

REGISTERED NUMBER: 06527724 (England and Wales)

**Report of the Directors and
Financial Statements
for the Year Ended 31 December 2010
for
Montpelier Professional (Lancs) Limited**

SATURDAY



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for the Year Ended 31 December 2010**

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Montpelier Professional (Lancs) Limited

**Company Information
for the Year Ended 31 December 2010**

DIRECTORS:

R A Jackson
J L Teece
Ms S McDonald
P Fingleton
Ms K L Giddins
Ms L Highton

SECRETARY:

Mrs K S Martin

REGISTERED OFFICE:

Montpelier House
62 - 66 Deansgate
Manchester
M3 2EN

REGISTERED NUMBER:

06527724 (England and Wales)

AUDITORS:

Wilson Henry LLP
Registered Auditor
Chartered Accountants
145 Edge Lane
Liverpool
L7 2PF

Montpelier Professional (Lancs) Limited (Registered number. 06527724)

**Report of the Directors
for the Year Ended 31 December 2010**

The directors present their report with the financial statements of the company for the year ended 31 December 2010

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of accountancy services

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2010 to the date of this report

R A Jackson
J L Teece
Ms S McDonald
P Fingleton
Ms K L Giddins
Ms L Highton

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

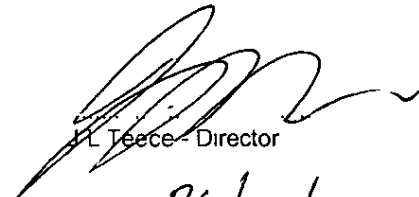
The auditors, Wilson Henry LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Montpelier Professional (Lancs) Limited (Registered number: 06527724)

**Report of the Directors
for the Year Ended 31 December 2010**

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

ON BEHALF OF THE BOARD


J.L. Teece - Director
Date 26/10/11

Report of the Independent Auditors to the Shareholders of Montpelier Professional (Lancs) Limited

We have audited the financial statements of Montpelier Professional (Lancs) Limited for the year ended 31 December 2010 on pages six to fourteen. 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 a Report of the Auditors 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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.

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 December 2010 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Shareholders of
Montpelier Professional (Lancs) Limited**

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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Directors

Hilene S Henry (Senior Statutory Auditor)
for and on behalf of Wilson Henry LLP
Registered Auditor
Chartered Accountants
145 Edge Lane
Liverpool
L7 2PF



Date 27.10.11

Montpelier Professional (Lancs) Limited (Registered number. 06527724)

**Profit and Loss Account
for the Year Ended 31 December 2010**

	Notes	2010 £	2009 £
TURNOVER		1,830,643	2,328,353
Cost of sales		877,124	1,168,762
GROSS PROFIT		953,519	1,159,591
Administrative expenses		979,288	1,023,674
		(25,769)	135,917
Other operating income		71,528	395
OPERATING PROFIT	2	45,759	136,312
Interest payable and similar charges		3,037	4,056
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		42,722	132,256
Tax on profit on ordinary activities	3	-	-
PROFIT FOR THE FINANCIAL YEAR		42,722	132,256

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these financial statements

Montpelier Professional (Lancs) Limited (Registered number: 06527724)

Balance Sheet
31 December 2010

	Notes	2010 £	2009 £
FIXED ASSETS			
Intangible assets	4	2,469,967	2,469,967
Tangible assets	5	4,404	4,009
		<u>2,474,371</u>	<u>2,473,976</u>
CURRENT ASSETS			
Stocks	6	264,208	668,983
Debtors	7	963,945	806,426
Cash in hand		-	100
		<u>1,228,153</u>	<u>1,475,509</u>
CREDITORS			
Amounts falling due within one year	8	<u>592,119</u>	<u>741,831</u>
NET CURRENT ASSETS		<u>636,034</u>	<u>733,678</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,110,405</u>	<u>3,207,654</u>
CREDITORS			
Amounts falling due after more than one year	9	<u>2,856,334</u>	<u>2,996,305</u>
NET ASSETS		<u><u>254,071</u></u>	<u><u>211,349</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	300	300
Profit and loss account	13	253,771	211,049
SHAREHOLDERS' FUNDS	16	<u><u>254,071</u></u>	<u><u>211,349</u></u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved by the Board of Directors on 26/10/11 and were signed on its behalf by



