

Company Registration No. SC048530 (Scotland)

## **Edinburgh Solicitors' Property Centre Limited**

(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

### **Annual Report**

**For the year ended 31 May 2007**



# EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED

## DIRECTORS AND ADVISERS

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**Directors**

S A Brown  
A Cubie  
R D Loudon  
R M Stimpson  
L H Urquhart

**Secretary**

B Spence

**Company number**

SC048530

**Registered office**

90a George Street  
Edinburgh  
EH2 3DF

**Registered auditors**

Johnston Carmichael  
10 Melville Crescent  
Edinburgh  
EH3 7LU

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**EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE**  
**CAPITAL)**  
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# **EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED (A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2007**

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The directors present their report and financial statements for the year ended 31 May 2007

### **Directors**

The following directors have held office since 1 June 2006

S A Brown

A Cubie

R D Loudon

D E Paterson

(Resigned 30 September 2007)

R M Stimpson

L H Urquhart

### **Principal activities and review of the business**

The principal activity of the group continued to be that of the provision of any service which may assist solicitors in their business generally and, in particular, in the selling of residential property. This is accomplished by display of particulars for sale of such properties, the supply of such particulars to the public and the publication of "Homepages" and through the ESPC website "espc.com".

This year has been one of massive investment by ESPC, the greatest in its 35 years plus existence. Moreover, ESPC faces accelerating change, not only in terms of the Group's key business area of property marketing, but also in terms of the very structure of the legal profession. All of these changes remain considerable challenges which will impinge upon ESPC's core areas of operation.

The core business, that of property marketing and sales, remained strong with over 20,500 residential properties brought to the market, and a record 19,500 properties worth over £3.6bn sold across East Central Scotland.

In addition, espc.com, the jewel in the crown as far as marketing channels are concerned, continued to show increased usage by the general public: a quarter of a million unique visitors were brought to espc.com each month over the year. This marked an increase of over 20% on average levels recorded in 2005/2006.

The principal risk to our core business is the increased usage of national property marketing portals by ESPC member firms. It is vital that we continue to invest in our core business to ensure that we offer the latest technology, backed up with first class marketing, so that the ESPC membership do not see a need for alternative marketing channels.

As shown in the profit and loss account on page 6, the Group's sales have increased by 7%. This represents an increase in our property marketing income as well as revenues from ESPC Money Management starting to come on stream. A loss of £1,030k has been recorded. This loss was forecast and is as a result of the investments we have made during the year. The core property marketing business remains profitable.

The balance sheet on page 7 and the cash flow statement on page 8 show a decrease in net assets and cash consistent with the planned investments we have made.

As well as continuing to invest in our core business, significant investments have been made in ESPC Money Management, our financial services business, and in Move Machine Limited, our home information pack provision business. These investments provide the Group with considerable revenue earning opportunities in a changing market place.

**EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED**  
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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MAY 2007**

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These two additional revenue streams will, over time, provide three things first, as they are volume businesses, they will increase the size and strength in depth of ESPC as a whole so that the Group remains a major player in the property market place Secondly, these activities in the English market will allow us to grow over the longer term, an important consideration for any business and, thirdly, we will be able to use the revenues earned to invest in the continued success of our core property marketing business

There are risks attached to the additional new revenue streams

ESPC Money Management offers a unique "duty of care" proposition to customers The business risk the Group faces with ESPC Money Management is that it fails to attract sufficient customers to cover overheads We are mitigating this risk by introducing new sales channels through our member firms and specific targeted marketing

Move Machine Limited is competing in the new home information pack market place There are many new players chasing what we believe will be a £0.5bn market We remain confident that our product is first class and that we will be one of the key players in the home information pack market Move Machine is the only home information pack provider that builds local alliances between estate agents and solicitors That said we will continue to be vigilant in monitoring progress against target

**Results and dividends**

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

	2007 £	2006 £
During the year the group made the following payments		
Charitable donations	498	

