

Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31st July 2013
for
Chelsea Pitch Owners plc

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Chelsea Pitch Owners plc (Registered number: 02800546)

**Contents of the Consolidated Financial Statements
for the Year Ended 31st July 2013**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Consolidated Profit and Loss Account	5
Consolidated Statement of Total Recognised Gains and Losses	6
Consolidated Balance Sheet	7
Company Balance Sheet	8
Consolidated Cash Flow Statement	9
Notes to the Consolidated Cash Flow Statement	10
Notes to the Consolidated Financial Statements	11

Chelsea Pitch Owners plc

Company Information **for the Year Ended 31st July 2013**

DIRECTORS:

R J Glanvill
S J Frankham
R G C Smith
S W Jones
C G Rose

SECRETARY:

C G Rose

REGISTERED OFFICE

Trios House
Reform Road
Maidenhead
Berkshire
SL6 8BY

REGISTERED NUMBER:

02800546 (England and Wales)

AUDITORS:

Hannaways
Chartered Accountants
and Statutory Auditors
Trios House
Reform Road
Maidenhead
Berkshire
SL6 8BY

Chelsea Pitch Owners plc (Registered number: 02800546)

Report of the Directors **for the Year Ended 31st July 2013**

The directors present their report with the financial statements of the company and the group for the year ended 31st July 2013

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of repaying a loan to Chelsea FC plc which arose when purchasing the freehold interest in the land upon which Chelsea Football Club is situate, and to ensure that the land is available for use as a football stadium and is unavailable for any other use

REVIEW OF BUSINESS

The directors are disappointed to report the current financial results. Much of the losses incurred in the year were as a result of the final legal investigations into the share dealings from 2011.

Following a change in administration of the company and the group, savings have been made to the running costs of the company and the group.

The directors are cognisant of the need to increase its turnover, and are delighted to have recommenced income generating events such as 'Written in the Stars' dinner with Frank Lampard in May 2013. There has been an emphasis on share sales and the board note the encouraging sales during the financial year.

DIVIDENDS

No dividends will be distributed for the year ended 31st July 2013.

DIRECTORS

The directors during the year under review were

R J Glanvill	
S J Frankham	
D F Wise	- resigned 2 8 12
R G C Smith	
S W Jones	- appointed 11 12 12
C G Rose	- appointed 11 12 12

The beneficial interests of the directors holding office on 31st July 2013 in the issued share capital of the company were as follows

	31 7 13	1 8 12 or date of appointment if later
Ordinary £100 shares		
R J Glanvill	1	1
S J Frankham	29	29
R G C Smith	1	1
S W Jones	1	1
C G Rose	1	1

In accordance with the company's Articles of Association, all the directors retire by rotation and offer themselves for re-election.

GROUP'S POLICY ON PAYMENT OF CREDITORS

The group does not have a standard code which deals specifically with the payment of creditors. The group has generally agreed payment terms with creditors, either by specific contract or custom. At 31st July 2013 the company had no trade creditors.

The subsidiary company had no trade creditors at 31st July 2013.

SHARE CAPITAL

The company issued a further 721 ordinary shares of £100 each during the period.



10/10/2020

Chelsea Pitch Owners plc (Registered number: 02800546)

Report of the Directors
for the Year Ended 31st July 2013

DIRECTORS' INDEMNITIES

The company maintained Directors' and Officers liability insurance during the year

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 the group and of the profit or loss of the group 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

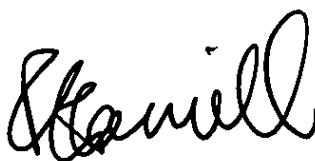
AUDITORS

The auditors, Hannaways, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



C G Rose - Secretary



6th December 2013

**Report of the Independent Auditors to the Members of
Chelsea Pitch Owners plc**

We have audited the financial statements of Chelsea Pitch Owners plc for the year ended 31st July 2013 on pages five to sixteen. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31st July 2013 and of the group's 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.


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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.



