Nps Stockport Limited

Private limited with Share Capital

Company No : **05908012**

Registered Address:

Lancaster House
16 Central Avenue
Norwich
Norfolk
NR7 0HR

Grant Thornton

Financial Statements NPS Stockport Limited

For the year ended 31 January 2010

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COMPANIES HOUSE

Company No. 05908012

Officers and professional advisers

Company registration number	05908012
Registered office	Lancaster House 16 Central Avenue St Andrews Business Park Norwich Norfolk NR7 0HR
Directors	M L Britch G Reynolds C E J Baker L D Goode G F Lucas C E Summers
Secretary	G Reynolds
Bankers	The Co-operative Bank 69 London Street Norwich Norfolk NR2 1HT
Solicitors	Legal Services Norfolk County Council County Hall Martineau Lane Norwich Norfolk NR1 2DH
Auditor	Grant Thornton UK LLP Chartered Accountants Staturory Auditor Kingfisher House 1 Gilders Way St James Place Norwich Norfolk NR3 1UB

Contents

Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 January 2010

Principal activity and business review

The principal activity of the company is that of professional property consultants, providing services in the areas of architectural design, building surveying and CDM and project management

Overview

The company performed above forecast for the year, generating a pre-tax profit, before any FRS 17 pension adjustment (see footnote), of £393,165 (2009 – £113,505)

Outlook

The company currently derives the majority of its turnover from Stockport Metropolitan Borough Council as part of a long-term partnership agreement The company also has a strong relationship with Stockport Homes Limited and derived a significant level of turnover from this client in 2010

Although these key client relationships are secured, the Board recognise that the workload from these arrangements are subject to variation and continued dependency on these represents a business risk To mitigate this risk in a managed way, the Board is continually looking for new opportunities, both in terms of longer-term strategic partnerships as well as one-off commissions

Stockport MBC is seeking budget savings in the areas of Estates and Asset Management and Facilities Management from 2010/11 onwards and although this will impact future turnover and profitability, the drive for efficiency savings in these areas will also provide the company with significant opportunities to offer new products and services under Central Government's "Total Place" agenda To this end, the company has already developed a strategy to deliver this agenda to the Public Sector and is actively marketing this strategy with Local Authorities across Northern England

Key Performance Indicators

The company uses a range of performance measures to monitor and manage the business effectively These are both financial and non-financial and the most significant of these are the key performance indicators (KPI's)

The key financial performance indicators are turnover, gross profit and margin and net profit and margin The KPI's indicate the volume of work the company has undertaken as well as the efficiency and profitability with which this work has been delivered

The Board believe that in order to gain a true reflection and appreciation of the company's trading activities, the financial KPI's should be stated before the impact of FRS 17 (see footnote below)

The key non-financial performance indicator is the average number of employees employed by the company

FRS 17 pension adjustment represents the difference between employer contributions paid (£355,000) and the pension cost charged to operating profit (£360,000) plus the net finance charge within interest payable (£150,000)

Key performance indicators (continued)

The KPI's for the year to 31 January 2010, with comparatives for the year ended 31 January 2009, are as follows

	2010	2009
Turnover (£)	**6,335,289**	5,595,586
Gross profit (£)	**2,651,468**	2,139,579
Gross profit margin	**41 8%**	38 2%
Net profit before tax (£)	**393,165**	113,505
Net profit margin	**6 2%**	2 0%
Average number of employees	**91**	87

Turnover increased over the year by 13 2% (£739,703) and this was primarily derived from Stockport Metropolitan Borough Council Additional staff were employed to deliver this increase in turnover, but continued improvements to working practices, combined with a positive impact of work in progress, resulted in an increased gross profit margin of 41 8% (2009 – 38 2%)

The increase in turnover produced an increase in other operating costs, but this has been contained by prudent management at a rate less than the increase in turnover This combined with a higher gross profit margin on turnover, increased both net profit and net profit margin

Average employee numbers increased during the year to 91 from 87 in 2009 and this is a good measure of the growth of the business

Results and dividends

The profit for the financial year amounted to £166,829 (2009 - loss of £152,111)

