

Company Registration No 03025675 (England and Wales)

**RUTLAND (CRANLEIGH) LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**



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# **RUTLAND (CRANLEIGH) LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Mr P J Farnfield Mr J A C McAllister Mr J G McAllister
<b>Secretary</b>	Mr J P Riddings
<b>Company number</b>	03025675
<b>Registered office</b>	Dunsfold Park Stovolds Hill Cranleigh Surrey GU6 8TB
<b>Auditor</b>	Baker Tilly UK Audit LLP Third Floor One London Square Cross Lanes Guildford Surrey GU1 1UN

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# **RUTLAND (CRANLEIGH) LIMITED**

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# **RUTLAND (CRANLEIGH) LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2012**

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The directors present their report and financial statements for the year ended 31 December 2012

### **Principal activities**

The principal activity of the company during the year was that of property investment

### **Directors**

The following directors have held office since 1 January 2012

Mr P J Farnfield  
Mr J A C McAllister  
Mr J G McAllister

### **Auditor**

Baker Tilly UK Audit LLP have indicated their willingness to continue in office

### **Statement of directors' responsibilities**

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 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 judgements and accounting estimates that are reasonable and prudent,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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 of disclosure to auditor**

The directors who were in office at the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

On behalf of the board

  
Mr J A C McAllister  
Director

18/12/13

# **RUTLAND (CRANLEIGH) LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RUTLAND (CRANLEIGH) LIMITED FOR THE YEAR ENDED 31 DECEMBER 2012**

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We have audited the financial statements on pages 4 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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**

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 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

### **Emphasis of matter - Going Concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in the accounting policies on page 6 concerning the company's ability to continue as a going concern. The company incurred a net loss of £19,680 during the year ended 31 December 2012 and, at that date, had net current liabilities of £9,116,973 and total net liabilities of £969,973. These conditions, along with other matters explained on page 6 of the financial statements indicate the existence of a material uncertainty which may cast significant 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 matter 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.

## **RUTLAND (CRANLEIGH) LIMITED**

### **INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF RUTLAND (CRANLEIGH) LIMITED FOR THE YEAR ENDED 31 DECEMBER 2012**

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#### **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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report

**Baker Tilly UK Audit LLP**

Christopher Hurren FCA (Senior Statutory Auditor)  
for and on behalf of Baker Tilly UK Audit LLP, Statutory Auditor

Chartered Accountants  
Third Floor  
One London Square  
Cross Lanes  
Guildford  
Surrey  
GU1 1UN

Date **19 DECEMBER 2013**

# **RUTLAND (CRANLEIGH) LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2012**

	Notes	2012 £	2011 £
Turnover		761,632	756,818
Administrative expenses		(248,800)	(383,745)
Operating profit	2	512,832	373,073
Interest payable and similar charges	3	(532,512)	(528,700)
Loss on ordinary activities before taxation		(19,680)	(155,627)
Tax on loss on ordinary activities	4	-	-
Loss for the year	12	(19,680)	(155,627)

The profit and loss account has been prepared on the basis that all operations are continuing operations

## **STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	31 December 2012 £	31 December 2011 £
Loss for the financial year	(19,680)	(155,627)
Unrealised losses on revaluation of fixed assets	(1,500,000)	(1,050,000)
Total gains and losses recognised in the year	(1,519,680)	(1,205,627)

# RUTLAND (CRANLEIGH) LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2012

	Notes	2012 £	£	2011 £	£
<b>Fixed assets</b>					
Tangible assets	5	10,200,000		11,700,000	
<b>Current assets</b>					
Debtors	6	631,848		442,221	
Cash at bank and in hand		117,837		196,642	
		<u>749,685</u>		<u>638,863</u>	
<b>Creditors amounts falling due within one year</b>	7	<u>(9,866,658)</u>		<u>(9,736,156)</u>	
<b>Net current liabilities</b>			(9,116,973)		(9,097,293)
<b>Total assets less current liabilities</b>			<u>1,083,027</u>		<u>2,602,707</u>
<b>Creditors amounts falling due after more than one year</b>	8		<u>(2,053,000)</u>		<u>(2,053,000)</u>
<b>Net assets</b>			<u>(969,973)</u>		<u>549,707</u>
<b>Capital and reserves</b>					
Called up share capital	11		100		100
Revaluation reserve	12		421,904		462,402
Profit and loss account	12		<u>(1,391,977)</u>		<u>87,205</u>
<b>Shareholders' funds</b>	13		<u>(969,973)</u>		<u>549,707</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

