

Cosmopolitan Enterprises Limited
Report and Financial Statements
31 March 2010

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Cosmopolitan Enterprises Limited

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Cosmopolitan Enterprises Limited
ADMINISTRATIVE INFORMATION
For the year ended 31st March 2010

DIRECTORS

Chairman Mr N G White

Directors 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 Business Development Director Mr D Griffiths

AUDITORS

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

INTERNAL AUDITORS

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

BANKERS

Bank of Ireland, 20 Chapel Street, Liverpool L3 9AG
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 M2 5HD
HJ Walker Sibia, 603/614 Cotton Exchange, Old Hall Street, Liverpool L3 9LQ
Hill Dickinson, No 1 St Pauls Square, Liverpool L3 9SJ

CORPORATE INFORMATION

Company number 04806841

Registered Office Cosmopolitan House, 2 Marybone, Liverpool, L3 2BY

Cosmopolitan Enterprises Limited

DIRECTORS' REPORT

For the year ended 31st March 2010

The Directors present their annual report and audited accounts for the year ended 31 March 2010

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 2. 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 £89,000 (2009 £35,000), 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 project at Cubitt House has been completed and the residential units are now all let.

The company's other projects were deferred due to the impact of the "credit crunch", however, as the economy is beginning to move into a recovery phase with both the volume of property sales and sales values increasing the time is ripe to begin preparatory work ready to bring these schemes forward with a view to committing them for development when market recovery is deemed to be robust enough to ensure their success.

Site assembly and pre-planning design and costing works are currently underway for the Lodge Lane infill and Grafton Street Schemes.

The Lodge Lane Baths site is currently on hold as the original proposals proved unfundable. A decision on funding for this project is not expected until Spring 2011.

The commitment of an end user is still sought to enable the St Michael's, Huyton day centre for People with Autism to move forward, again the delay is due to the credit crunch.

The company will be taking a central role in a significant development at the sites of Southport and Ormskirk District General Hospitals, where it will act as development agent for a JVco to deliver 226 units in a mix of student, key worker, rented, supported and outright sale units for CHA, CSH and the open market.

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 (CONT'D)
For the year ended 31st March 2010

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

- a) there is no relevant audit information of which the Company's auditors are unaware, and
- b) 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. 11 August 2010

Cosmopolitan Enterprises Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COSMOPOLITAN ENTERPRISES LIMITED

For the year ended 31st March 2010

We have audited the financial statements of Cosmopolitan Enterprises Limited for the year ended 31 March 2010 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 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 the 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 Ethical Standards for Auditors.

Scope of the audit

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 profit for the period 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.

Cosmopolitan Enterprises Limited

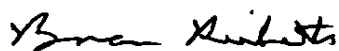
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COSMOPOLITAN ENTERPRISES LIMITED

For the year ended 31st March 2010

Opinion

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you, if 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 and the directors' report in accordance
- with the small companies regime



Brian Ricketts Senior Statutory auditor

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

Liverpool, UK

Date. 17 September 2010.

Cosmopolitan Enterprises Limited
PROFIT AND LOSS ACCOUNT
For the year ended 31st March 2010

	Note	2010 £	2009 £
Turnover	1	185,000	60,517
Cost of sales		-	-
Gross profit		<u>185,000</u>	<u>60,517</u>
Administrative expenses		(159,837)	(56,081)
Operating profit	2	<u>25,163</u>	<u>4,436</u>
Interest receivable and other income		-	48
Interest payable and similar charges	4	(23,337)	(4,000)
Profit on ordinary activities before taxation		<u>1,826</u>	<u>484</u>
Tax on ordinary activities	3	(1,313)	(106)
Profit for the year		<u>513</u>	<u>378</u>

There are no recognised gains and 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 31st March 2010**

