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Eddisons Commercial Limited

Abbreviated Financial Statements

Year Ended

29 February 2008

IBDO
BDO Stoy Hayward
Chartered Accountants

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Eddisons Commercial Limited

Abbreviated financial statements for the year ended 29 February 2008

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Directors

G A Foster
N McDonald
R K Roe
J F Asquith
S J Croft
J T Pinder

Secretary and registered office

S E M Holmes, Pennine House, Russell Street, Leeds, LS1 5RN

Company number

03280893

Auditors

BDO Stoy Hayward LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU

Bankers

Barclays Bank Plc, PO Box 190, 2nd Floor, 1 Park Row, Leeds, LS1 5WU

Solicitors

Lupton Fawcett, Yorkshire House, Greek Street, Leeds, LS1 5SX

Report of the directors for the year ended 29 February 2008

The directors present their report together with the audited financial statements for the year ended 29 February 2008

Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the year

Principal activities, review of business and future developments

The company is engaged in Chartered Surveying activities including Valuations, Agency, Property Management for commercial and industrial clients along with Machinery and Business Asset Valuations and Disposals. Activities are predominantly undertaken in the North of England though where required these extend throughout the UK, Ireland & Europe

There have been no changes in the company's activities in the year under review

Review of the business

Turnover has increased by 0.7% in 2008 (2007: 9.3%) which is a satisfying performance considering the market conditions during the year to February 2008.

The first quarter's results for 2008/09 identify a reduction in activity particularly in the agency and property auction sectors. The directors anticipate that this trend will continue throughout the remainder of 2008 and onwards into 2009. There is, however, an upturn in impaired debt lending advice which is a potential growth area.

Principal risks and uncertainties

The market for surveying services is very competitive but we do, however, feel specialist niches have been developed within the impaired debt banking and insolvency sectors. This has enabled us to develop activities and maintain an appropriate level of earnings.

The property market has been buoyant for several years now and, though difficult to anticipate, it is believed the impact of the credit crunch will be detrimental to agency activities.

The company monitors cash flow as part of its day-to-day control procedures. The board considers cash flow projections on a monthly basis and ensures that appropriate facilities are available to be drawn upon as necessary.

Management Buyout

On 5 April 2008, an MBO was completed which resulted in the total company shareholding being acquired by Nigel McDonald and Richard Roe. The purpose of this move was to bring stability to the company, provide direction and improve the decision-making process. All the previous six equity directors remain in full-time employment with the company and will continue to be an integral part of the company's activities.

Business Expansion

On the 14 April, we completed the acquisition of a commercial Property Management and Facilities Management business based in London with additional offices in Birmingham, Bristol, Manchester and Glasgow serving national and local clients. In addition, there is a specialist Landlord & Tenant department based in the London office. This will be expanded on a national basis.

This business is contractually driven and therefore provides a stable national network from which we hope to expand our specialist valuation services for property and plant to banks and restructuring companies. This will develop further the counter cyclical nature of our existing business, providing the opportunity to develop our strengths in a strong niche market with the additional comfort of regular cash income.

Charitable and political contributions

During the year the company made charitable contributions of £1,895 (2007 £2,455). There were no political contributions.

Directors

The directors of the company during the year were

M J Brodrick	(resigned 26 June 2007)
G A Foster	
D W Lamb	(resigned 26 June 2007)
J R Liddiment	(resigned 5 April 2008)
N McDonald	
J R Padgett	(resigned 5 April 2008)
M J Scholey	(resigned 5 April 2008)
A L Spencer	(resigned 5 April 2008)
A H Webber	(resigned 5 April 2008)
K G Whittington	(resigned 5 April 2008)
R K Roe	
J F Asquith	(appointed 1 March 2007)
S J Croft	(appointed 1 March 2007)
J T Pinder	(appointed 1 March 2007)

The company has made qualifying third party indemnity provisions for the benefit of certain of its directors and officers.

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which 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 year. 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, and
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board


S E M Holmes

Secretary

15 October 2008

Eddisons Commercial Limited

Independent auditor's report

Independent auditor's report to Eddisons Commercial Limited under section 247B of the Companies Act 1985

We have examined the abbreviated financial statements which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes together with the financial statements of the company for the year ended 29 February 2008 prepared under section 226 of the Companies Act 1985

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated financial statements have been properly prepared in accordance with that provision and to report our opinion to you.