Approved by the Board and authorised for issue on

18/12/13

Mr J A C McAllister  
Director

Company Registration No 03025675



# **RUTLAND (CRANLEIGH) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings modified to include the revaluation of freehold land and buildings

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company

#### **Going Concern**

The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons

The directors of Dunsfold Park Ltd, the ultimate parent company, have continued in their negotiations with a third party investor to acquire the company's landholdings. Since the balance sheet date all landholdings have now been sold and the main lender, The Ertse Group bank, have been repaid in full

The company incurred a net reduction in shareholders' funds of £1,519,680 in the year to 31 December 2012 as a result of writing down the assets to their recoverable balances and as a result has net current liabilities of £9,116,973 and total net liabilities of £969,973 as at this date. As a result of the post year end disposals above, the company remains financially dependant on the ongoing support of its ultimate parent company, Dunsfold Park Limited. Dunsfold Park Limited have indicated that they will continue to support the company in respect of enabling it to meet its ongoing liabilities as they fall due for a period of at least twelve months from the date of approval of the financial statements and in addition will not seek repayment of any monies owed to them over the same period unless the company has sufficient financial revenue to make such a repayment

The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate

#### **1.2 Turnover**

Turnover represents rent receivable primarily on operating leases from tenanted properties and recharged property expenses. Rental income from investment properties leased out under such operating leases is recognised in the profit and loss account on an accruals basis over the term of the lease. The effect of rent reviews is only recognised when such reviews have been agreed with the tenants. Where rents are subject to fixed indexation in lieu of rent reviews, the rents are recognised on a systematic basis as income in the periods in which they are earned

Where a rent free period is included in a lease, the rental income foregone is allocated evenly over the period from the date of the lease commencement to the earliest termination date

#### **1.3 Investment properties**

In accordance with Statement of Standard Accounting Practice No 19, investment properties are revalued annually on an open market basis and the aggregate surplus or deficit is transferred to a revaluation reserve unless any deficit is expected to be permanent. Deficits below original cost in such circumstances are charged as impairment in the profit and loss account. No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run

This treatment is a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified

# RUTLAND (CRANLEIGH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

### 1 Accounting policies

(Continued)

#### 1.4 Deferred taxation

Deferred tax is recognised in respect of all 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 tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax is measured on a non-discounted basis.

2	Operating profit	2012 £	2011 £
	Operating profit is stated after charging		
	Auditor's remuneration	6,000	7,500

The directors received no emoluments for their services to the company during the period (2011: zero)

The company had no employees during the period (2011: none)

3	Interest payable and similar charges	2012 £	2011 £
	Bank interest	390,855	387,044
	Other interest	141,657	141,656
		532,512	528,700

# RUTLAND (CRANLEIGH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

<b>4</b>	<b>Taxation</b>	<b>2012</b>	<b>2011</b>
	Total current tax	-	-
		<u>          </u>	<u>          </u>
	<b>Factors affecting the tax charge for the year</b>		
	Loss on ordinary activities before taxation	(19,680)	(155,627)
		<u>          </u>	<u>          </u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.50% (2011 - 26.00%)	(4,822)	(40,463)
		<u>          </u>	<u>          </u>
	Effects of		
	Capital allowances in excess of depreciation	(16,503)	(23,277)
	Other net adjustments	931	3,829
	Unutilised tax loss carried forward	20,394	59,911
		<u>          </u>	<u>          </u>
		4,822	40,463
		<u>          </u>	<u>          </u>
	<b>Current tax charge for the year</b>	-	-
		<u>          </u>	<u>          </u>

### Deferred tax

Provision for a deferred tax asset has not been made on the following

	Excess tax allowances	Short-term timing differences	Losses carried forward	Total
At 1 Jan 2012	-	-	265,898	265,898
Movement	-	-	(477)	(477)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 Dec 2012	-	-	265,421	265,421
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

No deferred tax asset has been recognised on the above amounts as the timing of recovery is uncertain

No provision has been made in respect of investment properties which are included in the financial statements at a valuation of £10,200,000 (2011: £11,700,000). It is estimated that if these properties were to be sold at valuation the tax liability would amount to £nil (2011: £nil).

