Landell Mills Limited

Directors' Report and Financial Statements

Registered number 1574821

For the Year Ended
31 December 2011



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Director's report

The director present the annual report and the audited financial statements for the year ended 31 December 2011

Principal activities, business review and future developments

The principal activities of the company continue to be technical assistance and management consultancy to emerging markets in the areas of rural development, economic development and the environment The firm was active in Africa, Asia, the Caribbean, South-Eastern Europe, the Middle East and the Pacific

In 2011 the company's turnover was €12 2 million (2010 €10 8 million)
Operating profit increased to €580,000 compared to €526,000 in 2010

The key risks and uncertainties facing the future development of the company include the ever-increasing competition in the market place, and the continuing threat to margins Political and security risks are also a concern in some of the countries the group operates in, particularly Afghanistan at the current time The directors have developed a range of strategies to address these and other risks faced by the company

Financial results

The result for the year is shown in the profit and loss account on page 6 and can be summarised as follows

	2011 €'000	2010 €'000
Turnover	**12,162**	10,811
Cost of sales	**(10,051)**	(8,826)
Gross profit	**2,111**	1,985
Operating profit	**580**	526

Dividend

The board has not paid a dividend during the year *(2010 €Nil)*

Director's report *(continued)*

Director and director's interests

The directors who held office during the year was as follows

Michael Boyd (Chairman)

David Uglow

Simon Foxwell

Secretary Graham Fay

Auditors

Moore Stephens are deemed to be re-appointed under section 487(2) of the Companies Act 2006

G.R Fay

G Fay
Secretary

Bryer-Ash Business Park
Bradford Road
Trowbridge
Wiltshire
BA14 8HE

Statement of director's responsibilities in respect of the Director's Report and the financial statements

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 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 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

Independent auditors' report to the members of Landell Mills Limited

We have audited the financial statements of Landell Mills Limited for the year ended 31 December 2011 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 law applicable to the United Kingdom and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

As explained more fully in the Director's Responsibilities Statement, the director is 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

SCOPE OF THE AUDIT

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

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 December 2011 and of the result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been properly prepared in accordance with the requirements of the Companies Act 2006

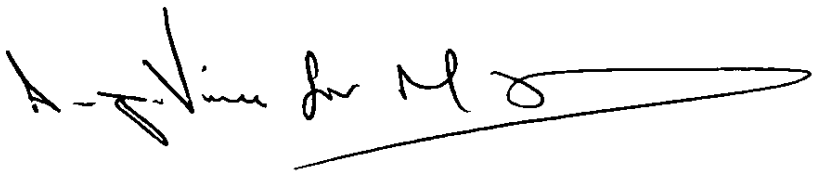
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Director's Report 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 company's financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Andrew Vince (Senior Statutory Auditor)
For and on behalf of
MOORE STEPHENS
Chartered Accountants
& Statutory Auditors

30 Gay Street
Bath
BA1 2PA

6th June 2012

Profit and loss account

for the year ended 31 December 2011

	Note	**2011** **€'000**	2010 €'000
Turnover	*2*	**12,162**	10,811
Cost of sales		**(10,051)**	(8,826)
Gross profit		**2,111**	1,985
Operating expenses		**(1,531)**	(1,524)
Operating income		**-**	65
Operating profit		**580**	526
Interest receivable and similar income	*6*	**9**	3
Interest payable and similar charges	*7*	**(44)**	(137)
Profit on ordinary activities before taxation	*3*	**545**	392
Tax on profit on ordinary activities	*8*	**(117)**	(35)
Profit for the financial year	*15*	**428**	357

All results arose from continuing operations There were no gains or losses in either period other than those recognised in the profit and loss account and there was no difference between the above figures and the historical cost profits and losses

