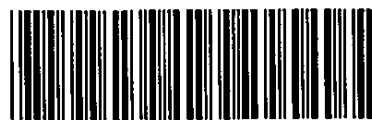


Seddon Property Services Limited
31 December 2010
No 2403551

THURSDAY



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21/04/2011
COMPANIES HOUSE

Company information

Company registration number :	2403551
Registered office :	55 Duke Street Fenton Stoke on Trent ST4 3NN
Directors :	J Stuart Seddon (Chairman) Mark Brindley (Joint Managing Director) Neil W Hand (Joint Managing Director) Paul Goodstadt (Appointed 30 April 2010) Alan J Nixon (Appointed 1 March 2011) Christopher Walford (Appointed 1 April 2011)
Secretary :	Neil D Washington
Bankers :	Barclays Bank plc 3 Hardman Street Manchester M3 3HF
Auditors :	Grant Thornton UK LLP Registered Auditors Chartered Accountants 4 Hardman Square Spinningfields Manchester M3 3EB

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Report of the directors

The directors submit their report and audited financial statements for the year ended 31 December 2010

Principal activity

The principal activity of the group during the year was that of painting, decorating, pre-paint repair and maintenance contractors

Results and dividends

The profit for the year after taxation amounted to £2,407,000 (2009 £1,485,000) and has been transferred to reserves. The directors recommended the payment of dividends of £76,000 (2009 £348,000) during the year.

Review of the business

The results of the group overall show a healthy position with a strong balance sheet at the year end. The group has had a very good year's trading and produced another good set of results. Turnover for the year ended 31 December 2010 was £69,283,000, an increase of 23% on last year (2009 £56,124,000). Profit before tax was £3,343,000, an increase of 53% from the prior year (2009 £2,180,000).

Whilst the board of directors recognises the challenges posed by the current economic environment, they are confident that the company is well placed to tackle them given its strong balance sheet, credit rating and low gearing.

The directors have monitored the progress of the group by reference to certain financial and non-financial key performance indicators.

	2010	2009	Measure
Growth in turnover	23.4%	14.2%	Year on year sales growth %
Gross profit %	5.6%	5.3%	Gross profit / turnover
Operating profit %	4.8%	3.9%	Operating profit / turnover
Number of apprentices and trainees under formal education	136	148	

Other than general economic risks, the principal risks facing the group are those relating to specific markets we operate in and those relating to government planning and other regulations. Significant levels of our current activity relate to local authorities and housing associations, all of which could be impacted by legislation or changes to government spending priorities.

Our commitment to training and developing our staff continues with 59 apprentices at the year end. As well as the apprentices, a total of 77 staff are currently undergoing training programmes. To enhance its training provisions the group has its own dedicated training centre at its head office.

Report of the directors

During 2010, the group were awarded the following

- Training Excellence Award - Sentinel Business Award
- West Midlands Investors in Excellence - Learning & Development Category Winner
- Skillbuild Speed Trial Winner
- Johnstone's "Painter and Decorator of the Year" Finalist
- Painting and Decorating Association's (PDA) "Trainee of the Year"

Future review

The group has continued to grow in the first quarter of 2011 and the board remains confident that the company is well placed to have a profitable year in 2011

Directors

The directors who served during the year were

J S Seddon
M Brindley
N W Hand
P Goodstadt (appointed 30 April 2010)

A J Nixon was appointed as a director of the company on 1 March 2011 and C Walford was appointed as a director of the company on 1 April 2011

Financial risk management objectives and policies

The group uses financial instruments, these include cash and various items, such as trade debtors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations

The existence of these financial instruments exposes the group to a number of financial risks, which are described in more detail below

- *Liquidity risk* – The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash safely and profitably. Short term flexibility is achieved by a group overdraft facility
- *Interest rate risk* – The group finances its operations through retained profits. The interest rate exposure of the financial assets and liabilities of the company as at 31 December 2010 is shown below. The table includes trade debtors and amounts recoverable on contracts, as these do not attract interest and are therefore subject to fair value interest rate risk

