

Eddisons Commercial Limited

Report and Financial Statements

Year Ended

31 March 2011

Company Number 03280893

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Eddisons Commercial Limited

Report and financial statements for the year ended 31 March 2011

Contents

Page

1	Report of the directors
4	Independent auditor's report
6	Profit and loss account
7	Balance sheet
8	Notes forming part of the financial statements

Directors

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

Secretary and registered office

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

Company number

03280893

Auditors

BDO 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

Eddisons Commercial Limited

Report of the directors for the year ended 31 March 2011

The directors present their report together with the audited financial statements for the year ended 31 March 2011

Results and dividends

The profit and loss account is set out on page 6 and shows the profit for the year

Interim dividends of £1,000,000 were paid to ordinary shareholders during the year. The directors do not recommend the payment of a final dividend

Principal activities, review of business and future developments

The principal activity of the company is Chartered Surveying activities including Valuations, Agency, Property Management for commercial, industrial and residential clients along with Machinery and Business Asset Valuations and Disposals. Activities are undertaken in the UK though where required these extend throughout Europe and the Middle East

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

Review of the business

Turnover in the year from continuing activities has increased by 17.4% to £6.7m (2010: £5.7m) and profit before tax has increased by 9.8% to £0.79m (2010: £0.72m). This is a satisfying performance considering the continued uncertainty which exists in the markets in which the company operates.

The results in the opening months of the financial year to March 2012 have been generally in line with expectations with a variety of areas within the business continuing to generate activity and opportunity. It is still the case, however, that significant uncertainty exists in the overall economy and as such a cautious approach is being adopted with regard to future prospects.

Key performance indicators

The performance indicators used by the company include financial indicators such as profitability, cash flow generation and working capital management and other indicators such as client satisfaction and staff satisfaction.

Principal risks and uncertainties

An important element of the company's philosophy is the effective management of risk over all areas of activity. The company approach is to not accept a risk which cannot be managed or influenced or would have a disproportionate financial effect on the business.

Specific areas of risk which may impact the business include a downturn in one or more of the key markets in which the company operates, the loss of the services of key members of staff, increased competition in key markets and the risk of litigation.

The company has in place action plans to mitigate all of the risks set out above.

Eddisons Commercial Limited

Report of the directors for the year ended 31 March 2011 (*continued*)

Directors

The directors of the company during the year were

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

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 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 judgements 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.

Eddisons Commercial Limited

Report of the directors for the year ended 31 March 2011 (*continued*)

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 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

5 September 2011

Eddisons Commercial Limited

Independent auditor's report

TO THE MEMBER OF EDDISONS COMMERCIAL LIMITED

We have audited the financial statements of Eddisons Commercial Limited for the year ended 31 March 2011 which comprise the profit and loss account, the balance sheet 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 Accounting Practice).

This report is made solely to the company's member 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 member 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 member, 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 statement of directors' responsibilities, 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 company's affairs as at 31 March 2011 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 matter 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.

Eddisons Commercial Limited

Independent auditor's report (*continued*)

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

BDO LLP.

*Nicholas Giles Wharton (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Leeds
United Kingdom*

5 September 2011

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Eddisons Commercial Limited

Profit and loss account for the year ended 31 March 2011

	Note	2011 £	2010 £
Turnover	2,3	6,714,106	6,617,898
Administrative expenses		5,876,528	5,889,617
Operating profit	4	837,578	728,281
Other interest receivable and similar income		5,471	8,997
Interest payable and similar charges	7	(22,796)	(16,238)
Profit on ordinary activities before taxation		820,253	721,040
Taxation on profit on ordinary activities	8	244,622	257,605
Profit on ordinary activities after taxation		575,631	463,435

All amounts relate to continuing activities in the current year. See note 2 for details of discontinued 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 31 March 2011

<i>Company number 03280893</i>	Note	2011 £	2011 £	2010 £	2010 £
Fixed assets					
Tangible assets	10		56,355		54,155
Current assets					
Stocks	11	192,612		196,548	
Debtors - due within one year	12	1,042,554		998,415	
Debtors - due after more than one year	12	1,962,146		2,100,214	
Total debtors		3,004,700		3,098,629	
Cash at bank and in hand		273,460		122,583	
		3,470,772		3,417,760	
Creditors: amounts falling due within one year					
	13	1,938,929		1,459,348	
Net current assets			1,531,843		1,958,412
Total assets less current liabilities			1,588,198		2,012,567
Provisions for liabilities	14		129,584		129,584
			1,458,614		1,882,983
Capital and reserves					
Called up share capital	16		40,000		40,000
Share premium account	17		99,891		99,891
Capital redemption reserve	17		45,000		45,000
Profit and loss account	17		1,273,723		1,698,092
Shareholder's funds	18		1,458,614		1,882,983

