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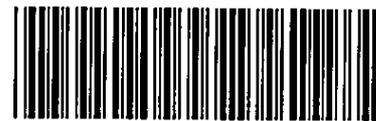
**Cranford Developments Limited**

Abbreviated Financial Statements

Year Ended

31 August 2007

MONDAY



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30/06/2008

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COMPANIES HOUSE

**BDO**  
BDO Stoy Hayward  
Chartered Accountants

**Cranford Developments Limited**

**Abbreviated financial statements for the year ended 31 August 2007**

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**Directors**

William J Oakley  
Robert A Buckley  
Robert J Oakley  
Malcom J Edge  
Dion J Petri

**Secretary and registered office**

Robert J Oakley, Little Kinvaston, Watling Street, Gailey, Staffordshire, ST19 5PR

**Company number**

5263135

**Auditors**

BDO Stoy Hayward LLP, 125 Colmore Row, Birmingham, B3 3SD

**Independent auditor's report to Cranford Developments Limited under section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements which comprise the balance sheet and the related notes together with the financial statements of the company for the year ended 31 August 2007 prepared under section 226 of the Companies Act 1985

*Respective responsibilities of directors and auditors*

The directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated financial statements have been properly prepared in accordance with those provisions and to report our opinion to you.

Our report has been prepared pursuant to the requirements of Section 247B of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of Section 247B of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

*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 full financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered have been properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

*Opinion*

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements have been properly prepared in accordance with those provisions.

*Other information*

Today we reported, as auditors of Cranford Developments Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 August 2007 and our audit report included the following statement:

*'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 August 2007 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

**Emphasis of matter - Recoverability of debtors**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 4 to the financial statements concerning the carrying value of amounts owed by group undertakings

Should the property market deteriorate further, a development property in one of the companies subsidiaries may need to be sold at an amount less than its carrying value which may result in that subsidiary being unable to pay the amount due to the company of £1,038,161 in full. These conditions, along with the other matters disclosed in note 4 to the financial statements, indicate the existence of a material uncertainty which may cast doubt on the company's ability to recover amounts owed by group undertakings in full

The financial statements do not include the adjustments that would result if the company was unable to recover these balances in full

*BDO STOY HAYWARD LLP*

**BDO STOY HAYWARD LLP**  
*Chartered Accountants  
and Registered Auditors*  
Birmingham

30 June 2008

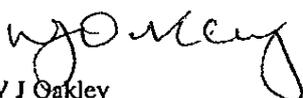
Cranford Developments Limited

Balance sheet at 31 August 2007

	Note	2007 £	2007 £	2006 £	2006 £
<b>Fixed assets</b>					
Tangible assets	2		79,814		77,291
Fixed asset investments	3		352		152
			<u>80,166</u>		<u>77,443</u>
<b>Current assets</b>					
Stocks		3,166		144,221	
Debtors	4	8,393,142		11,812,772	
Cash at bank and in hand		170,009		189,951	
		<u>8,566,317</u>		<u>12,146,944</u>	
<b>Creditors: amounts falling due within one year</b>		<u>8,543,255</u>		<u>11,900,891</u>	
<b>Net current assets</b>			<u>23,062</u>		<u>246,053</u>
<b>Total assets less current liabilities</b>			<u>103,228</u>		<u>323,496</u>
<b>Capital and reserves</b>					
Called up share capital			100		100
Profit and loss account			103,128		323,396
			<u>103,228</u>		<u>323,496</u>
<b>Shareholder's funds</b>			<u>103,228</u>		<u>323,496</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements were approved by the board of directors and authorised for issue on 27 June 2008.

  
 W J Oakley  
 Director

The notes on pages 4 to 8 form part of these financial statements

## 1 Accounting policies

The financial statements have been prepared under the historical cost convention

The following principal accounting policies have been applied

### *Consolidated financial statements*

The company is exempt from the requirement to prepare consolidated financial statements by virtue of section 248 of the Companies Act 1985 as the group it heads qualifies as a small sized group. These financial statements therefore present information about the company as an individual undertaking and not about its group.