Our report has been prepared pursuant to the requirements of Section 247B of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of Section 247B of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the full financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered have been properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated financial statements have been properly prepared in accordance with that provision.

BDO Stoy Hayward LLP

BDO STOY HAYWARD LLP

Chartered Accountants

and Registered Auditors

Leeds

Date *15 October 2008*

Eddisons Commercial Limited

Profit and loss account for the year ended 29 February 2008

	Note	2008 £	2007 £
Gross profit		6,638,164	6,710,935
Administrative expenses		<u>5,850,640</u>	<u>6,858,370</u>
Operating profit/(loss)	2	787,524	(147,435)
Other interest receivable and similar income		132,987	120,186
Interest payable and similar charges	5	<u>(7,724)</u>	<u>(6,831)</u>
Profit/(loss) on ordinary activities before taxation		912,787	(34,080)
Taxation on profit/(loss) on ordinary activities	6	<u>(286,397)</u>	<u>(39,923)</u>
Profit/(loss) on ordinary activities after taxation		<u>626,390</u>	<u>(74,003)</u>

All amounts relate to continuing activities

All recognised gains and losses in the current and prior year are included in the profit and loss account

The notes on pages 8 to 17 form part of these financial statements


Eddisons Commercial Limited

Balance sheet at 29 February 2008

	Note	2008 £	2008 £	2007 £	2007 £
Fixed assets					
Tangible assets	7		117,152		171,924
Current assets					
Stocks	8	244,888		284,812	
Debtors	9	1,273,340		1,125,771	
Cash at bank and in hand		846,022		1,156,489	
		<u>2,364,250</u>		<u>2,567,072</u>	
Creditors: amounts falling due within one year	10	<u>1,253,229</u>		<u>2,060,213</u>	
Net current assets			<u>1,111,021</u>		<u>506,859</u>
Total assets less current liabilities			<u>1,228,173</u>		<u>678,783</u>
Provisions for liabilities	11		<u>162,000</u>		<u>150,000</u>
			<u>1,066,173</u>		<u>528,783</u>
Capital and reserves					
Called up share capital	12		40,000		50,000
Share premium account	13		99,891		99,891
Capital redemption reserve	13		45,000		35,000
Profit and loss account	13		881,282		343,892
Shareholders' funds	14		<u>1,066,173</u>		<u>528,783</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

The financial statements were approved by the board of directors and authorised for issue on 15 October 2008



N McDonald
Director

The notes on pages 8 to 17 form part of these financial statements

Eddisons Commercial Limited

Cash flow statement for the year ended 29 February 2008

	Note	2008 £	2008 £	2007 £	2007 £
Net cash (outflow)/inflow from operating activities	19		(182,248)		402,130
Returns on investments and servicing of finance					
Interest received		132,987		120,186	
Interest paid other		(7,724)		(6,831)	
Net cash inflow from returns on investments and servicing of finance			125,263		113,355
Taxation					
Corporation tax paid			(133,624)		(101,006)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(47,358)		(95,891)	
Receipts from sale of tangible fixed assets		16,500		16,200	
Net cash outflow from capital expenditure and financial investment			(30,858)		(79,691)
Cash (outflow)/inflow before financing			(221,467)		334,788
Financing					
Purchase of own shares			(89,000)		(60,300)
(Decrease)/increase in cash	20		(310,467)		274,488

The notes on pages 8 to 17 form part of these financial statements

1 Accounting policies

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

The following principal accounting policies have been applied

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates

Motor vehicles	- 25% straight line
Fixtures, fittings and equipment	- 25% straight line
Computer equipment	- 33% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that

- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

1 Accounting policies (*continued*)

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable

2 Operating profit/(loss)

	2008 £	2007 £
This is arrived at after charging.		
Depreciation of tangible fixed assets	86,984	90,791
Hire of plant and machinery - operating leases	148,939	158,292
Hire of other assets - operating leases	221,060	243,230
Audit services	17,500	14,657
	<u> </u>	<u> </u>

