

**Company number 3016028**

**CEPB DEVELOPMENTS LIMITED**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2006**



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## **COMPANY INFORMATION**

<b><u>Directors:</u></b>	<b>Mr. Allan Bridgewater (Chairman)</b> <b>The Ven. H. I. L. Russell</b> <b>Mr. T. J. P. Stevenson</b> <b>Mr. D. J. V. Wright (resigned 20 June 2006)</b> <b>Mrs. A.R. Alexander (appointed 20 June 2006)</b>
<b><u>Secretary:</u></b>	<b>Mr. M.G.S. Farrell (from 01 October 2004)</b>
<b><u>Registered Office:</u></b>	<b>29 Great Smith Street, Westminster, London SW1P 3PS</b>
<b><u>Auditors:</u></b>	<b>PricewaterhouseCoopers LLP, 32, London Bridge Street, London SE1 9SY.</b>
<b><u>Bankers:</u></b>	<b>National Westminster Bank PLC, City Office, PO Box No.12258, 1, Princes Street, London EC2R 8PA.</b>

## **CEPB DEVELOPMENTS LIMITED**

### **DIRECTORS REPORT**

The Directors present their report and the audited financial statements of the company for the year ended 31 December 2006

### **PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

The profit and loss account for the year is shown on page 6. The company's principal activity is undertaking property and building developments.

During the year 2002 planning permission was obtained for the demolition and rebuilding of Fosbrooke House at Lytham St Annes and building work commenced. The work on Fosbrooke House is complete and was handed over to the client, the Church of England Pensions Board, early in 2004. During 2005, plans were drawn up for the redevelopment of the Manorhead residential wing for which planning permission was granted in 2006 and work commenced on this contract during 2006.

During 2006, a material understatement of the company's trading profit in previous years has been discovered due to the non-payment of the deed of covenant to the Church of England Pensions Board. This has resulted in a £80,000 provision for corporation tax, interest and penalties being made in the 2006 accounts.

### **DIVIDENDS**

The Directors do not recommend the payment of a dividend.

### **DIRECTORS**

The Directors of the company who served during the year have been as follows -

	<b>Date of Appointment</b>
Mr A. Bridgewater	1 January 1998
The Ven. H. I. L. Russell	1 January 1998
Mr T J P. Stevenson	20 March 1996
Mr D J V Wright	1 January 1998 (resigned 20 June 2006)
Mrs A R Alexander	20 June 2006

No director has held any shares in the company during the year.

## **Statement of directors' responsibilities in respect of the Annual Report and the financial statements**

The directors are responsible for preparing the Annual 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). 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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 the financial statements comply with the Companies Act 1985. 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.

## **Statement as to disclosure of information to Auditors**

So far as the Directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the Company's auditors are unaware, and each member has taken all the steps that he or she ought to have taken as a member in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

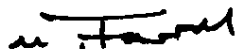
## **CHARITABLE CONTRIBUTIONS**

As the tax position of the company is determined, further payments can be made under the Deed of Covenant which is payable to The Church of England Pensions Board, a registered charity.

## **AUDITORS**

In accordance with Section 385 of the Companies Act 1985 a Resolution proposing the re-appointment of PricewaterhouseCoopers LLP as auditors to the Company will be put to the Annual General Meeting.

APPROVED BY THE BOARD ON 19 JUNE 2007 AND SIGNED ON THEIR BEHALF BY



M.G.S. Farrell  
SECRETARY

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CEPB DEVELOPMENTS LIMITED

We have audited the financial statements of CEPB Developments for the year ended 31 December 2006 which comprises 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.

### Respective responsibilities of directors and auditors

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

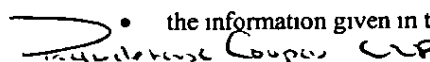
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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.

### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its result and cash flows 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.

  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London  
19 June 2007  
25 October

## **CEPB DEVELOPMENTS LIMITED**

### **Profit and loss account for the year ended 31 December 2006**

	Notes	2006 £	2005 £
Turnover	2	2,436,667	216,844
Cost of sales		<u>(2,360,799)</u>	<u>(200,278)</u>
Gross (Loss)/Profit		75,868	16,566
Administration Expenses	4	<u>(87,465)</u>	<u>(25,215)</u>
Operating (Loss)/Profit		(11,597)	(8,649)
Interest receivable	5	<u>11,597</u>	<u>13,379</u>
Profit on ordinary activities before taxation	6	-	4,720
Taxation on ordinary activities	7	<u>(67,500)</u>	-
(Loss)/Profit on ordinary activities after tax		(67,500)	4,720
Dividends		-	-
Retained (loss)/profit for the year		(67,500)	4,720
Retained profit brought forward		<u>358,953</u>	<u>354,223</u>
Retained profit carried forward		<b><u>£291,453</u></b>	<b><u>£358,953</u></b>