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Report of the directors

	Interest rate			Total £000
	Fixed £000	Floating £000	Zero £000	
Financial assets				
Cash	-	830	-	830
Trade debtors	-	-	153	153
Amounts recoverable on contracts	-	-	5,384	5,384
	<u>-</u>	<u>830</u>	<u>5,537</u>	<u>6,367</u>

Credit risk

The group's principal financial assets are cash deposits, amounts recoverable on contracts, cash and trade debtors. The credit risk associated with cash is limited. The directors do not consider there to be any material credit risk, as given the nature of the business, cash is received on completion of contract.

Statement of 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 to prepare 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 group and the company and of the profit or loss of the group 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
- 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 auditors are 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 auditors are aware of that information.

Report of the directors

Environmental policy

The Seddon Group, throughout its operations, is committed to the protection and improvement of the environment, the prevention of pollution, the continuous improvement of environmental performance, the minimisation of energy and material usage and the minimisation of waste production

In pursuing these aims, the Seddon Group has successfully set up a waste station on its site at Edgefold, where waste from construction operations is sorted, recycled and disposed of. The results of the waste being treated at the waste station shows a 90% reduction of waste going to landfill

Employees

The group maintains a policy of offering employment to disabled persons where practicable, and also, if an existing employee becomes disabled, every effort is made to give continuity of employment. Training is given where appropriate

The group has a good health and safety record and to secure its continuity will take all reasonable measures, and provide sufficient funds, to ensure the health, safety and welfare at work of all its employees

It is a function of management to provide proper equipment and protective clothing and to plan ways to create an environment in which work may be carried out safely

Employees have a responsibility to work in a safe manner. To this end, the company liaises with external accident prevention organisations and through its safety and training officers, the provision of safety courses and its safety committees, encourages staff to identify and guard against potential hazards

Charitable and community contributions

In early 2009, Seddon Group Limited, the parent company of Seddon Property Services Limited, announced a group-wide 2 year charity partnership with The Christie to provide further support for research into a revolutionary treatment which is called radioimmunotherapy or Magic Bullet. It is a quicker and easier treatment for patients with lymphoma cancers and leukaemia

The 2 year partnership has been incredibly successful and we are delighted to report that Seddon Group has exceeded its ambitious fundraising target of £250,000 and raised £330,000 for the Magic Bullet treatment through a combination of staff and company donations. This has only happened as a result of the efforts of all participants and organisers, staff and friends

Throughout the year, Seddon Property Services and its subsidiary companies have continued to contribute to community projects in those areas where work has been undertaken. Such contributions have taken the form of donations of goods and direct sponsorship as well as the time and efforts of our staff. In 2010 the group has worked with many housing associations and local authorities in providing contributions to local schools, nursing homes and community associations. The group has also hosted social events for the residents of social housing projects in which the group has been involved and has undertaken litter picks and similar events to improve the local environment

Report of the directors

Seddon Property Services Limited and its subsidiaries contributed to the total charitable donations made by Seddon Group Limited during the year. Donations by Seddon Group Limited and its subsidiaries to charitable organisations amounted to £118,000 (2009 £146,000)

Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with Section 485(4) of the Companies Act 2006

By order of the board



N D Washington
Secretary

14 April 2011

Report of the independent auditors to the members of Seddon Property Services Limited

We have audited the financial statements of Seddon Property Services Limited for the year ended 31 December 2010 which comprise the principal accounting policies, consolidated profit and loss account, the consolidated and parent company balance sheets, the consolidated cash flow statement and the related notes 1 to 22. 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 members, as a body, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Report of the directors, 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 and express an opinion on 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/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 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.

Report of the independent auditors to the members of Seddon Property Services Limited

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

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

Joanne Kearns
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester
14 April 2011

Principal accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards. The principal accounting policies are described below.

