

FRIDAY



AJEJBZJJ

A26

25/11/2011

199

COMPANIES HOUSE

May Gurney Estates Limited
Financial statements
For the year ended
31 March 2011

Company no 216679

May Gurney Estates Limited
Financial statements for the year ended 31 March 2011

Company information

Company registration number	216679
Registered office	Trowse Norwich NR14 8SZ
Directors	Philip Fellowes-Prynn BA (Hons) (Chief Executive) Matt Stevens BEng ACA (Finance Director)
Secretary	Simon Howell BA (Hons) ACIS
Bankers	Bank of Scotland plc Ground Floor Black Horse House Castle Park Cambridge CB3 0AR
Auditors	Grant Thornton UK LLP Chartered Accountants Grant Thornton House Melton Street London NW1 2EP

May Gurney Estates Limited
Financial statements for the year ended 31 March 2011

Index

Report of the directors	1
Independent auditor's report	4
Accounting policies	5
Income statement and Statement of comprehensive income	8
Statement of changes in equity	9
Statement of financial position	10
Statement of cash flows	11
Notes to the report and accounts	12

May Gurney Estates Limited
Financial statements for the year ended 31 March 2011

1

Report of the directors

The directors present their annual report and the audited financial statements for the year ended 31 March 2011

Principal activities

The company's principal activities comprise the holding and development of property

Business review

The results in brief are

	2011 £'000	2010 £'000
Profit before taxation	442	189

In terms of Key Performance Indicators, the rent receivable in the year was in line with expectations

Property, plant and equipment

In the opinion of the directors the market value of the freehold land and buildings is not less than the carrying value in the financial statements

Dividend

Dividends paid in the year amounted to £nil (2010: £nil)

Directors

The directors who held office during the year were as follows

P W Fellowes-Prynn
M Stevens
R I Findlater (resigned 7 May 2010)

Financial risk management objectives and policies

The company's exposure to financial risk is not deemed to be significant. The aim of the company's financial risk management policies is to minimise potential adverse effects on financial performance and net assets

The company does not have any foreign currency transactions, hence is not exposed to foreign currency risk. Exposure to interest rate risk is limited as the company has no borrowings. Interest on inter-company balances is charged at 0.75%. The directors do not consider there to be any price risk relating to equity instruments. Exposure to credit risk and liquidity risk is limited due to the majority of transactions occurring between group companies.

Directors' liability insurance

The company maintains liability insurance for the directors and officers of all Group companies. The directors and officers have also been granted a qualifying third party provision under section 234 of the Companies Act 2006. Neither the Group's indemnity nor insurance provides cover in the event that a director or officer is proved to have acted fraudulently or dishonestly.

Re-election of directors

The directors offer themselves for election at the Annual General Meeting. The Board has considered the requirements of the Combined Code in respect of these matters and believes that these members continue to be effective and to demonstrate their commitment to their roles, the Board and the Company.

Employee involvement

The company places considerable value on the involvement of its employees and encourages the development of employee involvement through formal and informal meetings. It is the company's policy to ensure that all employees are made aware of significant matters affecting the performance of the company through the operation of employee forums, information bulletins, informal meetings, team briefings, internal newsletters and the company's website and intranet.

Employment policy

The company is an Equal Opportunity Employer and its policy is to ensure that all employees and job applicants will be given equal opportunity, irrespective of their sex, race, ethnic origin, disability, age, marital status, sexual orientation or religious affiliation in all aspects of employment and training, and that no such person is placed at a disadvantage by requirements or conditions which cannot be shown to be justified.

Report of the directors (continued)

The company encourages, where practicable, the employment of disabled people and the retention of those who become disabled during their employment with the company

Within the bounds of commercial confidentiality, management disseminates information to all levels of staff about matters that affect the progress of the company and are of interest and concern to them as employees

Corporate responsibility policy

The company's business impacts on the lives of everyone who lives in, or uses, the communities it serves – now and in the future. Therefore, its corporate responsibility is to deliver social and environmental sustainability in everything it does. At May Gurney Estates, corporate responsibility is much more than just a set of policies, it is delivered on the ground, every day through its operational teams working in partnership with its customers, customers' customers, supply chain and local communities. The company creates value in five key areas, closely aligned to its stakeholders' social and environmental sustainability agendas. These are: Climate Change (carbon reduction), Sustainable Resources (using resources responsibly), Community Investment (changing behaviours and helping to create a better society), Waste Minimisation (addressing the need to reduce waste), and Biodiversity & Eco-systems (developing a holistic approach to environmental management).

