

Sloane Club Holdings Limited

Annual report and financial statements

Year ended 31 March 2010

Registered in England No 03143088

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COMPANIES HOUSE

Sloane Club Holdings Limited

Directors

The Hon C W Cayzer
G P Denison
P M Whiteley (appointed 8 December 2009)

Secretary and registered office

G P Denison
Cayzer House
30 Buckingham Gate
London SW1E 6NN

Directors' Report

The directors present their annual report and audited financial statements for the year ended 31 March 2010. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Directors

The directors of the company are listed above. Mr J H Cartwright also served as a director until his resignation on 8 December 2009.

Principal activities

The principal activity of the company was that of a holding company.

Directors' indemnity

Each of the directors has the benefit, under the company's articles of association, of an indemnity to the extent permitted by the Companies Act 2006, against any liability incurred by him for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future having received confirmation from Caledonia Investments plc that it will provide financial support as is necessary to meet any outstanding obligations as they fall due. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Auditors

The company elected to dispense with the requirement to appoint auditors annually in accordance with section 386 of the Companies Act 1985 prior to 1 October 2007. In the absence of a notice proposing that the appointment be terminated, Deloitte LLP will be deemed to be re-appointed for the next financial year, in accordance with section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this annual report confirms that so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself 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 section 418 of the Companies Act 2006.



By order of the board
G P Denison
Secretary
28 July 2010

Directors' responsibilities statement

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that directors

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the company's ability to continue as a going concern

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SLOANE CLUB HOLDINGS LIMITED

We have audited the financial statements of Sloane Club Holdings Ltd for the year ended 31 March 2010 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 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

As explained more fully in the Directors' Responsibilities Statement, 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 (APB'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 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.

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 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SLOANE CLUB HOLDINGS LIMITED *(continued)*

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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report



Calum Thomson (Senior Statutory Auditor)

For and on behalf of Deloitte LLP
Chartered Accountants and Registered Auditors
London
United Kingdom

28 July 2010

Sloane Club Holdings Limited

Statement of comprehensive income

for the year ended 31 March 2010

	Note	2010 £	2009 £
Investment income	3	–	4,000,000
Administrative expenses		(3,250)	(6,366)
Operating (loss)/profit before financing costs		(3,250)	3,993,634
Finance income	5	463	504
Finance expense	6	(224,889)	(706,382)
(Loss)/profit before tax		(227,676)	3,287,756
Taxation	7	63,749	199,428
(Loss)/profit for the year		(163,927)	3,487,184

(Loss)/profit for the year is attributable to equity holders and comprises continuing operations

There was no other comprehensive income for the years ended 31 March 2010 and 2009

The notes on pages 9 to 15 form part of these financial statements

Sloane Club Holdings Limited

Statement of financial position

at 31 March 2010

	Note	2010 £	2009 £
Non-current assets			
Investment in subsidiary	8	14,029,498	14,029,498
Current assets			
Trade and other receivables	9	222	32
Current tax assets		263,177	279,616
Cash and cash equivalents		316,789	239,528
		580,188	519,176
Total assets		14,609,686	14,548,674
Current liabilities			
Interest bearing loans and borrowings	10	(11,300,000)	(11,300,000)
Trade and other payables	11	(1,286,264)	(1,061,325)
		(12,586,264)	(12,361,325)
Net assets		2,023,422	2,187,349
Equity			
Share capital	12	68	68
Capital redemption reserve	12	32	32
Retained earnings		2,023,322	2,187,249
Total equity		2,023,422	2,187,349

The financial statements of Sloane Club Holdings Limited, registered number 03143088, were approved by the board of directors and authorised for issue on 28 July 2010, signed on their behalf by



