

Company Registration No. 06190831 (England and Wales)

CAPITAL ECONOMICS (N.A) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2012

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CAPITAL ECONOMICS (N.A.) LIMITED

COMPANY INFORMATION

Directors

Mr R Bootle
Mr J Jessop
Mr J Loynes

Secretary

Mrs J C Smith

Company number

06190831

Registered office

150 Buckingham Palace Road
London
Great Britain
SW1W 9TR

Auditors

Mercer & Hole
72 London Road
St Albans
Herts
AL1 1NS

CAPITAL ECONOMICS (N A) LIMITED

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CAPITAL ECONOMICS (N A) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2012

The directors present their report and financial statements for the year ended 30 April 2012

Principal activities

The principal activity of the company is the provision of regular pieces of written economic research and analysis which sold in packages for annual subscriptions

Directors

The following directors have held office since 1 May 2011

Mr R Bootle

Mr J Jessop

Mr J Loynes

Auditors

The auditors, Mercer & Hole, are deemed to be reappointed under section 487(2) of the Companies Act 2006

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

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CAPITAL ECONOMICS (N.A.) LIMITED

DIRECTORS' REPORT (CONTINUED)

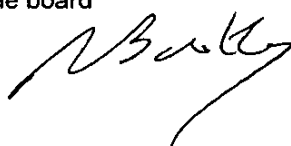
FOR THE YEAR ENDED 30 APRIL 2012

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board



Mr R Bootle

Director

4 September 2012

CAPITAL ECONOMICS (N.A) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CAPITAL ECONOMICS (N.A) LIMITED

We have audited the financial statements of Capital Economics (N A) Limited for the year ended 30 April 2012 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities)

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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CAPITAL ECONOMICS (N A.) LIMITED

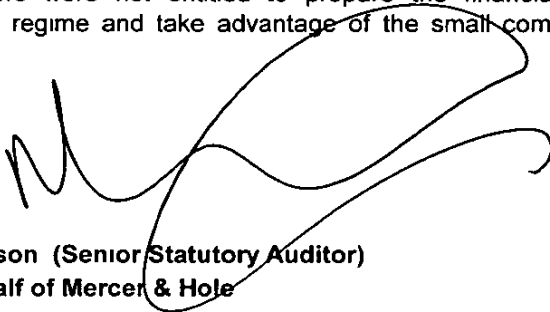
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF CAPITAL ECONOMICS (N.A) LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report



Howard Wilkinson (Senior Statutory Auditor)
for and on behalf of Mercer & Hole

4 September 2012

Chartered Accountants
Statutory Auditor

72 London Road
St Albans
Herts
AL1 1NS

CAPITAL ECONOMICS (N A) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2012

	Notes	2012 £	2011 £
Turnover	2	5,799,317	4,265,694
Administrative expenses		(1,530,615)	(1,476,352)
Operating profit	3	4,268,702	2,789,342
Other interest receivable and similar income	4	1,653	2,303
Interest payable and similar charges		-	(36)
Profit on ordinary activities before taxation		4,270,355	2,791,609
Tax on profit on ordinary activities	5	(1,106,055)	(779,359)
Profit for the year	11	3,164,300	2,012,250

CAPITAL ECONOMICS (N.A.) LIMITED**BALANCE SHEET****AS AT 30 APRIL 2012**

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	7		33,743		33,127
Current assets					
Debtors	8	687,468		667,723	
Cash at bank and in hand		4,653,739		2,350,110	
		<u>5,341,207</u>		<u>3,017,833</u>	
Creditors: amounts falling due within one year	9	<u>(2,946,744)</u>		<u>(2,195,658)</u>	
Net current assets			<u>2,394,463</u>		<u>822,175</u>
Total assets less current liabilities			<u>2,428,206</u>		<u>855,302</u>
Capital and reserves					
Called up share capital	10		1,000		1,000
Profit and loss account	11		2,427,206		854,302
Shareholders' funds			<u>2,428,206</u>		<u>855,302</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board for issue on 4 September 2012



Mr R Bootle
Director

Company Registration No 06190831

CAPITAL ECONOMICS (N A) LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2012

	2012 £	2011 £
Operating profit	4,268,702	2,789,342
Depreciation of tangible assets	8,873	12,238
Increase in debtors	(19,745)	(80,210)
Increase in creditors within one year	571,503	666,573
Net effect of foreign exchange differences	8,876	(6,831)
Cash generated from operations	4,838,209	3,381,112
Cash from other sources		
Interest received	1,653	2,303
	1,653	2,303
Application of cash		
Interest paid	-	36
Tax paid	926,472	563,982
Payments to acquire tangible assets	9,761	23,468
Dividends paid	1,600,000	1,500,000
	(2,536,233)	(2,087,486)
Net increase in cash	2,303,629	1,295,929
Cash at bank and in hand less overdrafts at beginning of year	2,350,110	1,054,181
Cash at bank and in hand less overdrafts at end of year	4,653,739	2,350,110
Consisting of		
Cash at bank and in hand	4,653,739	2,350,110
	4,653,739	2,350,110