The entire 2007 charitable donation was to the Meningitis Trust

**EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED**  
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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MAY 2007**

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**Directors' responsibilities**

The directors are responsible for preparing 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 group and of the profit or loss of the group for that period. 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, subject to any material departures disclosed and explained in the financial statements,  
prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group and 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

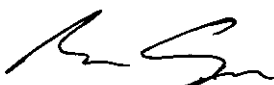
**Statement of disclosure to auditor**

The directors confirm that,

(a) so far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information

On behalf of the board



Bruce Spruce

Secretary

25/10/07

**EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE**  
**CAPITAL)**  
**INDEPENDENT AUDITORS' REPORT**  
**TO THE SHAREHOLDERS OF EDINBURGH SOLICITORS' PROPERTY CENTRE**  
**LIMITED**

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We have audited the group and parent company financial statements of Edinburgh Solicitors' Property Centre Limited for the year ended 31 May 2007 set out on pages 6 to 19. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's and the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED**  
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**CAPITAL)**  
**INDEPENDENT AUDITORS' REPORT (CONTINUED)**  
**TO THE SHAREHOLDERS OF EDINBURGH SOLICITORS' PROPERTY CENTRE**  
**LIMITED**

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**Opinion**

In our opinion

the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's and the group's affairs as at 31 May 2007 and of the group's loss for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the directors' report is consistent with the financial statements

  
Johnston Carmichael

*26 October 2007*

Chartered Accountants  
Registered Auditor

10 Melville Crescent  
Edinburgh  
EH3 7LU



**EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED**  
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**CAPITAL)**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MAY 2007**

	Notes	2007 £	2006 £
Turnover	2	9,707,961	9,082,772
Staff costs		4,689,550	4,062,436
Depreciation and amortisation		496,562	524,325
Other operating charges		5,579,206	4,814,655
<b>Operating loss</b>	<b>3</b>	<b>(1,057,357)</b>	<b>(318,644)</b>
(Loss)/profit on sale of tangible assets		(179)	13,137
Restructuring costs			(148,485)
<b>Loss on ordinary activities before interest</b>		<b>(1,057,536)</b>	<b>(453,992)</b>
Other interest receivable and similar income		17,142	34,056
Interest payable and similar charges	4	(8,657)	(79)
<b>Loss on ordinary activities before taxation</b>		<b>(1,049,051)</b>	<b>(420,015)</b>
Tax on loss on ordinary activities	5	18,982	108,769
<b>Loss on ordinary activities after taxation</b>	<b>15</b>	<b>(1,030,069)</b>	<b>(311,246)</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

**EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE**  
**CAPITAL)**

**BALANCE SHEETS**  
**AS AT 31 MAY 2007**

		Group		Company	
	Notes	2007	2006	2007	2006
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8	1,701,201	1,173,646		
Investments	9			10,000	10,000
		<u>1,701,201</u>	<u>1,173,646</u>	<u>10,000</u>	<u>10,000</u>
<b>Current assets</b>					
Debtors	10	824,367	1,324,674		587,767
Cash at bank and in hand		104,548	329,568		
		<u>928,915</u>	<u>1,654,242</u>		<u>587,767</u>
<b>Creditors' amounts falling due within one year</b>	11	(2,036,965)	(1,150,609)		
<b>Net current (liabilities)/assets</b>		<u>(1,108,050)</u>	<u>503,633</u>		<u>587,767</u>
<b>Total assets less current liabilities</b>		593,151	1,677,279	10,000	597,767
<b>Creditors' amounts falling due after more than one year</b>	12	(74,053)	(111,451)		
<b>Provisions for liabilities</b>	13	(134,630)	(151,291)		
		<u>384,468</u>	<u>1,414,537</u>	<u>10,000</u>	<u>597,767</u>
<b>Capital and reserves</b>					
Profit and loss account	15	384,468	1,414,537	10,000	597,767
<b>Shareholders' funds</b>	16	<u>384,468</u>	<u>1,414,537</u>	<u>10,000</u>	<u>597,767</u>

