

Company Registration No 03308541 (England and Wales)

**CHANTSTREAM LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**



# CHANTSTREAM LIMITED

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# **CHANTSTREAM LIMITED**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 30 JUNE 2009***

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The directors present their report and financial statements for the year ended 30 June 2009

#### **Principal activities and review of the business**

The principal activity of the company continued to be that of development and sale of real estate

During the year, sales of the company's Bushey site slowed along with the general UK housing market, achieving turnover of £2.6 million

The risks and uncertainties that affect the company are the continued slowing of the UK housing market, and securing ongoing banking facilities

#### **Results and dividends**

The results for the year are set out on page 4

#### **Future developments**

The company are concentrating on selling the apartments at their Bushey site and consolidating their position as the UK economy continues to slow

#### **Directors**

The following directors have held office since 1 July 2008

Mr B. M. Comer

Mr L. A. Comer

#### **Auditors**

Evans Mockler Limited are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006

# CHANTSTREAM LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 JUNE 2009**

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### Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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). 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,
- 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.

### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, they 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.

By order of the board



Grosvenor Financial Nominees Limited

Secretary

28.1.11

# CHANTSTREAM LIMITED

## INDEPENDENT AUDITORS' REPORT TO CHANTSTREAM LIMITED

### UNDER SECTION 449 OF THE COMPANIES ACT 2006

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We have examined the abbreviated accounts set out on pages 4 to 14, together with the financial statements of Chantstream Limited for the year ended 30 June 2009 prepared under section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Chapter 10 of Part 15 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

#### **Basis of opinion**

We conducted our work in accordance with Bulletin 2008/4 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 financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

#### **Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

#### **Other information**

On 29 January 2011 we reported, as auditors of Chantstream Limited, to the members on the financial statements prepared under section 396 of the Companies Act 2006 for the year ended 30 June 2009, and our report included the following paragraph:

#### **Emphasis of matter**

"In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the uncertainty as to the continuation of the company as a going concern. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect."



**Simon Toghill (Senior Statutory Auditor)**

for and on behalf of Evans Mockler Limited, Statutory Auditor

29 January 2011

Highstone House  
165 High Street  
Barnet  
Hertfordshire  
EN5 5SU

# CHANTSTREAM LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2009

		2009	2008
	Notes	£	as restated £
Turnover		2,556,800	10,871,423
Other operating income less cost of sales		(1,318,088)	(4,267,329)
Administrative expenses		(322,837)	(511,950)
<b>Operating profit</b>	<b>2</b>	<b>915,875</b>	<b>6,092,144</b>
Other interest receivable and similar income		257,762	63,036
Interest payable and similar charges	<b>4</b>	(2,018,635)	(1,860,089)
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(844,998)</b>	<b>4,295,091</b>
Tax on (loss)/profit on ordinary activities	<b>5</b>	-	76,106
<b>(Loss)/profit for the year</b>	<b>11</b>	<b>(844,998)</b>	<b>4,371,197</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations

# CHANTSTREAM LIMITED

## ABBREVIATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 JUNE 2009

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		2009	2008
	Notes	£	as restated £
(Loss)/profit for the financial year		(844,998)	4,371,197
Prior year adjustment	11	637,499	-
		<u>          </u>	<u>          </u>
Total gains and losses recognised since last financial statements		<u>(207,499)</u>	<u>4,371,197</u>

# CHANTSTREAM LIMITED

## ABBREVIATED BALANCE SHEET

AS AT 30 JUNE 2009

		2009		2008 as restated	
	Notes	£	£	£	£
<b>Current assets</b>					
Stocks	6	18,825,395		15,733,892	
Debtors amounts falling due within one year	7	114,947		27,583,045	
Debtors amounts falling due after more than one year	7	15,171,215		13,645,161	
Cash at bank and in hand		2,823,381		5,876,558	
		<u>36,934,938</u>		<u>35,548,334</u>	
<b>Creditors amounts falling due within one year</b>	8	<u>(26,781,943)</u>		<u>(600,092)</u>	
<b>Total assets less current liabilities</b>			10,152,995		34,948,242
<b>Creditors: amounts falling due after more than one year</b>	9		<u>(14,173,997)</u>		<u>(38,124,247)</u>
			<u>(4,021,002)</u>		<u>(3,176,005)</u>
<b>Capital and reserves</b>					
Called up share capital	10		2		2
Profit and loss account	11		<u>(4,021,004)</u>		<u>(3,176,007)</u>
<b>Shareholders' funds</b>	12		<u>(4,021,002)</u>		<u>(3,176,005)</u>

These abbreviated accounts have been prepared in accordance with the special provisions in section 445(3) of the Companies Act 2006 relating to medium-sized companies