Balance sheet
at 31 December 2011

	Note	2011		2010	
		€'000	€'000	€ 000	€'000
Fixed assets					
Tangible assets	9		**8**		14
			8		14
Current assets					
Debtors	10	**9,707**		8,474	
Cash at bank and in hand		**1,183**		1,009	
		10,890		9,483	
Creditors: amounts falling due within one year	11	**(7,679)**		(6,989)	
Net current assets			**3,211**		2,494
Total assets less current liabilities			**3,219**		2,508
Creditors: amounts falling due after more than one year	12		**(283)**		(-)
Net assets			**2,936**		2,508
Capital and reserves					
Called up share capital	14		**782**		782
Capital redemption reserve	15		**142**		142
Profit and loss account	15		**2,012**		1,584
Shareholder's funds	16		**2,936**		2,508

These financial statements were approved by the board of directors on the 1st June 2012 and were signed on its behalf by

David Uglow
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared on a going concern basis in accordance with applicable accounting standards and under the historical cost accounting rules

The company is exempt by virtue of s398 of the Companies Act 2006 from the requirement to prepare group accounts These financial statements present information about the company as an individual undertaking and not about its group

Long term contracts

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty Turnover for such contracts is stated at the cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years Provision is made for any losses as soon as they are foreseen

Contract work in progress is stated at costs incurred, less those transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Office equipment	-	3 to 10 years

Cash flow statement

Under the provisions of FRS 1 (revised 1996), the company has not prepared a cash flow statement because, as a wholly owned subsidiary of Development Consultants International (DCI) Limited, it satisfies the exemption criteria A Group cash flow statement is included in the financial statements of the ultimate parent company, UFT Limited

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Notes *(continued)*

1 Accounting policies *(continued)*

Pensions

The company operates a defined contribution pension scheme The assets of the scheme are held separately from those of the company in an independently administered fund The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Taxation

The charge for taxation is based on the result for the year Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 'Deferred Taxation'

2 Segmental information

The table below sets out information for each of the company's industry segments and geographic areas of operation

	Turnover	
	2011	2010
	€'000	€'000
By activity:		
Consultancy and project management	**12,162**	10,811
	12,162	10,811
By geographical area.		
United Kingdom	**17**	6
Africa	**4,433**	5,114
Asia	**6,297**	5,030
Europe	**1,415**	661
	12,162	10,811

Notes *(continued)*

3 Profit /(loss) on ordinary activities before taxation

	2011 €'000	2010 €'000
Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting):		
Auditors remuneration		
- audit of these financial statements	**20**	12
- other services – taxation	**2**	2
Depreciation and other amounts written off tangible fixed assets	**11**	15
Rent receivable	**-**	(65)
Exchange (Gains) / Losses	**(44)**	23
Hire of other assets – operating leases	**69**	174
Sale of fixed assets	**-**	-

4 Remuneration of directors

	2011 €'000	2010 € 000
Directors emoluments	**260**	224

The highest paid director's remuneration was €131,000

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	Number of employees 2011	2010
Head office staff	**21**	19
Overseas staff	**2**	2
	23	21

Notes *(continued)*

5 Staff numbers and costs *(continued)*

The aggregate payroll costs of these persons were as follows

	2011 €'000	2010 €'000
Wages and salaries	861	781
Social security costs	79	76
Other pension costs (note 19)	10	8
	950	865

6 Interest receivable and similar income

	2011 €'000	2010 €'000
Bank interest	9	3

7 Interest payable and similar charges

	2011 €'000	2010 € 000
On bank loans and overdrafts	16	48
Other finance charges	28	89
	44	137

Notes *(continued)*

8 Taxation

	2011 €'000	2010 €'000
UK corporation tax at 26 5% *(2010 28%)*	**111**	30
Deferred tax (note 13)	**6**	5
	117	35

Factors affecting the tax charge for the current period

The current tax charge (*2010 credit*) for the period is lower *(2010 lower)* than the standard rate of corporation tax in the UK of 26 5% *(2010 28%)*) The differences are explained below

