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CMS DEVELOPMENTS LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 JANUARY 2012

Company Registration Number 04818523

CMS DEVELOPMENTS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2012

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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 4 to 9, together with the financial statements of CMS Developments Limited for the year ended 31 January 2012 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 11/7/12 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 2012, and the full text of the company audit report is reproduced on pages 2 to 3 of these financial statements

RSM Tenon Audit Limited

David Brookes, Senior Statutory Auditor
For and on behalf of

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

Date - 11/7/12

CMS DEVELOPMENTS LIMITED

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

YEAR ENDED 31 JANUARY 2012

We have audited the financial statements of CMS Developments Limited for the year ended 31 January 2012 on pages 6 to 17 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 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 directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual 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

Basis for qualified opinion on financial statements
Included in other debtors shown on the balance sheet are amounts totalling £875,630 In our opinion the company is unlikely to recover these amounts and full provision of £875,630 should have been made Accordingly, debtors, result for the year and retained earnings should be reduced by this amount

Qualified opinion on financial statements
In our opinion except for the effects of the matter described in the Basis for qualified opinion paragraph, the financial statements

- give a true and fair view of the state of the company's affairs as at 31 January 2012 and of its loss 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 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

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

YEAR ENDED 31 JANUARY 2012

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

RSM Tenon Audit Limited

David Brookes, Senior Statutory Auditor
For and on behalf of

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

Date - 11/7/12

CMS DEVELOPMENTS LIMITED

Registered Number 04818523

ABBREVIATED BALANCE SHEET

31 JANUARY 2012

	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets	2				
Tangible assets			1,217,342		*1,680,873*
Investments			-		*1*
			1,217,342		*1,680,874*
Current assets					
Stocks		945,603		*4,483,481*	
Debtors	3	3,033,364		*2,644,341*	
Cash at bank and in hand		-		*673,044*	
		3,978,967		*7,800,866*	
Creditors: Amounts falling due within one year	4	(813,317)		*(8,147,375)*	
Net current assets/(liabilities)			3,165,650		*(346,509)*
Total assets less current liabilities			4,382,992		*1,334,365*
Creditors: Amounts falling due after more than one year	5		(8,600,616)		*(5,242,616)*
			(4,217,624)		*(3,908,251)*
Capital and reserves					
Called-up share capital	7		200		*200*
Revaluation reserve			(639,681)		*(436,412)*
Profit and loss account			(3,578,143)		*(3,472,039)*
Shareholder's funds			(4,217,624)		*(3,908,251)*

The Balance sheet continues on the following page
The notes on pages 6 to 9 form part of these abbreviated accounts

ABBREVIATED BALANCE SHEET *(continued)*

31 JANUARY 2012

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 10 July 2012, and are signed on their behalf by

P A Buckles
Director

The notes on pages 6 to 9 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 investment properties, 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 Classic Management Services Limited and the company's bankers Confirmation of this ongoing support has been obtained from the parent company There is no reason to believe that the bank will withdraw their support

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

Turnover shown in the accounts represents both sales of developments and developers fees, sales of developments are recognised on the signing of contracts, developers fees are recognised as the contract progresses

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

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve

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

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

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

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 £	Investment Loans £	Total £
Cost or valuation			
At 1 February 2011	1,696,830	1	1,696,831
Additions	132	–	132
Disposals	(275,387)	(1)	(275,388)
Revaluation	(187,406)	–	(187,406)
At 31 January 2012	1,234,169	–	1,234,169
Depreciation			
At 1 February 2011	15,957	–	15,957
Charge for year	870	–	870
At 31 January 2012	16,827	–	16,827
Net book value			
At 31 January 2012	1,217,342	–	1,217,342
At 31 January 2011	*1,680,873*	*1*	*1,680,874*

The investment properties were revalued as at 31 January 2012 by N A Aldred, a director of the company, using a rent yield percentage calculation

During the year the company disposed of its investment in Shelton 2 Limited, a company registered in Guernsey

3 Debtors

Debtors include amounts of £1,165,630 (2011 - £1,100,000) falling due after more than one year

4 Creditors: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2012	2011
	£	£
Bank loans and overdrafts	224,677	7,145,125

5. Creditors: Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2012	2011
	£	£
Bank loans and overdrafts	3,480,000	-

6. Transactions with the directors

At the year end, N A Aldred was owed £nil (2011 - £100,000) by the company and P A Buckles was owed £nil (2011 - £34,999) by the company

7. Share capital

Allotted, called up and fully paid:

	2012		2011	
	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

	2012	2011
	£	£
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 January 2015 Preference shares incur interest at a rate of 3 5% fixed A total of £259,564 (2011 - £214,064) is included within other creditors Preference shares carry no voting rights

8 Ultimate controlling party

The parent company is Classic Management Services Limited, a company registered in England and Wales The ultimate controlling parties are P A Buckles and N A Aldred, being the equal shareholders in Classic Management Services Limited Copies of the parent company's accounts may be obtained from Bunbury House, Stour Park, Blandford Forum, Dorset, DT11 9LQ