



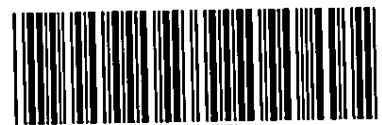
Grant Thornton

# Financial statements CD Investments Staverton Limited

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For the Period from 1 February 08 to 31 December 2008

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COMPANIES HOUSE

Company No. 06042445

## Officers and professional advisers

<b>Company registration number</b>	06042445
<b>Registered office</b>	5 Armston Road Quorn Loughborough Leicestershire LE12 8QP
<b>Directors</b>	Mr C Clarkson Mr D Sear-Mayes
<b>Secretary</b>	Mr D Sear-Mayes
<b>Bankers</b>	Yorkshire Bank 29 Horsefair Street Leicester LE1 5BL
<b>Auditor</b>	Grant Thornton UK LLP Chartered Accountants Registered Auditors No 1 Dorset Street Southampton Hampshire SO15 2DP

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## Report of the directors

The directors present their report and the financial statements of the company for the period from 1 February 2008 to 31 December 2008.

### **Principal activities and business review**

The company operates principally as property developers.

The company was incorporated on 5 January 2007 and prepared its first accounts to 31 January 2008. Subsequently the company has changed the year end to 31 December 2008.

There was a profit for the period after taxation amounting to £26,674 (31 Jan 2008: a profit of £16,565). The directors do not recommend payment of a dividend.

### **Directors**

The directors who served the company during the period were as follows:

Mr C Clarkson  
Mr D Sear-Mayes

### **Company registration number**

The company registration number is 06042445

### **Directors' responsibilities**

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 Accounting Standards (United Kingdom 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 judgements and 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 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditor**

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

**Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

BY ORDER OF THE BOARD



Mr D Scar-Mayes  
Secretary

**26** November 2009



## Report of the independent auditor to the members of CD Investments Staverton Limited

We have audited the financial statements of CD Investments Staverton Limited for the period from 1 February 2008 to 31 December 2008 on pages 9 to 14. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007), under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 7 to 8.

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 auditor**

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and 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).

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

### **Basis of 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 judgements 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.

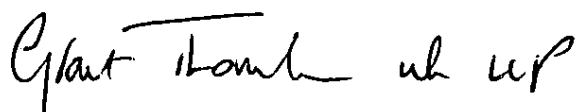
## Report of the independent auditor to the members of CD Investments Staverton Limited (continued)

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 applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2008 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.



GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

SOUTHAMPTON

30 November 2009

## 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 January 2007).

The accounts show a net current liability position of £795,358, which includes £591,196 owing to J Davy Basingstoke Limited and £106,652 owing to the company's bankers. The accounts have been prepared on the going concern basis which is dependent on the continued financial support of the directors and J Davy (Basingstoke) Ltd, a related undertaking due to the common ownership and directors Mr D Sear-Mayes and Mr C Clarkson and the bank. A letter of ongoing support for a period of no less than 12 months beyond the balance sheet date has been received from J Davy Basingstoke Limited which is able to provide the company with additional funds if required. The directors believe the bank will continue to support the company under the current terms of the loan agreement which is reflected by the repayment schedule shown in Notes 5 and 6 to the accounts. The directors have also prepared forecasts which demonstrate the company's ability to trade within these facilities.

The principle accounting policies of the company have remained unchanged from the previous year and are set out below.

### Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No.1 (revised) from including a cash flow statement in the financial statements on the grounds that it is a small company.

### Turnover

Rental income is recognised for the period that the site was actually occupied. Other income is recognised on raising of the invoice once the work has been completed. Property income is recognised at the date of the sale of the property sold.

### Fixed assets

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets, other than freehold land, by equal annual instalments over their expected useful lives.

No depreciation is provided on the Investment properties which, in the opinion of the directors, have a value in excess of their cost.

### 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 Schedule 4 to the Companies Act 1985, 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.

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.



## Accounting policies

### **Work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

### **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.

### **Capitalised interest**

Interest on the cost of development projects has been capitalised.

## Profit and loss account

		Period from 1 Feb 08 to 31 Dec 08 £	Period from 5 Jan 07 to 31 Jan 08 £
	Note		
Turnover		182,398	57,669
Cost of sales		3,226	20,951
Gross profit		179,172	36,718
Other operating charges	1	10,994	7,143
<b>Operating profit</b>		<b>168,178</b>	<b>29,575</b>
Interest payable and similar charges		141,394	13,010
<b>Profit on ordinary activities before taxation</b>		<b>26,784</b>	<b>16,565</b>
Tax on profit on ordinary activities		110	-
<b>Profit for the financial period</b>	12	<b>26,674</b>	<b>16,565</b>

All of the activities of the company are classed as continuing.


The company has no recognised gains or losses other than the results for the year as set out above.

