

**Registration Number 03618502**

**MORGAN COLE SERVICES LIMITED**

**Report and Financial Statements**

**31 March 2013**

TUESDAY



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# **MORGAN COLE SERVICES LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2013**

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# **MORGAN COLE SERVICES LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

Bray C R E  
Carr E A  
Jones J (appointed 1 July 2012)  
Wright J P (resigned 17 May 2013)

### **COMPANY SECRETARY**

Bray C R E

### **REGISTERED OFFICE**

Bradley Court  
Park Place  
Cardiff  
CF10 3DP

### **BANKERS**

Barclays Bank Plc  
Level 7, United Kingdom House  
180 Oxford Street  
London  
W1D 1EA

### **AUDITOR**

Deloitte LLP  
Cardiff  
United Kingdom

# **MORGAN COLE SERVICES LIMITED**

## **DIRECTORS' REPORT**

The directors present their report and financial statements for the year ended 31 March 2013

## **PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

The principal activity of the company is the provision of business services to Morgan Cole LLP

The results for the year are shown in the profit and loss account on page 6 Turnover for the year ended 31 March 2013 was £24,025,842 (2012 £24,105,729) The company's profit for the year was £nil (2012 £nil)

The balance sheet on page 7 of the financial statements shows that the company's financial position at the year-end has, in net asset terms, remained unchanged from the prior year

The key performance indicators of this company relate to the performance of its ultimate controlling party, Morgan Cole LLP, and therefore these are disclosed in the financial statements of that entity

## **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The directors have reviewed the financial risk management objectives and policies of the company The company does not as a regular policy enter into hedging instruments as there is not believed to be any material exposure It does not enter into any speculative financial instruments The company's activities expose it to a number of financial risks including credit risk and liquidity risk

## **GOING CONCERN**

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future The company is dependent upon Morgan Cole LLP's ability to trade Therefore the directors have assessed this when forming their judgement Accordingly, they continue to adopt the going concern basis Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements

## **DIVIDENDS**

The directors do not recommend the payment of a dividend (2012 - £nil)

## **DIRECTORS**

The current directors of the company, unless otherwise stated, who served throughout the financial year, are as listed on page 1

## **RESEARCH AND DEVELOPMENT**

The company has not undertaken research and development in either the current year or the preceding year

## **SUPPLIER PAYMENT POLICY**

The company's policy is to settle terms of payment with suppliers when agreeing to the terms of each transaction, to ensure that suppliers are made aware of the terms of the payment and abide by the terms of payment

# MORGAN COLE SERVICES LIMITED

## DIRECTORS' REPORT (continued)

### EMPLOYEES

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### AUDITOR

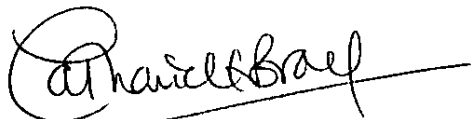
In the case of each of the persons who are directors of the company at the date when this report is approved

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware, and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP were appointed as auditor during the year and a resolution to reappoint Deloitte LLP as the company's auditor will be proposed at the next Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



Catharine Bray  
Director

Date 3<sup>rd</sup> September 2013

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Annual 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORGAN COLE SERVICES LIMITED**

We have audited the financial statements of Morgan Cole Services Limited for the year ended 31 March 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 19. 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 auditor**

As explained more fully in the Directors' Responsibilities Statement, 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 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 the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 2013 and of its result 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.

### **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.

*Andrew Wright*  
Andrew Wright (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Cardiff, United Kingdom

3 September 2013

# MORGAN COLE SERVICES LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 31 March 2013

	Note	2013 £	Restated (note 1) 2012 £
<b>TURNOVER</b>	2	24,025,842	24,105,729
Direct expenses		(17,144,823)	(17,142,207)
<b>GROSS PROFIT</b>		6,881,019	6,963,522
Indirect expenses property		(2,701,635)	(2,629,074)
Indirect expenses administration costs		(3,938,890)	(4,095,714)
Central overheads		(189,472)	(176,004)
<b>OPERATING PROFIT</b>	3	51,022	62,730
Interest payable and similar charges	5	(51,022)	(62,730)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAX</b>		-	-
Tax on profit on ordinary activities	6	385,628	388,445
Tax compensation from Morgan Cole LLP		(385,628)	(388,445)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	15	-	-

All amounts relate to continuing operations

There are no recognised gains or losses in the current or preceding financial year other than as stated in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses is prepared.



