

**CONCERT STEPS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2009**

**Company number 4005549**

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**CONCERT STEPS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2009**

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# **CONCERT STEPS LIMITED**

## **DIRECTORS' REPORT**

**YEAR ENDED 31 MARCH 2009**

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The directors present their annual report together with the audited financial statements for the year ended 31 March 2009

### **PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

The principal activity of the company is that of property investment

### **RESULTS FOR THE YEAR**

The loss for the year after tax was £1,114,543 (2008 £189,871) The directors consider the results for the year to be satisfactory given current market conditions

During the year there was, in substance a breach of the loan covenants, and in line with FRS 25, the loan has been reclassified as falling due for repayment within one year, although technically the repayment date has not changed

### **DIVIDENDS**

The directors do not recommend the payment of a dividend (2008 £Nil)

### **DIRECTORS**

The directors of the company during the year were as follows -

M L Stone  
W J Dixon  
T S Cole  
S R Collins  
M N Steinberg

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which 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 year In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company to 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

**CONCERT STEPS LIMITED**

**DIRECTORS' REPORT (continued)**

**YEAR ENDED 31 MARCH 2009**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)**

In determining how amounts are presented within items in the profit and loss account and balance sheet, the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting policies or practice

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and,
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

**BY ORDER OF THE BOARD ON 24 MARCH 2010**



**R J De Barr**  
Secretary

**Registered office:**  
**10 Upper Berkeley Street**  
**London W1H 7PE**



## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CONCERT STEPS LIMITED

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We have audited the financial statements of Concert Steps Limited for the year ended 31 March 2009 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditor's 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

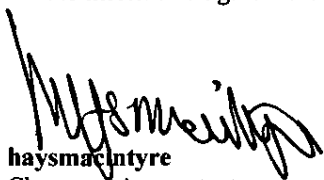
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### 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 March 2009 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.

  
haysmacintyre  
Chartered Accountants  
Registered Auditors

24 March 2010

Fairfax House  
15 Fulwood Place  
London  
WC1V 6AY

**CONCERT STEPS LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2009**

	Notes	£	2009 £	£	2008 £
<b>TURNOVER</b>	2		569,667		438,329
Direct expenses			(36,851)		(9,567)
<b>GROSS PROFIT</b>			532,816		428,762
Administration expenses			(14,086)		(31,744)
<b>OPERATING PROFIT</b>			518,730		397,018
Impairment on fixed asset revaluation		(1,011,718)		-	
Interest receivable		3,862		39,380	
Interest payable	3	(666,119)		(626,269)	
			(1,673,975)		(586,889)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			(1,155,245)		(189,871)
Taxation on loss on ordinary activities	5		40,704		-
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>	12		£(1,114,543)		£(189,871)

All rental income and operating profit are derived from continuing activities

**CONCERT STEPS LIMITED**

**OTHER PRIMARY STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2009**

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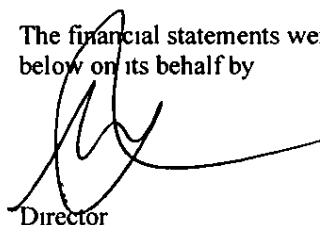
<b>STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES</b>	<b>2009 £</b>	<b>2008 £</b>
<b>RETAINED LOSS FOR THE FINANCIAL YEAR</b>	(1,114,543)	(189,871)
Unrealised deficit on revaluation of investment properties	<u>(5,749,229)</u>	<u>-</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR</b>	<u><u>£(6,863,772)</u></u>	<u><u>£(189,871)</u></u>



**CONCERT STEPS LIMITED**
**COMPANY NUMBER: 4005549**
**BALANCE SHEET**
**AT 31 MARCH 2009**

	Notes	£	2009 £	£	2008 £
<b>FIXED ASSETS</b>					
Tangible assets	6		9,750,000		15,746,764
<b>CURRENT ASSETS</b>					
Debtors	7	159,746		119,837	
Cash at bank and in hand		136,197		12,429	
		<u>295,943</u>		<u>132,266</u>	
<b>CREDITORS: Amounts falling due within one year</b>	8	<u>(11,302,330)</u>		<u>(1,755,766)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(11,006,387)</u>		<u>(1,623,500)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>(1,256,387)</u>		<u>14,123,264</u>
<b>CREDITORS: Amounts falling due after one year</b>	9		<u>-</u>		<u>(8,515,879)</u>
<b>NET ASSETS</b>			<u>£(1,256,387)</u>		<u>£5,607,385</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		100		100
Revaluation reserve	12		-		5,749,229
Profit and loss account	12		<u>(1,256,487)</u>		<u>(141,944)</u>
<b>SHAREHOLDERS' FUNDS</b>	13		<u>£(1,256,387)</u>		<u>£5,607,385</u>