CAPITAL ECONOMICS (N A.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Leasehold	20% straight line
Fixtures, fittings & equipment	At rates between 50% straight line to 20% reducing balance

1.5 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Exchange differences arising on the re-translation of non monetary assets and liabilities for the year are taken directly to statement of total recognised gain and losses

2 Turnover

In the year to 30 April 2012 100.00% (2011 - 100.00%) of the company's turnover was to markets outside the United Kingdom

3 Operating profit	2012	2011
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	8,873	12,238
Auditors' remuneration	6,000	6,000
	<u> </u>	<u> </u>
 4 Investment income	 2012	 2011
	£	£
Other interest	1,653	2,303
	<u> </u>	<u> </u>

CAPITAL ECONOMICS (N.A) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2012

5	Taxation	2012	2011
		£	£
	Domestic current year tax		
	U K corporation tax	1,050,852	738,688
	Foreign corporation tax		
	Foreign corporation tax	55,203	40,671
	Total current tax	1,106,055	779,359
		1,106,055	779,359
6	Dividends	2012	2011
		£	£
	Ordinary interim paid	1,600,000	1,500,000
7	Tangible fixed assets		
		Land and buildings	Plant and machinery etc
			Total
		£	£
	Cost		
	At 1 May 2011	19,980	63,549
	Exchange differences	(164)	(520)
	Additions	-	9,761
	At 30 April 2012	19,816	72,790
	Depreciation		
	At 1 May 2011	5,096	45,306
	Exchange differences	(41)	(371)
	Charge for the year	1,982	6,891
	At 30 April 2012	7,037	51,826
	Net book value		
	At 30 April 2012	12,779	20,964
	At 30 April 2011	14,884	18,243

CAPITAL ECONOMICS (N A.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2012

8 Debtors	2012	2011
	£	£
Trade debtors	553,146	432,328
Amounts owed by group undertakings and undertakings in which the company has a participating interest	97,108	205,337
Other debtors	37,214	30,058
	<u>687,468</u>	<u>667,723</u>

9 Creditors: amounts falling due within one year	2012	2011
	£	£
Trade creditors	39,392	4,576
Taxation and social security	555,431	375,618
Other creditors	2,351,921	1,815,464
	<u>2,946,744</u>	<u>2,195,658</u>

10 Share capital	2012	2011
	£	£
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

11 Statement of movements on profit and loss account	Profit and loss account
	£
Balance at 1 May 2011	854,302
Profit for the year	3,164,300
Foreign currency translation differences	8,604
Dividends paid	(1,600,000)
Balance at 30 April 2012	<u>2,427,206</u>

CAPITAL ECONOMICS (N.A) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2012

12 Financial commitments

At 30 April 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 April 2013

	2012 £	2011 £
Operating leases which expire		
Within one year	45,724	46,103

13 Control

Capital Economics Ltd owns all of the share capital of Capital Economics (N A) Ltd, and is therefore the parent company

Mr R P Bootle, a director, is the ultimate controlling party by virtue of a beneficial interest in the majority of the issued share capital of the parent company

14 Related party relationships and transactions

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group

CAPITAL ECONOMICS (N.A) LIMITED

MANAGEMENT INFORMATION

FOR THE YEAR ENDED 30 APRIL 2012

CAPITAL ECONOMICS (N.A) LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2012

	2012	2011
	£	£
Turnover		
Non-UK sales	5,799,317	4,265,694
 Administrative expenses	 (1,530,615)	 (1,476,352)
Operating profit	4,268,702	2,789,342
 Other interest receivable and similar income		
Other interest - received	1,530	2,303
Interest on tax refund - received	123	-
	<u>1,653</u>	<u>2,303</u>
 Interest payable		
Bank interest on loans < 5 yrs - paid	-	(36)
 Profit before taxation	4,270,355	2,791,609

CAPITAL ECONOMICS (N A.) LIMITED**SCHEDULE OF ADMINISTRATIVE EXPENSES****FOR THE YEAR ENDED 30 APRIL 2012**

	2012	2011
	£	£
Administrative expenses		
Wages and salaries (excl N I)	1,180,664	1,030,837
Employer's NIC equivalent	57,417	47,193
Recruitment expenses	34,808	23,323
Landlord/office operating costs	22,990	21,565
Rent re operating leases	45,994	47,230
Rates	13,088	11,802
Insurance	1,356	1,317
Repairs and maintenance	1,691	1,902
Printing, postage and stationery	12,505	23,156
Computer running costs	-	694
Telephone	11,366	12,029
Travelling expenses	30,129	25,658
Conferences	82,910	41,005
Legal and professional fees	6,293	5,196
Accountancy	8,098	2,564
Audit fees	6,000	6,000
Bank charges	790	458
Staff welfare	22,550	21,021
Sundry expenses	984	(1)
Depreciation on fixed assets	8,873	12,238
Loss (profit) on foreign exchange	(17,891)	141,165
	<u>1,530,615</u>	<u>1,476,352</u>