



REPORT AND FINANCIAL STATEMENTS

31 MARCH 2011

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CONTENTS	Page
Administrative information	1
Directors' report	2 – 3
Independent Auditor's report	4 – 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 12

**COSMOPOLITAN ENTERPRISES LIMITED
ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 MARCH 2011**

Company registration number: 04806841

Registered office and operational address: Cosmopolitan House
2 Marybone
Liverpool
L3 2BY

BOARD OF MANAGEMENT

Directors Mr N G White Chair

Mr M Griffiths
Mr D Griffiths
Mr K Martin

Secretary Ms S E Neill

GROUP EXECUTIVE DIRECTORS

Group Chief Executive	Mr G A Redhead
Group Finance Director	Mr K Martin
Group Human Resources Director	Ms S E Neill
Group Development Director	Mr D Griffiths

Note The Group Executive Directors are not all Directors of the company

AUDITORS

PKF (UK) LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH

INTERNAL AUDITORS

Mazars LLP, The Lexicon, Mount Street, Manchester, M2 5NT

BANKERS

Nat West Bank, 22 Castle Street, Liverpool, L2 0UP

SOLICITORS

Brabners Chaffe Street, Horton House, Exchange Flags, Liverpool, L2 3YL
Trowers & Hamlins, Heron House, Albert Square, Manchester, M5 5HD
HJ Walker Sibia, 59 Hamilton Square, Birkenhead, CH41 5AT
Hill Dickinson, No 1 St Pauls Square, Liverpool, L3 9SJ

**COSMOPOLITAN ENTERPRISES LIMITED
DIRECTORS REPORT
FOR THE YEAR ENDED 31 MARCH 2011**

The directors present their annual report and audited accounts for the year ended 31st March 2011

Principal activities

The company's principal activities are that of commercial property investment, property development and property management

Financial results

The results for the year are set out on page 7 of the financial statements. The year has been a satisfactory one financially and it is envisaged that this position will continue for the foreseeable future.

Directors interests

The directors of the company are listed on page 1. None of the directors have any interest in the shares of the company. The company has 1 "A" £1 ordinary share and 49,999 "B" £1 ordinary shares in issue. The 1 "A" £1 ordinary share is owned by Cosmopolitan Housing Group Limited, which is the only vote carrying share. The "B" ordinary shares are owned by Cosmopolitan Housing Association and under FRS 25 are classified as long term liabilities.

Political and charitable donations

During the year the company made a charitable donation to Cosmopolitan Housing Association Limited of £107,000 (2010 £89,000), a subsidiary of Cosmopolitan Housing Group.

Insurance

The group policy is to insure against risks wherever possible including cover for liability insurance in respect of the Board of Management and Senior Personnel of the group.

Employment policies

Cosmopolitan Housing Group Limited positively operates an equal opportunities policy to ensure that no person or group of persons will be treated less favourably than any other.

Business review and development

The scheme at Cathedral Point remains fully let and whilst it has not been possible to finalise the development project with our Joint Venture partner, work to draw this phase of the project to a close is underway.

The Company wisely chose to defer its scheduled development programme in light of the impending financial crises however as matters in the housing and financial markets are now edging forward the Company is looking to develop a small number of schemes and these will be taken forward for Board approval in the coming financial year.

The Company continues to earn a steady income from undertaking the role of development and managing agent for external clients and is pleased to have been able to continue to contribute Gift Aid to Cosmopolitan Housing Association despite the onset of the economic crisis.

As we move further into the current financial year the company will also be working with JV partners to unlock the potential for generating disposal and/or redevelopment profits arising from surplus CHA and CSH stock. This is an exciting development that will reap real benefits for the wider Cosmopolitan Housing Group in future years.