The financial statements were approved by the board of directors and authorised for issue on 5 September 2011



N McDonald
Director

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

Eddisons Commercial Limited

Notes forming part of the financial statements for the year ended 31 March 2011

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

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Eddisons Commercial (Holdings) Limited and the company is included in consolidated financial statements

Turnover

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

Depreciation

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

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

Work in progress

Work in progress is valued at cost and includes labour and attributable overheads

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

Operating lease annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease

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

Eddisons Commercial Limited

Notes forming part of the financial statements for the year ended 31 March 2011 (*continued*)

2 Corresponding figures

The analysis between continuing and discontinued operations for the year ended 31 March 2010 is shown below

	Continuing £	Discontinued £	Total £
Turnover and gross profit	5,718,061	899,837	6,617,898
Administrative expenses	5,015,994	873,623	5,889,617
Operating profit	702,067	26,214	728,281

3 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom

4 Operating profit

	2011 £	2010 £
This is arrived at after charging		
Depreciation of tangible fixed assets	38,325	50,890
Hire of plant and machinery - operating leases	111,974	125,637
Hire of other assets - operating leases	184,585	210,320
Auditors' remuneration - fees payable to the company's auditor for the audit of the company's annual accounts	15,700	15,100

5 Employees

Staff costs (including directors) consist of

	2011 £	2010 £
Wages and salaries	3,725,938	3,502,007
Social security costs	421,910	382,859
Other pension costs	136,644	124,612
	4,284,492	4,009,478

Eddisons Commercial Limited

Notes forming part of the financial statements
for the year ended 31 March 2011 (*continued*)

5 Employees (*continued*)

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

	2011 Number	2010 Number
Fee earners	52	54
Administration	35	36
	<u>87</u>	<u>90</u>

The staff cost of a further 3 (2010 - 9) contracted staff on the payroll were recharged to the company's clients

6 Directors' remuneration

	2011 £	2010 £
Directors' emoluments	415,854	451,508
Company contributions to money purchase pension schemes	35,003	34,528
	<u>450,857</u>	<u>486,036</u>

There were 5 directors in the company's defined contribution pension scheme during the year (2010 - 5)

The total amount payable to the highest paid director in respect of emoluments was £92,400 (2010 - £109,017) Company pension contributions of £11,700 (2010 - £11,700) were made to a money purchase scheme on their behalf

7 Interest payable and similar charges

	2011 £	2010 £
Bank loans and overdrafts	261	1,607
Other interest payable	22,535	14,631
	<u>22,796</u>	<u>16,238</u>

Eddisons Commercial Limited

Notes forming part of the financial statements
for the year ended 31 March 2011 (*continued*)

8 Taxation on profit on ordinary activities

	2011 £	2010 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	224,737	219,412
Adjustment in respect of previous periods	722	35,202
Group relief	12,201	2,134
	<hr/>	<hr/>
Total current tax	237,660	256,748
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of timing differences	5,417	892
Adjustment in respect of previous periods	328	(35)
Effect of tax rate change on opening balance	1,217	-
	<hr/>	<hr/>
Movement in deferred tax provision	6,962	857
	<hr/>	<hr/>
Taxation on profit on ordinary activities	244,622	257,605
	<hr/>	<hr/>

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below.

	2011 £	2010 £
Profit on ordinary activities before tax	820,253	721,040
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28.00% (2010 - 28.00%)	229,671	201,891
Effect of		
Expenses not deductible for tax purposes	13,101	20,547
Capital allowances for period in excess of depreciation	(6,186)	(2,964)
Adjustment to tax charge in respect of previous periods	722	35,202
Short term timing differences	352	2,072
	<hr/>	<hr/>
Current tax charge for the year	237,660	256,748
	<hr/>	<hr/>

Eddisons Commercial Limited

Notes forming part of the financial statements
for the year ended 31 March 2011 (*continued*)

9 Dividends

	2011 £	2010 £
Ordinary shares		
Interim paid of £25 (2010 - £nil) per share	1,000,000	-

10 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
<i>Cost or valuation</i>			
At 1 April 2010	293,721	366,643	660,364
Additions	6,527	33,998	40,525
Disposals	(259,499)	(274,206)	(533,705)
	<u>40,749</u>	<u>126,435</u>	<u>167,184</u>
At 31 March 2011			
<i>Depreciation</i>			
At 1 April 2010	280,579	325,630	606,209
Provided for the year	7,303	31,022	38,325
Disposals	(259,499)	(274,206)	(533,705)
	<u>28,383</u>	<u>82,446</u>	<u>110,829</u>
At 31 March 2011			
<i>Net book value</i>			
At 31 March 2011	<u>12,366</u>	<u>43,989</u>	<u>56,355</u>
At 31 March 2010	<u>13,142</u>	<u>41,013</u>	<u>54,155</u>