P M Whiteley
Director

The notes on pages 9 to 15 form part of these financial statements

Sloane Club Holdings Limited

Statement of cash flows

For the year ended 31 March 2010

	2010 £	2009 £
Cash flows from, Operating activities		
Dividends received	–	4,000,000
Cash paid to suppliers	(3,200)	(3,166)
Income tax group relief received	80,188	226,062
Net cash from operating activities	76,988	4,222,896
Investing activities		
Interest received	273	893
Net cash from investing activities	273	893
Financing activities		
Purchase of own shares for cancellation	–	(4,000,000)
Net cash used in financing activities	–	(4,000,000)
Net increase in cash and cash equivalents	77,261	223,789
Cash and cash equivalents at year start	239,528	15,739
Cash and cash equivalents at year end	316,789	239,528

The notes on pages 9 to 15 form part of these financial statements

Sloane Club Holdings Limited

Statement of changes in equity

for the year ended 31 March 2010

	Share capital £	Capital redemption reserve £	Retained earnings £	Total equity £
Balance at 1 April 2008	100	–	2,700,065	2,700,165
Own shares acquired for cancellation	(32)	32	(4,000,000)	(4,000,000)
Profit for the year	–	–	3,487,184	3,487,184
Balance at 31 March 2009	68	32	2,187,249	2,187,349
Loss for the year	–	–	(163,927)	(163,927)
Balance at 31 March 2010	68	32	2,023,322	2,023,422

The notes on pages 9 to 15 form part of these financial statements

Sloane Club Holdings Limited

Notes to the financial statements

1 General information

Sloane Club Holdings Limited ("the company") is a company incorporated in England

These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted for use in the EU. IFRSs comprise accounting standards issued by the International Accounting Standards Board ('IASB') and its predecessor body as well as interpretations issued by the International Financial Reporting Interpretations Committee ('IFRIC') and its predecessor body

The company, being an unlisted wholly owned subsidiary, is exempt under section 400 of the Companies Act 2006 and IAS 27(10) from the obligation to prepare group accounts. The ultimate parent company produces consolidated financial statements available for public use that comply with IFRSs

Adopted IFRS and IFRS not yet applied

In the current year, the company has adopted

IAS 1 (Revised 2007) 'Presentation of Financial Statements', which requires the presentation of a statement of comprehensive income

In the current year, the following standards and interpretations became effective but are not relevant to the company's operations,

IFRIC 13 'Customer Loyalty Programmes' *effective for periods beginning on or after 1 July 2008*

IFRIC 15 'Agreements for the construction of Real Estate' *effective for periods beginning on or after 1 July 2008*

IFRIC 16 'Hedges of a Net Investment in a Foreign Operation' *effective for periods beginning on or after 1 October 2008*

IFRS 8 'Operating Segments' *effective for periods beginning on or after 1 January 2009*

IAS 23 'Borrowing costs' *effective for periods beginning on or after 1 January 2009*

At the date of authorisation of these financial statements, the following Standard and Interpretation, which have not been applied in these financial statements, were in issue but not yet effective

- IFRIC 17 'Distributions of Non-cash Assets to Owners'
- IFRIC 18 'Transfers of Assets from Customers'

The directors anticipate that the adoption of the Interpretations in future periods will have no material impact on the financial statements of the company

2 Accounting policies

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future having received confirmation from Caledonia Investments plc that it will provide financial support as is necessary to meet any outstanding obligations as they fall due. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

Measurement convention

The financial statements are prepared on the historical cost basis

Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment

Sloane Club Holdings Limited

Notes to the financial statements (continued)

2 Accounting policies (continued)

Financial assets

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value

Financial assets are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Financial assets are classified as 'Loans and receivables' under IAS 39 'Financial Instruments: Recognition and Measurement'

Impairment

Subsidiaries and other financial assets are assessed for indicators of impairment at each statement of financial position date. Impairment losses arise where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the asset, the estimated future cash flows of the asset have been impacted. Impairment losses being cost less recoverable value are recognised in the statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows. Cash and cash equivalents are classified as 'Loans and receivables' under IAS 39 'Financial Instruments: Recognition and Measurement'

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at proceeds received less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of comprehensive income over the period of the borrowings using the effective interest rate basis. Interest-bearing borrowings are classified as 'Liabilities held at amortised cost' under IAS 39 'Financial Instruments: Recognition and Measurement'

Derecognition of financial assets and liabilities

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

Investment income

Dividend income is recognised when the right to receive payment is established.