## Balance sheet

	Note	31 Dec 08 £	31 Jan 08 £
<b>Fixed assets</b>			
Tangible assets	3	3,456,000	-
<b>Current assets</b>			
Stocks		-	2,318,305
Debtors	4	28,411	66,257
Cash at bank		1,837	314
		30,248	2,384,876
Creditors: amounts falling due within one year	5	825,606	2,368,309
Net current (liabilities)/assets		(795,358)	16,567
Total assets less current liabilities		2,660,642	16,567
Creditors: amounts falling due after more than one year	6	2,220,578	-
		440,064	16,567
<b>Capital and reserves</b>			
Called-up equity share capital	10	2	2
Revaluation reserve	11	396,823	-
Profit and loss account	12	43,239	16,565
Shareholders' funds		440,064	16,567

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These financial statements were approved by the directors and authorised for issue on <sup>26th</sup> November 2009 and are signed on their behalf by:

  
 Mr D Sear-Mayes  
 Director

  
 Mr C Clarkson  
 Director

## Other primary statements

### Statement of total recognised gains and losses

	Period from 1 Feb 08 to 31 Dec 08 £	Period from 5 Jan 07 to 31 Jan 08 £
Profit for the financial period	26,674	16,565
Unrealised profit on revaluation of certain fixed assets	396,823	-
Total gains and losses recognised for the period	<u>423,497</u>	<u>16,565</u>

## Notes to the financial statements

### 1 Other operating charges

	Period from 1 Feb 08 to 31 Dec 08 £	Period from 5 Jan 07 to 31 Jan 08 £
Administrative expenses	<u>10,994</u>	<u>7,143</u>

### 2 Operating Profit

The Auditor's fees have been borne by a related party, CSM (Basingstoke) Limited in 2008 and 2007.

### 3 Tangible fixed assets

	Investment Property £
Cost or valuation	
Revaluation	396,823
Transfers	3,059,177
At 31 December 2008	<u>3,456,000</u>
Depreciation	
At 1 February 2008 and 31 December 2008	<u>-</u>
Net book value	
At 31 December 2008	<u>3,456,000</u>
At 31 January 2008	<u>-</u>

The value at which the investment property is held is based on the directors assessment of fair value at the period end. This was established using 90% of a valuation performed in August 2006, which was an estimate of the final value of the development and was undertaken on behalf of the bank. The directors believe that at the year end this is not materially different from open market value.

### 4 Debtors

	31 Dec 08 £	31 Jan 08 £
Trade debtors	2,598	675
Other debtors	25,813	65,582
	<u>28,411</u>	<u>66,257</u>

**5 Creditors: amounts falling due within one year**

	31 Dec 08 £	31 Jan 08 £
Bank loans	106,552	1,806,441
Trade creditors	13,463	–
Amounts owed to related parties	591,196	536,555
Corporation tax	110	–
Other creditors	114,285	25,313
	<u>825,606</u>	<u>2,368,309</u>

The bank borrowings are secured by a fixed and floating charge over the assets of the company.

**6 Creditors: amounts falling due after more than one year**

	31 Dec 08 £	31 Jan 08 £
Bank loans	2,220,578	–
	<u>2,220,578</u>	<u>–</u>

The bank borrowings are secured by a fixed and floating charge over the assets of the company.

**7 Commitments under operating leases**

At 31 December 2008 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	31 Dec 08 £	31 Jan 08 £
Operating leases which expire:		
After more than 5 years	<u>45,500</u>	<u>45,500</u>

**8 Contingent liabilities**

There were no contingent liabilities as at 31 December 2008 or 31 January 2008.

**9 Related party transactions**

At 31 December 2008 the company owed £591,196 (31 Jan 2008: £536,555) to J Davy (Basingstoke) Limited, a company related by common control of the directors. During the period the company paid interest of £38,531 (31 Jan 2008: £24,057) to J Davy (Basingstoke) Limited. The company also charged management fees of £17,500 (31 Jan 2008: £nil) to J Davy (Basingstoke) Limited.

During the period, the company made sales of £32,500 (31 Jan 2008: £nil) and made purchases of £nil (31 Jan 2008: £25,597) from CD Investments UK Ltd. In addition the company also made purchases of £564,000 (31 Jan 2008: £1,427,000) from V & S Fabrications Ltd and £47,196 (31 Jan 2008: £28,857) from J Davy (Basingstoke) Ltd, all companies related by common control of the directors.

**10 Share capital**

Authorised share capital:

	31 Dec 08 £	31 Jan 08 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	31 Dec 08 No	£	31 Jan 08 No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

**11 Revaluation reserve**

	Period from 1 Feb 08 to 31 Dec 08 £	Period from 5 Jan 07 to 31 Jan 08 £
Revaluation of fixed assets	<u>396,823</u>	<u>-</u>
Balance carried forward	<u>396,823</u>	<u>-</u>

**12 Profit and loss account**

	Period from 1 Feb 08 to 31 Dec 08 £	Period from 5 Jan 07 to 31 Jan 08 £
Balance brought forward	<u>16,565</u>	<u>-</u>
Profit for the financial period	<u>26,674</u>	<u>16,565</u>
Balance carried forward	<u>43,239</u>	<u>16,565</u>

**13 Capital commitments**

There were no capital commitments as at 31 December 2008 or 31 January 2008.

**14 Ultimate parent company**

The company is ultimately controlled by CD Investments (UK) Limited by virtue of its 100% ownership of the issued share capital.