Robson Liddle Limited

Private limited with Share Capital

Company No : **03240492**

Registered Address:

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

Grant Thornton

Financial Statements
Robson Liddle Limited

For the year ended 31 January 2010

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Company No. 03240492

Officers and professional advisers

Company registration number	03240492
Registered office	Lancaster House 16 Central Avenue St Andrews Business Park Norwich Norfolk NR7 0HR
Directors	M L Britch M Liddle G Reynolds S C Daw C Appleton
Secretary	K A Betts
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

Contents

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 structural engineering, civil engineering, highways structures, geotechnical and environmental engineering, including contaminated land management

Overview

The company performed below forecast for the year, generating a pre-tax profit of £38,518 (2009 - pre-tax loss of £308,016)

Outlook

The company moved back into profit in 2010, largely as a result of moving into the public sector market, supported by the workload from the NPS Group

The company's traditional clients are house builders and commercial developers The recovery in this market remains fragile, although the company started to see new commissions coming through in the last quarter of 2009/10 and further commissions have come through in the first quarter of 2010/11 Until this market recovers fully, the company will continue to rely upon the NPS Group for a significant proportion of its income

The NPS Group has significant order books for 2010/11 which require the specialist services of Robson Liddle Limited and the outlook is therefore positive The main group companies with whom works are likely to increase compared to 2010 are NPS South West Limited, which has full order books and which requires structural engineering support and NPS Humber Limited for whom the company undertook a number of flood risk assessment works in 2009/10, the level of which is anticipated to increase in 2010/11

The Board is confident that the company will show increased profitably in 2010/11

The Board is also pleased to announce that in May 2010, Robson Liddle Limited gained external accreditation for their Environmental Management System

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 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 ten month period ended 31 January 2009, are as follows

	2010	2009
Turnover (£)	1,300,616	943,958
Gross profit (£)	459,130	148,028
Gross profit margin	35 3%	15 7%
Net profit/(loss) before tax (£)	38,518	(308,016)
Net profit/(loss) margin	2 9%	(32 6%)
Average number of employees	17	16

Turnover increased by 38%, primarily from NPS Group subsidiaries, which accounted for approximately 40% of the turnover total This level of turnover is moving towards that required by the size of the company and as such, the gross profit and margin increased significantly to £459,130 and 35 3% respectively Gross profit levels and margins remain below that of pre-acquisition, but they show a marked improvement on the 2009 figures where turnover and margins suffered a dramatic decrease following the economic downturn in the company's traditional markets resulting from the credit crunch

The company also contained other operating charges by prudent financial management, reducing the total by just under £30,000 This represented a significant saving particularly bearing in mind that the 2009 figure was for a period of 10 months This contributed to an increase in both net profit and margin

Average employee numbers have remained stable over the year increasing to 17 from 16 The Board views this positively, particularly 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 £19,346 (2009 £234,816 loss) 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

M L Liddle	
I J Robson	(resigned 17 July 2009)
M L Britch	
S C Daw	
G Reynolds	
C Appleton	(appointed 1 August 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 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

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 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

M L Britch
Director
16 June 2010

Grant Thornton

Independent auditor's report to the member of Robson Liddle Limited

We have audited the financial statements of Robson Liddle 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

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 Robson Liddle 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

Principal 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 financial statements have been prepared on a going concern basis, as the holding company, NPS Property Consultants Limited has confirmed its continuing support for the foreseeable future, being a period of at least twelve months from the signing of these financial statements

The principal accounting policies are set out below

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 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

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

Amortisation

Amortisation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows

Goodwill	-	5% per annum straight line

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 the term of the lease
Fixtures and fittings	-	10% per annum straight line
Motor vehicles	-	25% per annum reducing balance
Computer equipment	-	25% per annum straight line

Hire purchase and finance lease agreements

Assets acquired under finance leases and hire purchase are treated as tangible fixed assets and depreciation is provided accordingly The present value of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the capital balance outstanding

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

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	12 months to 31 January 2010 £	10 months to 31 January 2009 £
Turnover	1	**1,300,616**	943,958
Cost of sales		**(841,486)**	(795,930)
Gross profit		**459,130**	148,028
Other operating charges	2	**(415,813)**	(445,576)
Operating profit/(loss)	3	**43,317**	(297,548)
Interest payable and similar charges	6	**(4,825)**	(10,593)
Interest receivable	7	**26**	125
Profit/(loss) on ordinary activity before taxation		**38,518**	(308,016)
Tax on profit/(loss) on ordinary activity	8	**(19,172)**	73,200
Profit/(loss) for the financial year/period	19	**19,346**	(234,816)