Approved by the Board and authorised for issue on

25/10/07



Director

**EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED**  
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**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MAY 2007**

	2007		2006	
	£	£	£	£
<b>Net cash inflow/(outflow) from operating activities</b>		92,016		(213,421)
<b>Returns on investments and servicing of finance</b>				
Interest received	17,142		34,056	
Interest paid	(8,657)		(79)	
<b>Net cash inflow for returns on investments and servicing of finance</b>		8,485		33,977
<b>Taxation</b>		168,628		(216,347)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(1,024,296)		(492,909)	
Receipts from sales of tangible assets			94,300	
<b>Net cash outflow for capital expenditure</b>		(1,024,296)		(398,609)
<b>Net cash outflow before management of liquid resources and financing</b>		(755,167)		(794,400)
<b>Financing</b>				
Financing			(10,812)	
<b>Decrease in cash in the year</b>		(755,167)		(805,212)

**EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)**

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MAY 2007**

<b>1</b>	<b>Reconciliation of operating loss to net cash inflow/(outflow) from operating activities</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	Operating loss	(1,057,357)	(318,644)
	Depreciation and amortisation	496,562	524,325
	Amortisation of intangible assets		33,055
	Decrease/(increase) in debtors	350,688	(117,598)
	Increase/(decrease) in creditors within one year	302,123	(186,074)
	Restructuring costs		(148,485)
	<b>Net cash inflow/(outflow) from operating activities</b>	<b>92,016</b>	<b>(213,421)</b>

<b>2</b>	<b>Analysis of net funds/(debt)</b>	<b>1 June 2006</b>	<b>Cash flow</b>	<b>Other non cash changes</b>	<b>31 May 2007</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	Net cash				
	Cash at bank and in hand	329,568	(225,020)		104,548
	Bank overdrafts		(530,147)		(530,147)
	<b>Net funds/(debt)</b>	<b>329,568</b>	<b>(755,167)</b>		<b>(425,599)</b>

<b>3</b>	<b>Reconciliation of net cash flow to movement in net debt</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	Decrease in cash in the year	(755,167)	(805,212)
	Cash inflow from movement in debt		161,953
	<b>Movement in net debt in the year</b>	<b>(755,167)</b>	<b>(643,259)</b>
	Opening net funds	329,568	972,827
	<b>Closing net (debt)/funds</b>	<b>(425,599)</b>	<b>329,568</b>

# **EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED**

## **(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2007**

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#### **1 Accounting policies**

##### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention

##### **Going concern**

The Group meets its day to day working capital requirements through an overdraft facility which is repayable on demand. This overdraft has arisen as a result of the significant investment across the Group during the year, as noted in the Directors' Report.

The directors have prepared projected cash flow information for the period ending 30 September 2008. On the basis of this cash flow information, the directors consider that the Group will continue to operate within the facility agreed.

On this basis, the directors consider it appropriate to prepare the accounts on the going concern basis.

##### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

##### **1.3 Basis of consolidation**

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 May 2007. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra group sales and profits are eliminated fully on consolidation.

##### **1.4 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

##### **1.5 Goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

##### **1.6 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Tenants improvement	10 years, or duration of lease if shorter
Computer equipment & software	3-5 years
Fixtures, fittings & equipment	5 years

##### **1.7 Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

##### **1.8 Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

**EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MAY 2007**

**1 Accounting policies**

**(continued)**

**1 9 Pensions**

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

**1 10 Deferred taxation**

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

**2 Turnover**

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

**3 Operating loss**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Operating loss is stated after charging		
Depreciation of intangible assets		33,055
Depreciation of tangible assets	496,562	524,325
Operating lease rentals		
Plant and machinery	32,311	36,155
Other assets	745,280	503,332
Auditors' remuneration		
audit of group	2,500	
audit of subsidiaries	8,500	14,200
taxation services	4,000	
	<u>          </u>	<u>          </u>

