



Registered number: SC277150

richardson groves

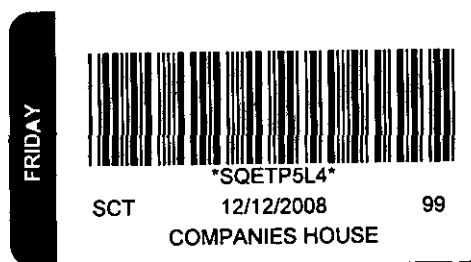
Accountants, Business and Tax Consultants

**Expense Reduction Management Ltd**

**Unaudited**

**Directors' Report and Financial Statements**

**For the year ended 31 March 2008**



## **EXPENSE REDUCTION MANAGEMENT LTD**

### **COMPANY INFORMATION**

#### **DIRECTORS**

P Weir  
B Carlow

#### **COMPANY SECRETARY**

Jordan Company Secretaries Limited

#### **COMPANY NUMBER**

SC277150

#### **REGISTERED OFFICE**

24 Great King Street  
Edinburgh  
EH3 6QN

#### **ACCOUNTANTS**

Richardson Groves  
Accountants and Tax Consultants  
Cleveland House  
Sydney Road  
Bath  
BA2 6NR

#### **BANKERS**

Royal Bank Of Scotland  
Stirling Pitt Terrace Branch  
2 Pitt Terrace  
Stirling  
FK8 2EX

# **EXPENSE REDUCTION MANAGEMENT LTD**

## **CONTENTS**

	<b>Page</b>
<b>Directors' report</b>	<b>1</b>
<b>Accountants' report</b>	<b>2</b>
<b>Profit and loss account</b>	<b>3</b>
<b>Balance sheet</b>	<b>4</b>
<b>Notes to the financial statements</b>	<b>5 7</b>
 The following pages do not form part of the statutory accounts	
<b>Detailed profit and loss account and summaries</b>	<b>8 10</b>

# EXPENSE REDUCTION MANAGEMENT LTD

## DIRECTORS' REPORT for the year ended 31 March 2008

The directors present their report and the financial statements for the year ended 31 March 2008

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

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). The financial statements are required by law to 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 judgments and 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 proper accounting records that 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 1985. 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.

### PRINCIPAL ACTIVITIES

The principal activity during the year was that of cost management consultancy.

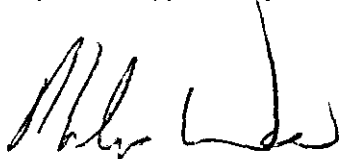
### DIRECTORS

The directors who served during the year were

P Weir  
B Carlow

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 27/11/2008 and signed on its behalf



P Weir  
Director

## EXPENSE REDUCTION MANAGEMENT LTD

### ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF EXPENSE REDUCTION MANAGEMENT LTD

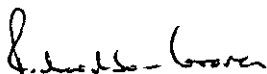
In accordance with our engagement letter dated 8 August 2007, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and loss account, the Balance sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the Balance sheet as at 31 March 2008 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



**RICHARDSON GROVES**  
Accountants and Tax Consultants  
Cleveland House  
Sydney Road  
Bath  
BA2 6NR

10/2/2008

**EXPENSE REDUCTION MANAGEMENT LTD**

**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 March 2008

	Note	31 March 2008 £	15 months ended 31 March 2007 £
<b>TURNOVER</b>		583,430	682,654
Cost of sales		(545,082)	(643,604)
<b>GROSS PROFIT</b>		38,348	39,050
Administrative expenses		(49,519)	(35,454)
<b>OPERATING (LOSS)/PROFIT</b>	2	(11,171)	3,596
Interest receivable		907	337
Interest payable		(92)	
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(10,356)	3,933
Tax on (loss)/profit on ordinary activities	3	1,094	(1,094)
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		(9,262)	2,839

The notes on pages 5 to 7 form part of these financial statements

# EXPENSE REDUCTION MANAGEMENT LTD

## BALANCE SHEET as at 31 March 2008

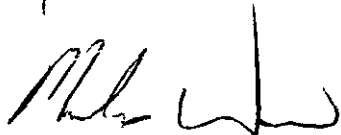
	Note	£	2008	£	£	2007	£
<b>FIXED ASSETS</b>							
Tangible fixed assets	4			5,560			247
<b>CURRENT ASSETS</b>							
Debtors	5	1,094			34,993		
Cash at bank		13,968			6,105		
		<u>15,062</u>			<u>41,098</u>		
<b>CREDITORS</b> amounts falling due within one year	6	(27,043)			(38,504)		
<b>NET CURRENT (LIABILITIES)/ASSETS</b>				(11,981)			2,594
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				<u>(6,421)</u>			<u>2,841</u>
<b>CAPITAL AND RESERVES</b>							
Called up share capital	7			2			2
Profit and loss account				(6,423)			2,839
<b>SHAREHOLDERS' (DEFICIT)/FUNDS</b>				<u>(6,421)</u>			<u>2,841</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 and members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2) of the Act. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 March 2008 and of its loss for the year then ended in accordance with the requirements of section 226 of the Act and which otherwise comply with the requirements of the Companies Act 1985 relating to the financial statements so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

