		<u>(5,179,996)</u>	<u>(5,210,292)</u>
Gross profit		1,364,199	1,714,910
Other operating charges	2	(2,034,253)	(1,890,473)
Other operating income	3	8	643
Operating loss	4	<u>(670,046)</u>	<u>(174,920)</u>
Interest receivable and similar income	7	819	8,681
Interest payable and similar charges	8	(299,556)	(142,808)
Loss on ordinary activity before taxation		<u>(968,783)</u>	<u>(309,047)</u>
Tax on loss on ordinary activity	9	268,815	104,108
Loss for the financial year	20	<u>(699,968)</u>	<u>(204,939)</u>

All of the activities of the company are classed as continuing

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

Balance sheet

	Note	2010 £	£	2009 £	£
Fixed assets					
Tangible assets	10		287,083		365,185
Current assets					
Stocks	11	91,113		122,001	
Debtors	12	1,294,987		1,521,504	
Cash at bank and in hand		25,218		6,881	
		<u>1,411,318</u>		<u>1,650,386</u>	
Creditors amounts falling due within one year	14	<u>(1,789,894)</u>		<u>(1,860,696)</u>	
Net current liabilities			<u>(378,576)</u>		<u>(210,310)</u>
Total assets less current liabilities			<u>(91,493)</u>		<u>154,875</u>
Financed by:					
Defined benefit pension scheme liability	15		3,644,640		2,767,680
Capital and reserves					
Called-up equity share capital	19	2		2	
Profit and loss account	20	<u>(3,736,135)</u>		<u>(2,612,807)</u>	
Equity shareholder's deficit	21		<u>(3,736,133)</u>		<u>(2,612,805)</u>
			<u>(91,493)</u>		<u>154,875</u>

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



M L Britch
 Director

Other primary statement

Statement of total recognised gains and losses

		2010	2009
		£	£
Loss for the financial year		(699,968)	(204,939)
Actuarial loss in respect of defined benefit pension scheme	15	(588,000)	(834,000)
Deferred tax attributable to the actuarial loss	13	164,640	233,520
Total gains and losses recognised for the year		<u>(1,123,328)</u>	<u>(805,419)</u>

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

Notes to the financial statements

1 Turnover

Turnover, which arose wholly in the UK, is attributable to the following class of business

	2010 £	2009 £
Property consultancy and design services	<u>6,544,195</u>	<u>6,925,202</u>

2 Other operating charges

	2010 £	2009 £
Administrative expenses	<u>2,034,253</u>	<u>1,890,473</u>

3 Other operating income

	2010 £	2009 £
Other operating income	<u>8</u>	<u>643</u>

4 Operating loss

Operating loss is stated after charging

	2010 £	2009 £
Depreciation of owned fixed assets	140,146	176,637
Operating lease costs		
- Land and buildings	238,053	231,431
- Plant and equipment	5,911	5,787
Auditor's remuneration - audit of the financial statements	5,100	5,000
Auditor's remuneration - other fees	<u>3,030</u>	<u>3,120</u>
Auditor's remuneration - other fees		
- Taxation services - compliance	2,130	2,000
- Advisory services	<u>900</u>	<u>1,120</u>
	<u>3,030</u>	<u>3,120</u>

5 Particulars of employees

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

	2010 Number	2009 Number
Architectural services	22	25
Building services	11	11
Business support	21	22
Property services	61	64
Quantity surveyors	11	11
Structural engineers	6	7
CDM and project management	6	8
	<u>138</u>	<u>148</u>

The aggregate payroll costs of the above were

	2010 £	2009 £
Wages and salaries	4,093,646	4,047,617
Social security costs	308,092	311,044
Pension costs (note 15)	974,000	742,000
	<u>5,375,738</u>	<u>5,100,661</u>

Other pension costs are amounts charged to operating profit and do not include amounts charged to finance costs (note 8) and amounts recognised in the statement of total recognised gains and losses

6 Directors

Remuneration in respect of directors was as follows

	2010 £	2009 £
Emoluments receivable	<u>103,609</u>	<u>74,608</u>

Included within emoluments above is £6,000 (2009 - £nil) in respect of compensation for loss of office

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

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

7 Interest receivable and similar income

	2010	2009
	£	£
Bank interest receivable	<u>819</u>	<u>8,681</u>

8 Interest payable and similar charges

	2010	2009
	£	£
Net finance charges in respect of defined benefit pension scheme (note 15)	289,000	122,000
Interest payable to group undertakings	<u>10,556</u>	<u>20,808</u>
	<u>299,556</u>	<u>142,808</u>