	2011 €'000	2010 €'000
Current tax reconciliation		
Profit/(loss)on ordinary activities before tax	**545**	392
Profit/(loss) on ordinary activities at 26 5% *(2010 28%)*	**144**	110
Effects of		
Expenses not deductible for tax purposes	**-**	-
Adjustment in respect of prior years	**-**	(3)
Chargeable gains	**-**	-
Capital allowances in excess of depreciation	**(4)**	(2)
Exchange differences arising on gross timing differences	**-**	-
Group relief claimed before payment	**-**	-
Utilisation of tax losses	**-**	-
ACT movement not provided for	**(29)**	(75)
Other short term timing differences	**-**	-
Current tax charge / (credit) for year	**111**	30

Notes *(continued)*

9 Tangible fixed assets

	Office equipment €'000
Cost	
At beginning of year	45
Additions	5
Disposals	-
Fully depreciated items written off	(25)
At end of year	25
Depreciation	
At beginning of year	31
Charge for year	11
Disposals	-
Written off full depreciation	(25)
At end of year	17
Net book value	
At 31 December 2011	**8**
At 31 December 2010	14

10 Debtors

	2011 €'000	2010 €'000
Trade debtors	**3,747**	2,420
Amounts recoverable under contracts	**3,094**	3,396
Prepayments and accrued income	**145**	169
VAT recoverable	**53**	20
Deferred tax (note 13)	**19**	25
Amounts owed by group undertakings	**2,649**	2,444
	9,707	8,474

All debtors are due within one year

Notes *(continued)*

11 Creditors: amounts falling due within one year

	2011 €'000	2010 €'000
Bank loan and overdraft	**353**	-
Trade creditors	**981**	755
Taxation and social security	**19**	22
Corporation tax	**52**	30
Other creditors	**5**	4
Accruals and deferred income	**2,715**	2,305
Amounts invoiced in advance	**2,618**	3,179
Amounts owed to group undertakings	**936**	694
	7,679	6,989

The company's bank loan and overdraft are secured by fixed and floating charges over the assets of the company

12 Creditors: amounts falling due after more than one year

	2011 €'000	2010 € 000
Bank Loan	**283**	-

The maturity profile of the company's borrowings at 31 December 2011 is as follows

Repayable by instalments

	Within one year €'000	Between one and five years €'000	Total €'000
Bank Overdraft	248	-	**248**
Bank Loan	105	283	**388**
	353	283	**636**

Notes *(continued)*

13 Deferred tax assets

The movement in deferred taxation during the current and previous year are as follows

	2011	2010
	€'000	€'000
At beginning of year	**25**	30
Deferred tax credit / (charge) for the year (note 8)	**(6)**	(5)
At end of year	**19**	25

	2011		2010	
	Provided	**Unprovided**	Provided	Unprovided
	€'000	**€'000**	€'000	€ 000
Accelerated capital allowances	**19**	**-**	25	-
Short term timing differences	**-**	**-**	-	-
Unutilised trading losses	**-**	**-**	-	-
Unutilised property losses	**-**	**-**	-	-
	19	**-**	25	-

14 Called up share capital

	Authorised		*Allotted, called up and fully paid*	
	2011	2010	**2011**	2010
	€'000	€'000	**€'000**	€'000
£1 ordinary shares				
Ordinary	**376**	376	**149**	149
A ordinary	**70**	70	**70**	70
£1 cumulative redeemable				
B Preference shares	**177**	177	**63**	63
£1 cumulative redeemable				
C Preference shares	**500**	500	**500**	500
	1,123	1,123	**782**	782

The A ordinary shares attract a dividend of 10 6% of the adjusted net profit for the financial year, subject to a minimum dividend being 8% of the paid up value of those shares The shares rank behind C Preference shares on a winding up and holders will receive an amount equal to the subscription price together with a sum equal to the arrears and or accruals of any dividend before participating with the Ordinary share in the distribution of the surplus The shareholders of the A Ordinary shares have the right to convert their shares into Ordinary shares The conversion will be on a one for one basis The shareholders of the company have waived their right to conversion and the shareholders have waived their rights to dividends