The company recognises the benefits of sustainability and protecting the environment whilst delivering its services and associated activities. All company activities are carried out in a way that manages environmental impact, fulfils opportunities to enhance the environment, prevents pollution, minimises waste, controls noise, uses materials and resources efficiently, and protects wildlife.

The company complies with environmental legislation and environmental codes of practice applicable to its industry.

Health and safety policy

It is company policy to fulfil its duties under the Health and Safety at Work Act 1974 and all other associated acts and legal obligations applicable to its industry. In order to achieve the standards required, line management will provide suitable and sufficient resources and properly trained supervision to ensure all work places can carry out their activities in a safe manner.

It is the responsibility of the company's management at all levels to be conversant with the contents of the policy and to plan work such that foreseeable risks are identified and reduced to an acceptable level through the implementation of risk assessments. All employees must take care of the health and safety of themselves and actively participate and co-operate with the company to enable the company to discharge its statutory responsibilities and fulfil its desire for continual improvement in all safety, health and welfare matters.

The Bribery Act 2010

The Bribery Act 2010 is effective from 1 July 2011 and will introduce significant changes to UK anti-corruption law. The objectives and provisions of the Act accord with the values May Gurney Estates applies in all its business dealings and which are reflected in its policies and procedures already in place. Current policies and procedures will be reviewed, and where necessary training to staff provided, to ensure ongoing compliance with the standards of the Act.

Donations

The company made charitable donations of £Nil (2010: £Nil).

Auditors

The auditors, Grant Thornton UK LLP, have indicated their willingness under Section 489 of the Companies Act 2006 to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting.

Directors' responsibilities for the financial statements

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 financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs). 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 year. In preparing these financial statements, the directors are required to

Report of the directors (continued)

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent,
- state whether applicable IFRSs 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 company will continue in business

The directors are responsible for maintaining 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 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.

In so far as the directors are aware

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included in the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going concern

Detailed cash flow forecasts are prepared and regularly reviewed by the Board to assess the Company's financial position. The business is forecast to remain cash generative and to have adequate resources to meet its future obligations. The Company's resources are supported by its ultimate parent company May Gurney Integrated Services plc.

The directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. On these grounds the Board has continued to adopt the going concern basis for the preparation of the financial statements.

BY ORDER OF THE BOARD



S J Howell
Secretary
4 October 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF MAY GURNEY ESTATES LIMITED

We have audited the financial statements of May Gurney Estates Limited for the year ended 31 March 2011 which comprise the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of financial position, the statement of cash flows and notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006.

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 auditors

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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRS as adopted by the European Union, 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



Philip Westerman BA ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
5 October 2011

May Gurney Estates Limited
Financial statements for the year ended 31 March 2011

5

Accounting policies

Nature of operations

The principal activities of the company during the year were that of holding and development of property

The company is incorporated and domiciled in the United Kingdom. The registered office is in Trowse, Norwich, UK. The presentation currency used is GB Pound Sterling and figures are quoted to the nearest £1,000.

The principal accounting policies adopted in the presentation of these financial statements are set out below. These policies have been consistently applied to the periods presented unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared on the historical cost basis, with the exception of some revalued property and certain financial instruments, which are recognised using accounting policies as set out below and applied consistently.

Consolidated financial statements, incorporating the results of the Company, are prepared by the ultimate parent company, May Gurney Integrated Services plc, a company incorporated in England.

The directors believe the Company's existing funding is sufficient for the needs of the business for the foreseeable future and for at least twelve months from the date of approval of these financial statements. The directors accordingly consider it appropriate for these financial statements to be prepared on a going concern basis.

Transition to IFRS

IFRS 1 "First time adoption of International Financial Reporting Standards" sets out the procedures that the company must follow in adopting IFRS for the first time as the basis for preparing its financial statements.

The company was required to establish its IFRS accounting policies as at 31 March 2011 and, in general, apply these retrospectively to determine the IFRS opening balance sheet at its date of transition, 1 April 2009. The last UK GAAP financial statements related to the period ended 31 March 2010.