The directors have not recommended a dividend

Financial risk management objectives and policies

In common with other businesses, the company aims to minimise financial risk The measures used by the directors to manage this risk include the preparation of profit and cash flow forecasts, regular monitoring of actual performance against these forecasts and ensuring that adequate financing facilities are in place to meet the requirements of the business Trade debtors are also closely monitored to keep the risk of bad debts to a minimum level

Credit risk

Credit limits are set for customers based on a combination of credit checks and trading history, the limits are reviewed regularly and the debts are actively chased by the credit control department

Interest rate risk

The company does not have external borrowings as any required finance is provided by the parent company, NPS Property Consultants Limited via an intercompany loan account These borrowings attract interest at variable rates which are agreed at regular intervals with the parent undertaking

Liquidity risk

Working capital requirements are regularly reviewed in conjunction with available financing facilities as part of routine financial management

Currency risk

As the vast majority of both sales and purchases are transacted in sterling, the company has minimal exposure to translation and transaction foreign exchange risk

Directors

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

M L Britch
G Reynolds
C E J Baker
L D Goode
E M McLean (resigned 26 March 2009)
C E Summers
G F Lucas (appointed 31 March 2009)

The company is an 80% owned subsidiary of NPS Property Consultants Limited, the minority interest of 20% is held by Stockport MBC

The company maintains liability insurance for its directors and officers The directors and officers have also been granted a qualifying third party indemnity provision under section 234 of the Companies Act 2006 Neither the company's indemnity nor insurance provides cover in the event that a director or officer is proved to have acted fraudulently or dishonestly

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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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,
- state whether applicable UK 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

Directors' responsibilities (continued)

The directors are responsible for keeping adequate 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 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

In so far as each of the directors is 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

Policy on the payment of creditors

The company settles amounts owing to suppliers in accordance with individual supplier terms and conditions

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities In the event of an employee becoming disabled, every effort is made to retrain them in order that their employment with the company may continue

Employee involvement

The directors recognise that importance of the employees to the ongoing success of the group and they ensure that they are all suitably qualified to undertake their roles and responsibilities The recruitment and retention of employees is a key company objective and once employees have been recruited, all necessary training is put into place including

- induction course
- customer care training
- continuous training and development for professional employees
- business related training as identified via the appraisal of employees
- management training as appropriate
- personal development

BY ORDER OF THE BOARD

G. Reynolds

G Reynolds
Secretary
16 June 2010

Grant Thornton

Independent auditor's report to the members of NPS Stockport Limited

We have audited the financial statements of NPS Stockport Limited for the year ended 31 January 2010 which comprise the profit and loss account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses 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 pages 5 and 6, 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 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/UKNP

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 31 January 2010 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 matter 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

Independent auditor's report to the members of NPS Stockport 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

Grant Thornton UK LLP

Patrick Harris
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Norwich

16.6.2010

Accounting policies

Basis of accounting

The financial statements have been prepared under the historic cost convention, and in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

The company has made a reasonable profit in the year under review and forecasts prepared by the directors indicate that it will continue to trade profitably in the current financial year The company also does not have any external borrowings as any finance required is provided by the parent company, NPS Property Consultants Limited, via an intercompany loan account NPS Property Consultants Limited has confirmed that it will continue to provide any financial support required for a period of at least twelve months from the date of signing these financial statements As a consequence the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook Accordingly, it remains appropriate to prepare the financial statements on a going concern basis

The principal accounting policies are set out below

Turnover

Turnover represents the amount derived from the provision of goods and services, excluding VAT and trade discounts, charged on an accruals basis and recognised to the extent that the company has obtained the right to consideration through its performance

Work in progress

The attributable profit on contracts is recognised once their outcome can be assessed with reasonable certainty The profit recognised reflects the proportion of work completed to date on the project Costs associated with contracts are included in stock to the extent that they cannot be matched with contract work accounted for as turnover Contract balances included in stocks are stated at cost after provision has been made for any foreseeable losses and the deduction of applicable payments on account Full provision is made for losses on all contracts in the year in which the loss is first foreseen

Fixed assets

All fixed assets are initially recorded at cost

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	-	Over the period of the lease
Plant & equipment	-	25% reducing balance per annum
Computer equipment	-	25% straight line per annum