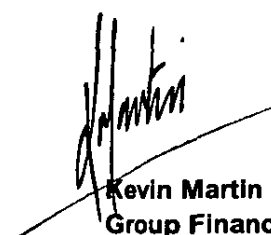
Company number 04806841

	Note	2010 £	2009 £
Fixed Assets			
Tangible fixed assets	5	1,208,314	4,465
		<u>1,208,314</u>	<u>4,465</u>
Current assets			
Stock and work in progress		-	1,184,603
Debtors	6	164,052	100,443
Cash at bank and short term deposits		76,016	32,412
		<u>240,068</u>	<u>1,317,458</u>
Creditors amounts falling due within one year	7	(1,382,132)	(1,256,186)
Total assets less current liabilities		<u>66,250</u>	<u>65,737</u>
Creditors amount falling due after more than one year	8	(49,999)	(49,999)
Net assets		<u>16,251</u>	<u>15,738</u>
Capital and reserves			
Share capital	9	1	1
Profit and loss reserves	10	16,250	15,737
Shareholders' funds	11	<u>16,251</u>	<u>15,738</u>

These financial statements 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 11 August 2010 and were signed on its behalf by



N G White
Chairman



Kevin Martin
Group Finance Director

Cosmopolitan Enterprises Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st March 2010

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 either on a straight line or reducing balance basis over the expected useful lives of the assets at the following annual rates -

Housing properties, houses	1%	Straight line
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Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

Cost includes those incurred in the normal course of business of bringing properties to its present location and condition

Net realisable value of stock is implicitly the actual or estimated selling price less further costs to be incurred in marketing, selling and distribution

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
For the year ended 31st March 2010

2. Operating profit

2010	2009
£	£

Operating profit is stated after charging

Auditors' remuneration	4,912	2,220
Depreciation	893	-

3. Taxation

2010	2009
£	£

Domestic current year tax

UK corporation tax	1,411	102
Prior year adjustment	(98)	4

Current tax charge

1,313	106
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Effect of

Profit on ordinary activities before taxation	1,826	484
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UK Corporation tax of 21% (2009 21%)

383	102
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Factors affecting the tax charge for the year

Effect of

Non deductible expenses	188	-
Capital allowances	-	(938)
Dividend on shares classified as a financial liability	840	840
Sundry movement	-	98
Prior year adjustment	(98)	4

Current tax charge

1,313	106
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4. Interest payable and similar charges

2010	2009
£	£

Loan interest	19,337	-
Dividend payable	4,000	4,000

23,337	4,000
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Cosmopolitan Enterprises Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st March 2010

5. Fixed Assets

	Freehold Property £	Computer equipment £	Total £
Cost			
At 1 April 2009	-	4,465	4,465
Transfers during year	1,204,742	-	1,204,742
At 31 March 2010	1,204,742	4,465	1,209,207
Depreciation			
At 1 April 2009	-	-	-
Charge for year	-	893	893
At 31 March 2010	-	893	893
Net book value			
At 31 March 2010	1,204,742	3,572	1,208,314
At 31 March 2009	-	4,465	4,465

6. Debtors

	2010 £	2009 £
Trade debtors	112,447	63,388
Other debtors	51,605	37,055
	164,052	100,443

7. Creditors: amounts falling due within one year

	2010 £	2009 £
Trade creditors	885	6,925
Corporation tax	1,411	102
VAT	687	15,210
Dividend on shares classified as a financial liability	4,000	14,000
Accruals and deferred income	2,350	-
Other creditors	11,565	-
Amounts due from group undertakings	1,361,234	1,219,949
	1,382,132	1,256,186

Cosmopolitan Enterprises Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st March 2010

8. Creditors: amounts falling due after more than one year

	2010	2009
	£	£
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>

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

	2010	2009
	£	£
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 & Loss account

	2010	2009
	£	£
Balance at 1 April	15,737	15,359
Profit for the year	513	378
	<u>16,250</u>	<u>15,737</u>
Balance at 31 March		

11. Reconciliation of movements in shareholders' funds

	2010	2009
	£	£
Profit for the financial year	513	378
Opening shareholders' funds	15,738	15,360
	<u>16,251</u>	<u>15,738</u>
Closing shareholders' funds		

Cosmopolitan Enterprises Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st March 2010

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 costs

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.

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.