There has been no impact on net earnings as a result of the transition from UK GAAP to IFRS for the current or preceding financial period, however the impact on net assets required by IFRS 1 is shown in the table on page 20.

Property, plant and equipment

The company has elected to retain the UK GAAP value of property, plant and equipment at historic cost or historic valuation at the date of transition.

Adoption of new and revised International Financial Reporting Standards

In the year, the company has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 April 2010.

Changes in accounting policy

At the date of authorisation of these financial statements the following standards and interpretations were in issue but not yet effective and therefore have not been applied in these financial statements: IFRS 9 'Financial Instruments', IAS 24 'Related party disclosures (revised 2009)', IFRIC 19 'Extinguishing financial liabilities with equity instruments', and IAS 32 (amendment) 'Financial Instruments: Presentation'. The directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the Company, with the exception of IFRS 9 which has not yet been finalised and so the directors have not been able to fully assess the potential impact yet.

Depreciation

Depreciation of property, plant and equipment is calculated so as to write off their cost or valuation on a straight line basis over their expected economic lives. The annual rates of depreciation are as follows:

Freehold land	-	not depreciated
Freehold buildings	-	between 20 to 50 years

Accounting policies (continued)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax

The tax payable in respect of the year is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates and laws that have been enacted or substantially enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition of other assets and liabilities (other than in a business combination) in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date.

Deferred tax is calculated based on the laws enacted or substantially enacted by the reporting date and at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Pension contributions

The company participates in the May Gurney Pension Scheme which provides benefits based on final pensionable salary. Contributions are paid in accordance with the instructions of May Gurney Integrated Services plc.

Regular pension costs are established in accordance with the recommendations of an independent actuary. The current actuarial surplus has been spread over the remaining service lives of employees. The company is unable to identify its share of the underlying assets and liabilities of the group scheme and consequently accounts for pension costs as though the scheme is a defined contribution scheme, charging them to the profit and loss account in the year in which they accrue.

Revenue

Revenue represents rent receivable from group companies, excluding value added tax. Rental income is recognised in the period to which it relates.

Financial Instruments

The financial instruments used by the company comprise net funds, receivables and payables.

(a) Receivables do not carry any interest and are initially stated at their fair value and subsequently measured at amortised cost as reduced by appropriate allowance for estimated irrecoverable amounts.

(b) Payables are not interest bearing and are initially stated at their fair value and subsequently measured at amortised cost.

(c) Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all its liabilities.

(d) Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(e) The company has a policy of not trading in financial instruments. The company currently has no derivative instruments and sees no immediate requirement for any.

Accounting policies (continued)

Accounting for financial assets

Financial assets consist of receivables, along with cash and cash equivalents

An assessment of whether a financial asset is impaired is made at least at each reporting date. For receivables, this is based on the latest credit information available, i.e. recent counterparty defaults and external credit ratings. Financial assets that are substantially past due are also considered for impairment. All income and expense relating to financial assets are recognised in the income statement account line item "finance costs" or "finance income", respectively.

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in the income statement. The company's trade and other receivables fall into this category of financial instruments.

Individual receivables are considered for impairment when they are past due at the financial reporting date or when objective evidence is received that a specific counterparty will default. All other receivables are reviewed for impairment in groups, which are determined by reference to the industry of a counterparty. The percentage of the write down is then based on recent historical counterparty default rates for each identified group.

Accounting for financial liabilities

The company's financial liabilities include trade and other payables, which are measured at amortised cost using the effective interest rate method.

Financial liabilities are recognised when the company becomes a party to the contractual agreements of the instrument. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the income statement are included in the income statement line items "finance costs" or "finance income".