11 Stocks

	2011 £	2010 £
Work in progress	192,612	196,548

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 31 March 2011 (*continued*)

12 Debtors

	2011 £	2010 £
Amounts receivable within one year		
Trade debtors	611,409	820,141
Amounts owed by group undertakings	59,321	48,483
Prepayments and accrued income	361,422	112,427
Deferred taxation	10,402	17,364
	<hr/>	<hr/>
	1,042,554	998,415
Amounts receivable after more than one year		
Amounts owed by group undertakings	1,962,146	2,100,214
	<hr/>	<hr/>
Total debtors	3,004,700	3,098,629
	<hr/>	<hr/>

	Deferred taxation £
At 1 April 2010	17,364
Utilised in year	(6,962)
	<hr/>
At 31 March 2011	10,402
	<hr/>

Deferred taxation

	2011 £	2010 £
The amount of deferred tax provided for is as follows		
Accelerated capital allowances	6,038	13,017
Sundry timing differences	4,364	4,347
	<hr/>	<hr/>
	10,402	17,364
	<hr/>	<hr/>

Eddisons Commercial Limited

Notes forming part of the financial statements
for the year ended 31 March 2011 (*continued*)

13 Creditors: amounts falling due within one year

	2011 £	2010 £
Trade creditors	345,737	258,565
Corporation tax	224,734	219,412
Other taxation and social security	474,953	468,892
Other creditors	60,692	112,968
Accruals and deferred income	832,813	399,511
	<u>1,938,929</u>	<u>1,459,348</u>

14 Provisions for liabilities

	Dilapidations provision £
At 1 April 2010 and 31 March 2011	<u>129,584</u>

15 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 £136,644 (2010 - £124,612). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

16 Share capital

	2011 £	2010 £
<i>Allotted, called up and fully paid</i>		
40,000 Ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>

Eddisons Commercial Limited

Notes forming part of the financial statements
for the year ended 31 March 2011 (*continued*)

17 Reserves

	Share premium account £	Capital redemption reserve £	Profit and loss account £
At 1 April 2010	99,891	45,000	1,698,092
Profit for the year	-	-	575,631
Dividends	-	-	(1,000,000)
At 31 March 2011	<u>99,891</u>	<u>45,000</u>	<u>1,273,723</u>

18 Reconciliation of movements in shareholder's funds

	2011 £	2010 £
Profit for the year	575,631	463,435
Dividends	(1,000,000)	-
Net (deductions from)/additions to shareholder's funds	<u>(424,369)</u>	<u>463,435</u>
Opening shareholder's funds	1,882,983	1,419,548
Closing shareholder's funds	<u>1,458,614</u>	<u>1,882,983</u>

19 Contingent liabilities

The company has guaranteed bank borrowings of its fellow group company, Eddisons Commercial (Holdings) Limited. At the year end the liabilities covered by these guarantees totalled £758,031 (2010 - £1,271,767).

Eddisons Commercial Limited

Notes forming part of the financial statements
for the year ended 31 March 2011 (*continued*)

20 Commitments under operating leases

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

	Land and buildings 2011 £	Land and buildings 2010 £
Operating leases which expire		
Within one year	6,940	23,633
In two to five years	159,756	16,000
After five years	-	143,756
	<u>166,696</u>	<u>183,389</u>

21 Related party disclosures

Controlling parties

No one party has control of the company

The company is a wholly owned subsidiary of Eddisons Commercial (Holdings) Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with Eddisons Commercial (Holdings) Limited or other wholly owned subsidiaries within the group

Related party transactions and balances

	Costs recharged to related party £	Amounts owed by related parties £
2011		
Eddisons Residential Limited	50,000	41,239
2010		
Eddisons Residential Limited	35,000	68,483

Eddisons Residential Limited is a fellow subsidiary undertaking of Eddisons Commercial (Holdings) Limited that is not wholly owned

Eddisons Commercial Limited

**Notes forming part of the financial statements
for the year ended 31 March 2011 (*continued*)**

22 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary of Eddisons Commercial (Holdings) Limited which is the ultimate parent company incorporated in England and Wales

The largest and smallest group in which the results of the company are consolidated is that headed by Eddisons Commercial (Holdings) Limited, incorporated in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. No other group accounts include the results of the company