Ms S McDonald - Director

The notes form part of these financial statements

Montpelier Professional (Lancs) Limited (Registered number: 06527724)

**Cash Flow Statement
for the Year Ended 31 December 2010**

	Notes	2010 £	2009 £
Net cash inflow/(outflow) from operating activities	1	94,666	(30,260)
Returns on investments and servicing of finance	2	(3,037)	(4,056)
Capital expenditure	2	(5,699)	(261)
		<u>85,930</u>	<u>(34,577)</u>
Financing	2	(78,876)	(162,743)
Increase/(Decrease) in cash in the period		<u>7,054</u>	<u>(197,320)</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Increase/(Decrease) in cash in the period		<u>7,054</u>	<u>(197,320)</u>
Change in net debt resulting from cash flows		<u>7,054</u>	<u>(197,320)</u>
Movement in net debt in the period		<u>7,054</u>	<u>(197,320)</u>
Net debt at 1 January		<u>(203,127)</u>	<u>(5,807)</u>
Net debt at 31 December		<u>(196,073)</u>	<u>(203,127)</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 December 2010

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2010 £	2009 £
Operating profit	45,759	136,312
Depreciation charges	5,304	4,167
Decrease/(Increase) in stocks	404,775	(226,951)
Increase in debtors	(218,614)	(32,369)
(Decrease)/Increase in creditors	(142,558)	88,581
Net cash inflow/(outflow) from operating activities	94,666	(30,260)

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2010 £	2009 £
Returns on investments and servicing of finance		
Interest paid	(3,037)	(4,056)
Net cash outflow for returns on investments and servicing of finance	(3,037)	(4,056)
Capital expenditure		
Purchase of tangible fixed assets	(5,699)	(261)
Net cash outflow for capital expenditure	(5,699)	(261)
Financing		
New loans in year to group undertaking	(140,661)	(124,415)
New loans in year to	-	(38,328)
New loans in year from participating int	61,785	-
Net cash outflow from financing	(78,876)	(162,743)

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 1 10 £	Cash flow £	At 31 12 10 £
Net cash			
Cash at bank and in hand	100	(100)	-
Bank overdraft	(203,227)	7,154	(196,073)
	(203,127)	7,054	(196,073)
Total	(203,127)	7,054	(196,073)

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2010

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents net invoiced sales, excluding value added tax and trade discounts, as derived from the ordinary activities of the company

Turnover is accounted for as revenue when, and to that extent that, the company obtains a right to consideration in exchange for its performance of its obligations under the sales contract with the customer. The amount reported is the fair value of the right to consideration - usually the price specified in the contractual arrangement net of discounts and net of VAT, and after any allowance for credit risk and other uncertainties

Goodwill

Goodwill being the amount paid in connection with an acquisition in 2008 is not being amortised. This departure from the Companies Act has been undertaken to give a true and fair view of the company's valuation of intangibles which is a direct result of the durability of the transferred business.

An annual impairment review is undertaken in accordance with FRS 11

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Fixtures and fittings - 50% on cost

Work in progress

Work in progress is valued at the lower of cost and net realisable value

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads

Work in progress is valued on the basis of direct costs, attributable overheads plus the full element of the related profit. Provision is made for any foreseeable losses where appropriate

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Pensions

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account to which they relate

2 OPERATING PROFIT

The operating profit is stated after charging

	2010	2009
	£	£
Depreciation - owned assets	5,304	4,167
Auditors' remuneration	3,400	3,750
Pension costs	116,422	116,599

Montpelier Professional (Lancs) Limited (Registered number 06527724)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2010**

2 OPERATING PROFIT - continued

Directors' remuneration and other benefits etc	<u>337,659</u>	<u>346,035</u>
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3 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2010 nor for the year ended 31 December 2009