The directors have reviewed the accounting policies in accordance with FRS 18 and consider them to be the most appropriate to the company's circumstances.

Basis of consolidation

The group financial statements consolidate those of the company and of its subsidiary undertakings drawn up to 31 December 2010. Profits or losses on intra-group transactions are eliminated in full.

Under a group reconstruction on 30 July 2009, the company acquired the whole of the issued share capital of Seddon Maintenance Limited in exchange for an issue of its Ordinary shares. This group reconstruction has been accounted for in accordance with the principles of merger accounting set out in the Financial Reporting Standard 6 "Acquisitions and Mergers".

The financial statements are therefore presented as if Seddon Property Services Limited had owned and controlled all its subsidiary undertakings throughout the year ended 31 December 2010 and the year ended 31 December 2009.

Turnover

Turnover represents the net amount receivable, excluding value added tax, for goods and services supplied to external customers and the value of work done during the year.

Intangible fixed assets

Goodwill

Purchased goodwill arising on acquisitions is the difference between the fair value of the purchase consideration and the fair value of the group's share of the identifiable assets and liabilities of the acquired business at the date of acquisition. Positive goodwill is capitalised and classified as an asset on the balance sheet and amortised over its estimated useful life up to a maximum of 20 years. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently when necessary if circumstances indicate that its carrying value may not be recoverable.

Tangible fixed assets and depreciation

Depreciation on tangible fixed assets is calculated to write down their cost to their estimated residual values over the period of their estimated useful economic lives which are considered to be

Motor vehicles	between 2 and 7 years
Plant and machinery and fixtures and fittings	between 2 and 10 years

Investments

Investments are included at cost less any provision for impairment.

Principal accounting policies

Stock

Stocks of stores and consumables are stated at the lower of cost and net realisable value. Cost is calculated on the FIFO basis.

Long-term contracts

Revenue is recognised in accordance with the stage of completion of contractual obligations to the customer. The stage of completion of the contract at the balance sheet date is assessed by reference to the value of work done.

When the outcome of a contract can be assessed reliably, contract revenue and associated costs are recognised as revenue and costs respectively by reference to the stage of completion of the contract activity at the balance sheet date. Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

Where the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable, and contract costs are recognised in the period in which they are incurred.

Long term contract balances included in amounts recoverable on contracts are stated at cost plus attributable profit, after provision has been made for any foreseeable losses and the deduction of applicable payments on account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Principal accounting policies

Pension costs

The company participates in the Seddon Group Retirement Scheme, a hybrid pension scheme providing benefits on a defined benefit and money purchase basis. Contributions to the scheme are charged to the profit and loss account as though the scheme was a defined contribution scheme. This is in accordance with the accounting for multi-employer pension schemes whereby the assets and liabilities cannot be readily split between participating members.

The company also participates in certain defined contribution schemes. The pension costs charged against profits represent the contributions payable to the schemes in respect of the accounting period.

Cash and liquid resources

For the purpose of the cash flow statement, cash comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Consolidated profit and loss account

	Note	2010 £'000	2009 £'000
Turnover – continuing operations	1	69,283	56,124
Cost of sales		<u>(65,390)</u>	<u>(53,153)</u>
Gross profit		3,893	2,971
Administrative expenses		(738)	(793)
Other operating income		<u>188</u>	<u>5</u>
Operating profit – continuing operations		3,343	2,183
Interest payable and similar charges	3	<u>-</u>	<u>(3)</u>
Profit on ordinary activities before taxation	1	3,343	2,180
Tax on profit on ordinary activities	4	(936)	(695)
Retained profit for the financial year	14	<u>2,407</u>	<u>1,485</u>

There are no recognised gains or losses other than those included in the profit and loss account

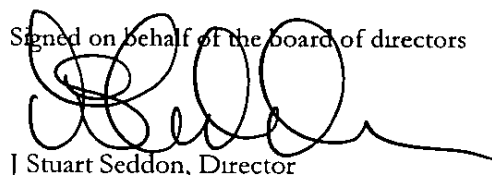
The accompanying accounting policies and notes form part of these financial statements.