**4 Interest payable**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	7,684	79
Other interest	973	
	<u>          </u>	<u>          </u>
	<u>8,657</u>	<u>79</u>

**EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MAY 2007**

<b>5</b>	<b>Taxation</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U K corporation tax		(133,408)
	Adjustment for prior years	(19,009)	(68,375)
	Group relief payable		50,792
		<hr/>	<hr/>
	<b>Current tax charge</b>	(19,009)	(150,991)
	 <b>Deferred tax</b>		
	Deferred tax charge current year	27	42,222
		<hr/>	<hr/>
		(18,982)	(108,769)
		<hr/>	<hr/>
	 <b>Factors affecting the tax charge for the year</b>		
	Loss on ordinary activities before taxation	(1,049,051)	(420,015)
		<hr/>	<hr/>
	 Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 30.00%)	(314,715)	(126,005)
		<hr/>	<hr/>
	<b>Effects of</b>		
	Disallowed expenses and non taxable income	23,950	37,214
	Capital allowances in excess of depreciation	42,834	20,732
	Short term timing differences	350	(3,963)
	Adjustments in respect of prior periods	(19,009)	(68,286)
	Unrelieved losses carried forward	247,581	3,743
	Differences in tax rates on losses carried forward		(6,943)
	Capital gains		(7,483)
		<hr/>	<hr/>
		295,706	(24,986)
		<hr/>	<hr/>
	<b>Current tax charge</b>	(19,009)	(150,991)
		<hr/>	<hr/>

As at 31 May 2007 there is an unrecognised deferred tax asset of £354,748 (2006 £64,000), primarily arising from current year losses. This asset has not been recognised as the recoverability of these losses is not certain at this time.

**EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MAY 2007**

**6 Loss for the financial year**

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The loss for the financial year is made up as follows:

	2007 £	2006 £
Holding company's loss for the financial year	(587,767)	

**7 Intangible fixed assets**  
**Group**

	Goodwill £
<b>Cost</b>	
At 1 June 2006 & at 31 May 2007	119,000
<b>Amortisation</b>	
At 1 June 2006 & at 31 May 2007	119,000
<b>Net book value</b>	
At 31 May 2007	
At 31 May 2006	



**EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MAY 2007**

**8 Tangible fixed assets**  
**Group**

	<b>Tenants improvement</b>	<b>Computer equipment &amp; software</b>	<b>Fixtures, fittings &amp; equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 June 2006	1,229,996	2,091,728	491,090	3,812,814
Additions	844,427	160,130	19,739	1,024,296
Disposals		(229)		(229)
At 31 May 2007	2,074,423	2,251,629	510,829	4,836,881
<b>Depreciation</b>				
At 1 June 2006	704,846	1,553,004	381,318	2,639,168
On disposals		(50)		(50)
Charge for the year	90,542	364,262	41,758	496,562
At 31 May 2007	795,388	1,917,216	423,076	3,135,680
<b>Net book value</b>				
At 31 May 2007	1,279,035	334,413	87,753	1,701,201
At 31 May 2006	525,150	538,724	109,772	1,173,646

As at 31 May 2007 there were assets with a net book value of £Nil (2006 £Nil) under hire purchase contracts. The depreciation during the year relating to assets held under hire purchase contracts amounted to £Nil (2006 £5,005).

**EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MAY 2007**

**9 Fixed asset investments**

**Company**

**Shares in  
group  
undertakings  
£**

**Cost**

At 1 June 2006 & at 31 May 2007

10,000

At 31 May 2006

10,000

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

**Holdings of more than 20%**

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
DCA Media Limited	Scotland	Ordinary	100
ESPC (UK) Limited	Scotland	Ordinary	100
MoveMachine Limited	Scotland	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows

	<b>Principal activity</b>
DCA Media Limited	Media Representation services
ESPC (UK) Limited	Selling of residential property
MoveMachine Limited	Production and marketing of Home Information Packs

**10 Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	710,836	909,183		
Amounts owed by group undertakings				587,767
Corporation tax		140,849		
Other debtors	18,368	22,888		
Prepayments and accrued income	95,163	251,754		
	<u>824,367</u>	<u>1,324,674</u>	<u></u>	<u>587,767</u>

**EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MAY 2007**

**11 Creditors amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	530,147			
Trade creditors	304,379	244,596		
Taxes and social security costs	347,355	301,101		
Other creditors	80,311	15,413		
Accruals and deferred income	774,773	589,499		
	<u>2,036,965</u>	<u>1,150,609</u>		

The overdraft is secured by way of a bond and floating charge over the whole assets of the company

**12 Creditors amounts falling due after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Other loans	<u>74,053</u>	<u>111,451</u>		
<b>Analysis of loans</b>				
In more than one year but not more than two years	74,053	55,734		
In more than two years but not more than five years		55,717		

The other loans relate to amounts owed to Directors under a long term bonus scheme. Interest is applied to these loans at the Bank of England base rate

**EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MAY 2007**

**13 Provisions for liabilities and charges**  
**Group**

	Deferred tax liability	Loans from Founder Members	Total
	£	£	£
Balance at 1 June 2006	150	151,141	151,291
Profit and loss account	27	(16,688)	(16,661)
Balance at 31 May 2007	177	134,453	134,630

The deferred tax liability is made up as follows:

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Accelerated capital allowances	177	150		

There is uncertainty over the timing of repayment to the founder members as it is dependant on the company making surplus profits

**14 Pension costs**

**Defined contribution**

	2007	2006
	£	£
Contributions payable by the group for the year	273,437	214,355

**EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MAY 2007**

**15 Statement of movements on profit and loss account**  
**Group**

**Profit and  
loss account  
£**

Balance at 1 June 2006	1,414,537
Loss for the year	(1,030,069)
Balance at 31 May 2007	<u>384,468</u>

**Company**

**Profit and  
loss account  
£**

Balance at 1 June 2006	597,767
Loss for the year	(587,767)
Balance at 31 May 2007	<u>10,000</u>

**16 Reconciliation of movements in shareholders' funds**  
**Group**

**2007  
£**      **2006  
£**

Loss for the financial year	(1,030,069)	(311,246)
Opening shareholders' funds	1,414,537	1,725,783
Closing shareholders' funds	<u>384,468</u>	<u>1,414,537</u>

**Company**

**2007  
£**      **2006  
£**

Loss for the financial year	(587,767)	
Opening shareholders' funds	597,767	597,767
Closing shareholders' funds	<u>10,000</u>	<u>597,767</u>

**EDINBURGH SOLICITORS' PROPERTY CENTRE LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MAY 2007**

**17 Financial commitments**

At 31 May 2007 the group had annual commitments under non cancellable operating leases as follows

		Land and buildings		Other
	2007	2006	2007	2006
	£	£	£	£
Expiry date				
Within one year	1,916	4,083	1,531	7,240
Between two and five years	328,906	62,214	11,829	29,235
In over five years	294,180	578,360		
	<u>625,002</u>	<u>644,657</u>	<u>13,360</u>	<u>36,475</u>

**18 Directors' emoluments**

	2007	2006
	£	£
Emoluments for qualifying services	95,549	132,030
Company pension contributions to money purchase schemes		21,315
	<u>95,549</u>	<u>153,345</u>

**19 Employees**

**Number of employees**

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

	2007	2006
	Number	Number
Sales	32	34
Administration	147	145
	<u>179</u>	<u>179</u>

**Employment costs**

	2007	2006
	£	£
Wages and salaries	4,024,636	3,496,384
Social security costs	391,477	351,697
Other pension costs	273,437	214,355
	<u>4,689,550</u>	<u>4,062,436</u>