All of the activities of the company are classed as continuing

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

Balance sheet

	Note	2010 £	2009 £
Fixed assets			
Intangible assets	9	**397,500**	427,500
Tangible assets	10	**103,943**	107,210
		501,443	534,710
Current assets			
Stocks	11	**10,979**	-
Debtors	12	**355,221**	336,665
Cash at bank and in hand		**533**	7,626
		366,733	344,291
Creditors amounts falling due within one year	14	**(461,114)**	(474,237)
Net current liabilities		**(94,381)**	(129,946)
Total assets less current liabilities		**407,062**	404,764
Creditors amounts falling due after more than one year	15	**(14,860)**	(31,908)
Net assets		**392,202**	372,856
Capital and reserves			
Called-up equity share capital	18	**10,000**	10,000
Profit and loss account	19	**382,202**	362,856
Equity shareholders' funds	20	**392,202**	372,856

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

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

	12 months ended 31 January 2010 £	10 months ended 31 January 2009 £
Property consultancy and design services	**1,300,616**	943,958

2 Other operating charges

	12 months ended 31 January 2010 £	10 months ended 31 January 2009 £
Administrative expenses	**415,813**	445,576

3 Operating profit/(loss)

Operating profit/(loss) is stated after charging

	12 months ended 31 January 2010 £	10 months ended 31 January 2009 £
Amortisation of goodwill	**30,000**	25,000
Depreciation of owned fixed assets	**16,750**	13,822
Depreciation of assets held under hire purchase agreements	**12,949**	13,987
Loss on sale of fixed assets	**-**	10,324
Operating lease costs		
Land and buildings	**56,675**	45,219
Plant and machinery	**1,779**	1,482
Auditor's remuneration - audit of the financial statements	**5,100**	5,000
Auditor's remuneration - other fees	**3,030**	3,120

Auditor's remuneration - other fees		
- Taxation services - compliance	**2,130**	2,000
- Advisory services	**900**	1,120
	3,030	3,120

4 Particulars of employees

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

	12 months ended 31 January 2010 Number	10 months ended 31 January 2009 Number
Engineering staff	14	14
Administrative staff	3	2
	17	16

The aggregate payroll costs of the above were

	12 months ended 31 January 2010 £	10 months ended 31 January 2009 £
Wages and salaries	532,715	473,391
Social security costs	56,243	39,663
	588,958	513,054

5 Directors

Remuneration in respect of directors was as follows

	12 months ended 31 January 2010 £	10 months ended 31 January 2009 £
Emoluments receivable	116,667	133,333

6 Interest payable and similar charges

	12 months ended 31 January 2010 £	10 months ended 31 January 2009 £
Interest payable to group undertakings	4,825	10,593

7 Interest receivable

	12 months ended 31 January 2010 £	10 months ended 31 January 2009 £
Other interest receivable	**26**	125

8 Taxation on profit/(loss) on ordinary activity

(a) Analysis of charge/(credit) in the year/period

	12 months ended 31 January 2010 £	10 months ended 31 January 2009 £
Current tax		
UK Corporation tax based on the results for the year at 28%	**19,867**	-
Group relief receivable	**-**	(68,933)
Over provision in prior period	**(805)**	(1,483)
Total current tax (note 8(b))	**19,062**	(70,416)
Deferred tax		
Origination and reversal of timing differences	**1,602**	(3,484)
Adjustments in relation to prior periods	**(1,492)**	700
Total deferred tax (note 13)	**110**	(2,784)
Tax charge/(credit) on profit/(loss) on ordinary activity	**19,172**	(73,200)

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

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

	2010 £	2009 £
Profit/(loss) on ordinary activity before taxation	**38,518**	(308,016)
Profit/(loss) on ordinary activity multiplied by rate of tax	**10,785**	(86,244)
Expenses not deductible for tax purposes	**10,684**	13,827
Adjustments to tax charge in respect of previous periods	**(805)**	(1,483)
Difference between depreciation and capital allowances	**(1,602)**	3,484
Total current tax (note 8(a))	**19,062**	(70,416)

9 Intangible fixed assets

	Goodwill £
Cost	
At 1 February 2009 and 31 January 2009	600,000
Amortisation	
At 1 February 2009	172,500
Charged in year	30,000
At 31 January 2010	202,500
Net book value at 31 January 2010	**397,500**
Net book value at 31 January 2009	427,500

10 Tangible fixed assets

	Leasehold property £	Fixtures and fittings £	Computer equipment £	Motor Vehicles £	Total £
Cost					
At 1 February 2009	37,739	53,695	69,492	18,959	179,885
Additions	-	1,687	24,745	-	26,432
At 31 January 2010	37,739	55,382	94,237	18,959	206,317
Depreciation					
At 1 February 2009	1,877	12,607	46,614	11,577	72,675
Charge for year	2,503	13,312	12,038	1,846	29,699
At 31 January 2010	4,380	25,919	58,652	13,423	102,374
Net book value					
At 31 January 2010	**33,359**	**29,463**	**35,585**	**5,536**	**103,943**
At 31 January 2009	35,862	41,088	22,878	7,382	107,210