# MORGAN COLE SERVICES LIMITED

## BALANCE SHEET

At 31 March 2013

	Note	2013 £	2012 £
<b>FIXED ASSETS</b>			
Intangible assets	7	430,475	529,795
Tangible assets	8	1,968,152	1,930,946
		<u>2,398,627</u>	<u>2,460,741</u>
<b>CURRENT ASSETS</b>			
Debtors	9	1,614,141	1,982,229
Cash at bank and in hand		91,136	193,310
		<u>1,705,277</u>	<u>2,175,539</u>
<b>CREDITORS' AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	10	(2,691,352)	(2,746,454)
<b>NET CURRENT (LIABILITIES)</b>		<u>(986,075)</u>	<u>(570,915)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,412,552	1,889,826
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	11	(412,192)	(756,924)
<b>PROVISIONS FOR LIABILITIES</b>	13	(1,000,358)	(1,132,900)
<b>NET ASSETS</b>		<u>2</u>	<u>2</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	2	2
Profit and loss account	15	-	-
<b>SHAREHOLDERS' FUNDS</b>	15	<u>2</u>	<u>2</u>

The financial statements of Morgan Cole Services Limited, company registration number 03618502, were approved by the Board of Directors and authorised for issue on 03 September 2013

Signed on behalf of the Board of directors



Elizabeth Carr  
Director

# **MORGAN COLE SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2013**

### **1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and preceding financial year, are described below.

#### **Accounting convention**

The financial statements have been prepared under the historical cost convention.

#### **Turnover**

Turnover, which comprises management fees rendered for the continuing activity of providing employment and business services to Morgan Cole LLP, is stated net of value added tax. Turnover is recognised on the provision of the service.

#### **Going concern**

The company's business activities, together with a review of the business, are set out in the business review on page 2. The Directors' report describes the financial position of the company, the company's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposure to liquidity and credit risk. The company's trade is structured in such a way that it makes no profit or loss as all costs incurred by the company are recharged in full to its ultimate controlling party, Morgan Cole LLP. The company's forecasts and projections, based on this trading structure and taking account of reasonably possible changes in trading performance, show that the company should continue to be able to meet its liabilities as they fall due. After making enquiries of Morgan Cole LLP, the directors have a reasonable expectation that further funds will be made available if required.

#### **Intangible assets**

Intangible fixed assets relate to software licences and are stated at cost net of depreciation. The costs are amortised on a straight-line basis for six years which represents the expected useful economic life of the assets.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less residual value, of each asset over its expected useful life as follows:

Leasehold improvements	10 years straight-line or to next lease break date if shorter
Furniture, fittings and equipment	7 years straight-line or the period of lease
Computer equipment	4 years straight-line or the period of lease

Assets in the course of construction are not depreciated.

#### **Taxation**

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

# **MORGAN COLE SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2013**

### **1. ACCOUNTING POLICIES (continued)**

#### **Taxation (continued)**

Deferred taxation 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 a 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 the tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### **Leases**

Assets held under finance leases, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their estimated useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the periods of the lease to produce a constant rate of charge on the balance of capital repayments outstanding.

Operating lease rentals are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

#### **Provisions**

Provision is made for the best estimate of expected losses from onerous contracts, in particular on surplus property which is sublet and vacant.

Provision is made for dilapidations in respect of property leases which contain requirements for the premises to be returned in their original state prior to the conclusion of the lease term.

Substantial insurance cover in respect of professional negligence claims is carried. Both the primary layer of cover and top-up cover are written through the commercial insurance market. The provision for claims represents the estimated costs to Morgan Cole LLP of defending and settling claims where a liability is considered by the members to be probable.

#### **Staff pensions**

Morgan Cole Services Limited operates a defined contribution pension scheme.

The scheme is accounted for under UK Financial Reporting Standard 17 "Retirement Benefits" (FRS 17). The amount charged to the profit and loss account for the scheme is the amount payable for the period according to the scheme rules.

#### **Cash flow statement**

The company has utilised the exemptions provided under Financial Reporting Standard 1 and has not presented a cash flow statement. The cash flow statement has been presented in the group financial statements of the ultimate parent undertaking.

# MORGAN COLE SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2013

### 1. ACCOUNTING POLICIES (continued)

#### Comparatives

The prior period profit and loss account has been restated to better reflect the nature of certain turnover and direct overhead items. The value of the restatement is £422,923, decreasing turnover and increasing administration costs, and has no impact on either the reported profit or shareholders' funds of the previous financial year. The directors have deemed it necessary to disclose the restatement to maintain a true and fair view.