3 Employees

Staff costs (including directors) consist of

	2008 £	2007 £
Wages and salaries	3,339,194	3,801,539
Social security costs	384,363	412,426
Other pension costs	145,080	472,053
	<u> </u>	<u> </u>
	3,868,637	4,686,018
	<u> </u>	<u> </u>

The average number of employees (including directors) during the year was as follows

	2008 Number	2007 Number
Estate agency	22	24
Surveying and valuation	81	84
Administration	12	12
	<u> </u>	<u> </u>
	115	120
	<u> </u>	<u> </u>

Eddisons Commercial Limited**Notes forming part of the financial statements for the year ended 29 February 2008 (Continued)****4 Directors' remuneration**

	2008	2007
	£	£
Directors' emoluments	1,127,281	1,366,190
Company contributions to money purchase pension schemes	113,736	430,822

The total amount payable to the highest paid director in respect of emoluments was £125,516 (2007 - £87,255) Company pension contributions of £11,700 (2007 - £164,000) were made to a money purchase scheme on its behalf

5 Interest payable and similar charges

	2008	2007
	£	£
Bank loans and overdrafts	318	145
Other interest payable	7,406	6,686
	7,724	6,831

6 Taxation on profit/(loss) on ordinary activities

	2008 £	2008 £	2007 £	2007 £
<i>UK Corporation tax</i>				
Current tax on profits of the year	221,108		138,527	
Adjustment in respect of previous periods	(4,903)		-	
	<u> </u>		<u> </u>	
Total current tax		216,205		138,527
<i>Deferred tax</i>				
Origination and reversal of timing differences		70,192		(98,604)
		<u> </u>		<u> </u>
Taxation on profit/(loss) on ordinary activities		286,397		39,923
		<u> </u>		<u> </u>

The tax assessed for the period is different to the standard rate of corporation tax in the UK. The differences are explained below

	2008 £	2007 £
Profit/(loss) on ordinary activities before tax	912,787	(34,080)
	<u> </u>	<u> </u>
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 30% (2007 - 30%)	273,836	(10,224)
Effect of		
Expenses not deductible for tax purposes	32,505	62,860
Capital allowances for period in deficit of depreciation	7,514	387
Adjustment to tax charge in respect of previous periods	(4,903)	-
Short term timing differences	(75,002)	111,658
Marginal relief	(17,745)	(26,154)
	<u> </u>	<u> </u>
Current tax charge for period	216,205	138,527
	<u> </u>	<u> </u>

7 Tangible fixed assets

	Motor vehicles	Fixtures and fittings	Office equipment	Total
	£	£	£	£
<i>Cost</i>				
At 1 March 2007	30,665	270,730	275,094	576,489
Additions	-	31,038	16,320	47,358
Disposals	(30,665)	-	-	(30,665)
	<hr/>	<hr/>	<hr/>	<hr/>
At 29 February 2008	-	301,768	291,414	593,182
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 March 2007	11,917	208,205	184,443	404,565
Provided for the year	3,602	41,264	42,118	86,984
Disposals	(15,519)	-	-	(15,519)
	<hr/>	<hr/>	<hr/>	<hr/>
At 29 February 2008	-	249,469	226,561	476,030
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 29 February 2008	-	52,299	64,853	117,152
	<hr/>	<hr/>	<hr/>	<hr/>
At 28 February 2007	18,748	62,525	90,651	171,924
	<hr/>	<hr/>	<hr/>	<hr/>

8 Stocks

	2008	2007
	£	£
Work in progress	244,888	284,812
	<hr/>	<hr/>

There is no material difference between the replacement cost of stocks and the amounts stated above

Eddisons Commercial Limited

Notes forming part of the financial statements for the year ended 29 February 2008 (Continued)

9 Debtors

	2008 £	2007 £
Trade debtors	1,067,035	924,755
Prepayments and accrued income	195,055	119,574
Deferred taxation (see note 11)	11,250	81,442
	<u>1,273,340</u>	<u>1,125,771</u>

All amounts shown under debtors fall due for payment within one year

10 Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	257,756	230,844
Taxation and social security	568,905	495,787
Accruals and deferred income	426,568	1,333,582
	<u>1,253,229</u>	<u>2,060,213</u>