The financial statements were approved and authorised for issue by the Board of Directors on 24 March 2010 and signed below on its behalf by



Director

Director 

# CONCERT STEPS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2009

### 1. ACCOUNTING POLICIES

**a) Basis of preparation**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties, and in accordance with applicable accounting standards

**b) Cashflow statement**

The cashflow statement included in the consolidated financial statements of the holding company, City & General Securities Limited, complies with the conditions of Financial Reporting Standard No 1 (revised 1996) 'Cash Flow Statements' (FRS1). The company therefore is exempt under FRS1 from the requirement to prepare a separate cashflow statement

**c) Rental income**

Rents are accounted for on a receivable basis. All rental income arose in the United Kingdom

**d) Repairs and renewals**

Expenditure on repairs and renewals is charged to direct expenses as incurred

**e) Interest charges and income**

Interest is charged/(credited) to the profit and loss account as incurred/(generated)

**f) Finance issue costs**

Finance issue costs are amortised over the life of the associated loans within interest payable

**g) Investment properties**

In accordance with Statement of Standard Accounting Practice No 19 'Accounting for Investment Properties' (SSAP 19) no amortisation is provided on freehold and long leasehold investment properties. The directors consider that although this represents a departure from the requirements of the Companies Act 1985 for all properties to be depreciated, this policy results in the financial statements giving a true and fair view. Amortisation 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

**h) Deferred taxation**

Deferred tax is provided using the full provision method. Deferred tax is recognised in respect of all timing differences which have originated but not reversed at the balance sheet date. It is the group's policy not to discount deferred tax to reflect the time value of money

**i) Current taxation**

Current tax in respect of the sale of investment properties is charged to the profit and loss account in respect of the taxation of any surplus over book value and direct to the statement of total recognised gains and losses in respect of any taxation in excess of book value over historical cost

### 2. TURNOVER

	2009 £	2008 £
Turnover, which excludes value added tax, represents		
Rental income	<u>£569,667</u>	<u>£438,329</u>

### 3. INTEREST PAYABLE

On bank loans and overdrafts	563,712	599,386
Interest to group undertakings	102,407	26,883
	<u>£666,119</u>	<u>£626,269</u>

### 4. DIRECTORS' REMUNERATION

No emoluments were paid to the directors of the company in the year (2008: £Nil)

**CONCERT STEPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 MARCH 2009**

5.	<b>TAXATION</b>	<b>2009 £</b>	<b>2008 £</b>
(a)	<b>Analysis of (credit)/charge in the year:</b> The tax (credit)/charge on the loss on ordinary activities for the year was as follows UK corporation tax (credit)/charge for the year	<u>£(40,704)</u>	<u>£ -</u>
(b)	<b>Factors affecting tax (credit)/charge for year</b> The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below	<b>2009 £</b>	<b>2008 £</b>
	Loss on ordinary activities before tax	<u>(1,155,245)</u>	<u>(189,871)</u>
	Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 30%)	<u>(323,469)</u>	<u>(56,961)</u>
	Effects of Expenses not deductible for tax purposes Capital allowances in excess of depreciation Losses carried forward	283,945 (1,242) 62	- - 56,961
	UK corporation tax (credit)/charge for the year	<u>£(40,704)</u>	<u>£ -</u>
	Tax losses of £7,621 (2008 £189,621) are available for offset in future years		
6.	<b>TANGIBLE FIXED ASSETS</b>	<b>Freehold Property £</b>	
	<b>Cost or valuation</b>		
	At 1 April 2008		
	Additions		
	Impairment on fixed asset revaluation		
	At 31 March 2009		
		15,746,764	764,183
		<u>(6,760,947)</u>	
		<u>£9,750,000</u>	
The directors, on the basis of open market value, have valued the properties held at 31 March 2009 at £9,750,000 (2008 £15,746,764)			
On the historical cost basis tangible fixed assets would have been included at			
		<b>2009 £</b>	<b>2008 £</b>
	Historic cost b/f	10,761,720	9,997,536
	Provision for impairment	<u>(1,011,720)</u>	<u>-</u>
	Historic cost c/f	<u>£9,750,000</u>	<u>£9,997,536</u>
7.	<b>DEBTORS</b>	<b>2009 £</b>	<b>2008 £</b>
	Trade debtors	31,270	18,890
	Other taxes and social security costs	-	95,288
	Prepayments and accrued income	59,777	5,659
	Other debtors	27,997	-
	Amount owed by group undertakings	40,704	-
		<u>£159,746</u>	<u>£119,837</u>



**CONCERT STEPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 MARCH 2009**

<b>8. CREDITORS: Amounts falling due within one year</b>	<b>2009 £</b>	<b>2008 £</b>
Trade creditors	84,859	45,061
Amounts due to group undertakings	2,444,799	1,453,913
Other taxes and social security costs	4,113	-
Accruals and deferred income	206,703	256,792
Bank loan	8,561,856	-
	<u>£11,302,330</u>	<u>£1,755,766</u>

