

---

**COMMERCIAL MANAGEMENT LIMITED**

---

**UNAUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2011**

FRIDAY



\*A1HX5FE9\*

A21

21/09/2012

#39

COMPANIES HOUSE

---

## COMMERCIAL MANAGEMENT LIMITED

---

### COMPANY INFORMATION

---

<b>DIRECTORS</b>	Mr N Welby Mr D Phillips Mr D Miller
<b>COMPANY SECRETARY</b>	Mrs N Welby
<b>COMPANY NUMBER</b>	02018783
<b>REGISTERED OFFICE</b>	C/O Richard Pearlman LLP 27 Phipp Street London EC21 4NP
<b>ACCOUNTANTS</b>	Gibson Appleby Chartered Accountants 1-3 Ship Street Shoreham by Sea West Sussex BN43 5DH

---

**COMMERCIAL MANAGEMENT LIMITED**

---

**CONTENTS**

---

	Page
<b>Directors' report</b>	<b>1</b>
<b>Accountants' report</b>	<b>2</b>
<b>Profit and loss account</b>	<b>3</b>
<b>Balance sheet</b>	<b>4</b>
<b>Notes to the financial statements</b>	<b>5 - 9</b>
 The following pages do not form part of the statutory financial statements	
<b>Detailed profit and loss account and summaries</b>	<b>10 - 11</b>

---

## COMMERCIAL MANAGEMENT LIMITED

---

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

---

The directors present their report and the financial statements for the year ended 31 December 2011

#### PRINCIPAL ACTIVITIES

The company continued in its principal activity of property agents and managers

#### DIRECTORS

The directors who served during the year were

Mr N Welby  
Mr D Phillips  
Mr D Miller

#### DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

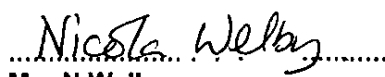
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 judgments and estimates that are reasonable and prudent,
- 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 are sufficient to show and explain the company's transactions and 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 preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf

  
.....  
Mrs N Welby  
Secretary

Date 13<sup>th</sup> September, 2012

---

## COMMERCIAL MANAGEMENT LIMITED

---

### CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF COMMERCIAL MANAGEMENT LIMITED FOR THE YEAR ENDED 31 DECEMBER 2011

---

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Commercial Management Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes from the company's accounting records and from information and explanations you have given to us

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at [icaew.com/regulations](http://icaew.com/regulations)

This report is made solely to the board of directors of Commercial Management Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Commercial Management Limited and state those matters that we have agreed to state to them in this report in accordance with AAF 2/10 as detailed at [icaew.com/compilation](http://icaew.com/compilation). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Commercial Management Limited and its board of directors, as a body, for our work or for this report.

It is your duty to ensure that Commercial Management Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the company's assets, liabilities, financial position and profit. You consider that Commercial Management Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Commercial Management Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

*Gibson Appleby*

**Gibson Appleby**

Chartered Accountants

1-3 Ship Street  
Shoreham by Sea  
West Sussex  
BN43 5DH

Date 19 September 2012

---

**COMMERCIAL MANAGEMENT LIMITED**

---

---

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

---

	<b>Note</b>	<b>2011 £</b>	<b>2010 £</b>
<b>TURNOVER</b>	<b>1</b>	<b>1,174,609</b>	<b>1,095,847</b>
Administrative expenses		<b>(910,570)</b>	<b>(852,054)</b>
<b>OPERATING PROFIT</b>	<b>2</b>	<b>264,039</b>	<b>243,793</b>
Interest receivable and similar income		<b>13</b>	<b>70</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>264,052</b>	<b>243,863</b>
Tax on profit on ordinary activities	<b>4</b>	<b>(64,789)</b>	<b>(5,999)</b>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>199,263</b>	<b>237,864</b>
<b>PROFIT BROUGHT FORWARD</b>		<b>164,789</b>	<b>196,925</b>
Dividends Equity capital		<b>(90,000)</b>	<b>(270,000)</b>
<b>RETAINED PROFIT CARRIED FORWARD</b>		<b>274,052</b>	<b>164,789</b>

The notes on pages 5 to 9 form part of these financial statements

**COMMERCIAL MANAGEMENT LIMITED**  
**REGISTERED NUMBER: 02018783**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2011**

	Note	£	2011	£	£	2010	£
<b>FIXED ASSETS</b>							
Tangible assets	6			57,132			58,304
Investments	7			50,115			50,115
				<u>107,247</u>			<u>108,419</u>
<b>CURRENT ASSETS</b>							
Debtors	8		52,077			202,157	
Cash at bank and in hand			533,170			102,759	
			<u>585,247</u>			<u>304,916</u>	
<b>CREDITORS:</b> amounts falling due within one year	9		<u>(418,342)</u>			<u>(248,446)</u>	
<b>NET CURRENT ASSETS</b>				<u>166,905</u>			<u>56,470</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				<u>274,152</u>			<u>164,889</u>
<b>CAPITAL AND RESERVES</b>							
Called up share capital	10			100			100
Profit and loss account				274,052			164,789
<b>SHAREHOLDERS' FUNDS</b>				<u>274,152</u>			<u>164,889</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2011 and of its profit for the year then ended in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements so far as applicable to the company

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf by

.....  
**Mr N Welby**  
 Director

Date

*13<sup>th</sup> September 2012*

The notes on pages 5 to 9 form part of these financial statements

---

## COMMERCIAL MANAGEMENT LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

---

#### 1 ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

##### 1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

##### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Motor vehicles	-	25% reducing balance
Furniture, fittings and equipment	-	25% reducing balance

