

Emerson Commercial Developments Limited

Report and Accounts

Year Ended 30 April 2007

Company registration number 1013185

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Emerson Commercial Developments Limited

Report and Accounts

Year Ended 30 April 2007

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Emerson Commercial Developments Limited

Report of the Directors

Year Ended 30 April 2007

The Directors present their annual report together with the audited accounts for the year ended 30 April 2007

1 Results and Dividends

The net profit before tax for the year was £37,841 (2006 £36,951) The Directors do not recommend the payment of a dividend

2 Principal Activities and Operational Performance Review

The company's principal activity during the year was property investment The Directors consider both the level of business and the financial position of the company at 30 April 2007 to be satisfactory and expect the present level of activity to continue in the current financial year

3 Business Risk

The company routinely manage risks associated with interest rate fluctuations and have continued to adopt a detailed review process of this, and general market conditions, through regular meetings of senior management

4 Directors

The Directors who served during the year were as follows

P E Jones
Mrs A Jones
M E Jones
A E Jones

5 Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and 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 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 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

Emerson Commercial Developments Limited

Report of the Directors

Year Ended 30 April 2007

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.

So as far as each of the Directors is aware at the time the report is approved


- * there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

6 Auditors

Grant Thornton UK LLP, having offered themselves for reappointment as auditors, shall be deemed to be reappointed for the next financial year in accordance with section 386 of the Companies Act 1985.

This report was approved by the Board on 26 November 2007 and signed on its behalf

A Weatherby
Company Secretary



Emerson Commercial Developments Limited

Profit and Loss Account

Year Ended 30 April 2007

	<u>Notes</u>	<u>2007</u> £	<u>2006</u> £
Turnover	1	29,513	34,147
Cost of sales		0	0
Gross profit		29,513	34,147
Net operating expenses	2	320	(781)
Interest payable	3	0	(3,441)
Interest receivable	4	8,008	7,026
Profit on ordinary activities before taxation		37,841	36,951
Tax on profit on ordinary activities	6	(8,597)	(11,085)
Profit for the financial year after taxation		29,244	25,866
Retained profit brought forward		344,112	318,246
Retained profit carried forward		373,356	344,112

The above figures relate exclusively to continuing operations

There are no other recognised gains or losses for the year

Emerson Commercial Developments Limited


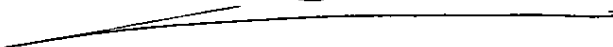
Balance Sheet

As at 30 April 2007

	<u>Notes</u>	<u>2007</u> £	<u>2007</u> £	<u>2006</u> £	<u>2006</u> £
Fixed Assets					
Tangible fixed assets	7		121,450		121,450
Investments	8		50,250		50,250
			171,700		171,700
Current Assets					
Debtors	9	0		0	
Cash		220,227		195,390	
		220,227		195,390	
Creditors amounts falling due within one year	10	18,471		22,878	
Net Current Assets			201,756		172,512
Total Assets less Current Liabilities			373,456		344,212
Capital and Reserves					
Called up share capital	11		100		100
Profit and loss account	12		373,356		344,112
Shareholders' Funds	13		373,456		344,212

The financial statements were approved and authorised for issue by the Board and signed on its behalf on 26 November 2007

P E Jones
Director

Emerson Commercial Developments Limited

Statement of Accounting Policies

The following accounting policies have been applied consistently in dealing with items considered material to the company's affairs

Basis of accounting

The accounts are prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards except that the true and fair override is used in respect of Investment Properties as detailed below. Under the terms of Section 229 of the Companies Act 1985, the company is exempt from preparing consolidated accounts as it is a wholly owned subsidiary of another

Investment Properties

The company's property is held for long-term investment. Investment properties are accounted for in accordance with SSAP 19, as follows

- i) investment properties are revalued annually. The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year, and
- ii) no depreciation is provided in respect of leasehold investment properties where the lease has over 20 years to run

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the Directors believe that the policy of not providing depreciation is necessary in order for the accounts to give a true and fair view, since the current value of investment properties, and changes to that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been included cannot be separately identified or quantified

Deferred Taxation

Full provision is made for deferred tax liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation, with the exception of capitalised interest where it is offset by the benefit of indexation allowance. Deferred tax assets are only recognised to the extent that they are prudently considered recoverable. Deferred tax is not discounted. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date

Turnover

Turnover, which excludes value added tax, comprises amounts invoiced during the year for the rent of commercial property

Tangible Fixed Assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Land held is not depreciated

Cash Flow Statement

The company qualifies as a small company under the terms of Section 247 of the Companies Act 1985. As a consequence it is exempt from the requirement to publish a cash flow statement

