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**COMMERCIAL MANAGEMENT LIMITED**

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**UNAUDITED**

**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2012**



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## COMMERCIAL MANAGEMENT LIMITED

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The following reproduces the text of the chartered accountants' report in respect of the company's annual financial statements, from which the abbreviated accounts (set out on pages 2 to 5) have been prepared

### **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 2012**

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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 2012 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 *3 June 2013*

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

**ABBREVIATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2012**

	Note	£	2012	£	£	2011	£
<b>FIXED ASSETS</b>							
Tangible assets				43,196			57,132
Investments	2			101,674			50,115
				<u>144,870</u>			<u>107,247</u>
<b>CURRENT ASSETS</b>							
Debtors		250,806			52,080		
Cash at bank and in hand		274,443			533,170		
		<u>525,249</u>			<u>585,250</u>		
<b>CREDITORS</b> amounts falling due within one year	3	(237,591)			(418,344)		
<b>NET CURRENT ASSETS</b>				287,658			166,906
<b>NET ASSETS</b>				<u>432,528</u>			<u>274,153</u>
<b>CAPITAL AND RESERVES</b>							
Called up share capital	4			100			100
Profit and loss account				432,428			274,053
<b>SHAREHOLDERS' FUNDS</b>				<u>432,528</u>			<u>274,153</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 complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2012 and of its profit for the year 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 financial statements, so far as applicable to the company

The abbreviated accounts, which 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, were approved and authorised for issue by the board and were signed on its behalf by

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**Mr N Welby**  
 Director

Date

22<sup>nd</sup> May 2013

The notes on pages 3 to 5 form part of these financial statements

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## COMMERCIAL MANAGEMENT LIMITED

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### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

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#### 1. ACCOUNTING POLICIES

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

The full financial statements, from which these abbreviated accounts have been extracted, 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

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COMMERCIAL MANAGEMENT LIMITED

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NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2012

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2. FIXED ASSET INVESTMENTS

	£
<b>Cost / valuation</b>	
At 1 January 2012	50,115
Additions	51,559
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At 31 December 2012	101,674
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<b>Net book value</b>	
At 31 December 2012	101,674
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At 31 December 2011	50,115
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In 2010 and 2012 the company made investments in a film partnership

The company is corporate partner in a film industry scheme. The investment made in the scheme qualifies for favourable tax treatment. In 2010 and 2012 the company has claimed tax relief related to the initial cost of production losses which has the effect of reducing the overall tax liability by approximately £115,000.

There is an open enquiry with HMRC related to this scheme. Based on advice received, the directors consider the company to be fully entitled to claim this relief. However, in the event that this subsequently proves not to be the case there would be an estimated additional corporation tax liability of £91,000 on which interest and penalty charges would also accrue.

3. CREDITORS

**Amounts falling due within one year**

Other creditors includes a loan of £17,121 (2011: £5,562) from Ingenious Resources Limited (see also note 2). There are legal charges registered in connection with this loan which are secured against the cost of the investment in the film partnership.

4. SHARE CAPITAL

	2012 £	2011 £
<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
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	100	100
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## COMMERCIAL MANAGEMENT LIMITED

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### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

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#### 4 SHARE CAPITAL (continued)

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

#### 5. OPERATING LEASE COMMITMENTS

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2012	2011
	£	£
<b>Expiry date</b>		
After more than 5 years	44,250	44,250

#### 6 CLIENT ACCOUNTS

At the year end, Commercial Management Limited held money on behalf of clients totalling £164,845 (2011 £149,428)

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