

Chantrey Vellacott DFKLLLP

Cheval Specialist Bridging Limited

Financial statements

30 June 2010

THURSDAY



L80IUSWH

LD8

31/03/2011

244

COMPANIES HOUSE

Cheval Specialist Bridging Limited

Financial statements

Year ended 30 June 2010

Contents	Pages
Officers and professional advisers	1
Directors' report	2 to 3
Independent auditor's report to the shareholder	4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the financial statements	8 to 12

Cheval Specialist Bridging Limited

Officers and professional advisers

The board of directors

C Halpern
A Kay

Company secretary

G R Diamond

Registered office

Mendien House
Clarendon Road
Watford
Hertfordshire
WD17 1DS

Auditor

Chantrey Vellacott DFK LLP
Chartered Accountants
Statutory Auditor
First Floor
73-75 High Street
Stevenage
Herts
SG1 3HR

Chantrey Vellacott DFK LLP

Cheval Specialist Bridging Limited**Director's report****Year ended 30 June 2010**

The directors present their report and the audited financial statements of the company for the year ended 30 June 2010

Principal activities and business review

The principal activity is granting of short-term loans secured by legal charges over land and buildings

The company does not currently have a funding line available to it and is therefore not undertaking any new lending

On 2 February 2011 the entire share capital of the company was sold to Checked Limited. The loan due from the previous parent company, Cheval Property Finance plc, has been provided for in full as the company is unlikely to receive any funds towards settlement of the loan.

The company's operations ceased in the year and in view of this, the financial statements have not been prepared on a going concern basis. Appropriate provisions have been made where assets are not expected to realise their book value and all known liabilities have been provided for.

Results and dividends

The results for the year ended 30 June 2010 are shown in the profit and loss account on page 5. No dividends have been declared.

Directors

The directors who served the company during the year were as follows:

C Halpern
A Kay
A S Margolis

A S Margolis retired as a director on 29 January 2010
C Halpern retired as a director on 2 February 2011

Director's responsibilities

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director 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 those financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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.

Cheval Specialist Bridging Limited

Director's report *(continued)*

Year ended 30 June 2010

The director is 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.

Insofar as the director is aware

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

Auditor

Chantrey Vellacott DFK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Signed by order of the director



G R Diamond
Company Secretary

Approved by the director on 31 March 2011

Chantrey Vellacott DFK LLP

Cheval Specialist Bridging Limited**Independent auditor's report to the shareholder of Cheval Specialist Bridging Limited****Year ended 30 June 2010**

We have audited the financial statements of Cheval Specialist Bridging Limited for the year ended 30 June 2010 which comprise the profit and loss account, balance sheet, cash flow statement 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).

This report is made solely to the company's shareholder, 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 shareholder 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditor

As explained more fully in the director's responsibilities statement set out on pages 2 to 3, the director is 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 30 June 2010 and of its 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the director's 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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



MARK STEVENS (Senior Statutory Auditor)
for and on behalf of **CHANTREY VELLACOTT DFK LLP**
Chartered Accountants and Statutory Auditor
Stevenage

31 March 2011

Cheval Specialist Bridging Limited

Profit and loss account

Year ended 30 June 2010

	Note	2010 £	2009 £
Turnover	2	1,371	7,886
Administrative expenses		505,514	3,131
Operating (loss)/ profit	3	(504,143)	4,755
Attributable to			
Operating profit before exceptional items		2,625	7,434
Exceptional items	3	(506,768)	(2,679)
		(504,143)	4,755
Interest receivable		–	15
Interest payable and similar charges	5	(2,705)	(2,946)
(Loss)/profit on ordinary activities before taxation		(506,848)	1,824
Tax on (loss)/profit on ordinary activities	6	–	–
(Loss)/profit for the financial year		(506,848)	1,824

The companies operations ceased in the year and the above results relate to the period of discontinuance

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 8 to 12 form part of these financial statements

Cheval Specialist Bridging Limited

Balance sheet

As at 30 June 2010

	Note	2010 £	2009 £
Current assets			
Debtors	7	–	522,680
Creditors, amounts falling due within one year	8	<u>2,056</u>	<u>17,888</u>
Net current (liabilities)/ assets		<u>(2,056)</u>	<u>504,792</u>
Total assets less current liabilities		<u>(2,056)</u>	<u>504,792</u>
Capital and reserves			
Called up equity share capital	10	100	100
Profit and loss account	11	<u>(2,156)</u>	<u>504,692</u>
(Deficit)/ shareholder's funds	12	<u>(2,056)</u>	<u>504,792</u>

These financial statements were approved by the director and authorised for issue on 31 March 2011, and are signed on their behalf by

A Kay
Director



Company Registration Number 4372089

The notes on pages 8 to 12 form part of these financial statements

Cheval Specialist Bridging Limited

Cash flow statement

Year ended 30 June 2010

	Note	2010 £	2009 £
Net cash inflow from operating activities	13(a)	2,705	1,381
Returns on investments and servicing of finance			
Interest received		—	15
Interest paid		<u>(2,705)</u>	<u>(2,946)</u>
Net cash outflow from returns on investments and servicing of finance		(2,705)	(2,931)
Decrease in cash	13(c)	<u>—</u>	<u>(1,550)</u>

Chantrey Vellacott DFKLLP

The notes on pages 8 to 12 form part of these financial statements.