Approved by the Board and authorised for issue on 28.1.11



Mr B M Comer  
Director

Company Registration No 03308541



# CHANTSTREAM LIMITED

## CASH FLOW STATEMENT

**FOR THE YEAR ENDED 30 JUNE 2009**

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	£	2009 £	£	2008 £
<b>Net cash outflow from operating activities</b>		(922,913)		(7,705,917)
<b>Returns on investments and servicing of finance</b>				
Interest received	257,762		63,036	
Interest paid	(2,018,635)		(1,860,089)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(1,760,872)		(1,797,053)
<b>Net cash outflow before management of liquid resources and financing</b>		(2,683,785)		(9,502,970)
<b>Financing</b>				
New long term bank loan	-		15,095,262	
Other new short term loans	26,276,015		-	
Repayment of long term bank loan	(26,645,407)		-	
<b>Net cash (outflow)/inflow from financing</b>		(369,392)		15,095,262
<b>(Decrease)/increase in cash in the year</b>		(3,053,177)		5,592,292

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# CHANTSTREAM LIMITED

## NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

1	Reconciliation of operating profit to net cash outflow from operating activities	2009		2008	
		£		£	
	Operating profit	915,875		6,092,144	
	Increase in stocks	(3,091,503)		(5,551,589)	
	Increase in debtors	(1,348,278)		(13,478,095)	
	Decrease in creditors within one year	2,600,993		5,231,623	
	<b>Net cash outflow from operating activities</b>	<b>(922,913)</b>		<b>(7,705,917)</b>	
2	Analysis of net debt	1 July 2008	Cash flow	Other non-cash changes	30 June 2009
		£	£	£	£
	Net cash				
	Cash at bank and in hand	5,876,558	(3,053,177)	-	2,823,381
	Bank deposits	-	-	-	-
	Debt				
	Debts falling due within one year	-	-	(26,276,015)	(26,276,015)
	Debts falling due after one year	(26,645,407)	369,392	26,276,015	-
		(26,645,407)	369,392	-	(26,276,015)
	<b>Net debt</b>	<b>(20,768,849)</b>	<b>(2,683,785)</b>	<b>-</b>	<b>(23,452,634)</b>
3	Reconciliation of net cash flow to movement in net debt	2009		2008	
		£		£	
	(Decrease)/increase in cash in the year	(3,053,177)		5,592,292	
	Cash inflow from increase in debt	369,392		(26,574,102)	
	<b>Movement in net debt in the year</b>	<b>(2,683,785)</b>		<b>(20,981,810)</b>	
	Opening net debt	(20,768,849)		(11,265,879)	
	<b>Closing net debt</b>	<b>(23,452,634)</b>		<b>(32,247,689)</b>	

# CHANTSTREAM LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2009

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company owes Opecprime Properties Limited, a related company, £14,173,997 Opecprime Properties Limited confirms its continuing support for this company by not seeking payment of its debts

The company is in discussions with its bankers regarding its ongoing facilities and future banking arrangements It is likely these discussions will not be completed for some time

The directors have reviewed the situation and despite the above circumstances they have concluded that the company has adequate resources to continue in operational existence for the foreseeable future For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

#### 1.3 Stock

Stocks are valued at the lower of cost and net realisable value

Cost represents the total purchase costs and other ancillary professional fees but does not include any interest payable Net realisable value is the amount at which property can be sold in the normal course of business after allowing for the costs of realisation

#### 1.4 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future

<b>2 Operating profit</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging		
Auditors' remuneration	3,500	3,250
	<u>          </u>	<u>          </u>
 <b>3 Investment income</b>	 <b>2009</b>	 <b>2008</b>
	<b>£</b>	<b>£</b>
Bank interest	20,987	40,057
Other interest	236,775	22,979
	<u>          </u>	<u>          </u>
	257,762	63,036
	<u>          </u>	<u>          </u>

# CHANTSTREAM LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2009

4	Interest payable	2009 £	2008 £
	On other loans wholly repayable within five years	2,018,635	1,822,423
	Other interest	-	37,666
		<u>2,018,635</u>	<u>1,860,089</u>

5	Taxation	2009 £	2008 £
	<b>Domestic current year tax</b>		
	Adjustment for prior years	-	(76,106)
	<b>Total current tax</b>	<u>-</u>	<u>(76,106)</u>

**Factors affecting the tax charge for the year**  
(Loss)/profit on ordinary activities before taxation

(844,998)      4,295,091

(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 29.00% (2008 - 30.00%)

(245,049)      1,288,527

Effects of

Non deductible expenses

-      (332)

Other tax adjustments

245,049      (1,364,301)

245,049      (1,364,633)

**Current tax charge for the year**

-      (76,106)

On the basis of these financial statements no provision has been made for corporation tax

6	Stocks	2009 £	2008 £
	Finished goods and goods for resale	<u>18,825,395</u>	<u>15,733,892</u>

# CHANTSTREAM LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2009

<b>7 Debtors</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	15,171,215	2,061,121
Other debtors	-	11,589,395
Prepayments and accrued income	114,947	287,368
	<u>15,286,162</u>	<u>13,937,884</u>

