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**STANLEY DAVIS GROUP
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2009

Company no 2413680

STANLEY DAVIS GROUP LIMITED

FINANCIAL STATEMENTS

For the year ended 30 June 2009

Company registration number: 2413680

Registered office: 41 Chalton Street
London
NW1 1JD

Directors: S Davis (Chairman)
N Lindsay-Fynn
A Davis
D Kaye
N Dolby

Secretary: D Kaye

Auditors Armstrong Watson
Chartered Accountants & Registered Auditors
Central House
St Paul's Street
Leeds
West Yorkshire
LS1 2TE

Bankers: HSBC Bank PLC
60 Queen Victoria Street
London
EC4N 4TR

Barclays Bank plc
77 Albion Street
Leeds
West Yorkshire
LS1 5LD

STANLEY DAVIS GROUP LIMITED

FINANCIAL STATEMENTS

For the year ended 30 June 2009

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STANLEY DAVIS GROUP LIMITED

REPORT OF THE DIRECTORS

For the year ended 30 June 2009

The directors present their report together with the audited financial statements for the year ended 30 June 2009.

Principal activity

The principal activity of the company is that of Company Registration Agent, Search Agent, Home Information Pack provider, Corporate services provider and Company Secretarial services provider.

Business review

There was a profit for the year after taxation amounting to £245,231 (2008: £130,364). The directors do not recommend the payment of a dividend (2008: £nil).

The business has been through a very challenging period as a result of the dramatic slowdown in the UK property market. However, as a result of early action to keep costs under control the company has achieved a reasonable level of profitability. The company is now in a strong position to take advantage of any upturn in the market.

The major risks facing the company are the uncertain state of the UK property market, retaining of quality staff and developing potential markets.

Directors

The directors who served during the year are set out below.

The interests of the directors and their families in the shares of the company as at 1 July 2008 and 30 June 2009 were as follows:

	Ordinary shares of £1 each		Preference shares of £1 each	
	2009	2008	2009	2008
Stanley Davis	1,504	1,504	525,000	525,000
Nigel Lindsay-Fynn	1,504	1,504	525,000	525,000
Andrew Davis	-	-	-	-
Neil Dolby	-	-	-	-
David Kaye	-	-	-	-
Lynda Spencer (resigned 2 July 2008)	-	-	-	-

Directors' responsibilities for the financial statements

The director is responsible for preparing the Annual Report and 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). 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 those 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

STANLEY DAVIS GROUP LIMITED

REPORT OF THE DIRECTORS

For the year ended 30 June 2009

-
- state whether applicable 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 proper 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are 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.

Auditor

Armstrong Watson are deemed to be re-appointed under section 487 (2) of the Companies Act 2006.

ON BEHALF OF THE BOARD



Andrew Davis
Director

11 Dec 2009

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

For the year ended 30 June 2009

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention.

GROUP ACCOUNTS

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings comprise a medium-sized group. The company has taken advantage of the exceptions provided by Section 405 (2) of the Companies Act 2006 not to prepare group accounts on the grounds that its subsidiaries are not material.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost, net of depreciation and any provision for improvement. Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful economic lives. The rates generally applicable are:

Land and buildings leasehold	25% straight line
Fixtures, fittings and equipment	25% - 33% straight line

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their estimated useful economic lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease. All other leases are regarded as operating leases and payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

For the year ended 30 June 2009

INVESTMENTS

Investments are included at cost less amounts written off.

STOCKS

Stocks are stated at the lower of cost and net realisable value.

DEFERRED TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future have occurred 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.

CONTRIBUTIONS TO PENSION SCHEMES

Defined Contribution Pension Scheme

The pension costs charged against profits are the contributions payable to the scheme in respect of the accounting period.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual instrument, as either financial assets, financial liabilities or equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the company after deducting all liabilities.

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

STANLEY DAVIS GROUP LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 30 JUNE 2009

	Note	2009 £	2008 £
Turnover	1	7,459,772	10,436,815
Cost of sales		<u>(3,955,821)</u>	<u>(5,350,932)</u>
Gross profit		3,503,951	5,085,883
Administrative expenses		<u>(3,286,223)</u>	<u>(4,780,558)</u>
Operating profit	2	217,728	305,325
Interest payable and similar charges	3	(77,489)	(161,435)
Other interest receivable and similar income	4	<u>156,492</u>	<u>41,436</u>
Profit on ordinary activities before taxation		296,731	185,326
Tax payable on profit on ordinary activities	6	(51,500)	(54,962)
Profit on ordinary activities after taxation	17	<u>245,231</u>	<u>130,364</u>

All transactions arise from continuing operations.