May Gurney Estates Limited
Financial statements for the year ended 31 March 2011

8

Income statement

	Note	2011	2010
		£'000	£'000
Revenue		864	862
Net operating costs	1	(536)	(694)
Operating profit		328	168
Finance income	4	114	21
Profit before taxation		442	189
Taxation	5	(150)	(49)
Profit for the year from continuing operations	14	292	140

Statement of comprehensive income

	2011	2010
	£'000	£'000
Profit for the year	292	140
Deferred taxation on revaluation surplus	52	(121)
Other comprehensive income/(loss) for the year	52	(121)
Total comprehensive income for the year attributable to equity holders	344	19

The accompanying accounting policies and notes form an integral part of these financial statements

May Gurney Estates Limited
Financial statements for the year ended 31 March 2011

9

Statement of changes in equity

	Share capital £'000	Revaluation Reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 31 March and 1 April 2009	354	449	9,837	10 640
Profit for the year	-	-	140	140
Other comprehensive income				
Transfer between reserves	-	(18)	18	-
Deferred taxation on revaluation surplus	-	(121)	-	(121)
Total comprehensive income for the year	-	(139)	158	19
Balance at 31 March and 1 April 2010	354	310	9,995	10,659
Profit for the year	-	-	292	292
Other comprehensive income				
Deferred taxation on revaluation surplus	-	52	-	52
Transfer between reserves	-	(164)	164	-
Total comprehensive income for the year	-	(112)	456	344
Balance at 31 March 2011	354	198	10,451	11,003

The accompanying accounting policies and notes form an integral part of these financial statements

May Gurney Estates Limited
Financial statements for the year ended 31 March 2011

10

Statement of financial position

	Note	2011	2010
		£'000	£'000
Non-current assets			
Property, plant and equipment	6	1,328	1,485
Current assets			
Cash and cash equivalents		5,144	5,059
Trade and other receivables	7	7,076	10,571
		12,220	15,630
Total assets		13,548	17,115
Current liabilities			
Trade and other payables	9	(2,369)	(6,243)
Current tax liabilities		(161)	(125)
		(2,530)	(6,368)
Non-current liabilities			
Deferred tax liability	8	(15)	(88)
Total liabilities		(2,545)	(6,456)
Net assets		11,003	10,659
Equity			
Share capital	12	354	354
Revaluation reserve	13	198	310
Retained earnings	14	10,451	9,995
Total equity		11,003	10,659

These financial statements were approved by the board of directors on 4 October 2011 and signed on its behalf by

Philip Fellowes-Prynne
 Director
 Company registration number 216679



The accompanying accounting policies and notes form an integral part of these financial statements

May Gurney Estates Limited
Financial statements for the year ended 31 March 2011

11

Statement of cash flows

	Note	2011 £'000	2010 £'000
Net cash from operating activities			
Operating profit		328	168
Non-cash items		57	258
Working capital movement		(356)	4,593
Cash generated from operations	18	29	5,019
Corporation tax paid		(135)	(462)
Interest received		91	21
Net cash (used in)/from operating activities		(15)	4,578
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		100	481
Net cash from investing activities		100	481
Increase in cash and cash equivalents		85	5,059
Opening cash and cash equivalents		5,059	-
Closing cash and cash equivalents		5,144	5,059

Notes to the annual report and accounts

1 Net operating costs

	2011 £'000	2010 £'000
Depreciation (credit)/charge (note 6)	(17)	139
Loss on sale of freehold property (note 6)	74	119
Auditors' remuneration – audit fees	14	14
Management fee income	(283)	(300)
Other administration costs	748	722
	536	694

2 Staff numbers and costs

The average number of persons (including directors) employed during the year was as follows

	Number of employees	
	2011	2010
Administration	5	5
	5	5

The aggregate payroll costs of those employees were

	2011 £'000	2010 £'000
Salaries	100	103
Social security costs	6	5
Other pension costs (note 15)	6	7
	112	115

3 Emoluments of directors

	2011 £'000	2010 £'000
As executives - salary and benefits	-	-

There are no (2010 £Nil) retirement benefits accruing to directors under the May Gurney Pension Scheme, a defined benefit scheme

4 Finance income

	2011 £'000	2010 £'000
Interest receivable from short-term bank deposits	91	21
Interest receivable from group undertakings	23	-
	114	21

May Gurney Estates Limited
Financial statements for the year ended 31 March 2011

13

5 Taxation

(a) Analysis of charge for the year

	2011	2010
	£'000	£'000
Current tax		
Corporation tax on profit for the year	150	125
Under/(over) provision in respect of previous year	21	(63)
Total current tax (note 5(b))	171	62
Deferred tax		
Origination and reversal of timing differences	5	1
Adjustment to the estimated recoverable amount of deferred tax assets arising in the previous year	(26)	(14)
Total deferred tax	(21)	(13)
Total tax charge for the year	150	49