### 2. SEGMENTAL ANALYSIS

The directors consider the business to have only one operating segment and therefore no further disclosure has been made.

### 3. OPERATING PROFIT

	2013	Restated (see note 1) 2012
	£	£
<b>Operating Profit is stated after charging</b>		
Depreciation charge for the year:		
Owned assets	688,937	622,088
Leased assets	205,900	193,894
Amortisation of intangibles – leased assets	99,320	66,122
Operating lease rentals		
Plant and machinery	-	-
Other	1,612,249	1,658,938
Auditor's remuneration		
Audit services	8,000	9,000
Taxation services	1,650	1,650
Loss on disposal of fixed assets	23,762	11,631

### 4. STAFF AND STAFF COSTS

The average number of employees during the financial year, excluding directors, was as follows:

	2013 No.	2012 No.
Client service staff	385	404
Support staff	94	98

The aggregate payroll costs of the employed staff, excluding directors, were as follows:

	£	£
Salaries	13,360,927	13,501,882
Social security costs	1,373,515	1,371,691
Other pension costs	934,788	951,958
	<u>15,669,230</u>	<u>15,825,531</u>

At 31 March 2013 the sum of £86,027 (2012 - £86,964) was owed to the Pension scheme in respect of employer's pension contributions.

# MORGAN COLE SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2013

### 5. INTEREST

	2013 £	2012 £
<b>Interest payable and similar charges</b>		
Interest payable on		
Bank loans and overdrafts	(13,114)	(22,914)
Finance leases	(37,908)	(39,816)
	<u>(51,022)</u>	<u>(62,730)</u>

### 6. TAXATION

#### (a) Tax on profit on ordinary activities

	2013 £	2012 £
<i>Current tax charge</i>		
UK corporation tax on profits of the financial year	385,628	388,445
	<u>385,628</u>	<u>388,445</u>

#### (b) Factors affecting tax charge for the current year

The tax assessed for the period is lower than the standard rate of corporation tax in the UK 24% (2012 26%) The differences are explained below

	£	£
Profit on ordinary activities before tax	<u>-</u>	<u>-</u>
<i>Effects of</i>		
Tax thereon at standard rate in the UK of 24%	-	-
Transfer pricing adjustment	288,016	302,929
Expenses not deductible for tax purposes	97,612	85,516
	<u>385,628</u>	<u>388,445</u>

The transfer pricing adjustment relates to tax charged on revenue invoiced by the company to its parent undertaking, Morgan Cole LLP

The forthcoming changes in the corporation tax rate from 24% to 23% in future years will not materially affect the future tax charge

A deferred tax asset amounting to £107k relating to timing differences between capital allowances and depreciation expense has not been recognised because, in the opinion of the directors, there is insufficient certainty around future recoverability

# MORGAN COLE SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

### 7. INTANGIBLE FIXED ASSETS

	Software licences £
<b>Cost</b>	
At April 2012	595,917
Additions	-
	<u>595,917</u>
At 31 March 2013	595,917
<b>Accumulated depreciation</b>	
At 1 April 2012	66,122
Charge for the year	99,320
	<u>165,442</u>
At 31 March 2013	165,442
<b>Net book value</b>	
At 31 March 2013	<u>430,475</u>
At 31 March 2012	<u>529,795</u>

The net book value of intangible assets held under finance leases and capitalised in fixed assets is £430,475 (2012 - £529,795)

### 8. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Furniture, fittings and equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 April 2012	561,635	754,463	5,624,815	6,940,913
Additions	425,448	99,414	431,539	956,401
Disposals	(379,886)	(299,260)	(236,478)	(915,624)
	<u>607,197</u>	<u>554,617</u>	<u>5,819,876</u>	<u>6,981,690</u>
At 31 March 2013	607,197	554,617	5,819,876	6,981,690
<b>Accumulated depreciation</b>				
At 1 April 2012	439,719	595,427	3,974,821	5,009,967
Charge for the year	125,731	76,285	692,821	894,837
Disposals	(364,151)	(292,674)	(234,441)	(891,266)
	<u>201,299</u>	<u>379,038</u>	<u>4,433,201</u>	<u>5,013,538</u>
At 31 March 2013	201,299	379,038	4,433,201	5,013,538
<b>Net book value</b>				
At 31 March 2013	<u>405,898</u>	<u>175,579</u>	<u>1,386,675</u>	<u>1,968,152</u>
At 31 March 2012	<u>121,916</u>	<u>159,036</u>	<u>1,649,994</u>	<u>1,930,946</u>

