

# **CEDARVALE**

**Company Registration No: 2220037**

## **REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008**

**TUESDAY**



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## **CEDARVALE**

### **DIRECTORS' REPORT**

The Directors present their Report and the Financial Statements of the Company, together with the Auditors' Report, for the year ended 31 December 2008.

This directors' report has been prepared using the small companies exemption afforded by S246(4) CA85.

#### **Principal activity and business review**

The Company's principal activity continues to be property development, which is carried out through a share in the Ashford Great Park Partnership. The Directors expect the general level of activity to continue.

#### **Results and dividends**

The Company's results are set out in the Profit and Loss Account on page 5 including charitable donations of £1,170,512 (2007: £1,424,989). The charitable donations were made to the ultimate parent undertaking, the Church Commissioners for England, to support the Church of England's ministry, particularly in areas of need and opportunity.

The Directors do not recommend the payment of a dividend for the year (2007: £nil). The loss of £9,748,585 (2007: £1,995,976) has been transferred from reserves.

#### **Directors**

The Directors of the Company, who held office throughout the year, were:

R L Carroll  
Mrs R B K Jones (formerly Carty) (alternate Robert John Lines)  
J W Cannon

#### **Statement of 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 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**DIRECTORS' REPORT (continued)**

**Statement of Directors' responsibilities (continued)**

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.

**Auditors**

Deloitte LLP were re-appointed on 12 February 2008 for a two year period with effect from the year ended 31 December 2007.

**Information to auditors**

Each director at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- the directors 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 the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

**By Order of the Board of Directors**



ROBERT CARROLL  
Secretary

**Registered Office**

29 Great Smith Street  
London SW1P 3PS

20 February 2009

# **CEDARVALE**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF CEDARVALE**

We have audited the financial statements of Cedarvale for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 13. 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 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**

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).

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 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.

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.

**INDEPENDENT AUDITORS' REPORT (continued)**

**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 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.



DELOITTE LLP  
Chartered Accountants and Registered Auditors  
London, UK

20 February 2009

**CEDARVALE****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008**

	<b>Notes</b>	<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
Administrative expenses		<u>(3,525)</u>	<u>9,108</u>
OPERATING (LOSS)/PROFIT		(3,525)	9,108
Share of partnership loss	8	(8,574,547)	(580,095)
Charitable donations		<u>(1,170,512)</u>	<u>(1,424,989)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION	3, 4	<u>(9,748,584)</u>	<u>(1,995,976)</u>
RETAINED LOSS TRANSFERRED FROM RESERVES	10	<u>(9,748,584)</u>	<u>(1,995,976)</u>

The expenses all relate to continuing operations, none of which were acquired in the year.

There is no difference between the loss or profit on ordinary activities before and after taxation for the years stated above and their historical cost equivalents.

There are no recognised gains or losses in either year other than the loss for each year. Accordingly a statement of total recognised gains and losses is not presented.

**CEDARVALE****BALANCE SHEET AS AT 31 DECEMBER 2008**

	<b>Notes</b>	<b>2008 £</b>	<b>2007 £</b>
<b>FIXED ASSETS</b>			
Investment in partnership	5	-	-
<b>CURRENT ASSETS</b>			
Debtors	6	18,866,929	19,550,156
<b>CREDITORS: Amounts falling due within one year</b>	7	<u>(3,452)</u>	<u>(3,328)</u>
<b>NET CURRENT ASSETS</b>		<u>18,863,477</u>	<u>19,546,828</u>
Provision for Partnership liability	8	<u>(12,410,879)</u>	<u>(3,345,646)</u>
<b>NET ASSETS</b>		<u>6,452,598</u>	<u>16,201,182</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	100	100
Profit and loss account	10	<u>6,452,498</u>	<u>16,201,082</u>
<b>SHAREHOLDERS' FUNDS</b>	11	<u>6,452,598</u>	<u>16,201,182</u>

The financial statements were approved and authorised for issue by the Board of Directors on 20 February 2009 and signed on its behalf by

  
**J W Cannon**  
**Director**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2008**

**1. Accounting policies**

**Accounting conventions**

The financial statements have been prepared on the historical cost basis of accounting and in accordance with applicable United Kingdom law and accounting standards. The accounting policies set out below have been applied consistently throughout the year and preceding year.

**Going concern**

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

**Investment in partnership**

The investment in The Ashford Great Park Partnership is such that the Company enjoys joint ownership of the partnership's assets and has joint and several liability in respect of all liabilities incurred by the partnership. The partners have agreed to share the profits and losses of the partnership in accordance with the terms of the partnership agreement. The investment in the partnership is accounted for using the equity method. The profit and loss includes the Company's share of the partnership profits while the Company's share of the net assets of the partnership is shown in the balance sheet.

Borrowing from the Company's ultimate parent undertaking made by way of capital advances was used to finance the acquisition and development of the Company's interest in the partnership's property. Third party interest on this borrowing of £17.7m was capitalised in the Company's financial statements.

The Company recognises its share of the partnership's profits or losses on the basis of the profit-sharing and distribution arrangements agreed between the partners.

**Taxation**

Current UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. 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 that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average 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 that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

**Cash flow statement**

The Company's ultimate holding body is the Church Commissioners for England who publish consolidated financial statements that include a consolidated cash flow statement. The cash flows of the Company are included in the consolidated group cash flow statement. Consequently the Company is exempt under the terms of Financial Reporting Standard No 1 (Revised) from publishing a cash flow statement.