(b) Factors affecting the taxation charge for the year

The taxation assessed for the year is higher (2010 higher) than the standard rate of corporation tax in the UK of 28% (2010 28%). The differences are explained below

	2011	2010
	£'000	£'000
Profit before tax	442	189
Profit multiplied by standard rate of corporation tax in the UK of 28% (2010 28%) - expected charge	124	53
Effects of		
Expenses not deductible for tax purposes	10	-
Depreciation in excess of capital allowances and other timing differences	-	40
Loss on disposal of land and buildings	21	33
Over provision in respect of previous year	(5)	(77)
Total tax charge for year (note 5(a))	150	49

May Gurney Estates Limited
Financial statements for the year ended 31 March 2011

14

6 Property, plant and equipment

	Freehold land and buildings £'000	
Cost or valuation		
At 1 April 2009		3,289
Disposals		(600)
At 1 April 2010		2,689
Disposals		(185)
At 31 March 2011		2,504
Depreciation		
At 1 April 2009		1,065
Charge for year		139
At 1 April 2010		1,204
Credit for the year (see below)		(17)
Eliminated on disposals		(11)
At 31 March 2011		1,176
Net book value at 31 March 2011		1,328
Net book value at 31 March 2010		1,485
Freehold land and buildings are held at cost or open market value as follows		
	2011 £'000	2010 £'000
Valuation at 31 March 1995	703	888
Cost	1,801	1,801
	2,504	2,689
	2011 £'000	2010 £'000
Freehold land and buildings includes land which is not depreciated	580	717
The book values of freehold land and buildings under the historical cost convention would be as follows		
	2011 £'000	2010 £'000
Cost	2,476	2,493
Accumulated depreciation	(1,107)	(1,125)
Net book value	1,369	1,368
Loss on sale of property, plant and equipment amounting to £74k comprises the following		
	2011 £'000	2010 £'000
Sale of freehold land and buildings at Warwick	-	(119)
Sale of freehold land and buildings at Thorpe St Andrew, Norfolk	(74)	-
	(74)	(119)

A depreciation credit has arisen in the year due to the depreciation charge of £66,000 being offset by a credit of £83,000 relating to a correction to over-depreciation in prior years

May Gurney Estates Limited
Financial statements for the year ended 31 March 2011

15

7 Trade and other receivables

	2011 £'000	2010 £'000
Amounts due from group undertakings (note 10)	7,007	10,489
Other receivables	2	3
Prepayments and accrued income	67	79
	7,076	10,571

Trade and other receivables are initially stated at their fair value and subsequently measured at amortised cost as reduced by appropriate allowance for estimated irrecoverable amounts. The directors consider that the carrying values of current trade and other receivables approximate their fair values.

Trade and other receivables have been reviewed for indicators of impairment. No trade receivables were found to be potentially impaired and so no provision is necessary.

The Company's receivables at 31 March 2011 and 2010 are considered neither past due nor impaired.

Credit risk

Exposure to credit risk is disclosed in note 11. The Company has no renegotiated trade and other receivables and does not hold any collateral in respect of its trade and other receivables.

8 Deferred tax (liability)/asset

	2011 £'000	2010 £'000
At 1 April 2010	(88)	20
Transfer from/(to) revaluation reserve (note 13)	52	(121)
Income statement credit	21	13
At 31 March 2011	(15)	(88)
Deferred taxation at 26% (2010: 28%), calculated using the liability method, is in respect of		
	2011 £'000	2010 £'000
Excess capital allowances	3	4
Deferred tax on revalued properties	(69)	(121)
Other temporary differences	51	29
Deferred tax liability	(15)	(88)

9 Current trade and other payables

	2011 £'000	2010 £'000
Trade payables	273	112
Amounts owed to group undertakings (note 10)	1,766	5,796
Accruals and deferred income	330	335
	2,369	6,243

Trade and other payables are initially stated at their fair value and subsequently measured at amortised cost. The directors consider that the carrying values of current trade and other payables approximate their fair values.