4 INTANGIBLE FIXED ASSETS

Goodwill
£

COST

At 1 January 2010

and 31 December 2010

2,469,967

NET BOOK VALUE

At 31 December 2010

2,469,967

At 31 December 2009

2,469,967

5 TANGIBLE FIXED ASSETS

Fixtures
and
fittings
£

COST

At 1 January 2010

Additions

10,261

5,699

At 31 December 2010

15,960

DEPRECIATION

At 1 January 2010

Charge for year

6,252

5,304

At 31 December 2010

11,556

NET BOOK VALUE

At 31 December 2010

4,404

At 31 December 2009

4,009

6 STOCKS

Work-in-progress

2010
£
264,208

2009
£
668,983

Montpelier Professional (Lancs) Limited (Registered number 06527724)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2010**

7 DEBTORS

	2010 £	2009 £
Amounts falling due within one year		
Trade debtors	757,931	497,280
Other debtors	-	1,501
Prepayments and accrued income	59,260	99,796
	<u>817,191</u>	<u>598,577</u>
 Amounts falling due after more than one year		
Amounts owed by group undertakings	123,988	123,298
Amounts owed by participating interests	22,766	84,551
	<u>146,754</u>	<u>207,849</u>
 Aggregate amounts	<u>963,945</u>	<u>806,426</u>

8 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Bank loans and overdrafts (see note 10)	196,073	203,227
Trade creditors	30,633	23,902
Social security and other taxes	213,517	166,977
Other creditors	148,146	325,101
Accrued expenses	3,750	22,624
	<u>592,119</u>	<u>741,831</u>

9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2010 £	2009 £
Amounts owed to group undertakings	2,856,334	2,465,130
Amounts owed to participating interests	-	531,175
	<u>2,856,334</u>	<u>2,996,305</u>

10 LOANS

Assets held as security formally charged to the Bank

Unlimited Composite Cross Guarantee dated 6th January 2009 between Montpelier Professional Limited, Montpelier Professional (Borders) Limited, Montpelier Professional (Galloway) Limited, Montpelier Professional (Herts) Limited, Montpelier Professional (Fylde) Limited, Montpelier Professional (Leeds) Limited, Montpelier Professional (Sheffield) Limited, Montpelier Professional (Lancs) Limited, Montpelier Professional (Manchester) Limited

Debenture dated 27th August 2008

Montpelier Professional (Lancs) Limited (Registered number 06527724)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2010**

11 SECURED DEBTS

The following secured debts are included within creditors

	2010 £	2009 £
Bank overdraft	<u>196,073</u>	<u>-</u>

12 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid
Number Class

		Nominal value	2010 £	2009 £
225	Ordinary A	1	225	225
75	Ordinary B	1	75	75
			<u>300</u>	<u>300</u>

13 RESERVES

	Profit and loss account £
At 1 January 2010	211,049
Profit for the year	<u>42,722</u>
At 31 December 2010	<u>253,771</u>

14 RELATED PARTY DISCLOSURES

The company has the following related party transactions as required to be disclosed under FRS 8

Amounts due to/from related parties.

Montpelier Professional Ltd (parent undertaking) - £2,856,334 due to (2009 £2,465,130 due to)
Montpelier Professional (Fylde) Ltd (group undertaking) - £5,396 due from (2009 £22,278 due from)
Montpelier Tax Planning (Isle of Man) Ltd (group undertaking) - £2,350 due from (2009 £2,350 due from)
Montpelier Audit Ltd - £9,976 due from (2009 £84,551 due from)
Montpelier Tax Consultants (Isle of Man) Ltd - £12,463 due from (2009 £16,463 due from)
Montpelier Financial Services (Manchester) Ltd (group undertaking) - £118,592 due from (2009 £82,207)

Expenses incurred through group undertaking

Montpelier Professional Ltd - £179,711 (2009 - £179,385)

In the opinion of the directors there are no other material transactions with related parties which require disclosure under FRS 8

15 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Montpelier Holdings Limited LLC, a company registered in the USA, by virtue of a controlling interest in the immediate parent Montpelier Professional Limited

Montpelier Professional (Lancs) Limited (Registered number: 06527724)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2010**

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Profit for the financial year	42,722	132,256
Shares issued		
Net addition to shareholders' funds	<u>42,722</u>	<u>132,256</u>
Opening shareholders' funds	211,349	79,093
Closing shareholders' funds	<u><u>254,071</u></u>	<u><u>211,349</u></u>