**COSMOPOLITAN ENTERPRISES LIMITED
DIRECTORS REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2011**

Statement of directors' responsibilities

The directors are responsible for preparing the director's report and the financial statements in accordance with Accounting Standards, applicable law and United Kingdom Generally Accepted Accounting Practices

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 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 the Auditors

So far as the directors are aware

- there is no relevant audit information of which the Company's auditors are unaware, and
- they have taken all 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 the information

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

Auditors

In accordance with the Companies Act 2006, a resolution to appoint PKF (UK) LLP as the company's Auditors will be proposed at the Annual General meeting

On behalf of the board of directors



N G White
Chairman
Date: 12 August 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COSMOPOLITAN ENTERPRISES LIMITED

We have audited the financial statements of Cosmopolitan Enterprises Limited for the year ended 31 March 2011 which comprise the profit and loss account, 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).

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 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 auditor

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 and express an opinion on 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.

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 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 profit 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COSMOPOLITAN ENTERPRISES LIMITED

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report

PKF (UK) LLP

Brian Ricketts (Senior statutory auditor)

for and on behalf of PKF (UK) LLP, Statutory auditor

Liverpool, UK

Date *22 September 2011*

COSMOPOLITAN ENTERPRISES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011 £	2010 £
Turnover	1	198,246	185,000
Cost of sales		-	-
Gross profit		<u>198,246</u>	<u>185,000</u>
Administrative expenses		(173,560)	(159,837)
Operating profit	2	<u>24,686</u>	<u>25,163</u>
Interest payable and similar charges	4	(22,327)	(23,337)
Profit on ordinary activities before taxation		<u>2,359</u>	<u>1,826</u>
Tax on ordinary activities	3	(1,725)	(1,313)
Profit for the year		<u><u>634</u></u>	<u><u>513</u></u>

There are no recognised gains or losses other than those passing through the profit and loss account

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

COSMOPOLITAN ENTERPRISES LIMITED
BALANCE SHEET
AS AT 31 MARCH 2011

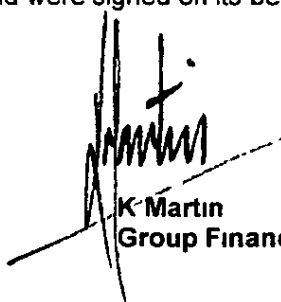
Company No. 04806841

	Note	2011 £	2010 £
Fixed Assets			
Tangible fixed assets	5	1,226,923	1,208,314
		<u>1,226,923</u>	<u>1,208,314</u>
Current assets			
Debtors	6	155,360	164,052
Cash at bank and short term deposits		97,885	76,016
		<u>253,245</u>	<u>240,068</u>
Creditors amounts falling due within one year	7	(1,413,284)	(1,382,132)
Total assets less current liabilities		<u>66,884</u>	<u>66,250</u>
Creditors amount falling due after more than one year	8	(49,999)	(49,999)
Net assets		<u><u>16,885</u></u>	<u><u>16,251</u></u>
Capital and reserves			
Share capital	9	1	1
Profit and loss reserves	10	16,884	16,250
Shareholders' funds		<u><u>16,885</u></u>	<u><u>16,251</u></u>

These financial statements on pages 6 to 12 have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies, were authorised and approved by the board on 12 August 2011 and were signed on its behalf by



N G White
Chairman



K Martin
Group Finance Director

**COSMOPOLITAN ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

1. Principle accounting policies

Basis of accounting

The financial statements are prepared on the historical cost basis of accounting

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking with 90 percent or more of the voting rights controlled within the group

Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

Turnover

Turnover represents amount receivable for sales of property and services

Fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation. Depreciation is charged on either a straight line or reducing balance basis over the expected useful lives of the assets at the following annual rates -

Freehold property	1% Straight line
Computer equipment	20% Straight line

Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

Pension Cost

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with Financial Reporting Standard 17

COSMOPOLITAN ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2011

2. Operating profit

2011	2010
£	£

Operating profit is stated after charging

Auditors' remuneration	2,400	4,912
Depreciation	893	893

3. Taxation

2011	2010
£	£

Domestic current year tax

UK corporation tax	1,523	1,411
Prior year adjustment	202	(98)

