

**GLEEDS CORPORATE SERVICES LIMITED**

**Report and Financial Statements**

**31 December 2006**

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**REPORT AND FINANCIAL STATEMENTS 2006**

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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

R P Steer  
A R Baker (resigned 31 December 2006)  
I J Miller  
J S Murray  
H G Robinson (appointed 1 February 2007)  
R P Savage (appointed 1 February 2007)  
S Senior (appointed 1 February 2007)

**SECRETARY**

H G Robinson

**REGISTERED OFFICE**

95 New Cavendish Street  
London  
W1W 6XF

**BANKERS**

Barclays Bank plc  
Bristol

**SOLICITORS**

Macfarlanes  
London

**DIRECTORS' REPORT**

The directors present their annual report and the financial statements for the year ended 31 December 2006

**PRINCIPAL ACTIVITY**

The principal activity of the company during the year was that of the provision of professional services

**RESULTS AND DIVIDENDS**

The results for the year are shown on page 5 The directors do not recommend the payment of a dividend (2005 £nil)

**REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

The directors are satisfied with the results for the year and with the state of the company's affairs at 31 December 2006  
The directors consider the company is well placed to perform satisfactorily in the future

**DIRECTORS AND THEIR INTERESTS**

The directors who served during the year are shown on page 1

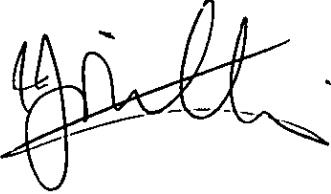
The one £1 ordinary share is held by Gleeds Holdings Limited

**SMALL COMPANY EXEMPTION**

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

Approved by the Board of Directors on 19th March 2007  
and signed on behalf of the Board

**I J Miller**  
Director

A handwritten signature in black ink, appearing to read 'I J Miller', written over a horizontal line.

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report including the financial statements. The directors have chosen to prepare the financial statements for the company and the group in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view, in accordance with UK GAAP, of the state of affairs of the company and of the group and of the profit or loss of the group for that period and comply with UK GAAP and the Companies Act 1985. 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,
- state whether applicable accounting standards have been followed, 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 the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**GLEEDS CORPORATE SERVICES LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 2006**

	Note	2006 £	2005 £
<b>TURNOVER - continuing operations</b>	1	1,674,243	300,064
Cost of sales		(1,492,348)	(219,041)
<b>GROSS PROFIT</b>		181,895	81,023
Administrative expenses		(150,999)	(79,221)
<b>OPERATING PROFIT/(LOSS) - continuing operations</b>	3	30,896	1,802
Interest payable and similar charges		(424)	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		30,472	1,802
Tax on profit on ordinary activities	4	(29,857)	-
<b>RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	10	615	1,802
Profit and loss account reserve brought forward		1,802	-
<b>RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		2,417	1,802

There are no recognised gains or losses for the financial year other than as stated above    Accordingly no statement of total recognised gains and losses is presented

# GLEEDS CORPORATE SERVICES LIMITED

## BALANCE SHEET At 31 December 2006

	Note	2006 £	2005 £
<b>FIXED ASSETS</b>			
Tangible assets	5	19,047	-
<b>CURRENT ASSETS</b>			
Stock	6	55,197	-
Debtors	7	270,302	38,662
Cash at bank and in hand		41,562	18,763
		367,061	57,425
<b>CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	8	(383,690)	(55,622)
<b>NET CURRENT ASSETS</b>		(16,629)	1,803
<b>NET ASSETS</b>		2,418	1,803
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	1	1
Profit and loss account		2,417	1,802
<b>EQUITY SHAREHOLDERS' FUNDS</b>	10	2,418	1,803

For the year ended 31 December 2005 the company was entitled to exemption under section 249a(1) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249b(2). The directors acknowledge their responsibility for

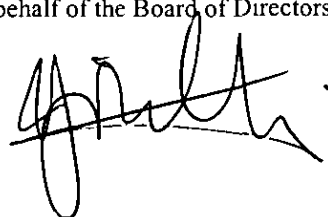
i) Ensuring the company keeps accounting records which comply with section 221

and

ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company

These financial statements were approved by the Board of Directors on 19th March 2007  
Signed on behalf of the Board of Directors

I J Miller  
Director



**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2006**

**1 ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Cash flow statement**

Exemption has been taken under FRS 1 from preparing a cash flow statement on the grounds that the company qualifies as a small company.

**Turnover**

Turnover represents net invoiced sales of services (excluding value added tax) in the UK and is attributable to the one principal activity of the company.

**Work in progress**

The value of work in progress is based on the net realisable value of work completed by the year-end but not invoiced.

**Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

**Tangible fixed assets**

Depreciation is calculated to write off each asset over its estimated useful life by the straight line method at the following annual rates:

Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost
Fixtures and fittings	- 15% on cost



**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2005**

**1 ACCOUNTING POLICIES (continued)**

**Pension scheme**

Certain of the company's employees are members of the defined benefit element of the Gleeds Retirement Benefit Scheme of which the responsibility of funding rests with the Gleeds partnerships. The remaining employees are eligible for membership of the defined contribution element of that scheme. Since the responsibility of funding the pension scheme lies with the Gleeds partnerships, Gleeds Corporate Services Limited is not required to recognise any surplus or deficit relating to the scheme in its balance sheet. It is also not practicable to split out the assets and the liabilities of the scheme between its various elements, and therefore no disclosures in relation to this are to be prepared.

The company made contributions to the scheme of £39,074 (2005: £19,971). There were no contributions payable to the scheme at the year end (2005: £nil).

**2 INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	2006 £	2005 £
<b>Directors' emoluments</b>		
Fees	-	-
	No.	No.
Number of directors who are members of defined contribution pension scheme	-	-
	No	No
<b>Average number of persons employed (excluding directors)</b>		
Directors	-	-
Professional staff	11	3
	11	3
<b>Staff costs during the year (excluding directors)</b>		
Wages and salaries	413,545	159,486
Social security costs	43,809	20,165
Pension costs	39,074	19,971
	199,622	199,622

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2006**

**3 OPERATING PROFIT**

	2006 £	2005 £
<b>Operating profit is after charging:</b>		
Depreciation - owned assets	4,276	-
Auditors' remuneration	-	-
Rentals under operating leases		
- other operating leases	-	-
	<u>          </u>	<u>          </u>

**4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

	2006 £	2005 £
Corporation tax	29,857	-
	<u>          </u>	<u>          </u>

The standard rate of current tax for the period, based on the UK standard rate of corporation tax is 30% (2005 30%) The current tax charge for the year differs from the standard rate for the reasons set out in the following reconciliation

	2006 £	2005 £
Profit/(loss) on ordinary activities before taxation	30,472	1,802
	<u>          </u>	<u>          </u>
	2006 £	2005 £
Tax at 30% (2005 30%)	9,142	541
Factors affecting charge for the year		
Capital allowances in excess of depreciation	(8)	-
Disallowable expenditure	20,723	-
Marginal relief	(541)	(541)
	<u>          </u>	<u>          </u>
	29,857	-
	<u>          </u>	<u>          </u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2006**

**5. TANGIBLE FIXED ASSETS**

	<b>Motor vehicles £</b>	<b>Computer equipment £</b>	<b>Fixtures and Fittings £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 January 2006	-	-	-	-
Additions	20,790	2,535	-	23,323
At 31 December 2006	20,790	2,533	-	23,323
<b>Depreciation</b>				
At 1 January 2006	-	-	-	-
Charge for the year	3,869	407	-	4,276
<b>Net book value at 31 December 2006</b>	<b>16,921</b>	<b>2,126</b>	<b>-</b>	<b>19,047</b>
At 31 December 2005	-	-	-	-

<b>6. STOCK</b>	<b>2006 £</b>	<b>2005 £</b>
Work in progress	55,197	-

<b>7 DEBTORS</b>	<b>2006 £</b>	<b>2005 £</b>
Trade debtors	236,592	38,278
Prepayments and accrued income	28,802	383
Other debtors – share capital not paid-up	4,908	1
	<b>270,302</b>	<b>38,662</b>

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2006

## 8. CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Trade creditors	247,800	1,193
Other creditors including taxation and social security	62,590	13,497
Accruals and deferred income	58,991	20,932
Amounts owing to related parties	-	20,000
Hire purchase creditor	14,308	-
	<u>383,689</u>	<u>55,622</u>

## 9. CALLED UP SHARE CAPITAL

	2006 £	2005 £
<b>Authorised share capital</b>		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>          </u>	<u>          </u>
<b>Allotted and issued share capital</b>		
1 ordinary share of £1 each	1	1
	<u>          </u>	<u>          </u>

## 10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
Profit/(loss) for the year	615	1,802
	<u>          </u>	<u>          </u>
Net addition to shareholders' funds	615	1,802
Opening shareholders' funds	1,803	1
	<u>          </u>	<u>          </u>
<b>Closing shareholders' funds</b>	<u>2,418</u>	<u>1,803</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2006**

**11. RELATED PARTY TRANSACTIONS**

During the year the company acquired services from Gleeds Partnerships amounting to £ nil (2005 £4,500)

During the year the company sold services to Gleeds Partnerships amounting to £1,674,243 (2005 £300,809)

As at the year end the company owed £ nil (2005 £24,875) to Gleeds Partnerships

As at the year end Gleeds Partnerships owed £236,592 (2005 £38,278) to the company

**12. ULTIMATE CONTROLLING PARTIES**

The ultimate controlling party is Gleeds Holdings Limited, owning the whole £1 of the total issued share capital of the Company