Consolidated balance sheet

	Note	2010 £'000	2009 £'000
Fixed assets			
Intangible assets	6	277	605
Tangible assets	7	2,877	-
Investments	8	4	4
		<u>3,158</u>	<u>609</u>
Current assets			
Stocks	9	41	151
Debtors	10	7,769	8,284
Cash at bank and in hand		830	448
		<u>8,640</u>	<u>8,883</u>
Creditors - amounts falling due within one year	12	<u>(2,150)</u>	<u>(2,175)</u>
Net current assets		<u>6,490</u>	<u>6,708</u>
Net assets		<u>9,648</u>	<u>7,317</u>
Capital and reserves			
Called up share capital	13	1	1
Profit and loss account	14	9,647	7,316
Shareholders' funds	15	<u>9,648</u>	<u>7,317</u>

The financial statements were approved by the Board of Directors on 14 April 2011

Signed on behalf of the board of directors



J Stuart Seddon, Director

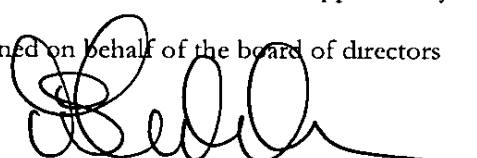
Seddon Property Services Limited
Company no: 2403551

Company balance sheet

	Note	2010 £'000	2009 £'000
Fixed assets			
Intangible assets	6	396	-
Tangible assets	7	2,877	-
Investments	8	420	1,206
		<u>3,693</u>	<u>1,206</u>
Current assets			
Stocks	9	41	151
Debtors	10	5,711	7,695
Cash at bank and in hand		791	285
		<u>6,543</u>	<u>8,131</u>
Creditors - amounts falling due within one year	12	<u>(1,659)</u>	<u>(1,826)</u>
Net current assets		<u>4,884</u>	<u>6,305</u>
Net assets		<u>8,577</u>	<u>7,511</u>
Capital and reserves			
Called up share capital	13	1	1
Profit and loss account	14	8,576	7,510
Shareholders' funds		<u>8,577</u>	<u>7,511</u>

The financial statements were approved by the Board of Directors on 14 April 2011

Signed on behalf of the board of directors


J Stuart Seddon, Director

Seddon Property Services Limited
Company no: 2403551

Consolidated cashflow statement

	Note	2010 £000	2009 £000
Net cash inflow from operating activities	16	1,019	434
Returns on investment and servicing of finance			
Other interest paid		-	(3)
Net cash outflow from returns on investment and servicing of finance		-	(3)
Taxation			
Corporation tax paid		(731)	(578)
Capital expenditure and financial investment			
Settlement in respect of prior period acquisitions	7	170	-
Net cash inflow from capital expenditure and financial investment		170	-
Equity dividends paid	5	(76)	(348)
Increase / (decrease) in cash in the year	17	382	(495)

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Turnover and profit on ordinary activities before taxation

The turnover and profit on ordinary activities before taxation of the group are attributable to the group's principal activities. All turnover is carried out within the United Kingdom.

Profit on ordinary activities before taxation is arrived at after charging/(crediting)

	2010	2009
	£000	£000
Amortisation of goodwill and other intangibles	158	219
Hire of plant and machinery	1,117	836
Auditors' remuneration payable for the audit of the group accounts	7	7
Net rents receivable	(5)	(5)

Fees paid to the company's auditors for services other than the statutory audit of the company are not disclosed since the consolidated accounts of the company's ultimate parent company, Seddon Group Limited, are required to disclose non-audit fees on a consolidated basis.

All of the above costs have been recovered in full from other group companies.