There were no recognised gains or losses other than the profit for the financial year.

STANLEY DAVIS GROUP LIMITED

Company no 2413680

BALANCE SHEET AT 30 JUNE 2009

	Note	2009 £	2008 £
Fixed assets			
Intangible assets	7	1	1
Tangible assets	8	112,612	157,302
Investments	9	<u>2,829,730</u>	<u>2,829,715</u>
		<u>2,942,343</u>	<u>2,987,018</u>
Current assets			
Stocks	10	7,200	7,200
Debtors	11	1,629,913	1,796,531
Cash at bank and in hand		<u>217,588</u>	<u>662,199</u>
		<u>1,854,701</u>	<u>2,465,930</u>
Creditors: amounts falling due within one year	12	<u>(1,905,499)</u>	<u>(2,806,634)</u>
Net current liabilities		<u>(50,798)</u>	<u>(340,704)</u>
Total assets less current liabilities		<u>2,891,545</u>	<u>2,646,314</u>
Creditors: amounts falling due after more than one year	13	<u>(1,727,027)</u>	<u>(1,727,027)</u>
		<u>1,164,518</u>	<u>919,287</u>
Capital and reserves			
Called up share capital	14	1,053,008	1,053,008
Share premium account	15	36,998	36,998
Profit and loss account	17	<u>74,512</u>	<u>(170,719)</u>
Shareholders' funds - equity interests		<u>1,164,518</u>	<u>919,287</u>

The financial statements were approved by the Board of Directors on **11 - 12** 2009**Andrew Davis - Director**

STANLEY DAVIS GROUP LIMITED

STATEMENT OF CASH FLOWS

For the year ending 30 June 2008

	Note	2009 £	2008 £
NET CASH FLOWS FROM OPERATING ACTIVITIES	2b	(324,938)	505,273
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	4	8,851	6,436
Rent received		16,022	35,000
Tax received/(paid)		(55,803)	6,034
Interest paid	4	-	(7,813)
NET CASH (OUTFLOW)/INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(30,930)	39,657
INVESTING ACTIVITIES			
Payments to acquire investments in subsidiary undertaking	9	(15)	9,114
Payments to acquire tangible fixed assets	8	(38,728)	(72,342)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(38,743)	(63,228)
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(394,611)	481,712
FINANCING			
New shareholder loans	13	-	(349,999)
Repayments of shareholder loans		50,000	200,000
NET CASH INFLOW FROM FINANCING		50,000	(149,999)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	18	(444,611)	631,711
		(394,611)	481,712

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2009

1 TURNOVER

The total turnover of the company for the year has been derived from its principal activity. An analysis of turnover is given below:

	2009 £	2008 £
United Kingdom	6,217,345	9,184,342
Overseas	1,242,427	1,252,473
	<u>7,459,772</u>	<u>10,436,815</u>

2 OPERATING PROFIT

a) The profit on ordinary activities before taxation is stated after:

	2009 £	2008 £
Auditors' remuneration	6,500	6,500
Depreciation: Tangible fixed assets owned	83,418	84,302

b) Reconciliation of operating profit to cash inflows from operating activities

	2009 £	2008 £
Operating profit	217,728	305,325
Depreciation:	83,418	84,302
Decrease/(Increase) in debtors	82,916	(146,926)
(Decrease)/Increase in creditors	(709,000)	262,572
Net cash inflow/(outflows) from continuing operating activities	<u>(324,938)</u>	<u>505,273</u>

3 INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £	2008 £
On other loans wholly repayable within 5 years	77,489	161,435
	<u>77,489</u>	<u>161,435</u>

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2009

4 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2009 £	2008 £
Rental Income	16,022	35,000
Amounts provided against intercompany loans	131,619	-
Bank interest received	8,851	6,436
	<u>156,492</u>	<u>41,436</u>

An amount of £131,619 has been provided against loans made between dormant group companies on the grounds that they are unlikely ever to be repaid.

