Nps North East Limited

Private limited with Share Capital

Company No : **05200508**

Registered Address:

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

Grant Thornton

Financial Statements
NPS North East Limited

For the year ended 31 January 2010

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Company No. 05200508

Officers and professional advisers

Company registration number	05200508
Registered office	Lancaster House 16 Central Avenue St Andrews Business Park Norwich Norfolk NR7 0HR
Directors	A G M Blakey M L Britch R J Hodgson G Stokes G Reynolds A J Wallhead
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 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 architectural design, building surveying and CDM and project management

Overview

The company performed above forecast for the year, generating a pre-tax profit, before any FRS 17 pension adjustment (see footnote), of £467,346 (2009 - £551,468)

Outlook

The company currently derives the majority of its turnover from Wakefield Metropolitan District Council and Wakefield District Housing as part of long-term partnership agreements With reference to the work from Wakefield District Housing, the company has recently secured an extension to March 2014 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 dependency on these two major clients represents 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

As part of this strategy the Board is looking to make increased use of its Housing expertise to target the Affordable and Sustainable Housing markets in line with the Central Government agenda and key to this strategy is the promotion of the "Hearth" concept The company has secured its first commission using this concept with Swindon Borough Council to deliver 13 Code 5 homes worth approximately £130,000 in fees In addition the company is delivering 91 Code 6 homes locally with a local partner, Bramall Construction

The company will also assist in the delivery of the NPS Group Building Schools for the Future (BSF) workload

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 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

FRS 17 pension adjustment represents the difference between employer contributions paid (£434,000) and the pension cost charged to operating profit (£449,000) plus the net finance charge within interest payable (£228,000)

Principal activity and business review (continued)

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 (£)	**7,979,617**	7,234,084
Gross profit (£)	**2,788,159**	2,792,527
Gross profit margin	**34 9%**	38 6%
Net profit before tax (£)	**467,346**	551,468
Net profit margin	**5.9%**	7 6%
Average number of employees	**119**	109

Turnover for 2010 was above forecast and showed an increase as compared to that for 2009 due to additional workload from Wakefield Metropolitan District Council and external clients in the second half of the year

The gross profit margin has decreased slightly as a result of increased staffing costs incurred to deliver this additional turnover Additional support service costs, largely employment related, have also resulted in a lower net profit and margin compared to 2009

Average employee numbers have increased from 109 to 119 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 £165,349 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, other than a small overdraft, 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

Financial risk management objectives and policies (continued)

Liquidity risk

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

Currency risk

As the vast majority of both sales and purchases are transacted in sterling, the company has minimal exposure to translation and transaction foreign exchange risk

Directors

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

A G M Blakey	
M L Britch	
R J Hodgson	
J Pitt	(resigned 30 March 2009)
G Stokes	
G Reynolds	
A J Wallhead	(appointed 23 June 2009)

The company is a wholly owned subsidiary of NPS Property Consultants Limited The ultimate controlling party is Norfolk County Council

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 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

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

BY ORDER OF THE BOARD

G. Reynolds

G Reynolds
Secretary
16 June 2010

Grant Thornton

Independent auditor's report to the member of NPS North East Limited

We have audited the financial statements of NPS North East Limited for the year ended 31 January 2010 which comprise the profit and loss account, the balance sheet, the statement of 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 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 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 NPS North East 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)

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

Cash flow statement

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

Turnover

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

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

Work in progress

The attributable profit on contracts is recognised once their outcome can be assessed with reasonable certainty The profit recognised reflects the proportion of work completed 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 stock 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	-	shorter of ten years or over period of lease
Plant & equipment	-	25% reducing balance per annum
Computer equipment	-	25% straight line per annum

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

Finance leases and hire purchase agreements

Assets acquired under finance leases and hire purchase agreements 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

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	**7,979,617**	7,234,084
Cost of sales		**(5,206,458)**	(4,803,557)
Gross profit		**2,773,159**	2,430,527
Other operating charges	2	**(2,325,844)**	(2,239,889)
Operating profit	3	**447,315**	190,638
Interest receivable and similar income	6	**5,031**	4,022
Interest payable and similar charges	7	**(228,000)**	(20,192)
Profit on ordinary activity before taxation		**224,346**	174,468
Tax on profit on ordinary activity	8	**(58,997)**	(55,795)
Profit for the financial year	20	**165,349**	118,673

