

REGISTERED NUMBER: 1013185 (England and Wales)

Report of the Directors and
Financial Statements for the Year Ended 30 April 2011
for
Emerson Commercial Developments Limited



Emerson Commercial Developments Limited (Registered number 1013185)

Contents of the Financial Statements
for the Year Ended 30 April 2011

| | Page |
|-------------------------------------|------|
| Company Information | 1 |
| Report of the Directors | 2 |
| Report of the Independent Auditor's | 4 |
| Profit and Loss Account | 5 |
| Balance Sheet | 6 |
| Notes to the Financial Statements | 7 |

Emerson Commercial Developments Limited

Company Information
for the Year Ended 30 April 2011

DIRECTORS:

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

SECRETARY:

Ms A C Weatherby

REGISTERED OFFICE:

Emerson House
Heyes Lane
Alderley Edge
Cheshire
SK9 7LF

REGISTERED NUMBER:

1013185 (England and Wales)

AUDITOR:

Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Royal Liver Building
Liverpool
L3 1PS

Report of the Directors
for the Year Ended 30 April 2011

RESULT FOR THE YEAR

The net profit for the year was £28,013 (2010 £25,673) The Directors recommend that the profit be transferred to reserves

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property investment

REVIEW OF BUSINESS

The directors consider both the level of business and the financial position of the company at 30 April 2011 to be satisfactory and expect the present level of activity to continue in the current financial year

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

DIVIDENDS

No dividends will be distributed for the year ended 30 April 2011 (2010 £nil)

DIRECTORS

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

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

In so far as each of the Directors is aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each Director has taken all steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information

Emerson Commercial Developments Limited (Registered number 1013185)

Report of the Directors
for the Year Ended 30 April 2011

AUDITOR

In accordance with section 487 of the Companies Act 2006, Grant Thornton UK LLP, Registered Auditor, is deemed re-appointed as auditor for the succeeding year

BY ORDER OF THE BOARD:

Ms A C Weatherby - Secretary

A handwritten signature in black ink, appearing to read 'A C Weatherby', written over the printed name.

3 November 2011

Report of the Independent Auditor's to the Shareholders of
Emerson Commercial Developments Limited

We have audited the financial statements of Emerson Commercial Developments Limited for the year ended 30 April 2011 which comprise the principal accounting policies, the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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 auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, 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 30 April 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Grant Thornton UK LLP

Carl Williams (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Liverpool

3 November 2011

Emerson Commercial Developments Limited (Registered number 1013185)

Profit and Loss Account
for the Year Ended 30 April 2011

| | Notes | 2011 £ | 2010 £ |
|--|-------|----------------|----------------|
| TURNOVER | 2 | 28,691 | 33,525 |
| Administrative expenses | | <u>(1,266)</u> | <u>(1,205)</u> |
| OPERATING PROFIT | 4 | 27,425 | 32,320 |
| Interest receivable and similar income | | <u>291</u> | <u>178</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 27,716 | 32,498 |
| Tax on profit on ordinary activities | 5 | <u>297</u> | <u>(6,825)</u> |
| PROFIT FOR THE FINANCIAL YEAR | | 28,013 | 25,673 |
| Retained profit brought forward | | <u>450,793</u> | <u>425,120</u> |
| RETAINED PROFIT CARRIED FORWARD | | <u>478,806</u> | <u>450,793</u> |

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

The notes form part of these financial statements

Emerson Commercial Developments Limited (Registered number 1013185)

Balance Sheet
30 April 2011

| | Notes | 2011 £ | 2010 £ |
|--|-------|----------------|----------------|
| FIXED ASSETS | | | |
| Investments | 6 | 50,250 | 50,250 |
| Investment properties | 7 | 196,740 | 196,740 |
| | | <u>246,990</u> | <u>246,990</u> |
| CURRENT ASSETS | | | |
| Cash at bank | | 244,590 | 225,872 |
| CREDITORS | | | |
| Amounts falling due within one year | 8 | <u>12,674</u> | <u>21,969</u> |
| NET CURRENT ASSETS | | <u>231,916</u> | <u>203,903</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>478,906</u> | <u>450,893</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 9 | 100 | 100 |
| Profit and loss account | 10 | 478,806 | 450,793 |
| SHAREHOLDERS' FUNDS | 12 | <u>478,906</u> | <u>450,893</u> |

The financial statements were approved and authorised for issue by the Board of Directors on 3 November 2011 and were signed on its behalf by

P E Jones - Director



The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 30 April 2011

1 PRINCIPAL ACCOUNTING POLICIES

Basis of preparing the financial statements

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 400 of the Companies Act 2006, the company is exempt from preparing consolidated accounts as it is a wholly owned subsidiary of another