Included within the net book value of £103,943 is £26,708 (2009 £39,657) relating to assets held under hire purchase agreements The depreciation charged to the financial statements in the year in respect to such assets amounted to £12,949 (2009 £13,987)

11 Stocks

	2010	2009
	£	£
Work in progress	**10,979**	-

12 Debtors

	2010	2009
	£	£
Trade debtors	**204,311**	255,444
Amounts recoverable on contracts	**125,578**	55,237
Deferred tax asset (note 13)	**2,674**	2,784
Prepayments and accrued income	**22,658**	23,200
	355,221	336,665

13 Deferred taxation

The movement in the deferred taxation account during the year/period was

	2010	2009
	£	£
Asset brought forward	**2,784**	-
Profit and loss account movement arising during the year	**(110)**	2,784
Deferred tax asset carried forward (note 12)	**2,674**	2,784

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

	2010	2009
	£	£
Excess of depreciation over taxation allowances on fixed assets	**2,674**	2,784

14 Creditors: amounts falling due within one year

	2010	2009
	£	£
Trade creditors	**62,660**	72,811
Amount owed to parent undertaking (note 17)	**210,590**	269,968
Other taxation and social security	**17,904**	19,565
Hire purchase agreements	**17,048**	20,978
Other creditors	**-**	475
Accruals and deferred income	**152,912**	90,440
	461,114	474,237

Net obligations under hire purchase contracts are secured by the assets concerned

15 Creditors: amounts falling due after more than one year

	2010	2009
	£	£
Hire purchase agreements (repayable within five years)	**14,860**	31,908

Net obligations under hire purchase contracts are secured by the assets concerned

16 Commitments under operating leases

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

	31 January 2010		31 January 2009	
	Land & Buildings	**Other**	Land & Buildings	Other
	£	**£**	£	£
Operating leases which expire				
Within 1 year	**-**	**1,779**	-	-
Within 2 - 5 years	**-**	**-**	-	1,779
Over 5 years	**56,675**	**-**	56,675	-
	56,675	**1,779**	56,675	1,779

17 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	**Purchases**	**Debtor**	**Creditor**
	£	**£**	**£**	**£**
2010				
NPS Property Consultants Limited	**6,900**	**16,372**	**-**	**210,590**
NPS North West Limited	**1,200**	**-**	**-**	**-**
NPS North East Limited	**14,200**	**-**	**-**	**-**
NPS South East Limited	**129,318**	**-**	**-**	**-**
NPS Humber Limited	**174,770**	**-**	**-**	**-**
NPS London Limited	**51,327**	**-**	**-**	**-**
NPS South West Limited	**135,323**	**-**	**-**	**-**

	Transactions		Balances	
	Sales	Purchases	Debtor	Creditor
	£	£	£	£
2009				
NPS Property Consultants	15,875	-	-	269,968
NPS London Limited	18,817	-	-	-
NPS South West Limited	104,221	-	-	-

In addition to the above, management charges of £116,886 (2009 £97,405) were charged to the company by the immediate parent undertaking, NPS Property Consultants Limited

18 Share capital

Authorised share capital

	2010	2009
	£	£
100,000 Ordinary shares of £1 each	**100,000**	100,000
10,000 Ordinary 'A' shares of £1 each	**10,000**	10,000

Allotted, called up and fully paid

	2010		2009	
	Number	**£**	Number	£
Ordinary shares of £1 each	**10,000**	**10,000**	10,000	10,000

19 Profit and loss account

	2010	2009
	£	£
Balance brought forward	**362,856**	597,672
Profit/(loss) for the financial year/period	**19,346**	(234,816)
Balance carried forward	**382,202**	362,856

20 Reconciliation of movements in shareholder's funds

	2010 £	2009 £
Profit/(loss) for the financıal year/perıod	**19,346**	(234,816)
Net addıtıon/(reductıon) to shareholder's funds	**19,346**	(234,816)
Openıng shareholder's funds	**372,856**	607,672
Closıng shareholder's funds	**392,202**	372,856

21 Contingent liability

The company ıs part of a group VAT regıstratıon and as such ıs jointly and severally lıable for the VAT lıabılıty of the entıre group The amount owed by the group at the year end was £1,707,181 (2009 £2,375,902)

22 Ultimate parent company

The ımmedıate parent undertakıng ıs NPS Property Consultants Lımıted and consolıdated financıal statements for thıs group are avaılable from Companıes House, Cardıff, CF4 3UZ

The ultımate parent undertakıng ıs Norse Group Lımıted and consolıdated financıal statements for thıs group are avaılable from Companıes House, Cardıff, CF4 3UZ

The company's ultımate controllıng party ıs Norfolk County Councıl by vırtue of theır ownershıp of 100% of the ordınary share capıtal of Norse Group Lımıted