2 Information regarding directors and employees

The remuneration of the directors, recharged to the company from Seddon CS Limited, was as follows:

	2010	2009
	£000	£000
Emoluments	477	423
Pension contributions to money purchase pension schemes	43	41
	520	464

Retirement benefits are accruing to 3 directors (2009: 3 directors) under a defined benefit pension scheme and 3 directors (2009: 3 directors) under money purchase pension schemes.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2010	2009
	£000	£000
Emoluments	238	213
Pension contributions to money purchase pension schemes	23	19
	261	232

The highest paid director's accrued pension at the year end was £11,000 (2009: £11,000).

The average number employed, which includes directors within each category of persons, was

	Group		Company	
	2010	2009	2010	2009
	Number	Number	Number	Number
Manufacturing, construction and installation	575	506	553	462
Technical and administration staff	220	182	217	170
	<u>795</u>	<u>688</u>	<u>770</u>	<u>632</u>

The costs incurred in respect of these employees were

	Group		Company	
	2010	2009	2010	2009
	£000	£000	£000	£000
Wages and salaries	18,220	15,336	17,705	14,275
Social security costs	1,588	1,324	1,545	1,217
Other pension costs	357	297	355	285
	<u>20,165</u>	<u>16,957</u>	<u>19,605</u>	<u>15,777</u>

3 Interest payable and similar charges

	2010	2009
	£000	£000
Other interest	-	3
	<u>-</u>	<u>3</u>

4 Tax on profit on ordinary activities

Taxation is based on the profit for the year and comprises

	2010	2009
	£000	£000
UK corporation tax at a rate of 28% (2009 28%) of taxable profit		
– Current year	965	752
– Adjustments in respect of previous years	(21)	8
	<u>944</u>	<u>760</u>
Deferred taxation		
– Current year	(8)	(65)
– Adjustments in respect of previous years	-	-
	<u>(8)</u>	<u>(65)</u>
	<u>936</u>	<u>695</u>

Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the United Kingdom of 28% (2009 28%). The differences are explained as follows

	2010 £000	2009 £000
Profit on ordinary activities before taxation	<u>3,343</u>	<u>2,180</u>
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in the United Kingdom of 28% (2009 28%)	936	610
Effect of		
Expenses not deductible for tax purposes	5	76
Difference between capital allowances and depreciation	(7)	(3)
Other short term timing differences	31	69
Adjustment in respect of prior years	<u>(21)</u>	<u>8</u>
	<u>944</u>	<u>760</u>

5 Equity dividends paid

	2010 £000	2009 £000
Ordinary shares		
Ordinary dividend of £69.09 (2009 £316.36) per share	<u>76</u>	<u>348</u>

6 Intangible fixed assets

Group	Goodwill £000
Cost	
At 1 January 2010	1,099
Adjustment to prior year additions	(170)
At 31 December 2010	<u>929</u>
Amortisation	
At 1 January 2010	494
Charge for the year	158
At 31 December 2010	<u>652</u>
Net book value	
At 31 December 2010	<u>277</u>
At 31 December 2009	<u>605</u>

During the year the company reached an agreement with the vendors of Cundy Anglia Limited which resulted in a cash settlement of £170,000 being paid by the vendors

	Goodwill £000
Company	
Cost	
At 1 January 2010	-
Additions in year	616
At 31 December 2010	616
Amortisation	
At 1 January 2010	-
Charge for the year	220
At 31 December 2010	220
Net book value	
At 31 December 2010	396
At 31 December 2009	-

During the year, the surplus of the investment in Cundy Anglia Limited over the net assets of this company has been reclassified as purchased goodwill following the transfer of trade into Seddon Property Services Limited