9 Tax on loss on ordinary activity

(a) Analysis of credit in the year

	2010	2009
	£	£
Current tax		
UK Corporation tax based on the results for the year at 28%	-	35,749
Group relief receivable	(82,969)	-
Over provision in prior year	(361)	-
Total current tax (note 9(b))	<u>(83,330)</u>	<u>35,749</u>
Deferred tax		
In respect of defined benefit scheme	(176,400)	(100,520)
Origination and reversal of timing differences (note 13)	(9,085)	(14,860)
Adjustment in respect of prior year (note 13)	-	(24,477)
Total deferred tax	<u>(185,485)</u>	<u>(139,857)</u>
Tax credit on loss on ordinary activity	<u>(268,815)</u>	<u>(104,108)</u>

9 Tax on loss on ordinary activity (continued)

(b) Factors affecting current tax (credit)/charge

The tax assessed on the loss on ordinary activity for the year is higher than the standard rate of corporation tax in the UK of 28%

	2010 £	2009 £
Loss on ordinary activity before taxation	<u>(968,783)</u>	<u>(309,047)</u>
Loss on ordinary activity multiplied by rate of tax - expected credit	(271,259)	(86,533)
Expenses not deductible for tax purposes	2,805	6,488
Depreciation in excess of capital allowances for the year	9,085	14,860
FRS 17 pension adjustments	176,400	100,520
Effect of higher tax rates at start of year	-	414
Adjustments to tax charge in respect of previous years	<u>(361)</u>	-
Total current tax (note 9(a))	<u>(83,330)</u>	<u>35,749</u>

10 Tangible fixed assets

	Leasehold property improvements £	Plant & equipment £	Computer equipment £	Total £
Cost				
At 1 February 2009	150,573	233,156	762,692	1,146,421
Additions	-	15,280	46,764	62,044
At 31 January 2010	<u>150,573</u>	<u>248,436</u>	<u>809,456</u>	<u>1,208,465</u>
Depreciation				
At 1 February 2009	38,569	130,546	612,121	781,236
Charge for the year	12,059	26,281	101,806	140,146
At 31 January 2010	<u>50,628</u>	<u>156,827</u>	<u>713,927</u>	<u>921,382</u>
Net book value				
At 31 January 2010	<u>99,945</u>	<u>91,609</u>	<u>95,529</u>	<u>287,083</u>
At 31 January 2009	<u>112,004</u>	<u>102,610</u>	<u>150,571</u>	<u>365,185</u>

11 Stocks

	2010	2009
	£	£
Work in progress	<u>91,113</u>	<u>122,001</u>

12 Debtors

	2010	2009
	£	£
Trade debtors	797,614	939,497
Amounts recoverable on contracts	163,122	235,514
Other debtors	72,213	57,028
Prepayments and accrued income	206,954	243,466
Deferred taxation (note 13)	55,084	45,999
	<u>1,294,987</u>	<u>1,521,504</u>

Included within other debtors is £40,500 (2009 - £40,000) in respect of deposits and £16,950 (2009 - £10,352) in respect of car loans which are expected to be recovered after more than one year

13 Deferred taxation

The deferred tax included in the balance sheet is as follows

	2010	2009
	£	£
Included in debtors (note 12)	<u>55,084</u>	<u>45,999</u>

The movement in the deferred taxation account during the year was

	2010	2009
	£	£
Balance brought forward	45,999	6,662
Profit and loss account movement arising during the year (note 9(a))	9,085	39,337
Balance carried forward	<u>55,084</u>	<u>45,999</u>

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

	2010	2009
	£	£
Excess of depreciation over taxation allowances	<u>55,084</u>	<u>45,999</u>

13 Deferred taxation (continued)

The deferred tax asset relating to the pension deficit is as follows

	2010	2009
	£	£
Balance brought forward	1,076,320	742,280
Credit to profit and loss account	176,400	100,520
Deferred tax on actuarial loss for the year	164,640	233,520
Balance carried forward	<u>1,417,360</u>	<u>1,076,320</u>

14 Creditors: amounts falling due within one year

	2010	2009
	£	£
Trade creditors	104,246	178,704
Amounts owed to group undertakings (note 18)	1,047,947	769,505
Other taxation and social security	95,182	100,418
Other creditors	70,128	2,317
Accruals and deferred income	472,391	809,752
	<u>1,789,894</u>	<u>1,860,696</u>

Included within other creditors at the year end are outstanding pension contributions of £60,511 (2009 £nil)

15 Pension commitments

The calculations for FRS 17 disclosures are based on a full actuarial valuation of the scheme as at 31 March 2007 updated to 31 January 2010 by a qualified independent actuary

