
COMMERCIAL MANAGEMENT LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

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COMMERCIAL MANAGEMENT LIMITED

COMPANY INFORMATION

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

COMMERCIAL MANAGEMENT LIMITED

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COMMERCIAL MANAGEMENT LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

The directors present their report and the financial statements for the year ended 31 December 2013.

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.

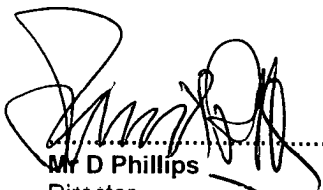
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting 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.


.....
Mr D Phillips
Director

Date: 29 September 2014.

COMMERCIAL MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013

| | Note | 2013 £ | 2012 £ |
|--|------|------------------|------------------|
| TURNOVER | 1 | 927,051 | 1,024,046 |
| Administrative expenses | | (640,113) | (753,047) |
| | | <hr/> | <hr/> |
| OPERATING PROFIT | 2 | 286,938 | 270,999 |
| Interest receivable and similar income | | 4,597 | 8,469 |
| | | <hr/> | <hr/> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 291,535 | 279,468 |
| Tax on profit on ordinary activities | 4 | (68,705) | (9,093) |
| | | <hr/> | <hr/> |
| PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION | | 222,830 | 270,375 |
| PROFIT BROUGHT FORWARD | | 432,427 | 274,052 |
| Dividends: Equity capital | | (126,000) | (112,000) |
| | | <hr/> | <hr/> |
| RETAINED PROFIT CARRIED FORWARD | | 529,257 | 432,427 |
| | | <hr/> | <hr/> |

The notes on pages 4 to 9 form part of these financial statements.

COMMERCIAL MANAGEMENT LIMITED
REGISTERED NUMBER: 02018783

BALANCE SHEET
AS AT 31 DECEMBER 2013

| | Note | 2013 £ | 2012 £ |
|---|------|----------------|----------------|
| FIXED ASSETS | | | |
| Tangible assets | 6 | 25,690 | 43,195 |
| Investments | 7 | 137,674 | 101,674 |
| | | <u>163,364</u> | <u>144,869</u> |
| CURRENT ASSETS | | | |
| Debtors | 8 | 381,680 | 250,806 |
| Cash at bank and in hand | | 160,586 | 274,443 |
| | | <u>542,266</u> | <u>525,249</u> |
| CREDITORS: amounts falling due within one year | 9 | (176,273) | (237,591) |
| NET CURRENT ASSETS | | <u>365,993</u> | <u>287,658</u> |
| NET ASSETS | | <u>529,357</u> | <u>432,527</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 10 | 100 | 100 |
| Profit and loss account | | 529,257 | 432,427 |
| SHAREHOLDERS' FUNDS | | <u>529,357</u> | <u>432,527</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 2013 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 financial statements have been prepared in accordance with the provisions applicable to small companies 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: 29th September 2014

The notes on pages 4 to 9 form part of these financial statements.

COMMERCIAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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:

| | 2013 £ | 2012 £ |
|--|-------------------|-------------------|
| Depreciation of tangible fixed assets: | | |
| - owned by the company | 10,002 | 14,489 |
| Pension costs | 35,327 | 101,331 |
| | <u> </u> | <u> </u> |

COMMERCIAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

3. DIRECTORS' REMUNERATION

| | 2013 £ | 2012 £ |
|------------------------|----------------|----------------|
| Aggregate remuneration | <u>196,155</u> | <u>274,851</u> |

During the year retirement benefits were accruing to 3 directors (2012 - 3) in respect of defined contribution pension schemes.

4. TAXATION

| | 2013 £ | 2012 £ |
|--|---------------|--------------|
| UK corporation tax charge on profit for the year | <u>68,705</u> | <u>9,093</u> |

Factors affecting tax charge for the year

The company is corporate partner in a film industry scheme. Details of the investment is included in note 7 to the financial statements. 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.

