

Chelsea Harbour Finance One Limited

**Directors' report and financial
statements**

Registered number 04925160

31 March 2010

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2010

Principal activities

The principal activity of the company during the year was the provision of finance for property investment. During the year the company did not enter into any property related transactions.

Proposed dividend

The directors do not recommend the payment of a dividend.

Directors

The directors who held office during the year were as follows:

T Cole
S Collins
M Steinberg

Statement of directors' responsibilities

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 accounting 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 proper accounting records which 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.

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.

Auditors

The auditors, haysmacintyre, will be proposed for re-appointment in accordance with s485 of the Companies Act 2006

By order of the board

A handwritten signature in black ink, appearing to be 'M Steinberg', with a long horizontal flourish extending to the right.

Mark Steinberg
Director

29 July 2010

C2-C3 The Chambers
Chelsea Harbour
London
SW10 0XF

Independent Auditors' report to the members of Chelsea Harbour Finance One Limited

We have audited the financial statements of Chelsea Harbour Finance One Limited for the year ended 31 March 2010 which comprise 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 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 31 March 2010,
- 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.

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 Cox (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditor

29 July 2010

Fairfax House
15 Fulwood Place
London
WC1V 6AY

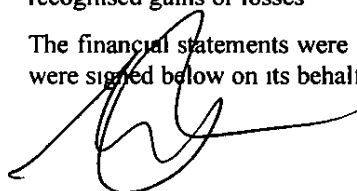
Balance sheet
At 31 March 2010

Company number: 04925160

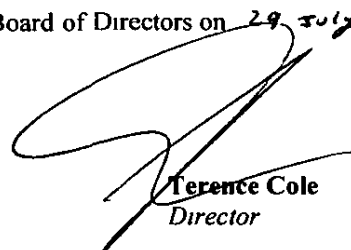
	<i>Note</i>	2010 £000	2009 £000
Fixed assets			
Investments	3	<u>72,522</u>	<u>72,522</u>
Creditors: amounts falling due within one year	4	<u>(88)</u>	<u>(88)</u>
Net current liabilities		(88)	(88)
Net assets		<u>72,434</u>	<u>72,434</u>
Capital and reserves			
Called up share capital	5	67,503	67,503
Share premium	6	4,725	4,725
Profit and loss account	7	<u>206</u>	<u>206</u>
Equity shareholders' funds		<u>72,434</u>	<u>72,434</u>

During the financial year the Company did not trade and received no income and incurred no expenditure. Consequently during the period the Company made neither a profit nor a loss. The Company had no other recognised gains or losses.

The financial statements were approved and authorised for issue by the Board of Directors on 29 July 2010 and were signed below on its behalf by



Mark Steinberg
Director



Terence Cole
Director

The notes on page 5 to 6 form part of these financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

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

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that the parent undertaking City & General Securities Limited includes the company in its own published consolidated financial statements

Fixed asset investments

Investments are stated at cost less provisions for impairment

2 Staff numbers and costs

The company had no employees during the year The directors received no emoluments or company pension contributions during the year

3 Fixed asset investments

	2010 £000	2009 £000
<i>Investments at cost</i>		
Chelsea Harbour Finance Two Limited, 72,522,067 Ordinary £1 shares	72,522	72,522
	<hr/>	<hr/>

The company holds 100% of the Ordinary £1 share capital of Chelsea Harbour Finance Two Limited, which is a company registered in England and Wales and whose principal activity is the provision of finance for property investment

4 Creditors amounts falling due within one year

Amount due to group undertaking	88	88
	<hr/>	<hr/>

5 Called up share capital

<i>Issued, allotted, called up and fully paid</i>		
67,502,998 Ordinary shares of £1 each	67,503	67,503
	<hr/>	<hr/>

Notes

(forming part of the financial statements)

6 Share premium

	2010 £000	2009 £000
At beginning and end of year	4,725	4,725

7 Profit and loss account

At beginning of year and end of year	206	206
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8 Contingent liabilities

The financing arrangements adopted by the company have been the subject of enquiries by HM Revenue & Customs. These enquiries have now been completed and the level of taxable profits of the company for the years ended 31 March 2004 to 2005 is disputed. The amount of corporation tax and interest on overdue tax payable should HM Revenue & Customs be successful in their contentions is £1,884,210 (2009 £1,084,000) at 31 March 2010. The directors have taken advice on this matter and consider that no liability should arise.

9 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 of City and General Securities Limited.