

COMPANY NUMBER: 02905151

Clay Estates Limited
Directors' report and financial statements
For the year ended
31 March 2011

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Clay Estates Limited

Director's report and financial statements

For the year ended 31 March 2011

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Clay Estates Limited

The directors' report

For the year ended 31 March 2011

The directors have pleasure in presenting their annual report and the audited financial statements of the company for the year ended 31 March 2011

Principal activities and business review

The company is a wholly owned subsidiary of Warner Estate Holdings PLC, a company incorporated in England and Wales. The company is dormant.

Results for the year

The company did not trade during the year, leaving a surplus brought forward of £56,237,000 (2010 £56,237,000) available for distribution. The directors do not recommend a final dividend (2010 £nil).

Principal risks and uncertainties

The company is a wholly owned subsidiary of Warner Estate Holdings PLC. From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of Warner Estate Holdings PLC and are not managed separately. Accordingly, the principal risks and uncertainties of the Warner Estate Holdings PLC group, which include those of the company, are discussed in the Directors' Report contained in the group's annual report which does not form part of this report.

Risk	Description	Mitigation
Financial risk	General economic downturn	Group limits on debt to assets and interest cover ratios
	Liquidity risk	Efficient treasury management and strict credit control to ensure adequate working capital headroom available to meet working capital requirements of the business

Key performance indicators (KPIs)

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. The development, performance and position of the Warner Estate Holdings PLC group, which includes the company, are discussed in the Directors' Report contained in the group's annual report which does not form part of this report.

Future outlook

These audited financial statements have been prepared on a going concern basis, which assumes the company will continue to be able to meet its liabilities, as and when they fall due, for the foreseeable future.

The company will remain as a dormant company.

Directors

The directors who served the company during the year and up to the date of signing these financial statements were:

P C T Warner (Resigned 31 August 2011)

M W Keogh

V B Vaghela

The directors have the benefit of "qualifying third party indemnity provisions" for the purposes of section 236 of the Companies Act 2006.

Clay Estates Limited

The directors' report (continued)

For the year ended 31 March 2011

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 prepared 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

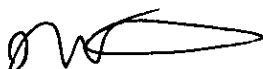
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 transactions and 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 2006. 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.

Disclosure of information to auditors

The directors confirm so far as they are aware there is no relevant audit information of which the company's auditors are unaware. They also confirm that they have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



D J Lanchester
Company Secretary

Registered office
Nations House
103 Wigmore Street
London
W1U 1AE
Company number 02905151

Approved by the directors on 20 September 2011

Clay Estates Limited

Independent auditors' report to the members of Clay Estates Limited

For the year ended 31 March 2011

We have audited the financial statements of Clay Estates Limited for the year ended 31 March 2011 which comprise the balance sheet and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' responsibilities set out on page 2 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 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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 Directors' report and financial statements 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 company's affairs as at 31 March 2011 and of its result 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.

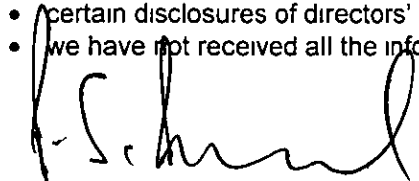
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report 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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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.



Parwinder Purewal (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 September 2011

Clay Estates Limited

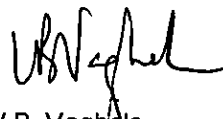
Balance sheet

As at 31 March 2011

	Note	2011 £000	2010 £000
Fixed assets			
Investments	4	-	-
Current assets			
Debtors	5	79,593	79,593
Creditors: amounts falling due within one year	6	-	-
Net current assets		79,593	79,593
Net Assets		<u>79,593</u>	<u>79,593</u>
Capital and reserves			
Called-up share capital	8	12,827	12,827
Capital redemption reserve	9	9,578	9,578
Other reserve	9	951	951
Profit and loss account	9	56,237	56,237
Total shareholders' funds	10	<u>79,593</u>	<u>79,593</u>

These financial statements on pages 4 to 7 were approved by the board of directors on the 20 September 2011 and are signed on their behalf by


M W Keogh
Director


V B Vaghela
Director

Clay Estates Limited

Notes to the financial statements

For the year ended 31 March 2011

1. Accounting policies

Basis of preparation

The audited financial statements have been prepared on the going concern basis, under the historical cost convention, in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

The going concern basis of preparation assumes the company will continue to be able to meet its liabilities, as and when they fall due, for the foreseeable future.

