

**CGMS LIMITED**  
**ABBREVIATED FINANCIAL STATEMENTS**  
**31ST DECEMBER 2008**



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

# **CGMS LIMITED**

## **ABBREVIATED ACCOUNTS**

**YEAR ENDED 31ST DECEMBER 2008**

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# CGMS LIMITED

## THE DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2008

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st December 2008.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

The results for the first nine months of the year showed continuing strong performance and growth. Trading suffered in the last quarter of the year as a result of the depressed economic climate though the directors are pleased to report an operating profit for the year.

Given the current economic climate the directors have reviewed the carrying value of goodwill for impairment and made a provision of £152,255 in this regard.

The directors have taken steps in the first quarter of 2009 to reduce costs in the current economic climate.

### RESULTS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

### DIRECTORS

The directors who served the company during the year were as follows:

P CHADWICK  
K GOODWIN  
E MORTIMER  
J STOCKDALE

### DIRECTORS' RESPONSIBILITIES

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 the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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.

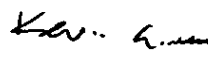
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Registered office:  
5 - 11 Mortimer Street  
London  
W1T 3HS

Signed by order of the directors

  
KEVIN ROY GOODWIN  
Company Secretary

Approved by the directors on 30/1/09 .....

# CGMS LIMITED

## INDEPENDENT AUDITOR'S REPORT TO CGMS LIMITED

### UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts, together with the financial statements of CgMs Limited for the year ended 31st December 2008 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 abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

#### BASIS OF OPINION


We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin 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.

#### OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

5-11 Mortimer Street  
London  
W1T 3HS

1/5/09.....



DALY, HOGGETT & CO.  
Chartered Accountants  
& Registered Auditors

# CGMS LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 2008

	Note	2008 £	2007 £
<b>GROSS PROFIT</b>		<b>3,548,245</b>	<b>3,296,283</b>
Administrative expenses		<u>3,506,741</u>	<u>3,000,927</u>
<b>OPERATING PROFIT</b>	<b>2</b>	<b>41,504</b>	<b>295,356</b>
Exceptional item			
Provision for impairment of goodwill		<u>(152,255)</u>	<u>—</u>
		<b>(110,751)</b>	<b>295,356</b>
Interest receivable		<u>7,411</u>	<u>8,596</u>
Interest payable and similar charges	<b>4</b>	<b>(33,735)</b>	<b>(28,514)</b>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(137,075)</b>	<b>275,438</b>
Tax on (loss)/profit on ordinary activities	<b>5</b>	<b>(33,579)</b>	<b>94,983</b>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>(103,496)</u></b>	<b><u>180,455</u></b>

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 5 to 10 form part of these abbreviated accounts.

# CGMS LIMITED


## ABBREVIATED BALANCE SHEET

31ST DECEMBER 2008

	Note	2008 £	2007 £
<b>FIXED ASSETS</b>			
Intangible assets	7	111,600	359,803
Tangible assets	8	<u>172,772</u>	<u>231,641</u>
		284,372	591,444
<b>CURRENT ASSETS</b>			
Stocks	9	264,123	295,225
Debtors	10	3,109,702	3,168,044
Cash at bank		<u>35,057</u>	<u>117,854</u>
		3,408,882	3,581,123
<b>CREDITORS: Amounts falling due within one year</b>	11	<u>3,142,013</u>	<u>3,429,060</u>
<b>NET CURRENT ASSETS</b>		266,869	152,063
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		551,241	743,507
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	12	-	<u>3,270</u>
		<u>551,241</u>	<u>740,237</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	14	114,000	114,000
Share premium account	15	18,000	18,000
Capital Redemption Reserve	16	139,000	139,000
Profit and loss account	17	<u>280,241</u>	<u>469,237</u>
<b>SHAREHOLDERS' FUNDS</b>	18	<u>551,241</u>	<u>740,237</u>

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 and authorised for issue on 5/5/09, and are signed on their behalf by:

  
E MORTIMER

  
J STOCKDALE

The notes on pages 5 to 10 form part of these abbreviated accounts.

# CGMS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2008

### 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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The directors have also undertaken a review of goodwill for any permanent impairment in carrying value and provided for any permanent impairment identified.

#### (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. No element of profit is included in the valuation of work in progress.

#### (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.

#### (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.

# CGMS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2008

### 2. OPERATING PROFIT

Operating profit is stated after charging:

	2008	2007
	£	£
Directors' emoluments	-	-
Amortisation	95,948	95,947
Depreciation of owned fixed assets	108,053	105,745
Auditor's remuneration		
- as auditor	12,000	12,000
Operating lease costs:		
Plant and equipment	96,547	78,363
Motor vehicles	68,989	68,875

### 3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2008	2007
	No	No
Number of staff	119	109

The aggregate payroll costs of the above were:

	2008	2007
	£	£
Wages and salaries	4,923,160	4,057,921
Social security costs	534,631	460,417
Other pension costs	116,510	73,197
	5,573,301	4,591,535

### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
	£	£
Interest payable on bank borrowing	33,735	28,514

### 5. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2008	2007
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 25.13% (2007 - 30%)	(19,240)	95,281
Over/under provision in prior year	(11,069)	(1,180)
Total current tax	(30,309)	94,101
Deferred tax:		
Origination and reversal of timing differences		
Capital allowances	(3,270)	882
Tax on (loss)/profit on ordinary activities	(33,579)	94,983