5 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2009 £	2008 £
Wages and salaries	2,642,455	3,639,347
Social security costs	240,805	315,011
Other pension costs	72,197	90,535
	<u>2,955,457</u>	<u>4,044,893</u>

The average number of employees of the company during the year was:

	2009 Number	2008 Number
Searchers, office and management	<u>165</u>	<u>207</u>

Remuneration in respect of directors was as follows:

	2009 £	2008 £
Emoluments for qualifying services	292,660	499,242
Pension contributions to money purchase pension schemes	43,703	58,150
	<u>336,363</u>	<u>557,392</u>

During the year 3 directors (2008: 4) participated in money purchase pension schemes.

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

	2009 £	2008 £
Emoluments	107,253	185,107
Pension contributions to money purchase pension schemes	15,735	15,413
	<u>122,988</u>	<u>200,520</u>

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2009

6 TAX PAYABLE ON PROFIT ON ORDINARY ACTIVITIES

The tax credit is based on the result for the period and represents:

	2009 £	2008 £
United Kingdom corporation tax at 28% (2008: 30%)	53,697	58,000
Adjustments in respect of prior year:	(2,197)	(3,038)
	<u>51,500</u>	<u>55,962</u>
Based on profit for the year:		
Tax at 28% (2008: 30%)	83,085	55,598
Effect of:		
Expenses not deductible for tax purposes	2,800	9,306
Utilisation of losses	(6,964)	(36,031)
Intercompany loan provision disallowed	(36,835)	-
Differences between capital allowances and depreciation	(710)	(3,848)
Marginal rate adjustment	(9,881)	(14,609)
Adjustments in respect of prior year	(2,197)	(3,038)
Other timing differences	22,202	48,584
	<u>51,500</u>	<u>55,962</u>

7 INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 July 2008	1
Additions	-
Adjustment	-
At 30 June 2009	<u>1</u>
Amortisation	
At 1 July 2008	-
Provided in the year	-
At 30 June 2009	<u>-</u>
Net book amount at 30 June 2009	<u>1</u>
Net book amount at 30 June 2008	<u>1</u>

STANLEY DAVIS GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ending 30 June 2009

8 TANGIBLE FIXED ASSETS

	Land and buildings leasehold £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 July 2008	30,000	497,856	527,856
Additions	-	38,728	38,728
At 30 June 2009	<u>30,000</u>	<u>536,584</u>	<u>566,584</u>
Depreciation			
At 1 July 2008	30,000	340,554	370,554
Provided in the year	-	83,418	83,418
At 30 June 2009	<u>30,000</u>	<u>423,972</u>	<u>453,972</u>
Net book amount at 30 June 2009	<u>-</u>	<u>112,612</u>	<u>112,612</u>
Net book amount at 30 June 2008	<u>-</u>	<u>157,302</u>	<u>157,302</u>

9 FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £
Cost	
At 1 July 2008	2,829,715
Adjustment	15
At 30 June 2009	<u>2,829,730</u>

At 30 June 2008, the company owned 100% of the allotted ordinary share capital of the following principal subsidiary undertakings, all of which were incorporated in England and Wales. Some subsidiaries are not listed as they are dormant and not material to disclose and the list would be excessive in length.

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2009

Name of company	Profit after tax for the year	Capital and reserves	Nature of business
	(2009 and 2008) £	(2009 and 2008) £	
JH Management Services Limited	Nil	73,316	Dormant
JH VAT Services Limited (*)	Nil	108,939	Dormant
York Place Company Services Limited	Nil	(32,457)	Dormant
Eurolife Company Services Limited	Nil	32,008	Dormant
Stratify Associates Limited	Nil	(50,406)	Dormant

* Shares held by subsidiary

10 STOCKS

	2009 £	2008 £
Finished goods and goods for resale	<u>7,200</u>	<u>7,200</u>

11 DEBTORS

	2009 £	2008 £
Trade debtors	1,308,550	1,336,460
Other debtors	83,314	83,869
Amounts owed to subsidiary undertakings	-	83,702
Prepayments and accrued income	<u>238,049</u>	<u>292,500</u>
	<u>1,629,913</u>	<u>1,796,531</u>

