

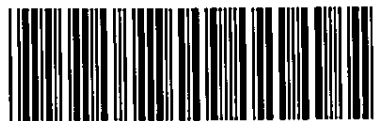
Deritend Investments (Crumpsall) Limited

**Directors' report and financial
statements**

Registered number 604712

31 December 2008

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Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2008.

Principal activity

The principal activity of the company is property trading. There has been no significant change in the nature of the company's business activity during the year under review nor is any envisaged in the immediate future.

Results and dividends

The results for the year ended 31 December 2008 are set out in the attached financial statements.

The directors do not recommend the payment of a dividend (2007: £nil).

Property

A professional valuation of property held for trading was carried out at 31 December 2006 by the company's valuers, Colliers CRE, on the basis of open market value. This resulted in a surplus over book value of £397,956 which at that time was not incorporated into the financial statements. The Directors are satisfied that at 31 December 2008 property held for trading is still at a value considerably in excess of its book value.

Directors

The directors who held office during the year, and who are still in office, are:

Mr BSE Freshwater
Mr D Davis

The Articles of Association of the company do not require the directors to retire by rotation.

The directors do not have service contracts nor do they receive any emoluments from the company.

Disclosure of information to auditors

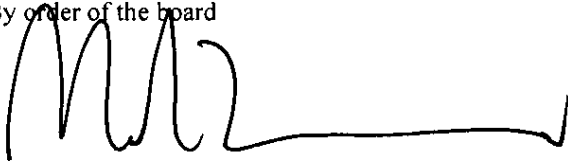
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' report *(continued)*

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Cohen Arnold and KPMG LLP will therefore continue in office as joint auditors of the company.

By order of the board

A handwritten signature in black ink, appearing to be 'MRM Jenner', written over a horizontal line.

MRM Jenner
Secretary

Freshwater House
158/162 Shaftesbury Avenue
London WC2H 8HR

29 June 2009

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Report of the joint independent auditors, Cohen Arnold and KPMG LLP, to the members of Deritend Investments (Crumpsall) Limited

We have audited the financial statements of Deritend Investments (Crumpsall) Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

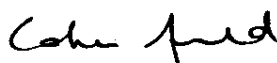
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Report of the joint independent auditors, Cohen Arnold and KPMG LLP, to the members of Deritend Investments (Crumpsall) Limited *(continued)*

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Cohen Arnold
Chartered Accountants
Registered Auditor
London

29 June 2009



KPMG LLP
Chartered Accountants
Registered Auditor
London

29 June 2009

Profit and loss account
for the year ended 31 December 2008

	<i>Note</i>	2008 £	2007 £
Rent and charges receivable		2,707	6,275
Property outgoings		(10,533)	(14,264)
		<hr/>	<hr/>
		(7,826)	(7,989)
Administrative expenses		(1,300)	(1,300)
		<hr/>	<hr/>
Operating loss		(9,126)	(9,298)
Interest receivable		10	11
Interest payable	2	(51,000)	(49,000)
		<hr/>	<hr/>
Loss on ordinary activities before taxation	3	(60,116)	(58,278)
Tax on loss on ordinary activities	4	17,000	17,000
		<hr/>	<hr/>
Loss for the financial year	8	(43,116)	(41,278)
		<hr/>	<hr/>

There are no recognised gains or losses in the current or previous year other than those disclosed above.

All of the company's activities are continuing.

There is no difference between the results as stated and the results on a historic cost basis in either the current or previous year.

Balance sheet
at 31 December 2008

	<i>Note</i>	2008 £	2007 £
Current assets			
Stocks - property held for trading		12,044	12,044
Debtors	5	36,289	36,405
		<hr/>	<hr/>
		48,333	48,449
Creditors: amounts falling due within one year	6	(953,919)	(910,919)
		<hr/>	<hr/>
Net liabilities		(905,586)	(862,470)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account	8	(905,686)	(862,570)
		<hr/>	<hr/>
Equity shareholders' deficit	9	(905,586)	(862,470)
		<hr/>	<hr/>

These financial statements were approved by the board of directors, on 29 June 2009 and were signed on its behalf by:


BSE Freshwater
 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 under the historical cost convention and in accordance with applicable Accounting Standards.

The financial statements have been prepared on the going concern basis, notwithstanding the company's net liabilities, which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided by Metropolitan Properties Company Limited, the company's intermediate parent undertaking. Metropolitan Properties Company Limited has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company.

This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Property held for trading

Property held for trading is stated at the lower of cost and estimated net realisable value. Acquisitions and disposals are considered to have taken place at the date of legal completion.

Taxation

Current

Provision is made for consideration payable to or receivable from other group undertakings for the surrender of losses under group relief provisions.