All of the activities of the company are classed as continuing

Balance sheet

	Note	2010 £	2010 £	2009 £	2009 £
Fixed assets					
Tangible assets	9		**385,851**		399,513
Current assets					
Stocks	10	**49,023**		26,590	
Debtors	11	**2,876,468**		2,048,052	
Cash at bank and in hand		**300**		300	
		2,925,791		2,074,942	
Creditors: amounts falling due within one year	13	**(2,265,971)**		(1,766,317)	
Net current assets			**659,820**		308,625
Total assets less current liabilities			**1,045,671**		708,138
Financed by					
Creditors amounts falling due after more than one year	14	**-**		2,776	
Defined benefit pension scheme liability	15	**3,069,360**		2,250,720	
			3,069,360		2,253,496
Capital and reserves					
Called-up equity share capital	19	**2**		2	
Profit and loss account	20	**(2,023,691)**		(1,545,360)	
Equity shareholder's deficit	21		**(2,023,689)**		(1,545,358)
			1,045,671		708,138

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 £
Profit for the financial year	**165,349**	118,673
Actuarial loss in respect of defined benefit pension scheme	**(894,000)**	(247,000)
Deferred tax attributable to the actuarial loss	**250,320**	69,160
Total gains and losses recognised for the year	**(478,331)**	(59,167)

Notes to the financial statements

1 Turnover

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

	2010	2009
	£	£
Property consultancy and design services	**7,979,617**	7,234,084

2 Other operating charges

	2010	2009
	£	£
Administrative expenses	**2,325,844**	2,239,889

3 Operating profit

Operating profit is stated after charging

	2010	2009
	£	£
Depreciation of owned fixed assets	**104,535**	148,646
Depreciation of fixed assets held under finance leases	**3,123**	2,082
Operating lease costs		
- Land and buildings	**230,234**	230,234
- Plant and equipment	**5,669**	6,101
Auditor's remuneration - audit of the financial statements	**5,100**	5,000
Auditor's remuneration - other fees	**3,030**	3,120

	2010	2009
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 amounted to

	2010 Number	2009 Number
Architectural services	**54**	40
Building surveying group	**24**	17
Business support	**16**	24
Quantity surveyors	**11**	11
Mechanical & electrical	**14**	17
	119	109

The aggregate payroll costs of the above were

	2010 £	2009 £
Wages and salaries	**3,484,266**	3,123,398
Social security costs	**271,948**	240,640
Pension costs (note 15)	**449,000**	748,000
	4,205,214	4,112,038

Pension costs are amounts charged to operating profit and do not include amounts charged to finance costs (note 7) and amounts recognised in the statement of total recognised gains and losses

5 Directors

Remuneration in respect of directors was as follows

	2010 £	2009 £
Emoluments receivable	**87,202**	76,963

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

	2010 Number	2009 Number
Defined benefit schemes	**4**	4

6 Interest receivable and similar income

	2010	2009
	£	£
Bank interest receivable	**2,636**	3,628
Other loan interest receivable	**327**	394
Interest from group undertakings	**2,068**	-
	5,031	4,022

7 Interest payable and similar charges

	2010	2009
	£	£
Finance charges in respect of defined benefit pension schemes (note 15)	**228,000**	15,000
Interest payable to group undertakings	**-**	5,192
	228,000	20,192

8 Taxation on profit on ordinary activity

(a) Analysis of charge in the year

	2010	2009
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 28%	**131,190**	172,125
Over provision in prior year	**(5,441)**	(3,487)
Total current tax (note 8(b))	**125,749**	168,638
Deferred tax		
In respect of defined benefit scheme (note 12)	**(68,040)**	(105,560)
Origination and reversal of timing differences (note 12)	**3,037**	(10,411)
Adjustments in respect of prior years (note 12)	**(1,749)**	3,128
Total deferred tax	**(66,752)**	(112,843)
Tax on profit on ordinary activity	**58,997**	55,795

8 Taxation on profit on ordinary activity (continued)

(b) Factors affecting current tax charge

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

	2010	2009
	£	£
Profit on ordinary activities before taxation	**224,346**	174,468
Profit on ordinary activities multiplied by rate of tax	**62,817**	48,851
Expenses not deductible for tax purposes	**3,370**	3,562
Adjustments to tax charge in respect of previous years	**(5,441)**	(3,487)
Difference between capital allowances and depreciation for the year	**(3,037)**	12,160
Other timing differences - pension liability	**68,040**	105,560
Effect of higher tax rates at start of year	**-**	1,992
Total current tax (note 8(a))	**125,749**	168,638