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

Pension costs

Defined benefit scheme

The amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments They are included as part of staff costs Past service costs are recognised immediately in the profit and loss account if the benefits have vested If the benefits have not vested immediately, the costs are recognised over a period until vesting occurs The interest costs and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the company, in a separate trustee-administered fund Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond on equivalent currency and term to the scheme liabilities The actuarial valuations are prepared on a triennial basis and updated annually The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet Further details regarding the company pension scheme are contained in note 14 to the financial statements

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised on all timing differences where the transactions or events that give an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred but not reversed by the balance sheet date

Deferred tax assets are recognised when it is more likely than not that they will be recovered Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date and is not discounted

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities Financial liabilities are presented as such in the balance sheet Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument Dividends and distributions relating to equity instruments are debited direct to equity

Profit and loss account

	Note	2010 £	2009 £
Turnover	1	**6,335,289**	5,595,586
Cost of sales		**(3,688,821)**	(3,727,007)
Gross profit		**2,646,468**	1,868,579
Other operating charges	2	**(2,271,228)**	(2,026,735)
Other operating income	3	**7,338**	7,955
Operating profit/(loss)	4	**382,578**	(150,201)
Interest receivable and similar income		**5,664**	-
Interest payable and similar charges	7	**(150,077)**	(62,294)
Profit/(loss) on ordinary activity before taxation		**238,165**	(212,495)
Taxation on profit/(loss) on ordinary activity	8	**(71,336)**	60,384
Profit/(loss) for the financial year	18	**166,829**	(152,111)

All of the activities of the company are classed as continuing

The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

	Note	2010	2010	2009	2009
		£	£	£	£
Fixed assets					
Tangible assets	9		**149,556**		228,564
Current assets					
Stocks	10	**32,314**		30,392	
Debtors	11	**1,592,369**		1,118,297	
Cash at bank and in hand		**5,011**		9,092	
		1,629,694		1,157,781	
Creditors: amounts falling due within one year	12	**(1,386,925)**		(1,272,449)	
Net current assets/(liabilities)			**242,769**		(114,668)
Total assets less current liabilities			**392,325**		113,896
Financed by					
Defined benefit pension scheme liability	14		**1,773,360**		1,483,920
Capital and reserves					
Called-up equity share capital	17	**10**		10	
Profit and loss account	18	**(1,381,045)**		(1,370,034)	
Equity shareholder's deficit	19		**(1,381,035)**		(1,370,024)
			392,325		113,896

These financial statements were approved by the directors and authorised for issue on 16 June 2010 and signed ~~on their~~ behalf by

M L Britch
Director

The accompanying accounting policies and notes form part of these financial statements.

Cash flow statement

	Note	2010 £	2009 £
Net cash inflow from operating activity	21	**124,448**	18,684
Returns on investments and servicing of finance	21	**5,587**	(7,294)
Taxation	21	**(124,737)**	(38,426)
Capital expenditure and financial investment	21	**(9,379)**	36,767
(Decrease)/increase in cash	21	**(4,081)**	9,371

The accompanying accounting policies and notes form part of these financial statements.

Other primary statement

Statement of total recognised gains and losses

	2010	2009
	£	£
Profit/(loss) for the financial year	**166,829**	(152,111)
Actuarial loss in respect of defined benefit pension scheme	**(247,000)**	(452,000)
Deferred tax attributable to the actuarial loss	**69,160**	126,560
Total gains and losses recognised for the year	**(11,011)**	(477,551)

Notes to the financial statements

1 Turnover

Turnover, which took place in the UK, is attributable to the following classes of business

	2010 £	2009 £
Property consultancy and design services	6,335,289	5,595,586

2 Other operating charges

	2010 £	2009 £
Administrative expenses	2,271,228	2,026,735

3 Other operating income

	2010 £	2009 £
Other operating income	7,338	7,955

4 Operating profit/(loss)

Operating profit/(loss) is stated after charging

	2010 £	2009 £
Depreciation of owned fixed assets	88,387	92,878
Operating lease costs		
- Land and buildings	161,615	161,615
- Plant and machinery	85,374	57,022
Auditor's remuneration - audit of the financial statements	5,100	5,845
Auditor's remuneration - other fees	3,030	3,120

