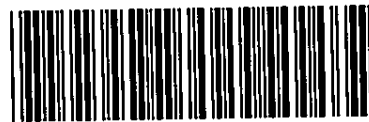


Eversheds Properties Limited

Directors' Report and Financial Statements For the year ended 30 April 2012

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Company information

Directors

M T Brown
D J Gray
B G Hughes
A Robertson
L Ranson

Company secretary

Eversecretary Limited

Company number

2649325

Registered office

Eversheds LLP
70 Great Bridgewater Street
Manchester
M1 5ES

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Bankers

The Royal Bank of Scotland
Corporate Banking London - Professional Practices
9th Floor
280 Bishopsgate
London
EC2M 4RB

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Directors' report for the year ended 30 April 2012

The directors present their annual report and the audited financial statements of the company for the year ended 30 April 2012. The directors' report has been prepared in accordance with the special provisions relating to small companies under section 415A of the Companies Act 2006.

Principal activities

The principal activity of the company during the year was the holding of leases relating to premises occupied by Eversheds LLP.

Business review and future developments

The performance of the company during the year was satisfactory. The principal activity of the business is not expected to change in the foreseeable future.

Results and dividends

The result for the year, after taxation, amounted to £nil (2011 - £nil). The directors do not recommend the payment of any dividends (2011 - £nil).

Directors' qualifying third party indemnity provisions

The company has granted indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

M T Brown
D J Gray
B G Hughes
A Robertson
L Ranson

Statement of disclosure information to auditors

So far as each of the directors are aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

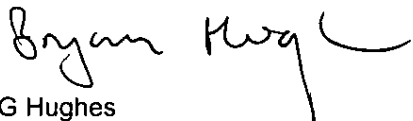
Eversheds Properties Limited

Directors' report for the year ended 30 April 2012 (continued)

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 11 December 2012 and signed on its behalf

A handwritten signature in black ink, appearing to read 'Bryan Hughes', with a stylized flourish at the end.

B G Hughes
Director

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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 prepared 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 judgments and accounting estimates that are reasonable and prudent, and
- 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.

Independent Auditors' report to the members of Eversheds Properties Limited

We have audited the financial statements of Eversheds Properties Limited for the year ended 30 April 2012 which comprise 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2012 and of its result 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 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.

Independent Auditors' report to the members of Eversheds Properties Limited (continued)

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, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report



Mark Skedgel (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
11 December 2012

Profit and loss account for the year ended 30 April 2012

	Note	2012 £	2011 £
Turnover	2	17,990,331	18,233,648
Cost of sales		<u>(18,312,780)</u>	<u>(18,577,875)</u>
Gross loss		(322,449)	(344,227)
Other operating income	3	<u>322,449</u>	<u>344,227</u>
Operating result	4	<u>-</u>	<u>-</u>
Result on ordinary activities before taxation		-	-
Tax on result on ordinary activities	5	<u>-</u>	<u>-</u>
Result on ordinary activities after taxation		<u>-</u>	<u>-</u>

All amounts relate to continuing operations

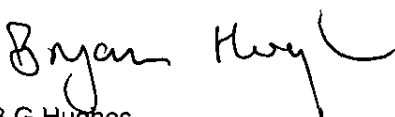
The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of recognised gains and losses has been presented

The notes on pages 8 to 13 form part of these financial statements

Balance Sheet as at 30 April 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible fixed assets	7	-	-	-	-
Current assets					
Debtors	8	3,758,251	2,843,531		
Cash at bank and in hand		<u>116,702</u>	<u>1,846,811</u>		
		3,874,953	4,690,342		
Creditors: amounts falling due within one year	9	<u>(3,341,579)</u>	<u>(4,086,994)</u>		
Net current assets			<u>533,374</u>		<u>603,348</u>
Total assets less current liabilities			<u>533,374</u>		<u>603,348</u>
Creditors amounts falling due after more than one year	10	<u>(629,766)</u>	<u>(699,740)</u>		
Net liabilities			<u>(96,392)</u>		<u>(96,392)</u>
Capital and Reserves					
Called up share capital	11	50,000	50,000		
Profit and loss account	12	<u>(146,392)</u>	<u>(146,392)</u>		
Total shareholders' deficit	13	<u>(96,392)</u>	<u>(96,392)</u>		

The financial statements on pages 6 to 13 were approved and authorised for issue by the board and were signed on its behalf on 11 December 2012


B G Hughes
Director

The notes on pages 8 to 13 form part of these financial statements

Notes to the Financial Statements at 30 April 2012

1 Accounting policies

1.1 Basis of preparation of financial statements

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

At 30 April 2012 the company had net liabilities. Eversheds LLP, the company's ultimate parent company, has confirmed it will support Eversheds Properties Limited for at least twelve months from the date of approval of the financial statements and on this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within a group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS1 (revised 1996).

1.3 Turnover

Turnover comprises revenue from management charges and rental income recognised by the company in respect of recharges of property costs to other group undertakings and rental sublets and excludes value added tax.