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2009

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Trade creditors	390,229	423,686
Amounts owed to subsidiary undertakings	-	213,709
Corporation tax	53,697	58,000
Other taxation and social security	194,489	406,002
Other loans	462,500	512,500
Other creditors	8,342	15,138
Accruals and deferred income	796,242	1,177,599
	<u>1,905,499</u>	<u>2,806,634</u>

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2009 £	2008 £
Other loans	1,727,027	1,727,027
	<u>1,727,027</u>	<u>1,727,027</u>

Borrowings are repayable as follows:

Within one year:	462,500	512,500
Between one and two years:	-	-
Between two and five years:	1,727,027	1,727,027
	<u>2,189,527</u>	<u>2,239,527</u>

As at the year end, £1,094,763 (2008: £1,119,763) was due to Stanley Davis and £1,094,764 (2008: £1,119,764) was due to Nigel Lindsay-Fynn. The loans are unsecured, and £1,727,027 of the loan is repayable on 31 December 2011 and £462,500 of the loan is repayable within one year. Interest is charged at 1% above base rate. The interest payable for the year was £77,489 (2008: £161,435). The loans and accrued interest will only be repaid when there are sufficient cash resources available to pay off these loans.

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2009

14 SHARE CAPITAL

	2009 £	2008 £
Authorised		
10,000 ordinary shares of £1 each	10,000	10,000
1,050,000 6% Non-cumulative convertible redeemable preference shares of £1 each	<u>1,050,000</u>	<u>1,050,000</u>
	<u>1,060,000</u>	<u>1,060,000</u>
Allotted, called up and fully paid		
3,008 Ordinary shares of £1 each	3,008	3,008
1,050,000 6% Non-cumulative convertible redeemable preference shares of £1 each	<u>1,050,000</u>	<u>1,050,000</u>
	<u>1,053,008</u>	<u>1,053,008</u>

Preference shares

The non-cumulative convertible redeemable preference shares carry an entitlement to a dividend at the rate of 6p per share per annum. They may be redeemed at £1 per share at any time at the option of the company. Holders of preference shares have no voting rights.

15 SHARE PREMIUM ACCOUNT AND RESERVES

	Share premium account £	Profit and loss account £
At 1 July 2008	36,998	(170,719)
Profit for the year	-	245,231
At 30 June 2009	<u>36,998</u>	<u>74,512</u>

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Profit for the financial year	245,231	130,364
Net increase in shareholders' funds	<u>245,231</u>	<u>130,364</u>
Shareholders' funds at 1 July 2008	919,287	788,923
Shareholders' funds at 30 June 2009	<u>1,164,518</u>	<u>919,287</u>

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2009

17 PROFIT AND LOSS ACCOUNT

	2009 £	2008 £
Balance brought forward	(170,719)	(301,083)
Profit for financial year	245,231	130,364
Balance carried forward	<u>74,512</u>	<u>(170,719)</u>

18 MOVEMENTS IN CASH AND CASH EQUIVALENTS

	2009 £	2008 £
Cash at bank brought forward	662,199	30,488
Movement in Cash and Cash equivalents	<u>(444,611)</u>	<u>631,711</u>
Cash at bank carried forward	<u>217,588</u>	<u>662,199</u>

19 CAPITAL COMMITMENTS

The company had no capital commitments at 30 June 2009 or 30 June 2008.

20 CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 2009 or 30 June 2008.

21 RETIREMENT BENEFITS

Defined contribution pension scheme

The company operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

22 LEASING COMMITMENTS

At 30 June 2009 the company had annual commitments under non-cancellable operating leases as follows:

	2009 Land and Buildings £	2008 Land and buildings £	2009 Others £	2008 Others £
Less than one year	45,682	31,383	-	-
Between one and five years	255,299	123,921	-	-
Greater than five years	<u>-</u>	<u>134,467</u>	<u>-</u>	<u>-</u>

STANLEY DAVIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 30 June 2009

23 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

Party	Relationship	Transaction	2009	2008
			Balance due (to)/from at year end £	Balance due (to)/from at year end £
JH VAT Services Limited	Subsidiary undertaking	Loan	-	(181,601)
JH Management Services Limited	Subsidiary undertaking	Loan	-	78
Eurolife Company Services Limited	Subsidiary undertaking	Loan	-	(32,008)
Eurolife Management Services Limited	Subsidiary undertaking	Loan	-	740
Stratify Associates Limited	Subsidiary undertaking	Loan	-	50,406
York Place Company Services Ltd	Subsidiary undertaking	Loan	-	32,457
Brady & Co (Law Searchers) Limited	Related Company	Inter company account	15,235	-

Loans to subsidiary undertakings have been provided against on the grounds that they are dormant companies and have no intention of settling the balances.

