

CGMS LIMITED
ABBREVIATED FINANCIAL STATEMENTS

31ST DECEMBER 2006

DALY, HOGGETT & CO.
Chartered Accountants & Registered Auditors
5-11 Mortimer Street
London
W1T 3HS

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CGMS LIMITED
ABBREVIATED ACCOUNTS
YEAR ENDED 31ST DECEMBER 2006

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CGMS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2006

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st December 2006

PRINCIPAL ACTIVITIES

The principal activities of the company during the year were those of planning and environmental consultancy

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows

	Ordinary Shares of £1 each	
	At 31 December 2006	At 1 January 2006
P CHADWICK	-	-
K GOODWIN	-	-
E MORTIMER	-	-
J STOCKDALE	-	-

The beneficial interests of the directors, including family holdings, in the shares of the parent company at the balance sheet date were as follows

	Ordinary Shares of £1 each
P CHADWICK	26,600
K GOODWIN	21,000
E MORTIMER	28,800
J STOCKDALE	21,600

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 year

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 6 to 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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 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

AUDITOR

A resolution to re-appoint Daly, Hoggett & Co as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

CGMS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST DECEMBER 2006

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Registered office
5 - 11 Mortimer Street
London
W1T 3HS

Signed by order of the directors

K. R. Goodwin

KEVIN ROY GOODWIN
Company Secretary

Approved by the directors on *2/3/07*

CGMS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 4 to 10, together with the financial statements of the company for the year ended 31st December 2006 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act, and the abbreviated accounts on pages 4 to 10 are properly prepared in accordance with those provisions.

5-11 Mortimer Street
London
W1T 3HS

30/2/07



DALY, HOGGETT & CO
Chartered Accountants
& Registered Auditors

CGMS LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST DECEMBER 2006

	Note	2006 £	2005 £
GROSS PROFIT		2,322,793	1,826,251
Administrative expenses		<u>2,117,455</u>	<u>1,685,321</u>
OPERATING PROFIT	2	205,338	140,930
Interest receivable		3,600	7,667
Interest payable and similar charges		<u>(9,127)</u>	<u>—</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		199,811	148,597
Tax on profit on ordinary activities	3	72,196	43,430
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>127,615</u>	<u>105,167</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the
year as set out above

The notes on pages 6 to 10 form part of these abbreviated accounts.

CGMS LIMITED
ABBREVIATED BALANCE SHEET

31ST DECEMBER 2006

	Note	2006 £	£	2005 £	£
FIXED ASSETS					
Intangible assets	5		555,750		—
Tangible assets	6		194,719		249,277
			<u>750,469</u>		<u>249,277</u>
CURRENT ASSETS					
Stocks		205,109		128,654	
Debtors	7	1,831,922		1,301,344	
Cash at bank		<u>140,638</u>		<u>68,195</u>	
		2,177,669		1,498,193	
CREDITORS: Amounts falling due within one year	8	<u>2,274,768</u>		<u>1,181,423</u>	
NET CURRENT (LIABILITIES)/ASSETS			(97,099)		316,770
TOTAL ASSETS LESS CURRENT LIABILITIES			653,370		566,047
PROVISIONS FOR LIABILITIES					
Deferred taxation	9		<u>2,388</u>		<u>8,480</u>
			<u>650,982</u>		<u>557,567</u>
CAPITAL AND RESERVES					
Called-up equity share capital	11		114,000		114,000
Share premium account	12		18,000		18,000
Capital Redemption Reserve			139,000		139,000
Profit and loss account	13		<u>379,982</u>		<u>286,567</u>
SHAREHOLDERS' FUNDS	14		<u>650,982</u>		<u>557,567</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985

These abbreviated accounts were approved by the directors on the 30/3/07 and are signed on their behalf by


E MORTIMER


J STOCKDALE

The notes on pages 6 to 10 form part of these abbreviated accounts

CGMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2006

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention

(b) Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

(c) Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

(d) Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Goodwill	5 Years Straight Line
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(e) Fixed assets

All fixed assets are initially recorded at cost

(f) Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold Property Improvements	6 Years Straight Line
Plant & Machinery	3 Years Straight Line
Fixtures & Fittings	5 Years Straight Line
Computer Equipment	3 Years Straight Line

(g) Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate

(h) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

(i) Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account

(j) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

CGMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2006

1 ACCOUNTING POLICIES (continued)

(k) Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2 OPERATING PROFIT

Operating profit is stated after charging

	2006 £	2005 £
Directors' emoluments	—	—
Staff pension contributions	67,375	54,213
Amortisation	29,250	—
Depreciation of owned fixed assets	96,887	102,127
Auditor's fees	11,000	10,200
Operating lease costs	—	—
Plant and equipment	49,428	26,175
Motor vehicles	38,356	28,254
	<u>—</u>	<u>—</u>

3 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2006 £	2005 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 26% (2005 - 23 30%)	78,288	50,860
Total current tax	78,288	50,860
Deferred tax		
Origination and reversal of timing differences (note 9)		
Capital allowances	(6,092)	(7,430)
Tax on profit on ordinary activities	72,196	43,430

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 26% (2005 - 23 30%)