Christopher Northwood BSc FCA (Senior Statutory Auditor)
for and on behalf of Hannaways
Chartered Accountants
and Statutory Auditors
Trios House
Reform Road
Maidenhead
Berkshire
SL6 8BY

6th December 2013

Chelsea Pitch Owners plc (Registered number: 02800546)

Consolidated Profit and Loss Account
for the Year Ended 31st July 2013

	Notes	2013 £	2012 £
TURNOVER	2	33,577	1,481
Cost of sales		16,675	448
GROSS PROFIT		16,902	1,033
Administrative expenses		68,516	135,327
OPERATING LOSS	4	(51,614)	(134,294)
Interest receivable and similar income	5	7	15
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(51,607)	(134,279)
Tax on loss on ordinary activities	6	-	-
LOSS FOR THE FINANCIAL YEAR FOR THE GROUP		(51,607)	(134,279)

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year

Chelsea Pitch Owners plc (Registered number: 02800546)

Consolidated Statement of Total Recognised Gains and Losses
for the Year Ended 31st July 2013

	2013 £	2012 £
LOSS FOR THE FINANCIAL YEAR	(51,607)	(134,279)
Surplus/(Deficit) on revaluation	<u>1,750,000</u>	<u>100,000</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u><u>1,698,393</u></u>	<u><u>(34,279)</u></u>

The notes form part of these financial statements

Chelsea Pitch Owners plc (Registered number: 02800546)**Consolidated Balance Sheet**
31st July 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Investments	8	-	-
Investment property	9	12,000,000	10,250,000
		<u>12,000,000</u>	<u>10,250,000</u>
CURRENT ASSETS			
Stocks	10	1,000	1,000
Debtors	11	5,572	11,492
Cash at bank		58,913	74,596
		<u>65,485</u>	<u>87,088</u>
CREDITORS			
Amounts falling due within one year	12	21,876	63,972
		<u>21,876</u>	<u>63,972</u>
NET CURRENT ASSETS		<u>43,609</u>	<u>23,116</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>12,043,609</u>	<u>10,273,116</u>
CREDITORS			
Amounts falling due after more than one year	13	8,436,416	8,436,416
		<u>8,436,416</u>	<u>8,436,416</u>
NET ASSETS		<u>3,607,193</u>	<u>1,836,700</u>
CAPITAL AND RESERVES			
Called up share capital	15	1,837,600	1,765,500
Investment property revaluation reserve	16	1,950,000	200,000
Profit and loss account	16	(180,407)	(128,800)
		<u>3,607,193</u>	<u>1,836,700</u>
SHAREHOLDERS' FUNDS	18	<u>3,607,193</u>	<u>1,836,700</u>

The financial statements were approved by the Board of Directors on 6th December 2013 and were signed on its behalf by



C G Rose - Director

R J Glanvill - Director



The notes form part of these financial statements

Chelsea Pitch Owners plc (Registered number: 02800546)**Company Balance Sheet**
31st July 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Investments	8	1	1
Investment property	9	-	-
		<u>1</u>	<u>1</u>
CURRENT ASSETS			
Stocks	10	1,000	1,000
Debtors	11	10,047,515	10,053,435
Cash at bank		58,913	74,596
		<u>10,107,428</u>	<u>10,129,031</u>
CREDITORS			
Amounts falling due within one year	12	<u>4,151</u>	<u>46,247</u>
NET CURRENT ASSETS		<u>10,103,277</u>	<u>10,082,784</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,103,278</u>	<u>10,082,785</u>
CREDITORS			
Amounts falling due after more than one year	13	<u>8,436,416</u>	<u>8,436,416</u>
NET ASSETS		<u><u>1,666,862</u></u>	<u><u>1,646,369</u></u>
CAPITAL AND RESERVES			
Called up share capital	15	1,837,600	1,765,500
Profit and loss account	16	(170,738)	(119,131)
SHAREHOLDERS' FUNDS	18	<u><u>1,666,862</u></u>	<u><u>1,646,369</u></u>

The financial statements were approved by the Board of Directors on 6th December 2013 and were signed on its behalf by


C G Rose - Director

R J Glanvill - Director



The notes form part of these financial statements

Chelsea Pitch Owners plc (Registered number: 02800546)**Consolidated Cash Flow Statement**
for the Year Ended 31st July 2013

	Notes	£	2013	£	2012	£
Net cash outflow from operating activities	1			(87,790)		(77,805)
Returns on investments and servicing of finance	2			7		15
				(87,783)		(77,790)
Financing	2			72,100		129,122
(Decrease)/increase in cash in the period				(15,683)		51,332