The B Preference shares were redeemable at par by the company in 10 equal half yearly instalments from 30 June 1997 An annual dividend is payable at 3% over bank base rate on the winding up and holders will receive the amount paid up together with a sum equal to the arrears and or accruals of the Preference dividend The company has waived its right to redemption and the shareholders have waived their rights to dividends

Notes *(continued)*

The C Preference shares were redeemable at the option of the company at any date up to 30 June 1997 by giving 14 days notice to the shareholders From 30 June 1997 the shares are redeemable in 10 equal half yearly instalments An annual dividend of 10 % of the paid up value of the shares is payable 6 monthly This increases to 12% if redemption has not occurred in accordance with prescribed timetable On a winding up the holders will receive the amount paid up together with a sum equal to the arrears and or accruals of the Preference dividend The company has waived its right to redemption and the shareholders have waived their rights to dividends

B and C Preference shares do not carry voting rights except upon the happening of one or more of the events as described in section 3 4 of the company's New Articles of Association

15 Reserves

	Capital redemption reserve	Profit and loss account
	€'000	€'000
At beginning of year	142	1,584
Profit for the year (page 6)	-	428
At end of year	**142**	**2,012**

16 Reconciliation of movement in shareholder's funds

	2011	2010
	€'000	€ 000
Profit for the financial year	**428**	357
Opening shareholder's funds	**2,508**	2,151
Closing shareholder's funds	**2,936**	2,508

17 Contingent liabilities

Security has been given to HSBC in respect of the Landell Mills facility by way of an unlimited multilateral guarantee dated 22 September 2011 The company has also given counter indemnities of €7,227,355 (2010 €5,945,746) in respect of guarantees given by its bankers to third parties
Director's personal guarantees have been given by Simon Foxwell and David Uglow to HSBC for €60,000 each The guarantees are short term in nature and the requirement to retain the guarantees will be reviewed by HSBC during 2012

Notes *(continued)*

18 Commitments

There were capital commitments at 31 December 2011 of €Nil *(2010 €Nil)*

Operating lease commitments
The company has commitments under non-cancellable operating leases to make annual payments as follows

	2011 Land and buildings €'000	2010 Land and buildings €'000
Expiring		
Between one and five years	52	52
After five years	-	-

	2011 Other operating leases €'000	2010 Other operating leases €'000
Expiring between one and five years	18	22

19 Pension scheme

It is the policy of the company to provide individual retirement funds on behalf of certain employees The company makes payments into the individual retirement funds which are defined contribution schemes managed by independent insurance companies, the individuals concerned are entitled to make additional contributions The company's contributions to the funds are charged against profits in the year in which they are made

Pension costs charged during the year ended 31 December 2011 amounted to €10,000 *(2010 €8,000)* There were no prepaid or outstanding pension contributions at either year end

20 Controlling Party

The company is a wholly owned subsidiary undertaking of Development Consultants International (DCI) Limited, a company incorporated in the Republic of Ireland, which prepare consolidated financial statements that are available from the company's registered office, 3 Clanwilliam Terrace, Dublin 2 The company's reporting currency is the Euro

The ultimate controlling party from 18 December 2009 was UFT Limited who purchased 96% of the share capital of Development Consulting International (DCI) Limited During 2010 UFT increased its purchase by a further 1% and now holds 97% of the share capital of Development Consulting International (DCI) Limited UFT Limited is owned by David Uglow and Simon Foxwell and will be preparing consolidated accounts for the period end 31 December 2011

21 Related party disclosures

Michael Boyd is a director of Malachite Limited The company received €17,677 from Malachite Limited in the year The Directors are not aware of any other related party transactions that have occurred during the year