# CGMS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2008

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# CGMS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2008

### 5. TAXATION ON ORDINARY ACTIVITIES *(continued)*

#### (b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 25.13% (2007 - 30%).

	2008 £	2007 £
(Loss)/profit on ordinary activities before taxation	<u>(137,075)</u>	<u>275,438</u>
(Loss)/profit on ordinary activities by rate of tax	(34,447)	82,631
Expenses not deductible for tax purposes	10,175	12,149
Depreciation for period in excess of capital allowances	5,032	501
Adjustment to tax charge in respect of previous periods	<u>(11,069)</u>	<u>(1,180)</u>
Total current tax (note 5(a))	<u>(30,309)</u>	<u>94,101</u>

### 6. DIVIDENDS

#### Equity dividends

	2008 £	2007 £
Paid		
Equity dividends on ordinary shares	<u>85,500</u>	<u>91,200</u>

### 7. INTANGIBLE FIXED ASSETS

	Goodwill £
<b>COST</b>	
At 1st January 2008 and 31st December 2008	<u>485,000</u>
<b>AMORTISATION</b>	
At 1st January 2008	125,197
Charge for the year	95,948
Provision for permanent impairment	<u>152,255</u>
At 31st December 2008	<u>373,400</u>
<b>NET BOOK VALUE</b>	
At 31st December 2008	<u>111,600</u>
At 31st December 2007	<u>359,803</u>

# CGMS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2008

### 8. TANGIBLE FIXED ASSETS

	Leasehold Property Improvements £	Plant & Machinery £	Fixtures & Fittings £	Equipment £	Total £
<b>COST</b>					
At 1 January 2008	113,471	64,363	244,041	256,280	678,155
Additions	7,466	3,128	33,449	5,141	49,184
<b>At 31 December 2008</b>	<b>120,937</b>	<b>67,491</b>	<b>277,490</b>	<b>261,421</b>	<b>727,339</b>
<b>DEPRECIATION</b>					
At 1 January 2008	62,602	49,363	148,787	185,762	446,514
Charge for the year	20,156	6,355	44,708	36,834	108,053
<b>At 31 December 2008</b>	<b>82,758</b>	<b>55,718</b>	<b>193,495</b>	<b>222,596</b>	<b>554,567</b>
<b>NET BOOK VALUE</b>					
At 31 December 2008	38,179	11,773	83,995	38,825	172,772
At 31 December 2007	50,869	15,000	95,254	70,518	231,641

### 9. STOCKS

	2008 £	2007 £
Work in progress	264,123	295,225

### 10. DEBTORS

	2008 £	2007 £
Trade debtors	2,833,827	2,954,075
Corporation tax repayable	19,240	—
Other debtors	61,240	57,974
Prepayments and accrued income	195,395	155,995
	<b>3,109,702</b>	<b>3,168,044</b>

### 11. CREDITORS: Amounts falling due within one year

	2008 £	2007 £
Overdrafts	851,281	751,686
Trade creditors	1,372,081	1,311,919
Amounts owed to group undertakings	165,298	353,819
Corporation tax	—	95,281
PAYE and social security	161,472	144,659
VAT	197,625	187,649
Other creditors	6,701	11,009
Accruals and deferred income	387,555	573,038
	<b>3,142,013</b>	<b>3,429,060</b>

The bank overdraft has been secured by the company.

# CGMS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2008

### 12. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2008	2007
	£	£
Provision brought forward	3,270	2,388
Profit and loss account movement arising during the year	(3,270)	882
Provision carried forward	<u>-</u>	<u>3,270</u>

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

	2008	2007
	£	£
Excess of taxation allowances over depreciation on fixed assets	-	3,270
	<u>-</u>	<u>3,270</u>

### 13. COMMITMENTS UNDER OPERATING LEASES

At 31st December 2008 the company had annual commitments under non-cancellable operating leases as set out below.

	2008		2007	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire:				
Within 1 year	-	7,925	-	120,000
Within 2 to 5 years	343,462	126,933	-	121,411
After more than 5 years	-	-	271,900	-
	<u>343,462</u>	<u>134,858</u>	<u>271,900</u>	<u>241,411</u>

### 14. SHARE CAPITAL

Authorised share capital:

	2008	2007
	£	£
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:

	2008		2007	
	No	£	No	£
Ordinary shares of £1 each	<u>114,000</u>	<u>114,000</u>	<u>114,000</u>	<u>114,000</u>

### 15. SHARE PREMIUM ACCOUNT

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

### 16. CAPITAL REDEMPTION RESERVE

	2008	2007
	£	£
Capital redemption reserve	<u>139,000</u>	<u>139,000</u>

# CGMS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2008

### 17. PROFIT AND LOSS ACCOUNT

	2008	2007
	£	£
Balance brought forward	469,237	379,982
(Loss)/profit for the financial year	(103,496)	180,455
Equity dividends	(85,500)	(91,200)
Balance carried forward	<u>280,241</u>	<u>469,237</u>

### 18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008	2007
	£	£
(Loss)/Profit for the financial year	(103,496)	180,455
Equity dividends	(85,500)	(91,200)
Net (reduction)/addition to shareholders' funds	(188,996)	89,255
Opening shareholders' funds	<u>740,237</u>	<u>650,982</u>
Closing shareholders' funds	<u>551,241</u>	<u>740,237</u>

### 19. ULTIMATE PARENT COMPANY

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