1.4 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:

Leasehold improvements	-	Period of lease up to a maximum of 50 years
Plant and machinery	-	15 years
Fixtures and fittings	-	5 years

1.5 Operating leases

For all assets held under operating leases, the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

1.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

Notes to the financial statements at 30 April 2012 (continued)

1 Accounting policies (continued)**1.7 Landlord incentives**

Landlord incentives received in respect of the property leases are shown in the financial statements as deferred income and released to the profit and loss account on a straight line basis over the period of the lease until a full commercial rent becomes payable by the company

2 Turnover

The whole of the turnover is attributable to the principal continuing activity of the company. All turnover arose within the United Kingdom.

3 Other operating income

	2012 £	2011 £
Other operating income (service charge)	<u>322,449</u>	<u>344,227</u>

4 Operating result

The operating result is stated after charging/(crediting)

	2012 £	2011 £
Operating lease rental – land & buildings	16,673,449	16,718,243
Foreign exchange (gain)/loss	<u>(14,360)</u>	<u>4,357</u>

Audit fees of £3,000 in the current and prior year were borne by the parent undertaking, Eversheds LLP, and not recharged. There were no non-audit services.

During the year, no director received any emoluments (2011 - £nil) in respect of services provided to this company.

Notes to the financial statements at 30 April 2012 (continued)

5 Taxation**(a) Tax on result on ordinary activities**

The tax charge is made up as follows

	2012 £	2011 £
Current tax		
UK corporation tax	-	-
Total current tax charge	-	-

(b) Factors affecting current tax charge

The differences are reconciled below

	2012 £	2011 £
Result on ordinary activities before taxation	-	-
Result on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25.83% (2011 27.83%)	-	-
Current tax charge on result on ordinary activities	-	-

(c) Factors affecting future tax charge

On 1 April 2012, the UK main corporation tax rate reduced from 26% to 24%. The March 2011 Budget announced that the UK corporation tax rate is expected to reduce further to 23% by 1 April 2014. As the company has no deferred tax balances, there is no impact of the change in tax rate in these financial statements.

6. Staff costs

The company has no employees other than the directors (2011 - nil). All staff are employed by Eversheds Legal Services Limited. The directors of the company are members of Eversheds LLP.

Notes to the financial statements at 30 April 2012 (continued)

7 Tangible Fixed Assets

	<i>Leasehold improvements</i> £	<i>Plant and machinery</i> £	<i>Fixtures and fittings</i> £	<i>Total</i> £
Cost				
At 1 May 2011	607,688	722,500	1,278,723	2,608,911
Disposals	<u>(607,688)</u>	<u>(722,500)</u>	<u>(1,278,723)</u>	<u>(2,608,911)</u>
At 30 April 2012	-	-	-	-
Accumulated depreciation				
At 1 May 2011	607,688	722,500	1,278,723	2,608,911
Disposals	<u>(607,688)</u>	<u>(722,500)</u>	<u>(1,278,723)</u>	<u>(2,608,911)</u>
At 30 April 2012	-	-	-	-
Net book value				
At 30 April 2011 and 30 April 2012	-	-	-	-

8. Debtors

	<i>2012</i> £	<i>2011</i> £
Trade debtors	108,314	54,763
Other debtors	1,400	85,119
Prepayments and accrued income	<u>3,648,537</u>	<u>2,703,649</u>
	<u>3,758,251</u>	<u>2,843,531</u>

9. Creditors: Amounts falling due within one year

	<i>2012</i> £	<i>2011</i> £
Amounts owed to group undertakings	3,061,746	3,873,872
Taxation and social security	4,171	-
Accruals and deferred income	<u>275,662</u>	<u>213,122</u>
	<u>3,341,579</u>	<u>4,086,994</u>

10 Creditors: Amounts falling due after more than one year

	<i>2012</i> £	<i>2011</i> £
Accruals and deferred income	<u>629,766</u>	<u>699,740</u>

Notes to the financial statements at 30 April 2012 (continued)

11 Called up share capital

	2012 £	2011 £
<i>Authorised, allotted and fully paid</i>		
50,000 (2011 50,000) Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

12 Profit and loss account

	£
At 1 May 2011 and 30 April 2012	<u>(146,392)</u>

13 Reconciliation of movement in total shareholders' deficit

	2012 £	2011 £
Total shareholders' deficit at 30 April 2012, 2011 and 2010	<u>(96,392)</u>	<u>(96,392)</u>

14. Operating lease commitments

Annual amounts are due in respect of non-cancellable leases which expire

Land and Buildings	2012 £	2011 £
Less than one year	-	40,314
Between one and five years	2,001,050	1,114,900
More than five years	<u>14,442,319</u>	<u>15,529,472</u>
	<u>16,443,369</u>	<u>16,684,686</u>

15. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard No 8 "Related Party Disclosures" and has not disclosed transactions with other companies in the same group on the grounds that it is a wholly owned subsidiary undertaking of Eversheds LLP, whose financial statements are publicly available

Notes to the financial statements at 30 April 2012 (continued)

16. Ultimate parent undertaking and controlling party

The immediate parent undertaking, ultimate parent undertaking and controlling party is Eversheds LLP, a limited liability partnership incorporated in England. Eversheds LLP is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 30 April 2012. The consolidated financial statements of Eversheds LLP are available from its registered office at One Wood Street, London, ECV2 7WS.