11 Provisions for liabilities

	Deferred taxation £	Dilapidations provision £	Total £
At 1 March 2007	-	150,000	150,000
Transferred from debtors	(81,442)	-	(81,442)
Charged to profit and loss account	-	12,000	12,000
Utilised in year	70,192	-	70,192
	<u>(11,250)</u>	<u>162,000</u>	<u>150,750</u>
Transferred to debtors (see note 9)	11,250	-	11,250
	<u>-</u>	<u>162,000</u>	<u>162,000</u>
At 29 February 2008	-	162,000	162,000

Eddisons Commercial Limited

Notes forming part of the financial statements for the year ended 29 February 2008 (Continued)

11 Provisions for liabilities (continued)

Deferred taxation

	2008 £	2007 £
Accelerated capital allowances	(11,250)	(6,440)
Sundry timing differences	-	(75,002)
	<u>(11,250)</u>	<u>(81,442)</u>

12 Share capital

	2008 £	Authorised 2007 £	Allotted, called up and fully paid 2008 £	2007 £
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>40,000</u>	<u>50,000</u>

On 30 September 2007 the company bought back 10,000 of its £1 Ordinary shares representing 20% of Ordinary Share capital for a gross consideration of £89,000

Post year end the entire share capital of the company was acquired by Eddisons Commercial (Holdings) Limited

13 Reserves

	Share premium account £	Capital redemption reserve £	Profit and loss account £
At 1 March 2007	99,891	35,000	343,892
Profit for the year	-	-	626,390
Purchase of own shares	-	10,000	(89,000)
	<u>99,891</u>	<u>45,000</u>	<u>881,282</u>
At 29 February 2008	<u>99,891</u>	<u>45,000</u>	<u>881,282</u>

14 Reconciliation of movements in shareholders' funds

	2008	2007
	£	£
Profit/(loss) for the year	626,390	(74,003)
Shares redeemed	(10,000)	(5,000)
Purchase of own shares	(79,000)	(55,300)
	<hr/>	<hr/>
Net additions to/(deductions from) shareholders' funds	537,390	(134,303)
Opening shareholders' funds	528,783	663,086
	<hr/>	<hr/>
Closing shareholders' funds	1,066,173	528,783
	<hr/>	<hr/>

15 Contingent liabilities

Post year end the company entered into a cross company guarantee with Eddisons Commercial (Holdings) Limited

16 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £142,253 (2007 - £160,953). Contributions totalling £nil (2007 - £311,100) were payable to the fund at the year end and are included in creditors.

17 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below

	2008	2008	2007	2007
	Land and	Other	Land and	Other
	buildings		buildings	
	£	£	£	£
Operating leases which expire				
Within one year	-	20,504	27,750	2,121
In two to five years	132,787	72,436	194,543	74,877
After five years	90,256	3,574	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	223,043	96,514	222,293	76,998
	<hr/>	<hr/>	<hr/>	<hr/>

18 Related party disclosures

Controlling parties

The company is controlled by the directors that hold shares in the company

Post year end the share capital was acquired by Eddisons Commercial (Holdings) Limited, a company controlled by its directors. No one party has control of the company

19 Reconciliation of operating profit/(loss) to net cash (outflow)/inflow from operating activities

	2008 £	2007 £
Operating profit/(loss)	787,524	(147,435)
Depreciation of tangible fixed assets	86,984	90,791
Profit on sale of tangible fixed assets	(1,354)	(11,683)
Decrease/(increase) in stocks	39,924	(76,436)
(Increase)/decrease in debtors	(217,761)	222,190
(Decrease)/increase in creditors	(889,565)	174,703
Movement in dilapidations provisions	12,000	150,000
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	(182,248)	402,130
	<hr/>	<hr/>

20 Reconciliation of net cash flow to movement in net funds

	2008 £	2007 £
(Decrease)/increase in cash	(310,467)	274,488
	<hr/>	<hr/>
Movement in net funds	(310,467)	274,488
Opening net funds	1,156,489	882,001
	<hr/>	<hr/>
Closing net funds	846,022	1,156,489
	<hr/>	<hr/>

Eddisons Commercial Limited

Notes forming part of the financial statements for the year ended 29 February 2008 (Continued)

21 Analysis of net funds

	At 1 March 2007 £	Cash flow £	At 29 February 2008 £
Cash at bank and in hand	1,156,489	(310,467)	846,022
	<hr/>	<hr/>	<hr/>