The main assumptions used by the actuary to calculate scheme liabilities of the company under FRS 17 were

	2010	2009	2008
	%	%	%
Rate of increase in salaries	4.0	5.1	5.1
Rate of increase in pensions in payment	3.5	3.6	3.6
Discount rate	5.5	6.9	6.3
Inflation assumption	3.5	3.6	3.6

The post retirement mortality assumptions used to value the benefit obligation at the year end are based on the PFA92 and PMA92 tables, projected to calendar year 2033 for non-pensioners and 2017 for pensioners

The actual return on scheme assets in the year was a gain of £2,745,000 (2009 - loss of £2,040,000)

15 Pension commitments (continued)

The fair value of the scheme assets and the expected rate of return, the present value of the scheme liabilities and the resulting deficit are

	2010	2009	2008
Long-term rate of return expected %	Value £	Long-term rate of return expected % Value £	Long-term rate of return expected % Value £
Equities	7 7 9,960,000	7 5 7,770,000	7 6 7,874,000
Bonds	5 0 2,343,000	5 7 1,802,000	5 3 2,425,000
Property	5 7 879,000	5 5 901,000	5 6 1,134,000
Cash	4 8 1,465,000	4 0 788,000	4 7 1,461,000
Total market value of assets	<u>14,647,000</u>	<u>11,261,000</u>	<u>12,894,000</u>
Present value of scheme liabilities	<u>(19,709,000)</u>	<u>(15,105,000)</u>	<u>(15,545,000)</u>
Deficit in the scheme	<u>(5,062,000)</u>	<u>(3,844,000)</u>	<u>(2,651,000)</u>
Related deferred tax asset	<u>1,417,360</u>	<u>1,076,320</u>	<u>742,280</u>
Net pension liability	<u><u>(3,644,640)</u></u>	<u><u>(2,767,680)</u></u>	<u><u>(1,908,720)</u></u>

An analysis of the movement in the deficit during the year is shown below

	2010 £	2009 £
At 1 February 2009	(3,844,000)	(2,651,000)
Total operating charge	(974,000)	(742,000)
Total finance charge	(289,000)	(122,000)
Actuarial loss	(588,000)	(834,000)
Contributions	633,000	505,000
At 31 January 2010	<u>(5,062,000)</u>	<u>(3,844,000)</u>

Analysis of the amount charged to operating loss

	2010 £	2009 £
Current service cost	(442,000)	(494,000)
Past service costs	(367,000)	(248,000)
Losses on curtailments and settlements	(165,000)	-
Total operating charge	<u>(974,000)</u>	<u>(742,000)</u>

15 Pension commitments (continued)

Analysis of the amount charged to finance costs

	2010	2009
	£	£
Expected return on pension scheme assets	787,000	877,000
Interest on pension scheme liabilities	<u>(1,076,000)</u>	<u>(999,000)</u>
Total finance costs	<u>(289,000)</u>	<u>(122,000)</u>

Analysis of the amount recognised in statement of total recognised gains and losses

	2010	2009
	£	£
Actual return less expected return on pension scheme assets	1,958,000	(2,917,000)
Experience gains arising on scheme liabilities	-	8,000
(Loss)/gain arising from changes in assumptions underlying the present value of scheme liabilities	<u>(2,546,000)</u>	<u>2,075,000</u>
Actuarial loss	<u>(588,000)</u>	<u>(834,000)</u>

A history of experience gains and losses is shown below

	2010	2009	2008	2007	2006
Difference between the expected and actual return on scheme assets					
- amount (£)	1,958,000	(2,917,000)	(917,000)	257,000	1,299,000
- % of scheme assets	13	(26)	(7)	2	12
Experience gains/(losses) on scheme liabilities					
- amount (£)	-	8,000	(2,411,000)	1,000	86,000
- % of the present value of scheme liabilities	-	-	(16)	-	1
Total amount recognised in statement of total recognised gains and losses					
- amount (£)	<u>(588,000)</u>	<u>(834,000)</u>	<u>(1,538,000)</u>	<u>1,743,000</u>	<u>(1,010,000)</u>
- % of the present value of scheme liabilities	<u>(3)</u>	<u>(6)</u>	<u>(10)</u>	<u>14</u>	<u>(8)</u>

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses at 31 January 2010 was a net loss of £ 2,146,000 (2009 - net loss of £1,558,000)