9 Tangible fixed assets

	Leasehold property £	Plant & equipment £	Computer equipment £	Total £
Cost				
At 1 February 2009	190,399	231,437	438,811	860,647
Additions	8,280	5,507	80,209	93,996
At 31 January 2010	198,679	236,944	519,020	954,643
Depreciation				
At 1 February 2009	24,865	105,915	330,354	461,134
Charge for the year	13,415	28,752	65,491	107,658
At 31 January 2010	38,280	134,667	395,845	568,792
Net book value				
At 31 January 2010	**160,399**	**102,277**	**123,175**	**385,851**
At 31 January 2009	165,534	125,522	108,457	399,513

Included within the net book value of £385,851 is £3,122 (2009 - £6,245) relating to assets held under finance leases and hire purchase agreements The depreciation charged to the financial statements in the period in respect of such assets amounted to £3,123 (2009 - £2,082)

10 Stocks

	2010 £	2009 £
Work in progress	**49,023**	26,590

11 Debtors

	2010 £	2009 £
Trade debtors	**1,457,447**	1,387,879
Amounts owed by group undertaking (note 18)	**395,332**	-
Amounts recoverable on contracts	**896,483**	561,915
Other debtors	**31,111**	7,291
Prepayments and accrued income	**78,802**	72,386
Deferred taxation (note 12)	**17,293**	18,581
	2,876,468	2,048,052

12 Deferred taxation

The deferred tax included in the balance sheet is as follows

	2010 £	2009 £
Included in debtors (note 11)	17,293	18,581

The movement in the deferred taxation account during the year was

	2010 £	2009 £
Balance brought forward	18,581	11,298
Profit and loss account movement arising during the year	(3,037)	10,411
Adjustments in relation to prior periods	1,749	(3,128)
Balance carried forward	17,293	18,581

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	17,293	18,581

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

	2010 £	2009 £
Balance brought forward	875,280	700,560
Credit to profit and loss account	68,040	105,560
Deferred tax on actuarial loss for the year	250,320	69,160
Balance carried forward	1,193,640	875,280

13 Creditors: amounts falling due within one year

	2010	2009
	£	£
Bank overdraft	17,117	5,024
Trade creditors	414,842	296,846
Amounts owed to group undertakings (note 18)	49,656	533,831
Other taxation and social security	98,305	79,039
Other creditors	54,658	-
Obligations under finance leases	2,776	2,776
Accruals and deferred income	1,628,617	848,801
	2,265,971	1,766,317

Obligations under finance leases are secured on the assets concerned

Included within other creditors at the year end are outstanding pension contributions of £54,658 (2009 £nil)

14 Creditors: amounts falling due after more than one year

	2010	2009
	£	£
Obligations under finance leases	-	2,776

Obligations under finance leases are secured on the assets concerned

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 3
Rate of increase in pensions in payment	3 5	3 6	3 5
Discount rate	5.5	6 9	5 8
Inflation assumption	3 5	3 6	3 5

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 £2,128,000 (2009 - gain of £2,056,000)

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**	**9,896,000**	7 5	6,396,000	7 5	8,457,000
Bonds	**5 0**	**2,062,000**	5 7	1,888,000	4 7-5 3	1,590,000
Property	**5 7**	**425,000**	5 5	433,000	6 5	589,000
Cash	**4 8**	**502,000**	4 0	1,599,000	5 3-6 5	1,142,000
Total market value of assets		**12,885,000**		10,316,000		11,778,000
Present value of scheme liabilities		**(17,148,000)**		(13,442,000)		(14,280,000)
Deficit in the scheme		**(4,263,000)**		(3,126,000)		(2,502,000)
Related deferred tax asset		**1,193,640**		875,280		700,560
Net pension liability		**(3,069,360)**		(2,250,720)		(1,801,440)

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

	2010	2009
	£	£
At 1 February 2009	**(3,126,000)**	(2,502,000)
Total operating charge	**(449,000)**	(748,000)
Total finance charge	**(228,000)**	(15,000)
Actuarial loss	**(894,000)**	(247,000)
Contributions	**434,000**	386,000
At 31 January 2010	**(4,263,000)**	(3,126,000)

An analysis of the defined benefit cost follows

Analysis of the amount charged to operating profit

	2010	2009
	£	£
Current service cost	**(449,000)**	(582,000)
Past service costs	**-**	(166,000)
Total operating charge	**(449,000)**	(748,000)

15 Pension commitments (continued)

Analysis of the amount charged to finance costs

	2010 £	2009 £
Expected return on pension scheme assets	715,000	836,000
Interest on pension scheme liabilities	(943,000)	(851,000)
Total finance charge	(228,000)	(15,000)