	2006 £	2005 £
Profit on ordinary activities before taxation	199,811	148,597
Profit/(loss) on ordinary activities by rate of tax	51,951	34,623
Expenses not deductible for tax purposes	18,019	7,121
Depreciation for period in excess of capital allowances	8,337	9,116
Adjustment to tax charge in respect of previous periods	(19)	—
Total current tax (note 3(a))	78,288	50,860

CGMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2006

4 DIVIDENDS

Dividends on equity shares

	2006 £	2005 £
Paid during the year		
Equity dividends on ordinary shares	<u>34,200</u>	<u>34,200</u>

5. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
Additions	<u>585,000</u>
At 31st December 2006	<u>585,000</u>
AMORTISATION	
Charge for the year	<u>29,250</u>
At 31st December 2006	<u>29,250</u>
NET BOOK VALUE	
At 31st December 2006	<u>555,750</u>
At 31st December 2005	<u>—</u>

6 TANGIBLE FIXED ASSETS

	Leasehold Property Improvements £	Plant & Machinery £	Fixtures & Fittings £	Equipment £	Total £
COST					
At 1 January 2006	113,471	46,863	173,782	159,043	493,159
Additions	<u>—</u>	<u>—</u>	<u>10,877</u>	<u>31,452</u>	<u>42,329</u>
At 31 December 2006	<u>113,471</u>	<u>46,863</u>	<u>184,659</u>	<u>190,495</u>	<u>535,488</u>
DEPRECIATION					
At 1 January 2006	24,779	21,529	82,764	114,810	243,882
Charge for the year	<u>18,912</u>	<u>15,621</u>	<u>29,231</u>	<u>33,123</u>	<u>96,887</u>
At 31 December 2006	<u>43,691</u>	<u>37,150</u>	<u>111,995</u>	<u>147,933</u>	<u>340,769</u>
NET BOOK VALUE					
At 31 December 2006	<u>69,780</u>	<u>9,713</u>	<u>72,664</u>	<u>42,562</u>	<u>194,719</u>
At 31 December 2005	<u>88,692</u>	<u>25,334</u>	<u>91,018</u>	<u>44,233</u>	<u>249,277</u>

7 DEBTORS

	2006 £	2005 £
Trade debtors	1,685,347	1,177,555
Other debtors	26,524	27,018
Prepayments and accrued income	<u>120,051</u>	<u>96,771</u>
	<u>1,831,922</u>	<u>1,301,344</u>

CGMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2006

8 CREDITORS Amounts falling due within one year

	2006 £	2005 £
Bank loans and overdrafts	305,653	-
Trade creditors	769,765	549,607
Amounts owed to group undertakings	502,955	126,068
Corporation tax	78,307	50,860
Other taxation and social security	227,850	183,311
Other creditors	390,238	271,577
	<u>2,274,768</u>	<u>1,181,423</u>

The bank overdraft has been secured by the company

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2006 £	2005 £
Bank loans and overdrafts	<u>305,653</u>	<u>-</u>

9 DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2006 £	2005 £
Provision brought forward	8,480	15,910
Profit and loss account movement arising during the year	(6,092)	(7,430)
Provision carried forward	<u>2,388</u>	<u>8,480</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2006 £	2005 £
Excess of taxation allowances over depreciation on fixed assets	<u>2,388</u>	<u>8,480</u>
	<u>2,388</u>	<u>8,480</u>

10 COMMITMENTS UNDER OPERATING LEASES

At 31st December 2006 the company had annual commitments under non-cancellable operating leases as set out below

	2006		2005	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire				
Within 1 year	24,000	120,000	-	127,779
Within 2 to 5 years	-	90,402	-	42,268
After more than 5 years	<u>176,332</u>	<u>-</u>	<u>176,332</u>	<u>-</u>
	<u>200,332</u>	<u>210,402</u>	<u>176,332</u>	<u>170,047</u>

CGMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2006

11. SHARE CAPITAL

Authorised share capital

	2006	2005
	£	£
225,000 Ordinary shares of £1 each	225,000	225,000
150,000 Undesignated shares of £1 each	150,000	150,000
	<u>375,000</u>	<u>375,000</u>

Allotted, called up and fully paid

	2006		2005	
	No	£	No	£
Ordinary shares of £1 each	<u>114,000</u>	<u>114,000</u>	<u>114,000</u>	<u>114,000</u>
Equity shares				
Ordinary shares of £1 each	<u>114,000</u>	<u>114,000</u>	<u>114,000</u>	<u>114,000</u>

12. SHARE PREMIUM ACCOUNT

There was no movement on the share premium account during the financial year

13. PROFIT AND LOSS ACCOUNT

	2006	2005
	£	£
Balance brought forward	286,567	215,600
Retained profit for the financial year	127,615	105,167
Equity dividends paid	(34,200)	(34,200)
Balance carried forward	<u>379,982</u>	<u>286,567</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006	2005
	£	£
Profit for the financial year	127,615	105,167
Equity dividends paid	(34,200)	(34,200)
Net addition to shareholders' funds	<u>93,415</u>	<u>70,967</u>
Opening shareholders' funds	<u>557,567</u>	<u>486,600</u>
Closing shareholders' funds	<u>650,982</u>	<u>557,567</u>

15. ULTIMATE PARENT COMPANY

The company's ultimate holding company is CgMs Holdings Limited, a company incorporated in England and Wales