May Gurney Estates Limited
Financial statements for the year ended 31 March 2011

16

10 Group undertakings

	2011 £'000	2010 £'000
Amounts owed by		
Ultimate parent undertaking	116	-
Intermediate parent undertaking	1,940	1,940
Fellow subsidiary undertakings	4,951	8,549
	7,007	10,489
Amounts owed to		
Ultimate parent undertaking	(104)	(4,134)
Fellow subsidiary undertakings	(1,662)	(1,662)
	(1,766)	(5,796)
Net amount owed by group undertakings	5,241	4,693

11 Financial instruments

Capital risk management

The company manages its capital to ensure its ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company comprises equity attributable to equity holders of May Gurney Estates Limited consisting of issued ordinary share capital and retained earnings as disclosed in Notes 12 and 14.

Financial risk management

Financial risk management is an integral part of the way the company is managed. In the course of its business, the company is exposed primarily to credit risk and liquidity risk. The overall aim of the company's financial risk management policies is to minimise potential adverse effects on financial performance and net assets.

The company's finance department manages the principal financial risks within policies and operating parameters approved by the Board of directors.

Foreign currency risk

The company does not have significant foreign currency transactions and exposure to foreign currency risk is therefore minimal. Accordingly, these financial statements do not include any sensitivity analysis in respect of currency risk.

Interest rate risk

Interest rate risk arises on the company's group balances. A 1% increase/decrease in the Bank of England base rate would lead to a £32,000 increase/decrease in the company's finance income.

Price risk

The directors do not consider there to be any price risk relating to equity instruments and hence no need for any related disclosures.

Credit risk

Exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, namely trade and other receivables.

The company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The company's policy is to deal only with creditworthy counterparties.

The company's management considers that all financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due. An analysis of amounts that are past due but not impaired is shown in note 7.

None of the company's financial assets are secured by collateral or other credit enhancements.

May Gurney Estates Limited
Financial statements for the year ended 31 March 2011

17

11 Financial instruments (continued)

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings

The company has no significant concentration of credit risk in respect of amounts due from contract customers or trade receivable balances at the reporting date

Liquidity risk

The company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection

The company maintains cash to meet its liquidity requirements for up to 30-day periods. Funding in regards to long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities via its fellow subsidiary

Categories of financial instruments	2011	2011	2011	2011	2010	2010	2010	2010
	Loans and receivables	Non financial assets	Financial liabilities at amortised cost	Non financial liabilities	Loans and receivables	Non financial assets	Financial liabilities at amortised cost	Non financial liabilities
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Financial assets								
Other receivables	7,009	-	-	-	10,492	-	-	-
Prepayments	-	67	-	-	-	79	-	-
Total	7,009	67	-	-	10,492	79	-	-
Financial liabilities								
Trade payables	-	-	(273)	-	-	-	(112)	-
Other liabilities	-	-	(1,766)	-	-	-	(5,796)	-
Accruals	-	-	(330)	-	-	-	(335)	-
Taxation payables	-	-	-	(161)	-	-	-	(125)
Total	-	-	(2,369)	(161)	-	-	(6,243)	(125)
Net	7,009	67	(2,369)	(161)	10,492	79	(6,243)	(125)

Maturity of the company's financial liabilities

	2011 Trade and other payables £'000	2010 Trade and other payables £'000
Due within one year	2,369	6,243
	2,369	6,243

The above contractual maturities reflect the gross cash flows which may differ to the carrying values of the liabilities at the reporting date

12 Share capital

	2011 £'000	2010 £'000
Authorised		
1,000,000 ordinary £1 shares - equity	1,000	1,000
Issued and fully paid		
353,706 ordinary £1 shares - equity	354	354

May Gurney Estates Limited
Financial statements for the year ended 31 March 2011

18

13 Revaluation reserve

	2011 £'000	2010 £'000
At 1 April 2010	310	449
Transfer to/(from) deferred tax liability (note 8)	52	(121)
Transfer to income statement (note 14)	(164)	(18)
At 31 March 2011	198	310

14 Retained earnings

	2011 £'000	2010 £'000
At 1 April 2010	9,995	9,837
Transfer from revaluation reserve (note 13)	164	18
Profit for the financial year	292	140
At 31 March 2011	10,451	9,995

15 Pensions

The company makes contributions in respect of some salaried employees and supervisory foreman who are members of the May Gurney Defined Benefit Pension Scheme. The scheme funds are administered by trustees and are independent of the company and the group's finances. The employer's contribution rate is based upon pensionable salary per annum in respect of future accrual of benefits. The company's contributions, which are paid in accordance with May Gurney Integrated Services plc instructions, are charged to the income statement in the year in which they accrue. An actuarial review of the fund was carried out on 1 April 2008. Full details of this valuation are contained in the financial statements of May Gurney Integrated Services plc.