27/11/2008



**P Weir**  
Director

The notes on pages 5 to 7 form part of these financial statements

## EXPENSE REDUCTION MANAGEMENT LTD

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2008

#### 1. ACCOUNTING POLICIES

##### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

##### 1.2 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

##### 1.3 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Office equipment	10% straight line
------------------	-------------------

#### 2. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging

	31 March 2008 £	15 months ended 31 March 2007 £
Depreciation of tangible fixed assets owned by the company	621	28

During the year, no director received any emoluments (2007 £NIL)

#### 3. TAXATION

	31 March 2008 £	15 months ended 31 March 2007 £
<b>ANALYSIS OF TAX (CREDIT)/CHARGE IN THE YEAR</b>		
UK corporation tax charge on (loss)/profit for the year		1,094
Adjustments in respect of prior periods	(1,094)	
<b>TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES</b>	<b>(1,094)</b>	<b>1,094</b>



# EXPENSE REDUCTION MANAGEMENT LTD

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2008

### 4 TANGIBLE FIXED ASSETS

	Computer equipment £
<b>COST</b>	
At 1 April 2007	275
Additions	5,934
	<hr/>
At 31 March 2008	6,209
	<hr/>
<b>DEPRECIATION</b>	
At 1 April 2007	28
Charge for the year	621
	<hr/>
At 31 March 2008	649
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 March 2008	5,560
	<hr/>
At 31 March 2007	247
	<hr/>

### 5. DEBTORS

	2008 £	2007 £
Trade debtors		34,993
Other debtors	1,094	
	<hr/>	<hr/>
	1,094	34,993
	<hr/>	<hr/>

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

	2008 £	2007 £
Trade creditors	12,405	1,451
Corporation tax		1,094
Social security and other taxes	245	4,148
Other creditors	14,393	31,811
	<hr/>	<hr/>
	27,043	38,504
	<hr/>	<hr/>

## EXPENSE REDUCTION MANAGEMENT LTD

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2008

#### 7. SHARE CAPITAL

	2008 £	2007 £
<b>AUTHORISED</b>		
1,000 Ordinary Shares shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
2 Ordinary Shares shares of £1 each	<u>2</u>	<u>2</u>

#### 8 RELATED PARTY TRANSACTIONS

Mr P Weir is a director and shareholder of Expense Reduction Management Limited and ERM 4 Limited Transactions between the parties totalled £331,544 (2007 £389,960) during the year in respect of fees payable Within creditors is £12,080 (2007 £19,224) owed to ERM 4 Limited

Mr B Carlow is a director and shareholder of Expense Reduction Management Limited and E R M Scotland Limited Transactions between the parties totalled £211,191(2007 £253,644) during the year in respect of fees payable and £5,500 in respect of sales Within trade creditors is £5,520 owed to ERM Scotland Limited

#### 9. CONTROLLING PARTY

The ultimate controlling parties of the company are the two directors who each own 50% of the company's share capital

# EXPENSE REDUCTION MANAGEMENT LTD

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT for the year ended 31 March 2008

	Page	31 March 2008 £	15 months ended 31 March 2007 £
<b>Turnover</b>	9	583,430	682,654
Cost of sales	9	(545,082)	(643,604)
		<hr/>	<hr/>
<b>Gross profit</b>		38,348	39,050
<b>Gross profit %</b>		6 6 %	5 7 %
<b>Less: Overheads</b>			
Administration expenses	9	(49,519)	(35,454)
		<hr/>	<hr/>
<b>Operating (loss)/profit</b>		(11,171)	3,596
Interest receivable	9	907	337
Interest payable	10	(92)	-
		<hr/>	<hr/>
<b>(Loss)/profit for the year</b>		<u>(10,356)</u>	<u>3,933</u>

**EXPENSE REDUCTION MANAGEMENT LTD**

**SCHEDULE TO THE DETAILED ACCOUNTS  
for the year ended 31 March 2008**

	31 March 2008 £	15 months ended 31 March 2007 £
<b>Turnover</b>		
Sales	<u>583,430</u>	<u>682,654</u>
	31 March 2008 £	15 months ended 31 March 2007 £
<b>Cost of sales</b>		
Fees payable	<u>545,082</u>	<u>643,604</u>
	31 March 2008 £	15 months ended 31 March 2007 £
<b>Administration expenses</b>		
Entertainment	2,854	1,935
Hotels, travel and subsistence	332	988
Consultancy	16,500	7,692
Printing and stationery	600	592
Telephone and fax	2,075	1,520
Computer costs	3,047	785
General office expenses	399	780
Advertising and promotion	1,231	97
Trade subscriptions		29
Charity donations	150	
Legal and professional	316	494
Accountancy fees	2,500	2,700
Bank charges	41	
Sundry expenses	33	422
Rent non-operating leases	16,831	15,665
Insurances	1,989	1,227
Repairs and maintenance		500
Depreciation computer equipment	621	28
	<u>49,519</u>	<u>35,454</u>
	31 March 2008 £	15 months ended 31 March 2007 £
<b>Interest receivable</b>		
Bank interest receivable	<u>907</u>	<u>337</u>

**EXPENSE REDUCTION MANAGEMENT LTD**

**SCHEDULE TO THE DETAILED ACCOUNTS  
for the year ended 31 March 2008**

	31 March 2008 £	15 months ended 31 March 2007 £
<b>Interest payable</b>		
Other interest on overdue tax	92	