Current tax charge	1,725	1,313
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Effect of

Profit on ordinary activities before taxation	2,358	1,826
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UK corporation tax of 21% (2010 21%)	495	383
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Factors affecting the tax charge for the year

Effect of

Non deductible expenses	188	188
Dividend on shares classified as a financial liability	840	840
Prior year adjustment	202	(98)

Current tax charge	1,725	1,313
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4. Interest payable and similar charges

2011	2010
£	£

Loan interest	18,327	19,337
Dividend payable	4,000	4,000

22,327	23,337
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COSMOPOLITAN ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2011

5. Fixed assets	Freehold property £	Computer equipment £	Total £
Cost			
At 1 April 2010	1,204,742	4,465	1,209,207
Additions during year	19,502	-	19,502
At 31 March 2011	<u>1,224,244</u>	<u>4,465</u>	<u>1,228,709</u>
Depreciation			
At 1 April 2010	-	893	893
Charge for year	-	893	893
At 31 March 2011	<u>-</u>	<u>1,786</u>	<u>1,786</u>
Net book value			
At 31 March 2011	<u>1,224,244</u>	<u>2,679</u>	<u>1,226,923</u>
At 31 March 2010	<u>1,204,742</u>	<u>3,572</u>	<u>1,208,314</u>

6. Debtors	2011 £	2010 £
Trade debtors	98,376	112,447
Other debtors	56,984	51,605
	<u>155,360</u>	<u>164,052</u>

7 Creditors. amounts falling due within one year	2011 £	2010 £
Trade creditors	-	885
Corporation tax	1,523	1,411
VAT	-	687
Accruals and deferred income	2,400	2,350
Other creditors	11,526	11,565
Amounts due from group undertakings	1,397,835	1,365,234
	<u>1,413,284</u>	<u>1,382,132</u>

COSMOPOLITAN ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2011

8. Creditors' amounts falling due after more than one year	2011 £	2010 £
Ordinary shares classified as financial liabilities	49,999	49,999
	<u>49,999</u>	<u>49,999</u>

Ordinary shares classified as financial liabilities:

Due in more than five years	<u>49,999</u>	<u>49,999</u>
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The "B" £1 ordinary shares do not have any voting rights unless the company is in arrears with the "B" dividend

The "B" shareholders are entitled to a dividend of 8% on the nominal value of the "B" share capital
The assets on winding up are limited for the "B" shareholders

"B" shareholders can require the shares to be redeemed after 1 April 2018. The company is under an obligation to redeem all shares by 1 April 2028

9. Share capital	2011 £	2010 £
Authorised		
1 "A" ordinary share of £1	<u>1</u>	<u>1</u>
Allotted, called up and fully paid		
1 "A" ordinary share of £1	<u>1</u>	<u>1</u>

10. Statement of movement on profit and loss account	2011 £	2010 £
Balance at 1 April	16,250	15,737
Profit for the year	634	513
	<u>16,884</u>	<u>16,250</u>
Balance at 31 March		

11 Reconciliation of movements in shareholders' funds	2011 £	2010 £
Profit for the financial year	634	513
Opening shareholders' funds	16,251	15,738
	<u>16,885</u>	<u>16,251</u>
Closing shareholders' funds		

COSMOPOLITAN ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2011

12. Control

The ultimate parent company is Cosmopolitan Housing Group Limited, a company incorporated in Great Britain and registered in England and in Wales

13. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company

14. Pension and Directors remuneration

The company participates in the Cosmopolitan Housing Group defined benefit pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Cosmopolitan Enterprises Limited is not liable for any deficit/surplus on the scheme.

The Directors of the company did not receive any remuneration during the year.

15. Contingent Liabilities

At present, the company is in a joint venture agreement with White Property Services Limited, regarding the ownership of the property at Cathedral Point. There is potential liability if the property is sold but it is not currently the intention of the directors to sell this property. This liability is approximately £336,000 at the date the accounts are signed.