Finance income and expense

Financing costs comprise interest payable, finance charges on shares classified as liabilities and interest receivable on funds invested, that are recognised in the statement of comprehensive income.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest rate method.

Sloane Club Holdings Limited

Notes to the financial statements (continued)

2 Accounting policies (continued)

Taxation

Tax on the profit or loss for the year comprises current tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

3 Investment income

	2010 £	2009 £
Dividends from group companies	–	4,000,000

4 Expenses and auditors' remuneration

Included in profit/loss are the following:

Auditors' remuneration

	2010 £	2009 £
Fees for the audit of the company's annual accounts	3,250	3,200

5 Finance income

	2010 £	2009 £
Interest income		
Interest receivable from group companies	463	504

6 Finance expense

	2010 £	2009 £
Interest expense		
Interest payable to group companies	224,889	706,382

Sloane Club Holdings Limited

Notes to the financial statements (continued)

7 Taxation

	2010 £	2009 £
Recognised in the statement of comprehensive income		
<i>Current tax expense</i>		
Current year	(63,749)	(199,428)
Total tax in statement of comprehensive income	(63,749)	(199,428)

	2010 £	2009 £
Reconciliation of effective tax expense		
(Loss)/profit before tax	(227,676)	3,287,756
Implied tax (credit)/charge at 28%	(63,749)	920,572
Non-taxable dividend income	–	(1,120,000)
Total tax in statement of comprehensive income	(63,749)	(199,428)

8 Investments in subsidiary

The company has the following investment in a subsidiary

	2010 £	2009 £
Held at cost	14,029,498	14,029,498

All subsidiary undertakings are unlisted

Details of the principal investments in which the company holds more than 20% of the nominal value of any class of share capital were as follows

Name	Country of incorporation and operation	Holding	Proportion of shares held	Activity
<i>Subsidiary undertakings</i>				
The Sloane Club Group Ltd	England	Ordinary	100%	Property holding

9 Trade and other receivables

	2010 £	2009 £
Interest receivable from group companies	222	32

10 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the company's interest-bearing loans and borrowings. For more information about the company's exposure to interest rate and liquidity risk, see note 13

	2010 £	2009 £
Current liabilities		
Loans due to group companies	11,300,000	11,300,000

The loan bears interest at LIBOR plus 1%

Sloane Club Holdings Limited

Notes to the financial statements (continued)

11 Trade and other payables

	2010	2009
	£	£
Non-trade payables and accrued expenses	3,250	3,200
Interest payable to group companies	1,283,014	1,058,125
	<u>1,286,264</u>	<u>1,061,325</u>

12 Share capital and reserves

	2010	2009
	£	£
In issue at 31 March – fully paid ordinary shares of £1 each	68	68

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company

Capital redemption reserve

The capital redemption reserve comprises the nominal value of those shares purchased by the company out of its own profit and cancelled. During the prior year the company purchased 32 ordinary shares of £1 each for cancellation at a premium of £124,999 per share

13 Financial instruments

The company's financial instruments comprise cash balances, borrowings and receivables and payables that arise from its operations

The company's activities expose it to various financial risks: market risk (fair value interest rate), credit risk, cash flow interest rate risk and liquidity risk

Market risk (Interest rate risk)

The company has group borrowings bearing interest at LIBOR plus 1% (effective interest rate at 31 March 2010 of 1.61% (2009 2.41%)). Since interest bearing financial assets and liabilities re-price in the short term, the company has limited exposure to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates. The sensitivity to changes in interest rates is considered immaterial.

