

Registered number 04925160

# **CHELSEA HARBOUR FINANCE ONE LIMITED**

## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2011**

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## **CHELSEA HARBOUR FINANCE ONE LIMITED**

### **COMPANY INFORMATION**

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<b>Directors</b>	T S Cole S R Collins M N Steinberg
<b>Company secretary</b>	R J De Barr
<b>Company number</b>	04925160
<b>Registered office</b>	C2-3 The Chambers Chelsea Harbour London SW10 0XF
<b>Auditors</b>	haysmacintyre Fairfax House 15 Fulwood Place London WC1V 6AY

## **CHELSEA HARBOUR FINANCE ONE LIMITED**

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## **CHELSEA HARBOUR FINANCE ONE LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2011**

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The directors present their report and the financial statements for the year ended 31 March 2011

#### **Directors' responsibilities statement**

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 judgments 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.

#### **Principal activities**

The principal activity of the company during the year was the provision of finance for property investment.

#### **Business review**

The directors consider the results for the year to be satisfactory given current market conditions.

#### **Results**

The profit for the year, after taxation, amounted to £NIL (2010 - £NIL).

#### **Directors**

The directors who served during the year were

T S Cole  
S R Collins  
M N Steinberg

**CHELSEA HARBOUR FINANCE ONE LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2011**

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**Provision of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

**Auditors**

Under section 487(2) of the Companies Act 2006, haysmacintyre will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved by the board on 29 March 2012 and signed on its behalf



.....  
**R J De Barr**  
Secretary

## **CHELSEA HARBOUR FINANCE ONE LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHELSEA HARBOUR FINANCE ONE LIMITED**

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We have audited the financial statements of Chelsea Harbour Finance One Limited for the year ended 31 March 2011, set out on pages 5 to 9. 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 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 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 Directors' Report 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 results 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.

**CHELSEA HARBOUR FINANCE ONE LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHELSEA HARBOUR FINANCE ONE LIMITED**

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**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



David Riley (Senior statutory auditor)

for and on behalf of  
**haysmacintyre**

Statutory Auditors

Fairfax House  
15 Fulwood Place  
London  
WC1V 6AY

29 March 2012

**CHELSEA HARBOUR FINANCE ONE LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2011**

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	Note	2011 £	2010 £
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		-	-
Tax on profit on ordinary activities		-	-
		<hr/>	<hr/>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	7	<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and Loss Account

The notes on pages 7 to 9 form part of these financial statements




**CHELSEA HARBOUR FINANCE ONE LIMITED**  
**REGISTERED NUMBER: 04925160**

**BALANCE SHEET**  
**AS AT 31 MARCH 2011**

	Note	£	2011 £	£	2010 £
<b>FIXED ASSETS</b>					
Investments	4		72,522,067		72,522,067
<b>CREDITORS: amounts falling due within one year</b>	5		(87,475)		(87,475)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>72,434,592</u>		<u>72,434,592</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	6		67,502,998		67,502,998
Share premium account	7		4,725,209		4,725,209
Profit and loss account	7		206,385		206,385
<b>SHAREHOLDERS' FUNDS</b>	8		<u>72,434,592</u>		<u>72,434,592</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by

  
.....  
**S R Collins**  
Director

Date 29 March 2012

The notes on pages 7 to 9 form part of these financial statements

## CHELSEA HARBOUR FINANCE ONE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

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

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

##### 1.2 Going concern

As referred to in note 9 the financing arrangements of the company have been the subject of enquiries by HM Revenue & Customs, with a potential liability of £1,966,218 payable. Whilst a decision has ruled in favour of HM Revenue & Customs the directors are confident of winning an appeal lodged at the Upper Tier Tribunal. It is on this basis that it is deemed appropriate that these accounts are prepared on a going concern basis.

##### 1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

##### 1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

#### 2. PROFIT

#### 3. STAFF COSTS

The company has no employees other than the directors, who did not receive any remuneration (2010 - £NIL).

#### 4. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 April 2010 and 31 March 2011	72,522,067
<b>Net book value</b>	
At 31 March 2011	72,522,067
At 31 March 2010	72,522,067

## CHELSEA HARBOUR FINANCE ONE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

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#### 4. FIXED ASSET INVESTMENTS (continued)

##### Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
Chelsea Harbour Finance Two Limited	Ordinary £1 shares	100%

#### 5. CREDITORS: Amounts falling due within one year

	2011 £	2010 £
Amounts owed to group undertakings	<u>87,475</u>	<u>87,475</u>

#### 6. SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid		
67,502,998 Ordinary shares of £1 each	<u>67,502,998</u>	<u>67,502,998</u>

#### 7. RESERVES

	Share premium account £	Profit and loss account £
At 1 April 2010 and 31 March 2011	<u>4,725,209</u>	<u>206,385</u>

#### 8. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Shareholders' funds at 1 April 2010 and 31 March 2011	<u>72,434,592</u>	<u>72,434,592</u>

## **CHELSEA HARBOUR FINANCE ONE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011**

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#### **9. CONTINGENT LIABILITIES**

The financing arrangements adopted by the company have been the subject of enquiries by HM Revenue & Customs. These have now been completed and the level of taxable profits of the company for the year ended 31 March 2004 and 31 March 2005 is disputed. The amount of Corporation tax and interest on overdue tax payable should HM Revenue and Customs be successful in their contentions is £1,966,218.

A decision on a similar case by the First Tier Tribunal on the 21 December 2011 found in favour of HM Revenue & Customs, but the directors have taken further legal advice on this matter and will appeal against the decision. Furthermore they are confident that the appeal will be successful and it is on this basis they continue to consider that no liability should arise.

#### **10. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption under Section 3c of Financial Reporting Standard No 8 'Related Party Disclosures' (FRS 8) and has not disclosed any intra group related party transactions.

#### **11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

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, CF13 3UZ. The company is ultimately controlled by the directors.