Reconciliation of net cash flow to movement in net debt

	3					
(Decrease)/increase in cash in the period			(15,683)		51,332	
Cash outflow from decrease in debt			-		125,678	
Change in net debt resulting from cash flows				(15,683)		177,010
Movement in net debt in the period				(15,683)		177,010
Net debt at 1st August				(8,361,820)		(8,538,830)
Net debt at 31st July				(8,377,503)		(8,361,820)

The notes form part of these financial statements

Chelsea Pitch Owners plc (Registered number: 02800546)

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31st July 2013

1 RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Operating loss	(51,614)	(134,294)
Decrease in debtors	5,920	17,581
(Decrease)/increase in creditors	(42,096)	38,908
Net cash outflow from operating activities	(87,790)	(77,805)

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	7	15
Net cash inflow for returns on investments and servicing of finance	7	15
Financing		
Loan repayments in year	-	(125,678)
Shares issued	72,100	254,800
Net cash inflow from financing	72,100	129,122

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 8 12 £	Cash flow £	At 31 7 13 £
Net cash			
Cash at bank	74,596	(15,683)	58,913
	<u>74,596</u>	<u>(15,683)</u>	<u>58,913</u>
Debt			
Debts falling due after one year	(8,436,416)	-	(8,436,416)
	<u>(8,436,416)</u>	<u>-</u>	<u>(8,436,416)</u>
Total	(8,361,820)	(15,683)	(8,377,503)

Chelsea Pitch Owners plc (Registered number: 02800546)

Notes to the Consolidated Financial Statements **for the Year Ended 31st July 2013**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and are in accordance with applicable accounting standards

Basis of consolidation

The group financial statements consolidate the accounts of Chelsea Pitch Owners plc and its subsidiary undertaking. The results of the group subsidiary are included in the group profit and loss account from the date of acquisition, or in the case of disposals, up to the effective date at which the investment is sold.

In the company's financial statements, investments in subsidiaries are stated at cost. Only dividends received and receivable are credited to the company's profit and loss account.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Investment property

The investment property is valued by an external valuer annually and the aggregate surplus or deficit is transferred to a revaluation reserve. Any permanent diminution in the value of the investment property is charged to the profit and loss account to the extent that the deficit exceeds the revaluation surpluses.

In accordance with the Statement of Standard Accounting Practice 19, no depreciation is provided in respect of the investment property. This treatment is a departure from the requirements of the Companies Act concerning the depreciation of fixed assets. However, the property is not held for consumption but for investment, and the directors consider that the adoption of a policy of 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 is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

2 TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below.

	2013	2012
	£	£
Tickets for events	15,367	-
Auctions and raffles	5,890	-
Sundry income	12,320	1,481
	<u>33,577</u>	<u>1,481</u>

Chelsea Pitch Owners plc (Registered number: 02800546)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st July 2013

3 STAFF COSTS

There were no staff costs for the year ended 31st July 2013 nor for the year ended 31st July 2012

The average monthly number of employees during the year was as follows

	2013	2012
Office and management	<u>5</u>	<u>5</u>

4 OPERATING LOSS

The operating loss is stated after charging

	2013	2012
	£	£
Hire of equipment	174	112
Auditors' remuneration	<u>3,800</u>	<u>6,000</u>
Directors' remuneration	<u>-</u>	<u>-</u>

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2013	2012
	£	£
Deposit account interest	<u>7</u>	<u>15</u>

6 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31st July 2013 nor for the year ended 31st July 2012

7 LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(51,607) (2012 - £(134,279))

8 FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1st August 2012 and 31st July 2013	<u>1</u>
NET BOOK VALUE	
At 31st July 2013	<u>1</u>
At 31st July 2012	<u>1</u>

Chelsea Pitch Owners plc (Registered number: 02800546)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st July 2013

8 FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the balance sheet date in the share capital of companies include the following

Subsidiary

Chelsea Stadium Limited

Nature of business Property management

	% holding	2013 £	2012 £
Class of shares			
Ordinary	100.00		
Aggregate capital and reserves		<u>1,940,332</u>	<u>190,332</u>

The company and group also owns 693 Lloyds Banking Group plc. These were originally acquired at no cost on the demutualisation of the Halifax Building Society. The market value of the shares at 31st July 2013 was 68.47p per share (2012 30.36p per share).