Auditor's remuneration - other fees

- Taxation services - compliance	2,130	2,000
- Advisory	900	1,120
	3,030	3,120

5 Particulars of employees

The average number of staff, including directors, employed by the company during the financial year amounted to

	2010	2009
	No	No
Architectural services	27	26
Building surveying group	15	14
Business support	28	27
Property services	16	16
Quantity surveyors	5	4
	91	87

The aggregate payroll costs of the above were

	2010	2009
	£	£
Wages and salaries	2,944,492	2,735,241
Social security costs	256,221	217,695
Pension costs (note 14)	360,000	575,000
	3,560,713	3,527,936

Other pension costs are amounts charged to operating profit and do not include amounts charged to finance costs (note 7) and amounts recognised in the statement of recognised gains and losses

6 Directors

Remuneration in respect of directors was as follows

	2010 £	2009 £
Emoluments receivable	**100,921**	97,569

The number of directors who accrued benefits under group pension schemes was as follows

	2010 Number	2009 Number
Defined benefit schemes	**6**	6

7 Interest payable and similar charges

	2010 £	2009 £
Interest payable on bank borrowing	**77**	100
Amounts payable to group undertakings	**-**	7,194
Net finance charge in respect of defined benefit pension schemes	**150,000**	55,000
	150,077	62,294

8 Taxation on profit/(loss) on ordinary activity

(a) Analysis of charge/(credit) in the year

	2010 £	2009 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 28%	**121,351**	40,331
Under/(over) provision in prior year	**3,386**	(1,905)
Total current tax (note 8(b))	**124,737**	38,426
Deferred tax		
Origination and reversal of timing differences (note 13)	**(10,001)**	(7,530)
In respect of defined benefit scheme (note 13)	**(43,400)**	(91,280)
Total deferred tax	**(53,401)**	(98,810)
Tax on profit/(loss) on ordinary activity	**71,336**	(60,384)

Taxation on profit/(loss) on ordinary activity (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activity for the year is higher than the standard rate of corporation tax in the UK of 28%

	2010 £	2009 £
Profit/(loss) on ordinary activity before taxation	**238,165**	(212,495)
Profit/(loss) on ordinary activities multiplied by rate of tax	**66,686**	(59,499)
Expenses not deductible for tax purposes	**1,264**	7,529
Difference between capital allowances and depreciation	**10,001**	553
Adjustments to tax charge in respect of previous period	**3,386**	(1,905)
Other timing differences - pension liability	**43,400**	91,280
Effect of higher tax rates at start of year	**-**	468
Total current tax (note 8(a))	**124,737**	38,426

9 Tangible fixed assets

	Leasehold property £	Plant & equipment £	Computer equipment £	Total £
Cost				
At 1 February 2009	16,553	126,401	277,931	420,885
Additions	-	-	9,379	9,379
At 31 January 2010	16,553	126,401	287,310	430,264
Depreciation				
At 1 February 2009	2,207	48,756	141,358	192,321
Charge for the year	1,103	17,335	69,949	88,387
At 31 January 2010	3,310	66,091	211,307	280,708
Net book value				
At 31 January 2010	**13,243**	**60,310**	**76,003**	**149,556**
At 31 January 2009	14,346	77,645	136,573	228,564

10 Stocks

	2010 £	2009 £
Work in progress	**32,314**	30,392

11 Debtors

	2010	2009
	£	£
Trade debtors	**771,760**	496,987
Amounts owed from group undertakings (note 16)	**471,010**	361,638
Amounts recoverable on contracts	**199,965**	91,939
Other debtors	**828**	-
Deferred tax asset (note 13)	**16,273**	6,272
Prepayments and accrued income	**132,533**	161,461
	1,592,369	1,118,297

12 Creditors: amounts falling due within one year

	2010	2009
	£	£
Trade creditors	**334,689**	256,732
Amounts owed to group undertakings	**23,354**	23,354
Other taxation and social security	**80,448**	75,041
Other creditors	**48,329**	2,260
Accruals and deferred income	**900,105**	915,062
	1,386,925	1,272,449