7 Tangible fixed assets

Group and company	Motor vehicles £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
Cost				
At 1 January 2010	-	-	-	-
Transfer from group undertaking	5,681	1,188	199	7,068
At 31 December 2010	5,681	1,188	199	7,068
Depreciation				
At 1 January 2010	-	-	-	-
Transfer from group undertaking	2,973	1,034	184	4,191
Charge for the year	-	-	-	-
At 31 December 2010	2,973	1,034	184	4,191
Net book amount				
At 31 December 2010	2,708	154	15	2,877
At 31 December 2009	-	-	-	-

During the year the tangible fixed assets used by Seddon Property Services Limited were transferred to the company from Seddon CS Limited

8 Fixed asset investments

Group

	Quoted investment £'000
Cost or valuation	
At 1 January 2010 and 31 December 2010	<u>4</u>

Company

Cost and net book value

	Subsidiary companies £'000
At 1 January 2010	1,206
Adjustment to prior year adjustments (note 6)	(170)
Disposals (note 6)	(616)
At 31 December 2010	<u>420</u>

Principal group companies

Subsidiary companies

Cundy Anglia Limited
Seddon Maintenance Limited
Seddon Painting Limited

Principal activity

Painting and decorating
Building maintenance
Dormant

The above companies are incorporated in Great Britain, registered in England and Wales and wholly owned by Seddon Property Services Limited

9 Stocks

	2010 £000	Group 2009 £000	2010 £000	Company 2009 £000
Raw materials and consumables	<u>41</u>	<u>151</u>	<u>41</u>	<u>151</u>

10 Debtors

	2010 £000	Group 2009 £000	2010 £000	Company 2009 £000
Amounts recoverable on contracts	5,384	6,078	1,131	2,265
Trade debtors	153	64	153	64
Amounts owed by group companies	1,285	1,532	3,488	4,759
Deferred tax (note 11)	586	235	578	235
Prepayments and accrued income	361	375	361	372
	<u>7,769</u>	<u>8,284</u>	<u>5,711</u>	<u>7,695</u>

11 Deferred taxation

Group	Deferred taxation asset £000	
At 1 January 2010	2010 £000	2009 £000
Transfer from group undertakings	373	24
Credited in the year	213	211
At 31 December 2010	<u>586</u>	<u>235</u>
Company	Deferred taxation asset £000	
At 1 January 2010	2010 £000	2009 £000
Transfer from group undertakings	365	24
At 31 December 2010	<u>213</u>	<u>211</u>
	<u>578</u>	<u>235</u>

The recoverability of the deferred tax asset is dependent on future taxable profits in excess of those arising from the reversal of deferred tax liabilities. The asset is anticipated to be recoverable in more than one year.

12 Creditors : amounts falling due within one year

	Group		Company	
	2010 £000	2009 £000	2010 £000	2009 £000
Corporation tax	965	752	504	584
Accruals and deferred income	<u>1,185</u>	<u>1,423</u>	<u>1,155</u>	<u>1,242</u>
	<u>2,150</u>	<u>2,175</u>	<u>1,659</u>	<u>1,826</u>

13 Share capital

	2010 £'000	2009 £'000
Group and company		
Authorised		
100,000 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Issued and fully paid		
1,100 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

14 Profit and loss account

	£'000
Group	
At 1 January 2010	7,316
Profit for the financial year	2,407
Equity dividends paid (note 5)	<u>(76)</u>
At 31 December 2010	<u>9,647</u>
	£'000
Company	
At 1 January 2010	7,510
Profit for the financial year	1,142
Equity dividends paid (note 5)	<u>(76)</u>
At 31 December 2010	<u>8,576</u>

The company has taken advantage of Section 408 of the Companies Act 2006 and consequently a profit and loss account for the company is not presented. The profit after tax dealt with in the financial statements of the holding company amounted to £1,142,000 (2009 £1,300,000)

15 Reconciliation of movements in shareholders' funds

	2010 £'000	2009 £'000
Profit for the financial year	2,407	1,485
Equity dividends paid (note 5)	<u>(76)</u>	<u>(348)</u>
	<u>2,331</u>	<u>1,137</u>
Opening shareholders' funds	<u>7,317</u>	<u>6,180</u>
Closing shareholders' funds	<u>9,648</u>	<u>7,317</u>