9 INVESTMENT PROPERTY

Group

	Total £
COST OR VALUATION	
At 1st August 2012	10,250,000
Revaluations	1,750,000
At 31st July 2013	<u>12,000,000</u>
NET BOOK VALUE	
At 31st July 2013	<u>12,000,000</u>
At 31st July 2012	<u>10,250,000</u>

Cost or valuation at 31st July 2013 is represented by

	£
Valuation in 2002	(250,000)
Valuation in 2003	300,000
Valuation in 2007	1,450,000
Valuation in 2008	(1,050,000)
Valuation in 2009	(400,000)
Valuation in 2010	(250,000)
Valuation in 2011	300,000
Valuation in 2012	100,000
Valuation in 2012	1,750,000
Cost	10,050,000
	<u>12,000,000</u>

Chelsea Pitch Owners plc (Registered number: 02800546)**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st July 2013****9 INVESTMENT PROPERTY - continued****Group**

If the investment property had not been revalued it would have been included at the following historical cost

	2013 £	2012 £
Cost	<u>10,050,000</u>	<u>10,050,000</u>

The investment property was valued on an open market basis on 31st July 2013 by Rawley & Co Surveyors and Valuers

10 STOCKS

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Stocks	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Trade debtors	-	19	-	19
Amounts owed by group undertakings	-	-	10,041,943	10,041,943
Other debtors	547	5,850	547	5,850
Prepayments	5,025	5,623	5,025	5,623
	<u>5,572</u>	<u>11,492</u>	<u>10,047,515</u>	<u>10,053,435</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Trade creditors	-	29,259	-	29,259
Corporation tax	1	1	1	1
Other creditors	17,725	17,866	-	141
Accrued expenses	4,150	16,846	4,150	16,846
	<u>21,876</u>	<u>63,972</u>	<u>4,151</u>	<u>46,247</u>

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Other loans (see note 14)	<u>8,436,416</u>	<u>8,436,416</u>	<u>8,436,416</u>	<u>8,436,416</u>

Chelsea Pitch Owners plc (Registered number: 02800546)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st July 2013

14 LOANS

An analysis of the maturity of loans is given below

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Amounts falling due in more than five years				
Repayable otherwise than by instalments				
Other loans	8,436,416	8,436,416	8,436,416	8,436,416

The loan was advanced by Chelsea FC plc on 17th December 1997. The loan is repayable by the company by 14th December 2022. However, the company has an option to extend the loan period for a further 10 years, and can continue to exercise this option provided that the loan is repaid within 199 years of the initial advance date of 17th December 1997.

The loan is unsecured and is interest free.

15 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			2013	2012
Number	Class	Nominal value	£	£
18,376	Ordinary	£100	1,837,600	1,765,500
(2012 - 17,655)				

721 Ordinary shares of £100 each were allotted and fully paid for cash at par during the year.

16 RESERVES

Group

	Profit and loss account	Investment property revaluation reserve	Totals
	£	£	£
At 1st August 2012	(128,800)	200,000	71,200
Deficit for the year	(51,607)		(51,607)
Surplus on revaluation	-	1,750,000	1,750,000
At 31st July 2013	(180,407)	1,950,000	1,769,593

Company

	Profit and loss account
	£
At 1st August 2012	(119,131)
Deficit for the year	(51,607)
At 31st July 2013	(170,738)

Chelsea Pitch Owners plc (Registered number: 02800546)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st July 2013

17 RELATED PARTY DISCLOSURES

Included in Administrative expenses is £12,000 (2012 £12,000) charged by Mr R J Sewell, who was a director of the subsidiary company Chelsea Stadium Ltd during the year, in relation to the day to day running of the company. Also included in Administrative expenses is £550 (2012 £1,500) charged by Mr R J Sewell, who owns his own accountancy practice, for accountancy services provided to the company.

The amount due to Mr R J Sewell at 31st July 2013 was £nil

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2013 £	2012 £
Loss for the financial year	(51,607)	(134,279)
Other recognised gains and losses relating to the year (net)	1,750,000	100,000
Issue of ordinary share capital	72,100	254,800
Net addition to shareholders' funds	1,770,493	220,521
Opening shareholders' funds	1,836,700	1,616,179
Closing shareholders' funds	3,607,193	1,836,700

Company

	2013 £	2012 £
Loss for the financial year	(51,607)	(134,279)
Shares issued	72,100	254,800
Net addition to shareholders' funds	20,493	120,521
Opening shareholders' funds	1,646,369	1,525,848
Closing shareholders' funds	1,666,862	1,646,369