CMS DEVELOPMENTS LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 JANUARY 2010

Company Registration Number 4818523

FRIDAY
A8HEWNHD
A41 17/09/2010 358
COMPANIES HOUSE

CMS DEVELOPMENTS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2010

CONTENTS	PAGES
Independent auditor's report to the company	1
Independent auditor's report to the members	2 to 3
Abbreviated balance sheet	4
Notes to the abbreviated accounts	5 to 7

CMS DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO CMS DEVELOPMENTS LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 5 to 8, together with the financial statements of CMS Developments Limited for the year ended 31 January 2010 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006 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 444 of the Companies Act 2006 It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you

We conducted our work in accordance with Bulletin 2008/4 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 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section

Other information
On 15·9·10 we reported, as auditor of the company, to the members on the financial statements prepared under Section 396 of the Companies Act 2006 for the year ended 31 January 2010, and the full text of the company audit report is reproduced on pages 2 to 4 of these financial statements

David Brookes, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited

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

Date - 15·9·10

CMS DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CMS DEVELOPMENTS LIMITED

YEAR ENDED 31 JANUARY 2010

We have audited the financial statements of CMS Developments Limited for the year ended 31 January 2010 on pages 7 to 15 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 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 Directors' Responsibilities Statement set out on page 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 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 directors, and the overall presentation of the financial statements

Qualified opinion on the financial statements arising from a disagreement
Included in other debtors shown on the balance sheet is an amount of £600,000 due from a company which has gone into administration after the year end CMS Developments Limited hold a second charge over the assets of the company The directors of CMS Developments Limited have been unable to provide evidence to demonstrate how this balance will be recovered We are, therefore, unable to conclude that this debt due to the company will be received either in part or in full In the event the balance is not received, debtors would be reduced by £600,000, the loss for the year would be increased by £600,000 and retained earnings reduced by £600,000

Except for the financial effect of not making the provision referred to in the preceding paragraph, 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CMS DEVELOPMENTS LIMITED *(continued)*

YEAR ENDED 31 JANUARY 2010

Emphasis of matter - going concern
In forming our opinion, 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 £1,507,804 during the year ended 31 January 2010 and at that date the company had net liabilities of £3,220,810 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

Opinion on other matters 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

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

David Brookes, Senior Statutory Auditor
For and on behalf of
RSM Tenon Audit Limited

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

Date - 15 9.10

CMS DEVELOPMENTS LIMITED

Registered Number 4818523

ABBREVIATED BALANCE SHEET

31 JANUARY 2010

	Note	2010 £	2010 £	*2009 (restated)* £	*2009 (restated)* £
Fixed assets	2				
Tangible assets			1,636,042		*1,508,916*
Current assets					
Stocks		6,164,373		*6,010,262*	
Debtors		2,054,270		*2,193,458*	
		8,218,643		*8,203,720*	
Creditors: Amounts falling due within one year		(587,754)		*(8,236,286)*	
Net current assets/(liabilities)			7,630,889		*(32,566)*
Total assets less current liabilities			9,266,931		*1,476,350*
Creditors: Amounts falling due after more than one year			(12,487,741)		*(3,320,125)*
			(3,220,810)		*(1,843,775)*
Capital and reserves					
Called-up share capital	4		200		*200*
Investment property revaluation reserve			(485,084)		*(615,853)*
Profit and loss account			(2,735,926)		*(1,228,122)*
Shareholder's funds			(3,220,810)		*(1,843,775)*

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These abbreviated accounts were approved by the directors and authorised for issue on 02 Sep 2010, and are signed on their behalf by

P A Buckles
Director

The notes on pages 5 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 April 2008)

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 who have lent money to CMS Developments Limited The financial statements do not include any adjustments that would be necessary if the directors or Classic Management Services group companies 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 April 2008) 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 the Companies Act 2006, 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 £
Cost or valuation	
At 1 February 2009	1,516,667
Additions	546
Revaluation	130,769
At 31 January 2010	1,647,982
Depreciation	
At 1 February 2009	7,751
Charge for year	4,189
At 31 January 2010	11,940
Net book value	
At 31 January 2010	1,636,042
At 31 January 2009	*1,508,916*

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

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. Share capital

Allotted, called up and fully paid:

	2010		*2009*	
	No	**£**	*No*	*£*
200 Ordinary shares of £1 each	200	200	*200*	*200*
1,300,000 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*

	2010	*2009*
	£	*£*
Amounts presented in equity:		
200 Ordinary shares of £1 each	200	*200*
Amounts presented in liabilities:		
1,300,000 Preference shares of £1 each	1,300,000	*1,300,000*

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 Bank of England base rate A total of £155,028 (2008 - £122,822) is included within other creditors Preference shares carry no voting rights