16 Reconciliation of operating profit to net cash inflow from operating activities

	2010 £'000	2009 £'000
Group		
Operating profit	3,343	2,183
Amortisation of intangibles	158	219
Decrease in stocks	110	16
Decrease/(increase) in amounts recoverable on contracts	694	(1,510)
Increase in debtors	(3,048)	(720)
(Decrease)/increase in creditors	<u>(238)</u>	<u>246</u>
Net cash inflow from operating activities	<u>1,019</u>	<u>434</u>

17 Movement in net debt

	2010 £000	2009 £000
Increase / (decrease) in cash	382	(495)
Opening net funds	448	943
Closing net funds	<u>830</u>	<u>448</u>

18 Analysis of net funds

	At 1 January 2010 £000	Cashflows £000	Non Cash £000	At 31 December 2010 £000
Group				
Cash at bank and in hand	<u>448</u>	<u>382</u>	<u>-</u>	<u>830</u>

19 Contingent liabilities

There is a bank cross guarantee and set off arrangement between the group and company and other members of the group of companies head by Seddon Group Limited. At 31 December 2010 the maximum potential liability guaranteed of the group and company amounted to £nil (2009 £nil).

A contingent liability exists at 31 December 2010 in respect of counter indemnities given in connection with performance bonds totalling £443,000 (2009 £462,000).

The Group enters into long term contracts in the normal course of business. These contracts have been reviewed and provision has been made for the Directors' best estimate of known legal claims.

On 29 March 2011 the company and certain other subsidiaries of Seddon Group Limited entered into a guarantee in respect of the current and future obligations and liabilities of those companies currently participating in the Seddon Group Retirement Scheme. The maximum amount of the guarantee is that which will be sufficient to bring the scheme's funding level up to 105% of its liabilities, calculated in accordance with section 179 of the Pensions Act 2004.

20 Pension arrangements

The Seddon group operates a hybrid scheme whose assets are held in independently managed funds separate from those of the group. Within the final salary section of the scheme, annual contributions are paid on the recommendation of independent qualified actuaries following triennial actuarial valuations, the latest of which was at 1 November 2007. The valuation method used is the Defined Accrued Benefits method and the principal assumptions made by the actuary were

Investment rate of return - Pre-retirement	7.3% per annum
- Post-retirement	5.8% per annum
Salary growth	In line with price inflation
Price inflation	3.3% per annum
Pension increases	As guaranteed

At 1 November 2007, the market value of the scheme's assets was £21,241,000 which was sufficient to cover 107% of the benefits that had accrued to members. This company is unable to identify its own share of the underlying assets and liabilities of the defined benefit scheme. The pension costs charged against operating profit are the contributions payable to the scheme in respect of the accounting period. At 31 December 2010, the scheme showed a deficit under the revised method (required under FRS 17 Retirement Benefits), which must be used to discount the scheme liabilities which fall due after the valuation date. Full disclosures required under the provisions of FRS 17 Retirement Benefits are disclosed in the financial statements of Seddon Group Limited.

Defined contribution schemes

During the year, the group also operated a number of defined contribution pension schemes, the assets of which are held in independently administered funds.

21 Related party transactions

During the year the group paid rent of £134,000 (2009 £145,000) on its trading premises to a related company, Seddon Estates Limited, a company related by virtue of its holding company having directors in common with Seddon Group Limited

22 Ultimate and immediate parent companies

The ultimate parent company is Seddon Group Limited and the immediate parent company is Seddon BSG Limited, both of which are registered in England & Wales

The smallest group in which the company is consolidated is Seddon Property Services Limited, which is registered in England and Wales. The largest group in which the company is consolidated is Seddon Group Limited which is registered in England & Wales

Copies of the parent company's financial statements are available from Companies House