The accounts present information about it as an individual undertaking and not about its group

The principal accounting policies of the company, which have been applied consistently in dealing with items considered material to the company's affairs, have remained unchanged from the previous year and are set out below

Cash flow statement

Advantage has been taken of the exemption in Financial Reporting Standard Number 1 from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements

Turnover

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

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 tax

Full provision is made for deferred tax liabilities arising from timing differences between the recognition of gains and losses in the financial statement 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

Investments

Investments are carried at cost less any provision for impairment

Notes to the Financial Statements - continued
for the Year Ended 30 April 2011

1 PRINCIPAL ACCOUNTING POLICIES - continued

Financial Instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities. Shares containing such obligations are classified as financial liabilities.

Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability. Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability. Debt issue costs are offset against the debt and amortised over the term of the loan.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to reserves.

2 TURNOVER

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

3 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.

4 OPERATING PROFIT

The operating profit is stated after charging

| | 2011 £ | 2010 £ |
|------------|--------------|--------------|
| Audit fees | <u>1,175</u> | <u>1,175</u> |

5 TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit on ordinary activities for the year was as follows

| | 2011 £ | 2010 £ |
|--------------------------------------|----------------|--------------|
| Current tax | | |
| Corporation tax - current year | 5,820 | 6,825 |
| Corporation tax - prior year | <u>(6,117)</u> | <u>-</u> |
| Tax on profit on ordinary activities | <u>(297)</u> | <u>6,825</u> |

UK corporation tax has been charged at 27.83% (2010 - 28%)

Notes to the Financial Statements - continued
for the Year Ended 30 April 2011

5 **TAXATION - continued**

Factors affecting the tax (credit)/charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

| | 2011 £ | 2010 £ |
|--|----------------|---------------|
| Profit on ordinary activities before tax | <u>27,716</u> | <u>32,498</u> |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 27.833% (2010 - 28%) | 7,714 | 9,099 |
| Effects of Marginal relief | (1,894) | (2,274) |
| Adjustment to prior years | <u>(6,117)</u> | <u>-</u> |
| Current tax (credit)/charge | <u>(297)</u> | <u>6,825</u> |

6 **FIXED ASSET INVESTMENTS**

| | Shares in group undertakings £ |
|------------------------------------|---|
| COST | |
| At 1 May 2010 and 30 April 2011 | <u>50,250</u> |
| NET BOOK VALUE | |
| At 30 April 2011 | <u>50,250</u> |
| At 30 April 2010 | <u>50,250</u> |

The company's investments at the balance sheet date in the share capital of companies include the following

The company holds 500 £1 ordinary shares representing 50% (2010 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) Limited, its result has not been included in these accounts. Woodblane Developments (Holdings) Limited has not traded in the year and has net assets of £18,493 at 30 April 2011.

7 **INVESTMENT PROPERTIES**

| | Total £ |
|------------------------------------|----------------|
| COST | |
| At 1 May 2010 and 30 April 2011 | <u>196,740</u> |
| NET BOOK VALUE | |
| At 30 April 2011 | <u>196,740</u> |
| At 30 April 2010 | <u>196,740</u> |

Notes to the Financial Statements - continued
for the Year Ended 30 April 2011

7 INVESTMENT PROPERTIES - continued

Investment properties comprise freehold land of £120,740 and long leasehold land and buildings of £76,000

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

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2011 | 2010 |
|---------------------------------|---------------|---------------|
| | £ | £ |
| Corporation tax payable | 5,820 | 12,942 |
| Social security and other taxes | 1,340 | 1,365 |
| Directors' current accounts | 250 | 250 |
| Accruals and deferred income | 5,264 | 7,412 |
| | <u>12,674</u> | <u>21,969</u> |

9 CALLED UP SHARE CAPITAL

| Allotted, issued and fully paid | | | 2011 | 2010 |
|---------------------------------|----------|---------------|------------|------------|
| Number | Class | Nominal value | £ | £ |
| 100 | Ordinary | £1 | <u>100</u> | <u>100</u> |

10 RELATED PARTY DISCLOSURES

The company is related to Emerson Developments (Holdings) Limited and PE Jones (Properties) Limited, companies which are subject to common influence. There are no amounts outstanding with these companies at 30 April 2011.

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 (2010 - £200) was charged during the year.

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2011 | 2010 |
|-------------------------------------|----------------|----------------|
| | £ | £ |
| Profit for the financial year | 28,013 | 25,673 |
| Net addition to shareholders' funds | <u>28,013</u> | <u>25,673</u> |
| Opening shareholders' funds | 450,893 | 425,220 |
| Closing shareholders' funds | <u>478,906</u> | <u>450,893</u> |