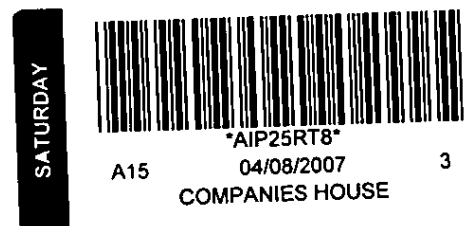


CLASSIC MANAGEMENT SERVICES LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 JANUARY 2007



Company Registration Number 1479871

Tenon Limited
Accountants & Business Advisers
Highfield Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3TY

CLASSIC MANAGEMENT SERVICES LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2007

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CLASSIC MANAGEMENT SERVICES LIMITED
INDEPENDENT AUDITOR'S REPORT TO CLASSIC MANAGEMENT
SERVICES LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 8, together with the financial statements of Classic Management Services Limited for the year ended 31 January 2007 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. 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 audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditor

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" 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 Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

Tenon Audit Limited

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

Date - 31 July 2007

CLASSIC MANAGEMENT SERVICES LIMITED

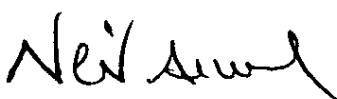
ABBREVIATED BALANCE SHEET

31 JANUARY 2007

	Note	2007 £	£	2006 £	£
Fixed assets	2				
Tangible assets			16,646,174		14,145,221
Investments			495,825		4,515,825
			<u>17,141,999</u>		<u>18,661,046</u>
Current assets					
Stocks		64,327		64,327	
Debtors		4,464,054		3,736,942	
Investments		562,500		-	
		<u>5,090,881</u>		<u>3,801,269</u>	
Creditors: Amounts falling due within one year	3	(4,518,151)		(6,256,857)	
Net current assets/(liabilities)			572,730		(2,455,588)
Total assets less current liabilities			<u>17,714,729</u>		<u>16,205,458</u>
Creditors: Amounts falling due after more than one year	4		(6,558,145)		(6,838,397)
			<u>11,156,584</u>		<u>9,367,061</u>
Capital and reserves					
Called-up share capital	5		188,011		188,011
Share premium account			354,617		354,617
Revaluation reserve			6,732,203		5,974,212
Profit and loss account			3,881,753		2,850,221
Shareholders' funds			<u>11,156,584</u>		<u>9,367,061</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

These abbreviated accounts were approved by the directors on 17/1/07 and are signed on their behalf by


N A Aldred
Director

The notes on page 2 form part of these abbreviated accounts

CLASSIC MANAGEMENT SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2007

1. 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 2005)

The financial statements are prepared in accordance with applicable accounting standards

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts

Cash flow statement

The Company has adopted the Financial Reporting Standard for Smaller Entities (2005) and is consequently exempt from the requirement to include a cash flow statement in the financial statements

Turnover

The turnover shown in the profit and loss account represents rents, on a receivable basis, exclusive of Value Added Tax

Tangible fixed assets and depreciation

Tangible fixed assets, are stated at cost, being purchase price, less accumulated depreciation

Depreciation is calculated so as to write off the cost of an asset, being purchase price or valuation, net of anticipated disposal proceeds, over the useful economic life of that asset as follows

Fixtures & fittings - 25% straight line

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

Stocks are valued at the lower of cost, being purchase price, and net realisable value

CLASSIC MANAGEMENT SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2007

1. Accounting policies *(continued)*

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

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 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.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

2. Fixed assets

	Tangible Assets £	Investments £	Total £
Cost or valuation			
At 1 February 2006	14,161,576	4,871,683	19,033,259
Additions	3,555,781	–	3,555,781
Disposals	(1,918,823)	(4,020,000)	(5,938,823)
Revaluation	865,978	–	865,978
At 31 January 2007	<u>16,664,512</u>	<u>851,683</u>	<u>17,516,195</u>
Depreciation and amounts written off			
At 1 February 2006	16,355	355,858	372,213
Charge for year	1,983	–	1,983
At 31 January 2007	<u>18,338</u>	<u>355,858</u>	<u>374,196</u>
Net book value			
At 31 January 2007	<u>16,646,174</u>	<u>495,825</u>	<u>17,141,999</u>
At 31 January 2006	<u>14,145,221</u>	<u>4,515,825</u>	<u>18,661,046</u>

The historic cost of investment properties at the balance sheet date was £9,910,497 (2006 - £8,166,385).