5. DIVIDENDS

| | 2013 £ | 2012 £ |
|---|----------------|----------------|
| Ordinary 'A' shares | | |
| Interim dividend at £1131.31 per share (2012: £1010.10) | 112,000 | 100,000 |
| Ordinary 'B' shares | | |
| Interim dividend at 14,000 per share (2012: £12,000) | <u>14,000</u> | <u>12,000</u> |
| | <u>126,000</u> | <u>112,000</u> |

COMMERCIAL MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

6. TANGIBLE FIXED ASSETS

| | Motor vehicles £ | Fixtures & fittings £ | Total £ |
|-----------------------|---------------------|-----------------------------|----------------|
| Cost | | | |
| At 1 January 2013 | 43,973 | 85,953 | 129,926 |
| Additions | - | 1,066 | 1,066 |
| Disposals | (21,039) | (9,068) | (30,107) |
| At 31 December 2013 | <u>22,934</u> | <u>77,951</u> | <u>100,885</u> |
| Depreciation | | | |
| At 1 January 2013 | 24,448 | 62,283 | 86,731 |
| Charge for the year | 3,818 | 6,184 | 10,002 |
| On disposals | (13,596) | (7,942) | (21,538) |
| At 31 December 2013 | <u>14,670</u> | <u>60,525</u> | <u>75,195</u> |
| Net book value | | | |
| At 31 December 2013 | <u>8,264</u> | <u>17,426</u> | <u>25,690</u> |
| At 31 December 2012 | <u>19,525</u> | <u>23,670</u> | <u>43,195</u> |

7. FIXED ASSET INVESTMENTS

| | Investment in film partnership £ |
|-------------------------|---|
| Cost / valuation | |
| At 1 January 2013 | 101,674 |
| Additions | 36,000 |
| At 31 December 2013 | <u>137,674</u> |
| Net book value | |
| At 31 December 2013 | <u>137,674</u> |
| At 31 December 2012 | <u>101,674</u> |

In 2010, 2012 and 2013 the company made investments in a film partnership.

COMMERCIAL MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

8. DEBTORS

| | 2013 £ | 2012 £ |
|---------------|----------------|----------------|
| Trade debtors | 266,428 | 140,294 |
| Other debtors | 115,252 | 110,512 |
| | <u>381,680</u> | <u>250,806</u> |

**9. CREDITORS:
Amounts falling due within one year**

| | 2013 £ | 2012 £ |
|------------------------------------|----------------|----------------|
| Trade creditors | 4,776 | 24,417 |
| Other creditors | 59,398 | 160,098 |
| Other taxation and social security | 43,394 | 44,135 |
| Corporation tax | 68,705 | 8,941 |
| | <u>176,273</u> | <u>237,591</u> |

Other creditors includes

a) an amount of £27,984 (2012: £133,192) due to one of the directors, Mr N Welby. This loan was advanced on an interest free and unsecured basis.

b) a loan of £17,121 (2012: £17,121) from Ingenious Resources Limited (see also note 7). There are legal charges registered in connection with this loan which are secured against the cost of the investment in the film partnership.

10. SHARE CAPITAL

| | 2013 £ | 2012 £ |
|---|------------|------------|
| Allotted, called up and fully paid | | |
| 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.

COMMERCIAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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 £26,600 (2012: £82,850).

The company also operates a stakeholder pension scheme on behalf of the employees. The pension contributions paid in the year amounted to £5,539 (2012: £5,439).

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 £3,188 (2012: £13,041).

12. OPERATING LEASE COMMITMENTS

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings | |
|-------------------------|--------------------|--------|
| | 2013 | 2012 |
| | £ | £ |
| Expiry date: | | |
| After more than 5 years | 44,250 | 44,250 |

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 totaling £151,191 (2012: £164,845).

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

COMMERCIAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

15. RELATED PARTY TRANSACTIONS

All of the directors of the company are also directors of Commercial Management (Investments) Limited and Retirement Villages Group Limited. Both companies are incorporated in the United Kingdom. RV Services Limited is part of the Retirement Villages Group.

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

Turnover for the year includes £332,358 (2012: £348,996) receivable from Commercial Management (Investments) Limited; £462,000 (2012: £425,000) from RV Services Limited and £12,506 (2012: £13,706) from Estate and Property Management Limited. These transactions have taken place on a normal commercial basis. Included within trade debtors are balances of £96,378 (2012: £NIL) due from Commercial Management (Investments) Limited; £149,424 (2012: £127,500) due from RV Services Limited and £5,644 (2012: £NIL) due from Estate and Property Management Limited at the year end.

Commercial Management (Investments) Limited is a partner of CML (Investments) LP. At the year CML (Investments) LP owed the Commercial Management Limited £NIL (2012: £753).

During the year the company paid amounts totaling £30,850 (2012: £63,250) to Mrs N Welby under a separate racehorse sponsorship agreement. These marketing costs have been charged on a normal commercial basis. Included within trade creditors is a balance of £NIL (2012: £20,100) due to Mrs Welby at the year end.