Credit risk

Credit risk is the risk that counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the company. The company has a credit policy in place and exposure to credit risk is monitored on an ongoing basis.

At 31 March, the financial assets exposed to credit risk were as follows

	2010	2009
	£	£
Trade and other receivables	222	32
Cash and cash equivalents	316,789	239,528
	<u>317,011</u>	<u>239,560</u>

Credit risk arising on operating and other receivables is mitigated by management involvement in the group companies. Credit risk on cash and cash equivalents is mitigated by depositing funds with banks with credit rating of 'AA3' or 'AA-' or better as determined by rating agencies, Moody's and Fitch.

Cash flow interest rate risk

The company has group borrowings at an interest rate of LIBOR plus 1%

Sloane Club Holdings Limited

Notes to the financial statements *(continued)*

13 Financial instruments *(continued)*

Liquidity risk

Liquidity risk arises as a result of the possibility that liabilities may be required to be paid earlier than expected. The loans are repayable on demand. Liquidity risk is mitigated by management involvement in the group companies.

Fair value

Most of the company's financial instruments are carried at amortised cost and the carrying amounts approximate fair value due to the immediate or short term nature of these financial instruments.

Capital management policies and procedures

The company's capital management objectives are

- to ensure that it will be able to continue as a going concern, and
- to maximise the income and capital return to its equity shareholders through an appropriate balance of equity capital and debt.

The company's total capital at 31 March 2010 was £13,323,422 (2009 £13,487,349) comprising equity share capital and reserves of £2,023,422 (2009 £2,187,349) and group borrowings of £11,300,000 (2009 £11,300,000).

The directors monitor and review the broad structure of the company's capital on an ongoing basis. This review includes

- the utilisation of surplus cash to repay group borrowings, and
- the utilisation of surplus cash to pay dividends.

The company is not subject to externally imposed capital requirements.

14 Contingencies

The company has entered into cross guarantees with other group undertakings in respect of the VAT grouping and group treasury management facilities. It is not anticipated that any material liabilities will arise from the contingent liabilities.

Sloane Club Holdings Limited

Notes to the financial statements (continued)

15 Related parties

Identity of related parties

The company has a related party relationship with its parent, subsidiaries, fellow subsidiaries of its parent and with its key management personnel, being its directors. No emoluments were receivable by the directors from the Company during the year (2009 – £Nil)

The following transactions were carried out with related parties

	Transaction amount 2010 £	Balance at period end 2010 £	Transaction amount 2009 £	Balance at period end 2009 £
Transactions with parent undertaking:				
<i>Statement of financial position items</i>				
Own shares repurchased for cancellation	–	–	(4,000,000)	–
Transactions with subsidiaries:				
<i>Statement of comprehensive income items</i>				
Dividends receivable	–	–	4,000,000	–
Interest payable on borrowings	(224,889)	(1,283,014)	(706,382)	(1,058,125)
<i>Statement of financial position items</i>				
Loans advanced by subsidiaries	–	(11,300,000)	–	(11,300,000)
Income tax group relief received	80,188	–	226,062	–
Transactions with fellow subsidiaries:				
<i>Statement of comprehensive income items</i>				
Interest receivable	463	222	504	32

16 Ultimate parent company and parent company of larger group

The ultimate parent undertaking and controlling party as defined by IAS24 is Caledonia Investments plc which is the parent undertaking of the smallest and largest group to consolidate these statements. Caledonia Investments plc is incorporated in England. Group accounts are drawn up for Caledonia Investments plc, copies of which may be obtained from Cayzer House, 30 Buckingham Gate, London SW1E 6NN

17 Critical accounting judgements and key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below

Impairment of subsidiaries

Determining whether subsidiaries are impaired requires an estimate of the recoverable value of the subsidiary. The recoverable amounts of cash-generating units are determined based on value-in-use calculations. These calculations require the use of estimates which by nature are uncertain.