Amounts falling due after more than one year and included in the debtors above are

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	15,171,215	2,061,121
Other debtors	-	11,584,040
	<u>15,171,215</u>	<u>13,645,161</u>

<b>8 Creditors, amounts falling due within one year</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	26,276,015	-
Trade creditors	41,125	41,125
Other creditors	133,650	27,250
Accruals and deferred income	331,153	531,717
	<u>26,781,943</u>	<u>600,092</u>

The loan is secured by a fixed and floating debenture charge over the assets of Chantstream Limited, Carlson Properties Limited, Rossmark Properties Limited and Project Developments Consulting Limited. Additional guarantees are provided by the directors.

# CHANTSTREAM LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2009

9	Creditors amounts falling due after more than one year	2009	2008
		£	£
	Bank loans	-	26,645,407
	Other creditors	14,173,997	11,478,840
		<u>14,173,997</u>	<u>38,124,247</u>
	<b>Analysis of loans</b>		
	Not wholly repayable within five years by instalments	-	26,645,407
	Wholly repayable within five years	26,276,015	-
		<u>26,276,015</u>	<u>26,645,407</u>
	Included in current liabilities	(26,276,015)	-
		<u>-</u>	<u>26,645,407</u>
	Instalments not due within five years	-	26,645,407
		<u>-</u>	<u>26,645,407</u>
	<b>Loan maturity analysis</b>		
	In more than five years	-	26,645,407
		<u>-</u>	<u>26,645,407</u>
10	Share capital	2009	2008
		£	£
	<b>Allotted, called up and fully paid</b>		
	2 Ordinary shares of £1 each	2	2
		<u>2</u>	<u>2</u>

# CHANTSTREAM LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2009

### 11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 July 2008 as previously reported	(3,813,505)
Prior year adjustment	637,499
Balance at 1 July 2008 as restated	(3,176,006)
Loss for the year	(844,998)
Balance at 30 June 2009	(4,021,004)

Due to an error in the calculation of Cost of Sales in the previous year, there is a prior year adjustment to Stock and work in progress of £637,499

### 12 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
(Loss)/Profit for the financial year	(844,998)	4,371,197
Opening shareholders' funds	(3,176,005)	(7,547,202)
Closing shareholders' funds	(4,021,002)	(3,176,005)

Opening shareholders' funds were originally (£3,813,503) before adding prior year adjustments of £637,499

### 13 Contingent liabilities

As part of the normal review process of the Large Companies Unit, HM Revenue & Customs is carrying out a review of this company's tax affairs. They have identified certain issues and are in negotiation with the company in order to quantify any taxation effect on the company. The company cannot yet quantify any potential financial effect of this.

### 14 Employees

#### Number of employees

There were no employees during the year apart from the directors

# CHANTSTREAM LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2009

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### 15 Ultimate parent company

The company is owned by Project Developments Consulting Limited, a company registered in Guernsey and sub-subsidiary of Coral Bay Holdings Ltd, whose ultimate controlling entities are three discretionary trusts. Mr L. A. Comer and Mr B. M. Comer are potential beneficiaries of two of these discretionary trusts.

### 16 Related party relationships and transactions

Chantstream Limited (The company) is related to Opecprime Properties Limited by way of common directors. During the year the company paid various expenses on behalf of Opecprime Properties Limited and had various expenses of its own paid by Opecprime Properties Limited. There were also various bank transfers between the companies. At 30 June 2009 various other related companies which had balances with the company assigned these balances to Opecprime Properties Limited. As at 30 June 2009 The Company owed £14,173,997 to Opecprime Properties Limited (2008 £11,584,040 Debtor). This balance is included within other creditors due over one year.

The company is related to Coral Bay Holdings Limited by way of Coral Bay Holdings Limited owning the share capital of the company's parent company. During the year the company paid loan interest on behalf of Coral Bay Holdings Limited and charged interest to Coral Bay Holdings Limited. As at 30 June 2009 Coral Bay Holdings Limited owed £9,418,453 to the company (2008 £2,061,121). This balance is included within amounts owed by group undertakings due over one year.

The company is related to Rossmark Properties Limited by way of common directors and shareholders. During the year, Rossmark Properties Limited paid loan interest on behalf of the company and charged interest to the company. As at 30 June 2009 the company was owed £3,320,105 by Rossmark Properties Limited (2008 £8,610,422 creditor). This balance is included within amounts owed by group undertakings due over one year.

The company is related to Carlson Properties Limited by way of common directors and shareholders. As at 30 June 2009 the company was owed £2,432,657 by Carlson Properties Limited (2008 £2,868,418 creditor). This balance is included within amounts owed by group undertakings due over one year.