##### 1.4 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term

##### 1.5 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008)

##### 1.6 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

##### 1.7 Investments

Investments held as fixed assets are shown at cost less provision for impairment

#### 2. OPERATING PROFIT

The operating profit is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets		
- owned by the company	19,387	15,654
Pension costs	116,903	86,544



---

COMMERCIAL MANAGEMENT LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

---

3 DIRECTORS' REMUNERATION

	2011 £	2010 £
Aggregate emoluments	<u>353,219</u>	<u>316,898</u>

During the year retirement benefits were accruing to 3 directors (2010 - 3) in respect of defined contribution pension schemes

4. TAXATION

	2011 £	2010 £
UK corporation tax charge on profit for the year	<u>64,789</u>	<u>5,999</u>

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 26% and 25% (2010 - 28%)

There were no factors that may affect future tax charges

5 DIVIDENDS

	2011 £	2010 £
<b>Ordinary 'A' shares</b>		
Interim dividend at £1818 18 per share (2010 £1818 18)	80,000	180,000
Final dividend at £606 06 per share (2010 £606 06)	10,000	60,000
	<u>90,000</u>	<u>240,000</u>
<b>Ordinary 'B' shares</b>		
Interim dividend at £00,000 per share (2010 £20,000)	-	20,000
Final dividend at £00,000 per share (2010 £10,000)	-	10,000
	<u>-</u>	<u>30,000</u>
	<u>90,000</u>	<u>270,000</u>

**COMMERCIAL MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**6 TANGIBLE FIXED ASSETS**

	Motor vehicles £	Fixtures & fittings £	Total £
<b>Cost</b>			
At 1 January 2011	43,973	74,624	118,597
Additions	-	19,291	19,291
Disposals	-	(3,362)	(3,362)
At 31 December 2011	<u>43,973</u>	<u>90,553</u>	<u>134,526</u>
<b>Depreciation</b>			
At 1 January 2011	9,262	51,031	60,293
Charge for the year	8,678	10,709	19,387
On disposals	-	(2,286)	(2,286)
At 31 December 2011	<u>17,940</u>	<u>59,454</u>	<u>77,394</u>
<b>Net book value</b>			
At 31 December 2011	<u>26,033</u>	<u>31,099</u>	<u>57,132</u>
At 31 December 2010	<u>34,711</u>	<u>23,593</u>	<u>58,304</u>

**7. FIXED ASSET INVESTMENTS**

	Investment in film partnership £
<b>Cost / valuation</b>	
At 1 January 2011 and 31 December 2011	<u>50,115</u>

in 2010 the company made an investment in a film partnership

Tax relief has been claimed in full on this investment, although it is understood that HMRC are currently reviewing the terms of the scheme. The directors consider that tax relief is available on the investment. However, if this was not the case then an additional corporation tax liability related to the 2010 accounts of approximately £59,000 plus accumulated interest would arise.

**8 DEBTORS**

	2011 £	2010 £
Trade debtors	17,373	117,083
Other debtors	34,704	85,074
	<u>52,077</u>	<u>202,157</u>

---

**COMMERCIAL MANAGEMENT LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

---

**9. CREDITORS**

**Amounts falling due within one year**

	2011 £	2010 £
Trade creditors	21,690	68,203
Corporation tax	64,788	5,999
Social security and other taxes	71,448	44,744
Other creditors	260,416	129,500
	<u>418,342</u>	<u>248,446</u>

Other creditors includes an amount of £250,085 (2010 £117,761) due to one of the directors, Mr N Welby. This loan was advanced on an interest free and unsecured basis.

**10. SHARE CAPITAL**

	2011 £	2010 £
<b>Allotted, called up and fully paid</b>		
99 Ordinary 'A' shares of £1 each	99	99
1 Ordinary 'B' share of £1	1	1
	<u>100</u>	<u>100</u>

The 'A' and 'B' shares have equal voting rights except where there is an ordinary resolution to amend the rights of the 'B' ordinary shares, or their dividend payments are in arrears, in which case the 'B' ordinary shares are entitled to 75% of the total number of votes capable of being cast.

The shares rank *pari passu* in all other respects.

**11. PENSION COMMITMENTS**

The company operates a defined contribution scheme on behalf of its directors and certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension contributions paid in the year amounted to £95,360 (2010 £74,173).

The company also operates a stakeholder pension scheme on behalf of the employees. The pension contributions paid in the year amounted to £10,258 (2010 £4,809).

The company also contributes to a private pension scheme on behalf of two employees and one director. The pension contributions paid in the year amounted to £12,085 (2010 £7,563).

---

## COMMERCIAL MANAGEMENT LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

---

#### 12. OPERATING LEASE COMMITMENTS

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2011	2010
	£	£
<b>Expiry date:</b>		
After more than 5 years	<b>44,250</b>	<b>44,250</b>

#### 13. CONTROLLING PARTY

The company is controlled by Mr N Welby, a director

#### 14. CLIENT ACCOUNTS

At the year end, Commercial Management Limited held money on behalf of clients totalling £149,428 (2010 £158,100)

Neither the bank balances nor the corresponding creditors have been shown in these financial statements

#### 15. RELATED PARTY TRANSACTIONS

All of the directors of the company are directors of Commercial Management (Investments) Limited which is incorporated in the United Kingdom

One of the directors of the company, Mr N Welby, is also a director of Estate and Property Management Limited, a company incorporated in the United Kingdom

Day to day transactions have taken place during the year between Commercial Management Limited, Commercial Management (Investments) Limited and Estate and Property Management Limited on a normal commercial basis

During the year the company paid amounts totalling £49,250 (2010 £16,500) to Mrs N Welby under a separate sponsorship agreement of a racehorse. These marketing costs have been charged on a normal commercial basis