Included within other creditors at the year end are outstanding pension contributions of £45,562 (2009 £nil)

13 Deferred taxation

The movement in the deferred taxation asset during the year was

	2010	2009
	£	£
(Asset)/liability brought forward	**(6,272)**	1,258
Profit and loss account movement arising during the year	**(10,001)**	(7,530)
Asset carried forward	**(16,273)**	(6,272)

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

	2010	2009
	£	£
Difference between taxation allowances and depreciation on fixed assets	**(16,273)**	(6,272)

The deferred tax asset relating to the pension deficit is as follows

	2010	2009
	£	£
Balance brought forward	**577,080**	359,240
Credit to profit and loss account (note 8)	**43,400**	91,280
Deferred tax on actuarial loss for the year	**69,160**	126,560
Balance carried forward	**689,640**	577,080

14 Pension commitments

The calculations for FRS 17 disclosures are based on a full actuarial valuation of the scheme as at 31 March 2007 updated to 31 January 2010 by a qualified independent actuary

The main assumptions used by the actuary to calculate scheme liabilities of the company under FRS 17 were

	2010	2009	2008
	%	%	%
Rate of increase in salaries	**4 0**	5 1	5 1
Rate of increase in pensions in payment	**3 5**	3 6	3 6
Discount rate	**5 5**	6 9	6 3
Inflation assumption	**3 5**	3 6	3 6

The post retirement mortality assumptions used to value the benefit obligation at the year end are based on the PFA92 and PMA92 tables, projected to calendar year 2033 for non-pensioners and 2017 for pensioners

The actual return on scheme assets in the year was a gain of £1,809,000 (2009 loss of £1,325,000)

The fair value of the scheme assets and the expected rate of return, the present value of the scheme liabilities and the resulting deficit are

	2010		2009		2008	
	Long-term rate of return expected	**Value**	Long-term rate of return expected	Value	Long-term rate of return expected	Value
	%	**£**	%	£	%	£
Equities	**7 7**	**6,584,000**	7 5	5,103,000	7 6	5,052,000
Bonds	**5 0**	**1,549,000**	5 7	1,183,000	5 3	1,556,000
Property	**5 7**	**581,000**	5 5	592,000	5 6	728,000
Cash	**4 8**	**968,000**	4 0	518,000	4 7	938,000
Total market value of assets		**9,682,000**		7,396,000		8,274,000
Present value of scheme liabilities		**(12,145,000)**		(9,457,000)		(9,557,000)
Deficit in the scheme		**(2,463,000)**		(2,061,000)		(1,283,000)
Related deferred tax asset (note 13)		**689,640**		577,080		359,240
Net pension liability		**(1,773,360)**		(1,483,920)		(923,760)

Pension commitments (continued)

An analysıs of the movements ın deficıt durıng the year are shown below

	2010	2009
	£	£
At 1 February 2009	**(2,061,000)**	(1,283,000)
Total operatıng charge	**(360,000)**	(575,000)
Total finance charge	**(150,000)**	(55,000)
Actuarıal loss	**(247,000)**	(452,000)
Contrıbutıons	**355,000**	304,000
At 31 January 2010	**(2,463,000)**	(2,061,000)

An analysıs of the defined benefit cost follows

Analysıs of the amount charged to operatıng profit/(loss)

	2010	2009
	£	£
Current servıce cost	**(360,000)**	(402,000)
Past servıce cost	**-**	(173,000)
Total operatıng charge	**(360,000)**	(575,000)

Analysıs of the amount charged to finance costs

	2010	2009
	£	£
Expected return on pensıon scheme assets	**519,000**	569,000
Interest on pensıon scheme lıabılıtıes	**(669,000)**	(624,000)
Total finance costs	**(150,000)**	(55,000)

Analysıs of the amount recognısed ın statement of total recognısed gaıns and losses

	2010	2009
	£	£
Actual return less expected return on pensıon scheme assets	**1,290,000**	(1,894,000)
Experıence gaıns arısıng on scheme lıabılıtıes	**-**	44,000
(Loss)/gaın arısıng from changes ın assumptıons underlyıng the present value of scheme lıabılıtıes	**(1,537,000)**	1,398,000
Actuarıal losses	**(247,000)**	(452,000)