Investments

Investments are carried at cost less any provision for impairment

Emerson Commercial Developments Limited

Notes to the Accounts

1 Turnover

The turnover comprises entirely of rental income derived in the United Kingdom

	<u>2007</u> £	<u>2006</u> £
2 <u>Operating costs</u>		
Audit fees	1,000	1,000
Bank charges	75	81
Sundry expenses	(911)	0
Other operating income	(500)	(300)
Interest on Corp Tax	16	0
	<u>(320)</u>	<u>781</u>
3 <u>Interest payable</u>		
Overdraft and short term loan interest	0	3,441
	<u>0</u>	<u>3,441</u>
4 <u>Interest receivable</u>		
Bank interest	8,008	6,948
Other interest	0	78
	<u>8,008</u>	<u>7,026</u>

5 Directors' emoluments

During the year the Directors neither received nor were due to receive any emoluments from the company
No other persons were employed by the company in the financial year

Emerson Commercial Developments Limited

Notes to the Accounts

	<u>2007</u> £	<u>2006</u> £
6 <u>Tax on profit on ordinary activities</u>		
Current year corporation tax at 30%	11,352	11,085
Current year group relief	0	0
Over provision in prior year	(2,755)	0
	<u>8,597</u>	<u>11,085</u>
Tax reconciliation		
Profit on ordinary activities before tax	<u>37,841</u>	<u>36,951</u>
Tax on profit on ordinary activities at standard UK corporation tax rate 30%	11,352	11,085
Over provision in prior year	(2,755)	0
Indexation allowance	0	0
	<u>8,597</u>	<u>11,085</u>
Total taxation	<u>8,597</u>	<u>11,085</u>

7 Tangible fixed assets

	Freehold land £	Long leasehold property £	Total £
<u>Cost</u>			
At 1 May 2006 and 30 April 2007	<u>45,450</u>	<u>76,000</u>	<u>121,450</u>
<u>Depreciation</u>			
At 1 May 2006 and 30 April 2007	<u>0</u>	<u>0</u>	<u>0</u>
<u>Net Book Value</u>			
At 1 May 2006 and 30 April 2007	<u>45,450</u>	<u>76,000</u>	<u>121,450</u>

In the opinion of the directors, the open market value of the property is not significantly different from the stated amount

Emerson Commercial Developments Limited

Notes to the Accounts

	<u>2007</u> £	<u>2006</u> £
8 <u>Investments</u>		
Unquoted shares at cost	<u>50,250</u>	<u>50,250</u>
Directors' valuation of investments	<u>50,250</u>	<u>50,250</u>

The company holds 500 £1 ordinary shares representing 50% (2006 50%) of the share capital of Woodblane Developments (Holdings) Limited, a company incorporated in Scotland. The shares are not quoted and are shown at cost in the balance sheet. As the company does not exert a significant influence over Woodblane Developments (Holdings), its result has not been included in these accounts. Woodblane Developments (Holdings) Limited has not traded in the year and has net assets of £8,493.

9 Debtors

Other debtors	0	0
	<u>0</u>	<u>0</u>

10 Creditors: amounts falling due within one year

Bank loans and overdrafts	0	0
Corporation tax payable	11,352	13,840
Other creditors	1,662	2,580
Accruals	5,457	6,458
	<u>18,471</u>	<u>22,878</u>

11 Called up share capital

	Authorised £	Allotted and fully paid £
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

There was no change in share capital during the year.

12 Profit and loss account

The movement in the profit and loss account is set out on page 3.

Emerson Commercial Developments Limited

Notes to the Accounts

13 Reconciliation of movement in shareholders' funds

	<u>2007</u> £	<u>2006</u> £
Opening shareholders' funds	344,212	318,346
Profit for the financial year	29,244	25,866
	<hr/>	<hr/>
Closing shareholders' funds	<u>373,456</u>	<u>344,212</u>

14 Related parties

The company is related to Emerson Developments (Holdings) Limited and PE Jones (Properties) Ltd, companies which are subject to common influence. Amounts outstanding with these companies are disclosed in notes 9 and 10.

During the year the company has received property management services from companies within the Emerson Developments (Holdings) Limited Group, for which a management fee of £200 (2006 - £200) was charged during the year.

Report of the independent auditor to the members of Emerson Commercial Developments Limited

We have audited the financial statements of Emerson Commercial Developments Limited for the year ended 30 April 2007 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 14. 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 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with United Kingdom law and 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Chairman's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Report of the independent auditor to the members of Emerson Commercial Developments Limited

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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company'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.

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 affairs as at 30 April 2007 and of the company's profit 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

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
LIVERPOOL

3 December 2007