There are no gains or losses in the period other than those recognised in the profit and loss account

### **Balance sheet as at 31 December 2006**

		2006 £	2005 £
<b>Current assets</b>			
Debtors - amounts falling due within one year	8	454,244	230,901
Balance on contract	8	-	38,817
Cash at bank		<u>27,144</u>	<u>124,237</u>
		481,388	393,955
Creditors - amounts falling due within one year	9	<u>(189,933)</u>	<u>(35,000)</u>
Net current assets		<b><u>£291,455</u></b>	<b><u>£358,955</u></b>
<b>Capital &amp; reserves</b>			
Share capital	10	2	2
Profit and loss account	11	<u>291,453</u>	<u>358,953</u>
Total equity shareholders funds		<b><u>£291,455</u></b>	<b><u>£358,955</u></b>

The financial statements on pages 6 to 9 were approved by the Board on 19 June 2007 and signed on their behalf by

**A. Bridgewater - Chairman**  
**H.I.L. Russell - Director**



**CEPB DEVELOPMENTS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**1 ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom

**Turnover**

Turnover represents the value of long term contract work performed

**Long term Contracts**

Turnover on long-term contracts is recognised according to the stage reached in the contract by reference to the value of work done. A prudent estimate of the profit attributable to work completed will be recognised once the outcome of the contract can be assessed with reasonable certainty. The amount by which the payments on account exceed turnover is shown under creditors as payments on account.

**Cashflow statement**

The company is a wholly owned subsidiary of the General Purposes Fund of the charitable funds of the Church of England Pensions Board and the cash flows are included in the financial statements of that charity.

Consequently, the Company is exempt under the terms of FRS 1 (revised) from publishing a cash flow statement.

**2 TURNOVER**

Turnover and profit before taxation are derived from continuing operations and are wholly attributable to the company's principal activity, which is carried on within the United Kingdom.

**3 EMPLOYEE INFORMATION**

Other than the four directors, who received no remuneration, the company had no employees in the period.

**4 ADMINISTRATION EXPENSES**

The Administration Expenses of £87,465 (2005 £25,215) include a gross charitable donation of £70,933 (2005 £nil) to be paid to The Church of England Pensions Board.

**5 INTEREST RECEIVABLE**

Interest receivable of £11,597 (2005 £13,379) does not include any accrued interest on bank deposits.



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6. **PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Is stated after charging

	2006	2005
Auditors' remuneration	<u>£ 4,000</u>	<u>£4,000</u>

7. **TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

As the whole of the profit that would have been chargeable to Corporation Tax will be paid to The Church of England Pensions Board, a registered charity, under a Deed of Covenant, no Corporation Tax is payable for the current year

As a result of the understatement of trading profits for the years 2002, 2003 and 2004, a provision of £67,500 has been made for Corporation Tax payable in respect of those years.

8 **DEBTORS**

	2006	2005
	£	£
Payments in Advance	450,099	200,172
Value Added Tax recoverable	4,145	30,729
Balance on contract	-	38,817
	<u>454,244</u>	<u>269,718</u>

9. **CREDITORS**

	2006	2005
	£	£
Gross payment under Deed of Covenant	70,933	-
Corporation Tax	67,500	-
Accruals	<u>51,500</u>	<u>35,000</u>
	<u>189,933</u>	<u>35,000</u>

10 **SHARE CAPITAL**

	2006	2005
	£	£
Authorised		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
Allotted, Called Up and Fully Paid		
2 Ordinary Shares of £1 each	<u>2</u>	<u>2</u>

11 **RESERVES**

**Profit and loss account**

	2006	2005
	£	£
Reserves brought forward	358,953	354,223
(Loss)/Profit for the period	<u>(67,500)</u>	<u>4,720</u>
Reserves as at 31 December 2005	<u>291,453</u>	<u>358,953</u>

12. **ULTIMATE PARENT UNDERTAKING**

The Directors regard the General Purposes Fund of the Church of England Pensions Board as the ultimate Parent Undertaking. Copies of the Parent's consolidated financial statements can be obtained from:-

The Church of England Pensions Board,  
29, Great Smith Street,  
Westminster, London SW1P 3PS.

13. **RELATED PARTY TRANSACTIONS**

The General Purposes Fund of the Church of England Pensions Board is considered to be the controlling party of the Company

Transactions in the year with the Church of England Pensions Board, a related party, were as follows -

Amounts payable under Deed of Covenant - gross (see Note 4) £70,933 (2005: £nil)

Amount receivable from Church of England Pensions Board £450,099 (2005: £200,172)  
as payments on account