Deferred

Deferred tax is provided in accordance with Financial Reporting Standard No.19 (FRS 19). Under FRS 19 full provision is made in respect of all timing differences that have originated but not reversed by the balance sheet date where an event has occurred that results in an obligation to pay more or less tax in future, except that; deferred tax assets are recognised to the extent that they are considered recoverable. Deferred tax is measured on a non-discounted basis at the tax rates which apply at the balance sheet date.

Cash flow statement

The company is exempt from the requirement to prepare a cash flow statement (in accordance with Financial Reporting Standard No. 1 (revised 1996)) on the grounds that it is a wholly owned subsidiary undertaking of an intermediate parent undertaking registered in England and Wales which prepares consolidated financial statements that includes a consolidated cash flow statement.

Related party transactions

The company has taken advantage of the exemption in FRS 8 Related Party Disclosures in order to dispense with the requirement to disclose transactions with other Metropolitan Properties Company Limited group companies.

Notes (continued)

2 Interest payable

	2008 £	2007 £
Group finance charges payable	<u>51,000</u>	<u>49,000</u>

3 Loss on ordinary activities before taxation

	2008 £	2007 £
<i>Loss on ordinary activities before taxation is stated after charging:</i>		
Auditors' remuneration for audit services	<u>1,300</u>	<u>1,300</u>

The directors of the company did not receive any emoluments from the company during the year or in the previous year.

Apart from the directors, there were no other employees of the company during the year or in the previous year.

4 Tax on loss on ordinary activities

	2008	2007 £
<i>a) Analysis of credit for the year</i>		
Consideration receivable for group relief:		
Current year	<u>17,000</u>	<u>17,000</u>
<i>b) Factors affecting the tax credit for the year</i>		
Loss on ordinary activities before taxation	<u>60,136</u>	<u>58,278</u>
Loss on ordinary activities at the standard rate of 28.5% (2007: 30%)	17,139	17,483
Sundry differences	<u>(139)</u>	<u>(483)</u>
Current tax credit (see above)	<u>17,000</u>	<u>17,000</u>

Notes (continued)

5 Debtors

	2008	2007
	£	£
Rents and charges receivable	-	1,101
Consideration receivable for group relief (note 4)	34,000	33,000
Other debtors and prepayments	2,289	2,304
	<u>36,289</u>	<u>36,405</u>

6 Creditors: amounts falling due within one year

	2008	2007
	£	£
Rents in advance	305	305
Tenants' deposits	-	545
Amount due to immediate and fellow subsidiary parent undertakings	952,273	908,324
Other creditors and accruals	1,341	1,745
	<u>953,919</u>	<u>910,919</u>

7 Called up share capital

	2008	2007
	£	£
<i>Authorised, allotted, called up and fully paid</i>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

8 Profit and loss account

	£
At 31 December 2007	(862,570)
Loss for the financial year	(43,116)
	<u>(905,686)</u>
At 31 December 2008	<u>(905,686)</u>

Notes (continued)

9 Reconciliation of movements in shareholders' deficit

	2008 £	2007 £
Loss for the financial year	(43,116)	(41,278)
Opening shareholders' deficit	(862,470)	(821,192)
Closing shareholders' deficit	(905,586)	(862,470)

10 Directors' interests in contracts

Day-to-day management of the company's property is carried out by Highdorn Co. Limited, one of the Freshwater Group of Companies, with which this company is closely associated. Mr BSE Freshwater is a director of Highdorn Co. Limited and has a non-beneficial interest in the share capital of that company.

During the year £90 (2007: £2,643), including VAT, was payable to Highdorn Co. Limited for the full range of management and administrative services which were charged for at normal commercial rates.

11 Ultimate parent undertaking

The parent undertaking of the largest group of undertakings for which group financial statements are drawn up is Centremanor Limited, a company registered in England and Wales.

The parent undertaking of the smallest group of undertakings for which group financial statements are drawn up is Metropolitan Properties Company Limited, a company registered in England and Wales.

Copies of these financial statements can be obtained from the following address: Freshwater House, 158/162 Shaftesbury Avenue, London WC2H 8HR.

The ultimate parent undertaking is Linnet Limited, a company incorporated in the Isle of Man and controlled by trusts.

Property revenue account
for the year ended 31 December 2008

	2008		2007	
	£	£	£	£
Rents and charges receivable		2,707		6,275
Property outgoings				
Ground rent and service charges payable	6,688		6,644	
General and water rates	2,484		2,374	
Repairs	1,142		2,341	
Management commission	90		101	
Letting commission	-		2,452	
Legal and professional	129		352	
		(10,533)		(14,264)
Net property deficit		(7,826)		(7,989)

This schedule is provided for information purposes only and does not form part of the audited financial statements.