Pension commitments

A history of experience gains and losses is shown below

	2010	2009	2008
Difference between the expected and actual return on scheme assets			
- amount (£)	**1,290,000**	(1,894,000)	(680,000)
- % of scheme assets	**13**	(26)	(8)
Experience losses on scheme liabilities			
- amount (£)	**-**	44,000	(1,059,000)
- % of the present value of scheme liabilities	**-**	-	(11)
Total amount recognised in statement of total recognised gains and losses			
- amount (£)	**(247,000)**	(452,000)	(1,125,000)
- % of the present value of scheme liabilities	**(2)**	(5)	(12)

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses at 31 January 2010 was a net loss of £1,824,000 (2009 loss of £1,577,000)

Analysis of changes in the value of the scheme assets during the year

	2010 £	2009 £
Market value of scheme assets at the beginning of the year	**7,396,000**	8,274,000
Expected return on scheme assets	**519,000**	569,000
Actuarial gains/(losses)	**1,290,000**	(1,894,000)
Employer contributions	**355,000**	304,000
Member contributions	**179,000**	160,000
Benefits paid	**(57,000)**	(17,000)
Market value of the scheme assets at the end of the year	**9,682,000**	7,396,000

Analysis of changes in the value of the scheme liabilities during the year

	2010 £	2009 £
Value of scheme liabilities at the start of the year	**9,457,000**	9,557,000
Total operating charge	**360,000**	575,000
Interest cost	**669,000**	624,000
Member contributions	**179,000**	160,000
Benefits paid	**(57,000)**	(17,000)
Actuarial losses/(gains)	**1,537,000**	(1,442,000)
Present value of the scheme liabilities at the end of the year	**12,145,000**	9,457,000

Pension commitments (continued)

History of scheme assets, liabilities and net deficit position

	2010	2009	2008
	£	£	£
Market value of plan assets at end of year	**9,682,000**	7,396,000	8,274,000
Present value of scheme liabilities at end of year	**(12,145,000)**	(9,457,000)	(9,557,000)
Net deficit in the plan at end of year	**(2,463,000)**	(2,061,000)	(1,283,000)

Future funding obligation

The directors anticipate that contributions of approximately £395,000 (2009 £353,000) will be paid in the year to 31 January 2011

15 Contingent liability

The company is part of a group VAT registration and as such is jointly and severally liable for the VAT liability of the NPS Property Consultants group The amount owed by the group at the year end was £1,707,181 (2009 £2,375,902)

16 Related party transactions

The company had the following transactions in the normal course of trade with related parties within the NPS Property Consultants group

	Transactions		Balances	
	Sales	**Purchases**	**Debtor**	**Creditor**
	£	**£**	**£**	**£**
2010				
NPS Property Consultants	**37,989**	**143,240**	**471,010**	-
NPS North West Limited	**4,879**	**39,855**	-	-
NPS Humber Limited	**236**		-	-
NPS South East Limited	**29,954**	**16,432**	-	-
NPS North East Limited	**20,000**	**64,933**	-	-
NPS London Limited	-	**1,350**	-	-
	£	£	£	£
2009				
NPS Property Consultants Limited	60,824	52,151	361,638	-
NPS North West Limited	104,413	63,206	-	-
NPS North East Limited	-	3,921	-	-

In addition to the above, management charges of £160,000 (2009 £160,000) were charged to the company by the immediate parent undertaking, NPS Property Consultants Limited

At the year end the company owed £23,354 (2009 £23,354) to Norfolk Environmental Waste Services Limited, a wholly owned subsidiary of Norse Group Limited

Related party transactions (continued)

The following entities are deemed to be related parties due to the involvement of the directors

	Transactions		Balances	
	Sales	Purchases	Debtor	Creditor
	£	£	£	£
2010				
Stockport Homes Limited	**380,899**	**-**	**67,568**	**-**
Stockport MBC	**4,644,639**	**351,288**	**442,536**	**27,451**
	£	£	£	£
2009				
Stockport Homes Limited	351,804	-	33,600	-
Stockport MBC	4,123,647	303,648	307,317	150,248