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

	2010 £	2009 £
Actual return less expected return on pension scheme assets	1,413,000	(2,892,000)
Experience gains arising on scheme liabilities	36,000	-
Loss arising from changes in assumptions underlying the present value of scheme liabilities	(2,343,000)	2,645,000
Actuarial loss	(894,000)	(247,000)

A five year 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 (£)	1,413,000	(2,892,000)	(777,000)	406,000	1,367,000
- % of scheme assets	11	(28)	(7)	3	12
Experience (losses)/gains on scheme liabilities					
- amount (£)	36,000	-	(1,006,000)	-	265,000
- % of the present value of scheme liabilities	-	-	(7)	-	2
Total amount recognised in statement of total recognised gains and losses					
- amount (£)	(894,000)	(247,000)	(2,773,000)	2,266,000	(1,054,000)
- % of the present value of scheme liabilities	(5)	(2)	(19)	18	(8)

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 £3,751,000 (2009 net loss of £2,857,000)

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	**10,316,000**	11,778,000
Expected return on scheme assets	**715,000**	836,000
Actuarial gains/(losses)	**1,413,000**	(2,892,000)
Employer contributions	**434,000**	386,000
Member contributions	**207,000**	191,000
Benefits paid	**(200,000)**	17,000
Market value of the schemes assets at the end of the year	**12,885,000**	10,316,000

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	**13,442,000**	14,280,000
Total operating charge	**449,000**	748,000
Interest cost	**943,000**	851,000
Member contributions	**207,000**	191,000
Benefits paid	**(200,000)**	17,000
Actuarial losses/(gains)	**2,307,000**	(2,645,000)
Present value of the scheme liabilities at the end of the year	**17,148,000**	13,442,000

Five year 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	**12,885**	10,316	11,778	12,925	11,324
Present value of scheme liabilities at end of year	**(17,148)**	(13,442)	(14,280)	(12,769)	(13,534)
Net (deficit)/asset in the plan at end of year	**(4,263)**	(3,126)	(2,502)	156	(2,210)

Future funding obligation

The directors anticipate that contributions of approximately £447,000 (2009 - £400,000) 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	**Plant and machinery**	Land & Buildings	Plant and machinery
	£	**£**	£	£
Operating leases which expire				
Within 1 to 2 years	-	-	-	830
Within 2 to 5 years	-	5,669	-	5,669
Due over 5 years	230,234	-	230,234	-
	230,234	5,669	230,234	6,499

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

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	**35,666**	**222,521**	**395,332**	-
NPS South West Limited	-	**982**	-	-
NPS Stockport Limited	**64,933**	**20,000**	-	-
NPS North West Limited	**9,390**	**71,764**	-	-
Barron & Smith Limited	-	-	-	-
NPS Humber Limited	**15,605**	**40,954**	-	-
NPS London Limited	**4,360**	-	-	-
NPS South East Limited	**18,572**	**19,000**	-	-
Robson Liddle Limited	-	**14,200**	-	-
John Packer Associates Limited	-	**32,500**	-	-

	Transactions		**Balances**	
	Sales	**Purchases**	**Debtor**	**Creditor**
	£	**£**	**£**	**£**
2009				
NPS Property Consultants Limited	19,059	180,586	-	503,044
NPS South West Limited	-	1,952	-	-
NPS Stockport Limited	3,921	-	-	-
NPS North West Limited	-	141,332	-	-
Barron & Smith Limited	5,000	-	-	-
NPS Humber Limited	-	11,374	-	-

18 Related party transactions (continued)

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

At the year end the company also owed £49,656 (2009 - £30,787) to Norfolk Environmental Waste Services Limited, a wholly owned subsidiary of Norse Group Limited This relates to the surrender of tax losses

19 Share capital

Authorised share capital

	2010 £	2009 £
2 Ordinary shares of £1 each	**2**	2

Allotted, called up and fully paid

	2010 No	£	2009 No	£
Ordinary shares of £1 each	**2**	**2**	2	2

20 Profit and loss account

	2010 £	2009 £
Balance brought forward	**(1,545,360)**	(1,486,193)
Profit for the financial year	**165,349**	118,673
Actuarial loss in respect of defined benefit pension scheme	**(643,680)**	(177,840)
Balance carried forward	**(2,023,691)**	(1,545,360)

21 Reconciliation of movements in shareholder's deficit

	2010 £	2009 £
Profit for the financial year	**165,349**	118,673
Actuarial loss in respect of defined benefit pension scheme	**(643,680)**	(177,840)
Net increase to shareholder's deficit	**(478,331)**	(59,167)
Opening shareholder's deficit	**(1,545,358)**	(1,486,191)
Closing shareholder's deficit	**(2,023,689)**	(1,545,358)

22 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