### *Turnover*

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties, freehold land and certain buildings, evenly over their expected useful lives. It is calculated at the following rates:

Motor vehicles	- 25% p a
Fixtures and fittings	- 25% p a
Office equipment	- 25% p a

### *Stocks*

Work in progress is stated at the lower of cost and net realisable value. Cost is based on the cost of property purchases and development costs. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief, and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

**1 Accounting policies (continued)***Leased assets*

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

*Investments*

Investments are stated at cost less any provision for impairment.

**2 Tangible fixed assets**

	<b>Total £</b>
<i>Cost</i>	
At 1 September 2006	135,900
Additions	48,664
	<hr/>
At 31 August 2007	<b>184,564</b>
	<hr/>
<i>Depreciation</i>	
At 1 September 2006	58,609
Provided for the year	46,141
	<hr/>
At 31 August 2007	<b>104,750</b>
	<hr/>
<i>Net book value</i>	
At 31 August 2007	<b>79,814</b>
	<hr/> <hr/>
At 31 August 2006	77,291
	<hr/> <hr/>

## 3 Fixed asset investments

	Total £
<i>Cost or valuation</i>	
At 1 September 2006	152
Additions	200
	—
At 31 August 2007	352
	=

*Subsidiary undertakings and other investments*

The principal undertakings in which the company's interest at the year end is 20% or more are as follows

	Proportion of voting rights and ordinary share capital held
<i>Subsidiary undertakings</i>	
Cranford (Huddersfield) Limited	51%
Cranford (Weston) Limited	100%
Cranford (Salisbury) Limited	100%
Cranford (Lichfield) Limited	100%
Cranford (St Thomas) Limited	100%
Cranford (Torquay) Limited	100%
<i>Joint ventures</i>	
Cranford (West Cornwall) LLP	50%
Cranford (Hayle) LLP	50%

Unless otherwise stated, the following figures have been extracted from audited financial statements for the year ended 31 August 2007

	Aggregate share capital and reserves		Profit / (Loss) for the year	
	2007 £	2006 £	2007 £	2006 £
<i>Subsidiary undertakings</i>				
Cranford (Huddersfield) Limited	(56,343)	(26,112)	(30,231)	(26,212)
Cranford (Weston) Limited	(1,971)	(832)	(1,139)	(932)
Cranford (Salisbury) Limited	(709)	-	(809)	-
Cranford (Lichfield) Limited*	-	-	-	-
Cranford (St Thomas) Limited*	-	-	-	-
Cranford (Torquay) Limited*	-	-	-	-

## 3 Fixed asset investments (continued)

	Aggregate share capital and reserves		Profit / (Loss) for the year	
	2007	2006	2007	2006
	£	£	£	£
<i>Joint ventures</i>				
Cranford (West Cornwall) LLP	656,601	844,331	4,812,269	13,387,160
Cranford (Hayle) LLP*	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

\* company not trading at 31 August 2007

## 4 Debtors

Included within amounts owed by group undertakings and related undertakings is an amount of £1,038,161 due from Cranford (Huddersfield) Limited

The credit crunch and continued turbulence in the financial markets continues to create uncertainty within the property market. It is currently a tough market with a low level of transactions on which to base any meaningful conclusions.

Market commentators and analysts indicate that yields have shifted 50 – 100bps since last year. Using these figures the directors of Cranford (Huddersfield) Limited have decided that, on balance, it is still appropriate to value development property at cost. Should the market diminish significantly the directors of Cranford (Huddersfield) Limited may be required to sell the development property at an amount that may be less than its balance sheet carrying value. In this situation, Cranford (Huddersfield) Limited may be unable to pay the amount due to the company of £1,038,161 in full.

The above matters indicate the existence of a material uncertainty which may cast significant doubt on the recoverability of amounts owed by group undertakings and related undertakings.

**Cranford Developments Limited**

**Notes forming part of the financial statements for the year ended 31 August 2007 (Continued)**

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**5 Share capital**

	2007	Authorised 2006	Allotted, called up and fully paid	
	£	£	2007	2006
			£	£
Ordinary shares of £1 each	100	100	100	100
	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>

**6 Loans and transactions concerning directors**

During the prior year a loan of £25,000 was made by D J Petri, a director, to Cranford Developments Limited. This amount has been repaid in the current year.