Cash flow statement

The company's ultimate parent company, Warner Estate Holdings PLC, produces consolidated financial statements which are publicly available. The company is therefore exempt under the terms of the Financial Reporting Standard 1 (revised 1996) "Cash flow statements", from publishing a cash flow statement.

Investments

Fixed asset investments are stated at cost less any provision to reflect impairment in value.

General

The company has not prepared a profit and loss account as there was no revenue during the year ended 31 March 2011 (2010: £nil). Any expenses incurred by the company have been borne by the ultimate parent company.

2. Auditors remuneration

The audit fee is paid for by the ultimate parent company. The audit fee for this company would be £2,000 (2010: £1,000).

3. Directors' emoluments and employee costs

The directors did not receive any emoluments in respect of their services to the company (2010: £nil).

The directors did not receive any compensation for loss of office (2010: £nil).

The company did not have any employees in the period (2010: nil).

4. Investments

Investment in subsidiaries £000

Valuation

At 1 April 2010 and 31 March 2011

-

5. Debtors

2011 £000	2010 £000
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Amounts owed by ultimate parent company

79,593	79,593
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Amounts owed by the ultimate parent company are unsecured, interest free and have no fixed date of repayment.

Clay Estates Limited

Notes to the financial statements (continued)

For the year ended 31 March 2011

6. Creditors: amounts falling due within one year

	2011 £000	2010 £000
Amounts owed to group companies	-	-

It is not the intention of the ultimate parent company or other group undertakings to request repayment of their outstanding balances until such a time as the company has sufficient funds available. Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment.

7. Related party transactions

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS 8, 'Related party disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by Warner Estate Holdings PLC, whose accounts are publicly available.

8 Called up share capital

Authorised share capital

	2011 £	2010 £
54,659,565 (2010 54,659,565) ordinary shares of £0.25 each	13,664,891	13,664,891
13,340,435 (2010 13,340,435) deferred ordinary shares of £0.25 each	3,335,109	3,335,109
12,771,091 (2010 12,771,091) deferred ordinary shares of £0.75 each	9,578,318	9,578,318
	<u>26,578,318</u>	<u>26,578,318</u>

Allotted and fully paid.

	2011		2010	
	Number	£	Number	£
Ordinary shares of £0.25 each	37,968,929	9,492,232	37,968,929	9,492,232
Deferred ordinary shares of £0.25 each	13,340,435	3,335,109	13,340,435	3,335,109
	<u>51,309,364</u>	<u>12,827,341</u>	<u>51,309,364</u>	<u>12,827,341</u>

The deferred ordinary shares confer no rights to receive notice of or to attend and vote at any general meeting, or to participate in the profits or assets of the company. Subject to the rights of the ordinary shares, the deferred ordinary shares shall be entitled to a dividend, provided that the profits of the company available for distribution in any financial year of the company exceed £100,000,000 and where such profits are resolved to be distributed among the holders of the Deferred Ordinary shares pro rata to the number of such shares held by each of them.

Clay Estates Limited

Notes to the financial statements (continued)

For the year ended 31 March 2011

9. Reserves

	Capital redemption reserve £'000	Other reserve £'000	Profit and loss account £'000
At 1 April 2010	9,578	951	56,237
At 31 March 2011	<u>9,578</u>	<u>951</u>	<u>56,237</u>

10. Reconciliation of movements in shareholders' funds

Ordinary shareholders' funds

	2011 £'000	2010 £'000
Opening ordinary shareholders' funds	<u>76,258</u>	<u>76,258</u>
Closing ordinary shareholders' funds	<u>76,258</u>	<u>76,258</u>

Deferred ordinary shareholders' funds

Opening and closing deferred ordinary shareholders' funds	<u>3,335</u>	<u>3,335</u>
Total shareholders' funds	<u>79,593</u>	<u>79,593</u>

11. Ultimate parent company

The ultimate and immediate controlling parent company is Warner Estate Holdings PLC, a company registered and incorporated in England. Copies of the group accounts may be obtained from Warner Estates Holdings PLC, Nations House, 103 Wigmore Street, London, W1U 1AE.