15 Pension commitments (continued)

Analysis of changes in the value of the scheme assets during the year

	2010	2009
	£	£
Market value of scheme assets at the beginning of the year	11,261,000	12,894,000
Expected return on scheme assets	787,000	877,000
Actuarial gains/(losses)	1,958,000	(2,917,000)
Employer contributions	633,000	505,000
Member contributions	243,000	219,000
Benefits paid	(235,000)	(317,000)
Market value of the scheme assets at the end of the year	<u>14,647,000</u>	<u>11,261,000</u>

Analysis of changes in the value of the scheme liabilities during the year

	2010	2009
	£	£
Present value of scheme liabilities at the start of the year	15,105,000	15,545,000
Total operating charge	974,000	742,000
Interest cost	1,076,000	999,000
Member contributions	243,000	219,000
Benefits paid	(235,000)	(317,000)
Actuarial losses/(gains)	2,546,000	(2,083,000)
Present value of the scheme liabilities at the end of the year	<u>19,709,000</u>	<u>15,105,000</u>

History of scheme assets, liabilities and net deficit position

	2010	2009	2008	2007	2006
	£'000	£'000	£'000	£'000	£'000
Market value of plan assets at end of year	14,647	11,261	12,894	11,889	10,503
Present value of scheme liabilities at end of year	(19,709)	(15,105)	(15,545)	(12,859)	(12,876)
Net deficit in the plan at end of year	<u>(5,062)</u>	<u>(3,844)</u>	<u>(2,651)</u>	<u>(970)</u>	<u>(2,373)</u>

Future funding obligation

The directors anticipate that contributions of approximately £526,000 (2009 - £547,000) will be paid in the year to 31 January 2011

16 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	Other	Land & Buildings	Other
	£	£	£	£
Operating leases which expire				
Within 2 to 5 years	-	5,911	-	5,911
After more than 5 years	238,053	-	238,053	-
	<u>238,053</u>	<u>5,911</u>	<u>238,053</u>	<u>5,911</u>

17 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)

18 Related party transactions

	Transactions		Balances	
	Sales	Purchase	Debtor	Creditor
	£	£	£	£
2010				
NPS Property Consultants Ltd	471,453	170,948	-	945,180
NPS Stockport Ltd	39,855	4,879	-	-
John Packer Associates Ltd	-	4,980	-	-
Robson Liddle Ltd	-	1,200	-	-
NPS South West Ltd	3,254	-	-	-
NPS South East Ltd	327,947	4,028	-	-
NPS North East Ltd	71,764	9,390	-	-
NPS Humber Ltd	31,251	-	-	-
	<u>471,453</u>	<u>170,948</u>	<u>-</u>	<u>945,180</u>

	Transactions		Balances	
	Sales	Purchase	Debtor	Creditor
	£	£	£	£
2009				
NPS Property Consultants Ltd	464,099	43,497	-	666,738
NPS Stockport Ltd	63,206	104,413	-	-
NPS London Ltd	542	-	-	-
NPS South West Ltd	16,221	-	-	-
NPS North East Ltd	141,332	-	-	-
NPS Humber Ltd	42,818	-	-	-
	<u>464,099</u>	<u>43,497</u>	<u>-</u>	<u>666,738</u>

In addition to the above, management charges of £170,000 (2009 - £169,999) were charged to the company by the immediate parent undertaking, NPS Property Consultants Limited

At the year end the company also owed £102,767 (2009 - £102,767) to Norfolk Environmental Waste Services Limited, a wholly owned subsidiary of Norse Group Limited. This relates to the surrender of tax losses in prior years

19 Equity share capital

Authorised share capital			2010	2009
			£	£
2 Ordinary shares of £1 each			<u>2</u>	<u>2</u>

Allotted, called up and fully paid

	2010		2009	
	Number	£	Number	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

20 Profit and loss account

			2010	2009
			£	£
Balance brought forward			(2,612,807)	(1,807,388)
Loss for the financial year			(699,968)	(204,939)
Actuarial loss in respect of defined benefit pension scheme			(423,360)	(600,480)
Balance carried forward			<u>(3,736,135)</u>	<u>(2,612,807)</u>

21 Reconciliation of movements in equity shareholder's deficit

			2010	2009
			£	£
Loss for the financial year			(699,968)	(204,939)
Actuarial loss in respect of defined benefit pension scheme			(423,360)	(600,480)
Net increase to equity shareholder's deficit			<u>(1,123,328)</u>	<u>(805,419)</u>
Opening equity shareholder's deficit			(2,612,805)	(1,807,386)
Closing equity shareholder's deficit			<u>(3,736,133)</u>	<u>(2,612,805)</u>

22 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 available from Companies House, Cardiff, CF4 3UZ

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