Cheval Specialist Bridging Limited**Notes to the financial statements****Year ended 30 June 2010****1 Accounting policies****Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

Going concern

At 30 June 2010 the company's total liabilities exceeded its total assets by £2,056, following a loss for the year of £506,848. In view of this, the financial statements have not been prepared on a going concern basis. Appropriate provisions have been made where assets are not expected to realise their book value and all known liabilities have been provided for.

Turnover and cost of sales

Turnover represents interest received and receivable from loans advanced and other fees associated with loans advanced.

Cost of sales represents interest paid and payable on funders' loans together with direct costs.

Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2 Turnover

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below.

	2010 £	2009 £
United Kingdom	<u>1,371</u>	<u>7,886</u>

3 Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting)

	2010 £	2009 £
Auditor's remuneration	1,425	2,056
Specific bad debt provision	(2,679)	2,679
Provisions against amounts owed by group undertakings	<u>506,768</u>	<u>—</u>

Details of the provisions against amounts owed by group companies is disclosed in note 7.

Cheval Specialist Bridging Limited**Notes to the financial statements****Year ended 30 June 2010****3 Operating (loss)/profit (continued)**

	2010 £	2009 £
Auditor's remuneration - audit of the financial statements	<u>1,425</u>	<u>2,056</u>

4 Particulars of employees

The average number of staff, including executive directors, employed by the company during the financial year can be analysed as follows

	2010 No	2009 No
Number of management staff	<u>3</u>	<u>5</u>

No salaries or wages have been paid to employees, including the directors, during the year

5 Interest payable and similar charges

	2010 £	2009 £
Interest on other debtors	<u>2,705</u>	<u>2,946</u>

6 Taxation on ordinary activities**Factors affecting current tax charge**

The tax assessed on the (loss)/profit on ordinary activities for the year is at a higher rate than the standard rate of corporation tax in the UK of 28% (2009 - 28%)

	2010 £	2009 £
(Loss)/profit on ordinary activities before taxation	<u>(506,848)</u>	<u>1,824</u>
(Loss)/profit on ordinary activities multiplied by rate of tax	<u>(141,917)</u>	511
Unrelieved tax losses	141,917	265
General bad debt provision multiplied by rate of tax	-	(776)
Total current tax	<u>-</u>	<u>-</u>

Cheval Specialist Bridging Limited

Notes to the financial statements

Year ended 30 June 2010

7 Debtors

	2010 £	2009 £
Amounts owed by group undertakings	-	522,680

Amounts owed by group undertakings are shown net of provisions of £506,768. The provision relates to amounts owed by Cheval Property Finance Plc, which was placed into administration by its directors on 31 January 2011. This has been treated as an exceptional item within administrative expenses as disclosed in note 3 and on the face of the profit and loss account.

8 Creditors amounts falling due within one year

	2010 £	2009 £
Other creditors	-	15,244
Accruals and deferred income	2,056	2,644
	<u>2,056</u>	<u>17,888</u>

9 Related party transactions

The company has taken advantage of the exemptions conferred by Financial Reporting Standard No 8, exemption (c), from the requirement to make disclosures concerning related parties.

10 Share capital

Allotted, called up and fully paid

	2010 No	£	2009 No	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Cheval Specialist Bridging Limited

Notes to the financial statements

Year ended 30 June 2010

11 Profit and loss account

	2010 £	2009 £
Balance brought forward	504,692	502,868
(Loss)/profit for the financial year	(506,848)	1,824
Balance carried forward	<u>(2,156)</u>	<u>504,692</u>

12 Reconciliation of movements in shareholder's funds

	2010 £	2009 £
(Loss)/profit for the financial year	(506,848)	1,824
Opening shareholder's funds	504,792	502,968
Closing shareholder's (deficit)/ funds	<u>(2,056)</u>	<u>504,792</u>

13 Notes to the cash flow statement

(a) Reconciliation of operating profit to net cash inflow from operating activities

	2010 £	2009 £
Operating (loss)/ profit	(504,143)	4,755
Decrease/(increase) in debtors	522,680	(5,068)
(Decrease)/increase in creditors	(15,832)	1,694
Net cash inflow from operating activities	<u>2,705</u>	<u>1,381</u>

(b) Reconciliation of net cash flow to movement in net debt

	2010 £	2009 £
Decrease in cash in the period	-	(1,550)
	<u>-</u>	<u>(1,550)</u>
Change in net funds	-	(1,550)
Net funds at 1 July 2009	-	1,550
Net funds at 30 June 2010	<u>-</u>	<u>-</u>

Cheval Specialist Bridging Limited**Notes to the financial statements****Year ended 30 June 2010****13 Notes to the cash flow statement (continued)****(c) Analysis of changes in net debt**

	At 1 Jul 2009 £	Cash flows £	At 30 Jun 2010 £
Net cash	—	—	—
Net debt	—	—	—

14 Ultimate parent company

Throughout the year the parent company was Cheval Property Finance Plc, which is registered in the United Kingdom. On 31 January 2011 the parent company was placed into administration by its directors, and subsequently on the 2 February 2011, all shares in Cheval Specialist Bridging Limited were sold to Checked Limited, a company which is registered in the United Kingdom.

The ultimate parent company to 1 February 2011, was Ambition Capital Limited, which is incorporated in Guernsey.

The controlling party during the year under review was Volkomen Financiering BV who held the right to appoint the majority of the board of directors of Cheval Property Finance Plc and therefore controlled the day to day running of the company. Volkomen Financiering BV continue to be the ultimate controlling party, as they are the parent company of Checked Limited.