CLASSIC MANAGEMENT SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2007

2. Fixed assets (continued)

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
CMS Developments 2006 Limited (Formerly CMS Developments Limited)	England & Wales	Ordinary	100
Bugmotive Limited	England & Wales	Ordinary	100
Recordclass Limited	England & Wales	Ordinary	100
CMS Properties Limited (Formerly CMS Estates (UK) Limited)	England & Wales	Ordinary	75
Rope Walk Estates Limited	England & Wales	Ordinary	100
CMS Gosport Limited	England & Wales	Ordinary	100
CMS Properties Limited	England & Wales	Ordinary	75
CMS Developments Limited (Formerly Mill Street Estates Limited)	England & Wales	Ordinary	75
Participating interests			
Enfranchise 302 Limited	England & Wales	Ordinary	50

Aggregate capital and reserves

	2007 £	2006 £
CMS Developments 2006 Limited (Formerly CMS Developments Limited)	-	1,226,923
Bugmotive Limited	2	2
Recordclass Limited	1,195	1,195
Rope Walk Estates Limited	(18,250)	(18,250)
CMS Gosport Limited	563,937	188,568

CLASSIC MANAGEMENT SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2007

2. Fixed assets (continued)

CMS Properties Limited (Formerly CMS Estates (UK) Limited)	1,000	1,000
CMS Developments Limited (Formerly Mill Street Estates Limited)	163,526	46,782
Enfranchise 302 Limited	1,265,577	1,391,682
Profit/(loss) for the year	2007	2006
	£	£
CMS Developments 2006 Limited (formerly CMS Developments Limited)	—	234,061
Bugmotive Limited	—	—
Recordclass Limited	—	—
Rope Walk Estates Limited	—	(20,144)
CMS Gosport Limited	57,639	46,477
CMS Properties Limited (Formerly CMS Estates (UK) Limited)	—	—
CMS Developments (Formerly Mill Street Estates Limited)	116,545	385,458
Enfranchise 302 Limited	(471,126)	904,631

The principal activities of the subsidiary companies is that of property ownership and development

3 Creditors: Amounts falling due within one year

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

	2007	2006
	£	£
Bank loans and overdrafts	—	<u>102,812</u>

4. 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

	2007	2006
	£	£
Bank loans and overdrafts	<u>6,558,145</u>	<u>6,838,397</u>

CLASSIC MANAGEMENT SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2007

5. Share capital

Authorised share capital

	2007	2006
	£	£
5,811,760 Ordinary A shares shares of £0 10 each	581,176	581,176
733,890 Ordinary B shares shares of £0 10 each	73,389	73,389
733,890 Ordinary C shares shares of £0 10 each	73,389	73,389
266,106 Redeemable preference shares shares of £1 each	266,106	266,106
	<u>994,060</u>	<u>994,060</u>

Allotted and called up:

	2007		2006	
	No	£	No	£
Ordinary A shares shares fully paid of £0 10 each	1,504,088	150,409	1,504,088	150,409
Ordinary B shares shares fully paid of £0 10 each	188,011	18,801	188,011	18,801
Ordinary C shares shares fully paid of £0 10 each	188,011	18,801	188,011	18,801
	<u>1,880,110</u>	<u>188,011</u>	<u>1,880,110</u>	<u>188,011</u>

The ordinary A, B, and C shares rank pari passu

6 Post balance sheet events

After the year end, the investment shown as an available for sale asset on the balance sheet was sold for the value shown of £562,500. The security that the bank held over this asset was therefore discharged at the date of sale.

CLASSIC MANAGEMENT SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2007

7. Transactions with directors

Included in other creditors are loans due to the directors from the company as follows N A Aldred £931,250 (2006 - £1,150,000), P A Buckles £931,250 (2006 - £776,000)

Included in other debtors is a balance of £161,023 (2006 - £161,023) due from CMS Ottershaw Limited, a company which the directors have a controlling interest

Each of the directors have provided a guarantee of £100,000 against a loan taken out by Classic Management Services Limited

8. Ultimate controlling party

The ultimate controlling party is the board of directors