CMS DEVELOPMENTS LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 JANUARY 2009

Company Registration Number 04818523

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A09 01/08/2009 384
COMPANIES HOUSE

Tenon Limited
Accountants and Business Advisers
Highfield Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3TY

CMS DEVELOPMENTS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2009

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CMS DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO CMS DEVELOPMENTS LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 3 to 7, together with the financial statements of CMS Developments Limited for the year ended 31 January 2009 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 work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 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 Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

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 Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

Other information
On 28 July 2009 we reported as auditor to the members of the company on the financial statements prepared under Section 226 of the Companies Act 1985 and our report included the following paragraph:

Emphasis of matter - going concern

In forming our opinion, which is not qualified, we have considered the adequacy of the note made in accounting policies (note 1) concerning the company's ability to continue as a going concern. The company incurred a net loss of £913,736 during the year ended 31 January 2009 and at that date the company had net liabilities of £1,843,775. Although there is continued support by associated companies and directors, the financial statements indicate the existence of a material uncertainty which could cast doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Tenon Audit Limited

Tenon Audit Limited
Registered Auditor
Registered Auditor
Highfield Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3TY

Date:- 28 July 2009

CMS DEVELOPMENTS LIMITED

ABBREVIATED BALANCE SHEET

31 JANUARY 2009

	Note	2009 £	2009 £	2008 (restated) £	2008 (restated) £
Fixed assets	2				
Tangible assets			1,508,916		*1,812,461*
Investments			-		-
			1,508,916		*1,812,461*
Current assets					
Stocks		5,345,416		*1,303,683*	
Debtors		2,858,304		*2,270,554*	
Cash at bank and in hand		-		*12,936*	
		8,203,720		*3,587,173*	
Creditors: Amounts falling due within one year		(8,236,286)		*(4,413,820)*	
Net current liabilities			(32,566)		*(826,647)*
Total assets less current liabilities			1,476,350		*985,814*
Creditors: Amounts falling due after more than one year			(3,320,125)		*(1,300,000)*
			(1,843,775)		*(314,186)*
Capital and reserves					
Called-up share capital	4		200		*200*
Revaluation reserve			(615,853)		-
Profit and loss account			(1,228,122)		*(314,386)*
Shareholder's funds			(1,843,775)		*(314,186)*

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

These abbreviated accounts were approved by the directors and authorised for issue on 27 July 2009 and are signed on their behalf by:

P A Buckles
Director

The notes on pages 4 to 7 form part of these abbreviated accounts.

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements have been prepared on the basis of the company continuing as a going concern for the foreseeable future. This is dependent upon the continued support of the directors and other Classic Management Services group companies. The financial statements do not include any adjustments that would be necessary if the directors were to withdraw their support. The directors and other Classic Management Services group companies will continue to support the company in respect of amounts due to creditors from outside the group.

Cash flow statement

The company has adopted the Financial Reporting Standard for Smaller Entities (effective January 2007) and is consequently exempt from the requirement to include a cash flow statement in the financial statements.

Turnover

The turnover shown in the profit and loss account represents sales of property, on a receivable basis during the year, and rental income received, on a receivable basis, net of VAT.

Tangible fixed assets

Tangible fixed assets excluding investment properties are valued at cost, being purchase price, less accumulated depreciation.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 25% Straight Line

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with the FRSSE which, unlike Schedule 4 to the Companies Act 1985, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

Work in progress

Work in progress is valued on the basis of direct costs. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

1. **Accounting policies** *(continued)*

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.

Deferred taxation

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

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

Financial instruments

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

2. **Fixed assets**

	Tangible Assets £	Investments £	Total £
Cost or valuation			
At 1 February 2008	1,816,141	426,140	2,242,281
Additions	66,379	–	66,379
Disposals	–	(426,140)	(426,140)
Revaluation	(615,853)	–	(615,853)
Transfers	250,000	–	250,000
At 31 January 2009	1,516,667	–	1,516,667
Depreciation and amounts written off			
At 1 February 2008	3,680	426,140	429,820
Charge for year	4,071	–	4,071
Disposals	–	(426,140)	(426,140)
At 31 January 2009	7,751	–	7,751
Net book value			
At 31 January 2009	1,508,916	–	1,508,916
At 31 January 2008	*1,812,461*	–	*1,386,321*

2. Fixed assets *(continued)*

The investment properties were revalued during the year by N A Aldred, a director of the company, using a rent yield percentage calculation.

Leasehold investment property has been transferred from stock at a cost of £250,000. The directors intend to retain the property in the company for the long term.

The investment above is in relation to Manor Park Business Enterprises Limited. This investment had been fully written off through the profit and loss account in previous years. This company was liquidated in September 2008 and therefore this investment has been removed from the balance sheet.

3. Transactions with the directors

During the year, N A Aldred loaned the company £85,000. The amount owed at the balance sheet date is £585,000 (2008 - £500,000).

During the year, P A Buckles loaned the company £35,000. The amount owed at the balance sheet date is £34,999 (2008 - (£1)).

During the year, J F Aldred loaned the company £50,000. The amount owed at the balance sheet date is £50,000 (2008 - £nil).

4. Share capital

Authorised share capital:

	2009	*2008*
	£	*£*
500,000 Ordinary shares of £1 each	500,000	*500,000*
1,500,000 Preference shares of £1 each	1,500,000	*1,500,000*
	2,000,000	*2,000,000*

Allotted, called up and fully paid:

	2009		*2008*	
	No	£	*No*	*£*
Ordinary shares of £1 each	200	200	*200*	*200*
Preference shares of £1 each	1,300,000	1,300,000	*1,300,000*	*1,300,000*
	1,300,200	1,300,200	*1,300,200*	*1,300,200*

	2009	*2008*
Amounts presented in equity:	£	*£*
Ordinary shares of £1 each	200	*200*
Amounts presented in liabilities:		
Preference shares of £1 each	1,300,000	*1,300,000*

4. Share capital *(continued)*

Preference shares are to be redeemed by the company at par, no later than 31 December 2012. Preference shares incur interest at a rate of 3% above base. A total of £122,822 (2008 - £60,621) is included within other creditors. Preference shares carry no voting rights.

5. Post balance sheet events

On 1 February 2009, the shares of the company were sold to Classic Management Services Limited. As a result, CMS Developments Ltd will become part of the Classic Management Services Limited group from this date.

6. Control

The ultimate controlling parties are P A Buckles and N A Aldred by virtue of their shareholding in the company.