During the year, the company received services from Brady & Co (Law Searchers) Limited amounting to £17,560 (2008 £Nil) and provided services to Brady & Co (Law Searchers) Limited amounting to £2,981 (2008 £Nil). Brady & Co (Law Searchers) Limited is owned by the same shareholders as Stanley Davis Group Limited.

24 CONTROLLING PARTIES

Stanley Davis and Nigel Lindsay-Fynn are the company's controlling parties by virtue of their majority shareholdings.

STANLEY DAVIS GROUP LIMITED

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF STANLEY DAVIS GROUP LIMITED

For the year ended 30 June 2009

We have audited the financial statements of Stanley Davis Group Limited for the year ended 30 June 2009 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement 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 Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, 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 Directors' Responsibilities Statement set out on pages 3 and 4, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2009 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 MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

STANLEY DAVIS GROUP LIMITED

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF STANLEY DAVIS GROUP LIMITED

For the year ended 30 June 2009

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.



SIMON PALMER

(Senior Statutory Auditor)
For and on behalf of
ARMSTRONG WATSON
Chartered Accountants &
Statutory Auditors
LEEDS

14th December 2009

STANLEY DAVIS GROUP LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

For the year ended 30 June 2009

	2009 £	2009 £	2008 £	2008 £
Turnover				
Goods and services		7,459,772		10,436,815
Cost of sales				
Registration fees	186,150		264,125	
Overseas purchases and services	488,900		478,358	
Statutory books	32,249		61,222	
Seals	21,159		25,119	
Search fees and sundry services	2,314,669		3,316,471	
Searchers – wages and salaries	745,416		896,553	
EPC and other HIPS related costs	76,707		188,805	
Delivery and postage	90,571		120,279	
		<u>(3,955,821)</u>		<u>(5,350,932)</u>
Gross profit		3,503,951		5,085,883
Administrative expenses		<u>(3,286,223)</u>		<u>(4,780,558)</u>
Operating profit		217,728		305,325
Other interest receivable and similar income				
Bank interest received	8,851		6,436	
Write off of intercompany loan accounts	131,619		-	
Rental income	16,022		35,000	
		<u>156,492</u>		<u>41,436</u>
Interest payable				
Non-bank interest accrued on loans < 5 years	77,489		161,435	
		<u>(77,489)</u>		<u>(161,435)</u>
Profit before taxation		<u>296,731</u>		<u>185,326</u>

STANLEY DAVIS GROUP LIMITED**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT**

For the year ended 30 June 2009

	2009 £	2008 £
Administrative expenses		
Wages and salaries (including National Insurance)	1,805,828	2,491,286
Directors' remuneration	337,872	566,519
Directors' pension costs	44,149	58,150
Staff pension costs	22,192	23,889
Private health insurance	16,564	12,869
Rent re operating leases	331,035	260,140
Rates	71,637	70,666
Insurance	47,063	37,576
Light and heat	24,436	12,396
Cleaning	8,242	11,917
Repairs and maintenance	86,165	143,777
Printing and stationery	22,491	40,841
Advertising and marketing	25,444	73,098
Telephone	53,061	59,089
Travelling	45,064	53,958
Recruitment fees	8,694	115,056
Entertaining - non allowable	9,238	28,638
Legal and professional fees	21,855	7,132
Audit fees	6,220	9,198
Consultancy fees	58,805	164,345
Legal damages	(175,000)	200,000
Dilapidations costs	5,026	38,271
Bank charges	32,815	52,434
Discounts allowed	4,309	4,167
Bad and doubtful debts	242,628	107,746
Sundry expenses – allowance	46,872	49,404
Royalty payments	-	3,305
Donations	100	389
Depreciation on fixtures and fittings	83,418	84,302
	<u>3,286,223</u>	<u>4,780,558</u>