May Gurney Defined Benefit Pension Scheme contributions charged to the income statement for the year ended 31 March 2011 amounted to £6,000 (2010: £7,000).

16 Contingent liabilities

- (a) The company has given an unlimited guarantee, secured by fixed and floating charges over the company's assets in respect of the borrowings from Bank of Scotland, of all group companies. At 31 March 2011, the net indebtedness of all other group companies amounted to £Nil (2010: £Nil).
- (b) The company has given joint and several guarantees securing indemnities given by other group companies in respect of performance bonds. At 31 March 2011, indemnities outstanding for other group companies amounted to £8,816,019 (2010: £3,887,856).

17 Commitments

(i) Operating lease commitments

There are no annual commitments under operating leases (2010: £nil).

(ii) Property, plant and equipment

At 31 March 2011 the company had £nil (2010: £nil) capital commitments.

May Gurney Estates Limited
Financial statements for the year ended 31 March 2011

19

18 Reconciliation of operating profit to cash generated from operations

	2011 £'000	2010 £'000
Operating profit	328	168
Depreciation	(17)	139
Loss on sale of property, plant and equipment	74	119
Decrease in trade and other receivables	3,522	2,287
(Decrease)/increase in trade and other payables	(3,878)	2,306
Cash generated from operations	29	5,019

Cash and cash equivalents (which are presented as a single class of assets on the face of the statement of financial position) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less

The directors consider that the carrying values of cash and cash equivalents approximate their fair values

19 Controlling related parties

The immediate parent undertaking is May Gurney Group Limited, a company incorporated in England. The ultimate parent undertaking is May Gurney Integrated Services plc (MGIS), a company incorporated in England, which owns the entire share capital of May Gurney Group Limited. MGIS prepares consolidated financial statements which are available from Companies House.

20 Related party transactions

Included within trade and other receivables is an amount of £1,940,000 (2010: £1,940,000) owed by the intermediate parent undertaking May Gurney Group Limited (MGGL), £116,000 (2010: £Nil) owed by the ultimate parent undertaking May Gurney Integrated Services plc (MGIS) and £4,951,000 (2010: £8,549,000) owed by fellow subsidiary undertaking May Gurney Limited (MGL).

Included within trade and other payables is an amount of £104,000 (2010: £4,134,000) owed to MGIS and £1,662,000 (2010: £1,662,000) owed to MGL.

During the year the company charged MGL management fees of £283,000 (2010: £300,000), rental fees of £833,000 (2010: £824,000) and interest of £27,000 (2010: £Nil). MGIS was charged rental fees of £31,000 (2010: £38,000) and charged the company interest of £4,000 (2010: £Nil).

May Gurney Estates Limited
Financial statements for the year ended 31 March 2011

20

Reconciliation of equity at 31 March and 1 April 2010

	UK GAAP £'000	Transition to IFRS £'000	IFRS £'000
Non-current assets			
Property, plant & equipment	1,485	-	1,485
Deferred tax asset	33	(33)	-
	1,518	(33)	1,485
Current assets			
Trade and other receivables	10,571	-	10,571
Cash and cash equivalents	5,059	-	5,059
	15,630	-	15,630
Total assets	17,148	(33)	17,115
Current liabilities			
Trade and other payables	(6,243)	-	(6,243)
Current tax liabilities	(125)	-	(125)
	(6,368)	-	(6,368)
Non-current liabilities			
Deferred tax liability	-	(88)	(88)
Total Liabilities	(6,368)	(88)	(6,456)
Net assets	10,780	(121)	10,659
Equity			
Share capital	354	-	354
Revaluation reserve	431	(121)	310
Retained earnings	9,995	-	9,995
Total equity	10,780	(121)	10,659

IAS 12 "Income taxes" requires that deferred tax be recognised where assets have been revalued without an equivalent adjustment being made for tax purposes, ie revalued property, plant and equipment. The impact in the year to 31 March 2010 is a deferred tax liability of £121,000.