# RUTLAND (CRANLEIGH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

### 5 Tangible fixed assets

	Land and buildings £
<b>Valuation</b>	
At 1 January 2012	11,700,000
Revaluation	(1,500,000)
	<hr/>
At 31 December 2012	10,200,000
	<hr/>
<b>Depreciation</b>	
At 1 January 2012 & at 31 December 2012	-
	<hr/>
<b>Net book value</b>	
At 31 December 2012	10,200,000
	<hr/>
At 31 December 2011	11,700,000
	<hr/>

The directors have agreed upon the valuation of the company's investment properties which have been prepared by Mr P J Farnfield (FRICS), a director of the company. The valuation is prepared on an open market basis and has taken into account previous valuations carried out by a firm of independent chartered surveyors along with the lettings, improvements, and investment climate. The carrying value therefore reflects known disposal proceeds to write the properties down to the recoverable amount. Revaluations below cost that are permanent are reflected in the profit and loss account reserve.

The historical cost of the company's investment properties as at 31 December 2012 was £11,237,598 (2011: £11,237,598).

6 Debtors	2012 £	2011 £
Trade debtors	438,841	210,837
Other debtors	150,635	141,763
Prepayments and accrued income	42,372	89,621
	<hr/>	<hr/>
	631,848	442,221
	<hr/>	<hr/>

# **RUTLAND (CRANLEIGH) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2012**

<b>7</b>	<b>Creditors amounts falling due within one year</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	Bank loans and overdrafts	8,870,000	8,870,000
	Trade creditors	57,657	72,233
	Amounts owed to group undertakings	157,075	157,075
	Taxes and social security costs	20,000	12,988
	Other creditors	26,669	26,816
	Accruals and deferred income	735,257	597,044
		<u>9,866,658</u>	<u>9,736,156</u>

The bank loan is secured by a fixed charge over the long leasehold investment property, being Hewitts Industrial Estate, by way of debenture dated 18 May 2001, and over the freehold properties being 170 Walnut Tree Close, by way of a debenture dated 25 May 2007 and 36, 38, 40 Goldsworth Road (known as Cavendish House) by way of a debenture dated 22 April 2008, and a floating charge over the current assets. The bank also has legal assignment to all rental income. The bank loan facility has been repaid in full since the balance sheet date from the sale proceeds received from the disposal of the company's properties, the final loan repayment being made on 7 May 2013.

<b>8</b>	<b>Creditors amounts falling due after more than one year</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	Amounts owed to group undertakings	<u>2,053,000</u>	<u>2,053,000</u>

### **9**      **Contingent liabilities**

As at 31 December 2012, company's immediate parent company, Dunsfold Park Limited, has a bank loan with the Royal Bank of Scotland of £40,919,876 (2011 £40,919,876). This bank loan is secured by virtue of a fixed charge over the land and buildings of Rutland (Cranleigh) Limited.

### **10**     **Related party relationships and transactions**

The company has taken advantage of the exemptions provided by Financial Reporting Standard Number 8 'Related Party Disclosures' and has not discussed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

At the year end, and included in other debtors, £114,267 (2011 £114,335) was owed to Rutland (Cranleigh) Limited by Rutland Management Limited, a company under the control of Mr J A McAllister, in respect of funds transferred between the two companies. During the year, Rutland (Cranleigh) Limited were charged £62,687 (2011 £55,768) by Rutland Management Limited in respect of management charges.

# RUTLAND (CRANLEIGH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

<b>11 Share capital</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

<b>12 Statement of movements on reserves</b>	<b>Revaluation reserve</b>	<b>Profit and loss account</b>
	<b>£</b>	<b>£</b>
Balance at 1 January 2012	462,402	87,205
Loss for the year	-	(19,680)
Transfer of permanent diminution	1,459,502	(1,459,502)
Revaluation in the year	(1,500,000)	-
Balance at 31 December 2012	421,904	(1,391,977)

<b>13 Reconciliation of movements in shareholders' funds</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Loss for the financial year	(19,680)	(155,627)
Other recognised gains and losses	(1,500,000)	(1,050,000)
Net depletion in shareholders' funds	(1,519,680)	(1,205,627)
Opening shareholders' funds	549,707	1,755,334
Closing shareholders' funds	(969,973)	549,707

## 14 Control

The company's immediate holding company is Dunsfold Park Limited, which is registered in England

At 31 December 2012 the ultimate holding company was Redcub Properties Limited, which is registered in England

Copies of financial statements for the above companies can be obtained from 56 Dunsfold Park, Cranleigh, Surrey GU6 8TB

## 15 Post balance sheet events

The company has sold all of its investment property portfolio since the balance sheet date which has enabled it to repay its bank loan in full