During the year there was, in substance a breach of loan covenants and in line with FRS 25 the loan has been reclassified as falling due for repayment within one year, although technically the repayment date has not changed

<b>9. CREDITORS: Amounts falling due after one year</b>	<b>2009 £</b>	<b>2008 £</b>
Bank loan	£-	£8,515,879
Amounts falling due		
Less than one year	8,589,576	-
Between two and five years	-	8,557,460
Unamortised finance issue costs	(27,720)	(41,581)
	<u>£8,561,856</u>	<u>£8,515,879</u>

The bank loan is secured by a fixed charge over Phase 1 26-30 Fleet Street, Phase 2 18-20 Fleet Street, Phase 3 25-27 Fleet Street, Phase 4 13-23 Fleet Street and Phase 5 14-16 Fleet Street. The loan is repayable on 24 March 2011 (see note 8) and carries interest at 1.35% over LIBOR.

At 31 March 2009 the company had two interest rate swaps, both maturing on 24<sup>th</sup> March 2011

- (i) for a notional principal amount of £5,457,460, under which the company receives interest on a variable basis and pays interest fixed at a rate of 5.43%,
- (ii) for a notional principal amount of £3,100,000 under which the company receives interest on a variable basis and pays interest fixed at a rate of 2.30%. This replaced a swap for the same amount at 4.86% that matured on 27 March 2009.

<b>10. PROVISIONS FOR LIABILITIES AND CHARGES</b>	<b>2009 £</b>	<b>2008 £</b>
No deferred tax is provided in the current or prior year		
Unprovided deferred tax is as follows		
Revaluation of investment property	<u>£(158,330)</u>	<u>£2,414,260</u>

<b>11. SHARE CAPITAL</b>	<b>Authorised</b>		<b>Issued, allotted and fully paid</b>	
	<b>2009 £</b>	<b>2008 £</b>	<b>2009 £</b>	<b>2008 £</b>
Authorised				
1,000 (100 issued) Ordinary shares of £1 each	<u>£1,000</u>	<u>£1,000</u>	<u>£100</u>	<u>£100</u>

**CONCERT STEPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 MARCH 2009**

<b>12. RESERVES</b>	<b>Profit &amp; Loss Reserve £</b>	<b>Revaluation Reserve £</b>
At 1 April 2008	(141,944)	5,749,229
Retained loss for the year	(1,114,543)	(5,749,229)
At 31 March 2009	<u>£(1,256,487)</u>	<u>£ -</u>
<b>13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS</b>	<b>2009 £</b>	<b>2008 £</b>
Retained loss for the year	(1,114,543)	(189,871)
Deficit in revaluation	(5,749,229)	-
Net movement	<u>(6,863,772)</u>	<u>(189,871)</u>
Opening shareholders' funds	5,607,385	5,797,256
Closing shareholders' funds	<u>£(1,256,387)</u>	<u>£5,607,385</u>
<b>14. RELATED PARTY TRANSACTIONS</b>	<b>2009 £</b>	<b>2008 £</b>
During the year the company made the following related party transactions		
Interest paid on loan to Frenson	(43,873)	-
Interest paid on loan to Arthouse Square Limited	(18,159)	(6,376)
Interest paid on loan to Haigside Limited	(25,876)	(14,163)
Interest paid on loan to Frenson Car Parks Limited	(14,499)	(6,450)
Interest received from Haigside Limited	-	106
Receipt for surrender of tax losses from Compco Holdings Limited	<u>40,704</u>	<u>-</u>
At 31 March the company had the following related party balances		
Frenson Entity	(1,660,719)	-
Arthouse Square Limited	(465,131)	(181,376)
Frenson Car Parks Limited	(318,949)	(226,450)
Haigside Limited	-	(1,046,087)
Compco Holdings Limited	<u>40,704</u>	<u>-</u>
Concert Steps Limited is related to Arthouse Square Limited, Haigside Limited and Frenson Car Parks Limited way of common directorship and ownership Frenson is related by way of Haigside's 75% interest the entity's net assets Compco Holdings Limited is its parent company All transactions are at arms length		
<b>15. CAPITAL COMMITMENTS</b>	<b>2009 £</b>	<b>2008 £</b>
Authorised and contracted for	<u>-</u>	<u>761,000</u>

**CONCERT STEPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 MARCH 2009**

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**16. ULTIMATE CONTROLLING PARTIES**

The largest and smallest group into which the company is consolidated is City & General Securities Limited which is registered in England and Wales

Group financial statements for City & General Securities Limited are available to the public on payment of the appropriate fee, from Companies House, Crown Way, Cardiff, CF14 3UZ. The company is ultimately controlled by the directors