17 Share capital

Authorised share capital

	2010	2009
	£	£
8 Ordinary 'A' shares of £1 each	**8**	8
2 Ordinary 'B' shares of £1 each	**2**	2
	10	10

Allotted, called up and fully paid

	2010		2009	
	No	£	No	£
Ordinary 'A' shares of £1 each	8	8	8	8
Ordinary 'B' shares of £1 each	2	2	2	2
	10	**10**	10	10

The 'A' and 'B' ordinary shares rank pari passu in all respects

18 Profit and loss account

	2010	2009
	£	£
Balance brought forward	**(1,370,034)**	(892,483)
Profit/(loss) for the financial year	**166,829**	(152,111)
Defined pension benefit scheme movements	**(177,840)**	(325,440)
Balance carried forward	**(1,381,045)**	(1,370,034)

19 Reconciliation of movements in shareholders' deficit

	2010	2009
	£	£
Profit/(loss) for the financial year	**166,829**	(152,111)
Actuarial loss in respect of defined benefit pension scheme	**(177,840)**	(325,440)
Net increase to shareholders' deficit	**(11,011)**	(477,551)
Opening shareholders' deficit	**(1,370,024)**	(892,473)
Closing shareholders' deficit	**(1,381,035)**	(1,370,024)

20 Commitments under operating leases

At 31 January 2010 the company had annual commitments under non-cancellable operating leases as set out below

	2010		2009	
	Land & Buildings	**Other**	Land & Buildings	Other
	£	**£**	£	£
Operating leases which expire				
Within 1 year	**-**	**48,551**	–	26,027
Within 1 to 2 years	**-**	**35,474**	–	46,234
Within 2 - 5 years	**-**	**30,521**	–	35,474
Over 5 years	**166,240**	**-**	166,240	–
	166,240	**114,546**	166,240	107,735

21 Reconciliation of operating profit/(loss) to net cash inflow from operating activity

	2010	2009
	£	£
Operating profit/(loss)	**382,578**	(150,201)
Depreciation	**88,387**	92,878
Increase in stocks	**(1,922)**	(18,218)
(Increase)/decrease in debtors	**(464,071)**	354,180
Increase/(decrease) in creditors	**114,476**	(530,955)
Provision for service cost of defined benefit pension scheme	**360,000**	575,000
Defined benefit pension scheme contributions paid	**(355,000)**	(304,000)
Net cash inflow from operating activity	**124,448**	18,684

Returns on investments and servicing of finance

	2010	2009
	£	£
Interest paid	**(77)**	(7,294)
Interest receivable	**5,664**	-
Net cash inflow/(outflow) from returns on investments and servicing of finance	**5,587**	(7,294)

21 Notes to the cash flow statement (continued)

Taxation

	2010 £	2009 £
Taxation paid	(124,737)	(38,426)

Capital expenditure

	2010 £	2009 £
Receipt from sale of tangible fixed assets	-	61,871
Payments to acquire tangible fixed assets	(9,379)	(25,104)
Net cash (outflow)/inflow from capital expenditure	(9,379)	36,767

Reconciliation of net cash flow to movement in net funds

	2010 £	2009 £
(Decrease)/increase in cash in the year	(4,081)	9,731
Change in net funds	(4,081)	9,731
Net funds/(debt) at 1 February 2009	9,092	(639)
Net funds at 31 January 2010	5,011	9,092

Analysis of changes in net funds

	At 1 Feb 2009 £	Cash flows £	At 31 Jan 2010 £
Net cash			
Cash in hand and at bank	9,092	(4,081)	5,011
Net funds	9,092	(4,081)	5,011

22 Ultimate parent company

The immediate parent undertaking is NPS Property Consultants Limited and consolidated financial statements for this group are available from Companies House, Cardiff, CF4 3UZ

The ultimate parent undertaking is Norse Group Limited and consolidated financial statements for this group are also available from Companies House, Cardiff, CF4 3UZ

The company's ultimate controlling party is Norfolk County Council by virtue of them owning 100% of the ordinary share capital of Norse Group Limited