The net book value of tangible assets held under finance leases and capitalised in fixed assets is £380,712 (2012 - £490,839)

# MORGAN COLE SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2013

### 9. DEBTORS

	2013 £	2012 £
Trade debtors	5,528	4,243
Amounts owed by group undertakings	632,857	1,104,585
Other debtors	125,859	67,539
Prepayments	849,897	805,862
	<u>1,614,141</u>	<u>1,982,229</u>

### 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Bank loans and overdraft (note 12)	119,170	111,733
Obligations under finance leases and hire purchase contracts (note 12)	407,690	369,306
Amounts owed to group undertakings	742,074	607,449
Trade creditors	116,589	262,867
Other taxes and social security	473,353	463,239
Other creditors	241,184	168,242
Accruals and deferred income	591,292	763,618
	<u>2,691,352</u>	<u>2,746,454</u>

### 11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013 £	2012 £
Bank loans	28,086	147,255
Obligations under finance lease and hire purchase contracts	222,037	564,846
Amounts owed to group undertakings	162,069	44,823
	<u>412,192</u>	<u>756,924</u>

### 12. BORROWINGS

Bank loans and overdrafts are payable as follows

	2013 £	2012 £
Within one year or on demand	119,170	111,733
Between one and two years	28,086	147,255
	<u>147,256</u>	<u>258,988</u>

The bank loans are unsecured and attract different rates of interest. Loans with a year-end value of £132,726 (2012: £238,810) attract interest at the applicable bank base rate plus 2%. Loans with a year-end value of £14,530 (2012: £20,178) attract a fixed interest rate of 12%. The bank overdraft is unsecured and attracts interest at the applicable bank base rate plus 2.1% (2012: 1.9%).

# MORGAN COLE SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

### 12. BORROWINGS (continued)

	2013 £	2012 £
<b>Finance Leases</b>		
<b>Amounts falling due</b>		
Within one year or on demand	407,690	369,306
Between one and two years	222,037	564,846
	<u>629,727</u>	<u>934,152</u>

The finance leases are secured against the assets to which they relate and are repayable at fixed rates. The interest rates which are applicable to the leases range from 3.08% to 16.94% for both the current and preceding year.

### 13. PROVISIONS FOR LIABILITIES

	Provision for dilapidations £
At 1 April 2012	1,132,900
Charge for the year	342,333
Released unused	(299,875)
Utilised in the period	<u>(175,000)</u>
<b>At 31 March 2013</b>	<u>1,000,358</u>

The provision for dilapidations relates to the estimated costs to the group of restoring properties to their original state as at the balance sheet date in accordance with the terms of the related leases. Costs in respect of dilapidations provisions will be incurred upon the exit of the relevant property or the termination of the lease as appropriate.

### 14. CALLED UP SHARE CAPITAL

	2013 £	2012 £
<b>Authorised</b>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>
<b>Allotted, called up and fully paid</b>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

### 15. COMBINED RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES

	Share capital £'000	Profit and loss account £'000	Total £'000
At 1 April 2012 and 31 March 2013	<u>2</u>	<u>-</u>	<u>2</u>



## MORGAN COLE SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2013

#### 16. OPERATING LEASE COMMITMENTS

At 31 March the company had annual commitments under non-cancellable operating leases expiring as follows

	2013		2012	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Within one year	206,911	7,412	315,398	-
Between two and five years inclusive	1,340,507	5,024	405,000	14,703
Over five years	-	52,395	861,456	62,382
	<u>1,547,418</u>	<u>64,831</u>	<u>1,581,854</u>	<u>77,085</u>

#### 17. PENSIONS

The company participates in the Morgan Cole Services Limited defined contribution pension scheme

The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the scheme and amounted to £934,788 (2012 £951,958). The unpaid contributions at the year-end, included in "other creditors" (note 10), are £86,027 (2012 £86,964).

#### 18. RELATED PARTY TRANSACTIONS

As the company is a 100% owned subsidiary of another undertaking, it has taken advantage of the exemption in FRS 8 'Related party disclosures' and has not disclosed details of transactions within the group.

#### 19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate and ultimate parent undertaking and controlling party is Morgan Cole LLP. This is also the only group which prepares consolidated financial statements which include the results of the company. Copies of the group financial statements are available from the registered office of Morgan Cole LLP, Bradley Court, Park Place, Cardiff CF10 3DP.