## CEDARVALE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

#### 1. Accounting policies (continued)

##### Non-consolidation

The financial statements contain information about Cedarvale as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare and deliver consolidated financial statements as it and its partnership and subsidiary interests are included by full consolidation in the consolidated financial statements of the Church Commissioners for England, a statutory body established by the Church Commissioners Measure 1947 (as amended), as are the accounts for The Ashford Great Park Partnership as required under QU Reg 7 (3).

#### 2. Employees

The average monthly number of employees during the year was nil (2007: nil).

#### 3. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	2008 £	2007 £
Directors' emoluments	-	-
Auditors' remuneration in respect of:		
Audit	1,300	1,200

The remuneration of the Directors for their services to the Company is borne by the ultimate parent undertaking.

#### 4. Taxation

##### Current year tax charge

There is no tax charge as the Company has tax losses brought forward to offset against future tax liabilities.

##### Factors affecting tax charge for the current year

	2008 £	2007 £
Loss on ordinary activities before taxation	(9,748,584)	(1,995,976)
Tax at 28.5% (2007: 30%)	(2,778,347)	(598,793)
Utilisation of brought forward losses	-	(2,732)
Expenses not deductible for tax purposes	-	(85)
Transfer pricing adjustment	307,003	410,145
Unused losses carried forward	2,471,344	191,465
Current tax charge for the year	-	-

From 1 April 2008 the UK corporation tax rate changed from 30% to 28%.

# CEDARVALE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

### 4. Taxation (continued)

#### Factors that may affect the future tax charge

A deferred tax asset has not been recognised in respect of timing differences relating to tax losses carried forward. The amount of the tax losses not recognised is £69.1 million (2007: £60.4 million). Further tax losses may be utilised if sufficient taxable profits arise in future years following a disposal of property or a change in the value of the Company's investment in partnership.

### 5. Investment in partnership

The investment in partnership comprises an interest in The Ashford Great Park Partnership (of Church House, Great Smith Street, London SW1P 3PS). Under the terms of the Partnership agreement, the Company provides 90% of the Partnership's funding and is entitled to 90% of the Partnership's profit. The Partnership's total turnover for the year ended 31 December 2008 was £2,149,829 (2007: £174,457).

	£
<u>Net book value</u>	
At 31 December 2008	-
At 31 December 2007	-

The financial statements of the partnership are dealt with on a consolidated basis in the group accounts prepared by the Church Commissioners for England. Consequently, the Company has taken advantage of the exemption conferred by Regulation 7 of the Partnerships and Unlimited Companies (Accounts) Regulations 1993 from the requirements of those regulations.

Liabilities connected with the Company's investment in The Ashford Great Park Partnership are disclosed as provision for Partnership liability as shown at note 8.

### 6. Debtors

	2008 £	2007 £
Amounts owed by the ultimate parent undertaking	<u>18,866,929</u>	<u>19,550,156</u>

### 7. Creditors: Amounts falling due within one year

	2008 £	2007 £
Accruals and deferred income	<u>3,452</u>	<u>3,328</u>

## CEDARVALE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

#### 8. Provision for Partnership Liability

A liability arises from the Company's interest in The Ashford Great Park Partnership (of Church House, Great Smith Street, London SW1P 3PS). Under the terms of the Partnership agreement, the Company provides 90% of the Partnership's funding and is liable for 90% of the Partnership's net deficit.

The movement during the year is as follows:

	2008 £	2007 £
<u>Provision</u>		
At 1 January	3,345,646	3,514,522
Movement on provision arising from:-		
Share of retained loss	8,574,547	580,095
Cash introduced	<u>490,686</u>	<u>(748,971)</u>
At 31 December	<u>12,410,879</u>	<u>3,345,646</u>

#### 9. Called up share capital

	2008 £	2007 £
Authorised ordinary shares of £1 each	<u>61,000</u>	<u>61,000</u>
Issued, called up and fully paid:		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

#### 10. Profit and loss account

	2008 £	2007 £
At 1 January	16,201,082	18,197,058
Loss for the year	<u>(9,748,584)</u>	<u>(1,995,976)</u>
At 31 December	<u>6,452,498</u>	<u>16,201,082</u>

#### 11. Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Loss for the financial year	(9,748,584)	(1,995,976)
Opening shareholders' funds	<u>16,201,182</u>	<u>18,197,158</u>
Closing shareholders' funds	<u>6,452,598</u>	<u>16,201,182</u>

#### 12. Related parties

The Company has taken advantage of the exemption granted in Financial Reporting Standard No 8 not to disclose transactions with fellow group undertakings.

## **CEDARVALE**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)**

#### **13. Ultimate parent undertaking**

The Directors regard Cricklewood Trading Estates Limited as the immediate holding company. Cricklewood Trading Estates Limited is wholly owned and controlled by the ultimate parent undertaking, the Church Commissioners for England, a statutory body established by the Church Commissioners Measure 1947 (as amended). The smallest and largest group in which the results of Cedarvale are consolidated is that headed by the Church Commissioners for England. Copies of the Church Commissioners' consolidated financial statements may be obtained from The Communications Department, Church Commissioners, Church House, Great Smith Street, London SW1P 3AZ.