

Registered number: 07662944

CHEL (NO. 1) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

CHEL (NO. 1) LIMITED

COMPANY INFORMATION

Directors	T S Cole S R Collins A J Pettit M N Steinberg
Registered number	07662944
Registered office	319 Harbour Yard Chelsea Harbour London SW10 0XD
Independent auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

CONTENTS

	Page
Strategic Report	1
Directors' Report	2 - 3
Independent Auditors' Report	4 - 5
Statement of Comprehensive Income	6
Balance Sheet	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8 - 10

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

Business review

During the year the company has continued to hold all the issued share capital of CHEL (No. 2) Limited.

Principal risks and uncertainties

The company acts as an intermediate holding company. The group's principal activities are property investment and development, through its ownership of Chelsea Harbour, a mixed development of commercial and residential units from which the group enjoys rental income.

As an intermediate holding company the Directors do not consider there to be any risks and uncertainties which apply to the company aside from those which affect the group as a whole. Those risks are considered to be: Finance and cash flow risk, Property value risks, Tenant credit risk and occupancy levels and Third party risk. These risks are considered further in the Strategic Report contained within the Group Financial Statements of Chelsea Harbour Estates Limited.

Financial key performance indicators

The company acts as an intermediate holding company and does not trade in its own right. The directors do not consider it to have any key performance indicators. The KPIs which are relevant to the group are considered in the Group Financial Statements of the company's subsidiary undertaking, Chelsea Harbour Estates Limited.

This report was approved by the board on 30 September 2020 and signed on its behalf.

M N Steinberg
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

The directors present their report and the financial statements for the year ended 30 September 2019.

Directors

The directors who served during the year were:

T S Cole
S R Collins
A J Pettit
M N Steinberg

Going concern

The worldwide outbreak of the COVID 19 virus represents a significant event since the end of the financial period. In light of the impact of the virus upon supply chain and tenant stability, the Group has reviewed its cash flow forecasts and considered the impact on going concern, concluding that the going concern basis remains as appropriate basis of preparation for these financial statements given the likely cashflow impact of operations 12 months from the date of signing this report.

Post balance sheet events

The COVID 19 pandemic in the first quarter of 2020 has severely impacted markets and day to day working. COVID 19 is considered to be a non adjusting post balance sheet event for the purpose of these financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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.

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 to 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.

Disclosure 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 the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

CHEL (NO. 1) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

Auditors

The auditors, Haysmacintyre LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 30 September 2020 and signed on its behalf.

M N Steinberg
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF CHEL (NO. 1) LIMITED

Opinion

We have audited the financial statements of Chel (No. 1) Limited (the 'Company') for the year ended 30 September 2019, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2019 and of its result 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF CHEL (NO. 1) LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

David Cox (Senior Statutory Auditor)
for and on behalf of
Haysmacintyre LLP
Statutory Auditors

30 September 2020

CHEL (NO. 1) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

The Company has not traded during the year or the preceding financial year. During these periods, the Company received no income and incurred no expenditure and therefore made neither profit or loss.

**BALANCE SHEET
AS AT 30 SEPTEMBER 2019**

	Note	2019 £000	2018 £000
Fixed assets			
Investments	5	10	10
		<u>10</u>	<u>10</u>
Total assets less current liabilities		10	10
		<u>10</u>	<u>10</u>
Net assets		<u>10</u>	<u>10</u>
Capital and reserves			
Called up share capital	6	10	10
		<u>10</u>	<u>10</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2020.

M N Steinberg
Director

T S Cole
Director

The notes on pages 8 to 10 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Called up share capital £000	Total equity £000
At 1 October 2017	10	10
At 1 October 2018	10	10
At 30 September 2019	10	10

The notes on pages 8 to 10 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

1. General information

The company is a private limited company registered in England and Wales with the registered number 07662944 and registered office 319 Harbour Yard Chelsea Harbour, London, SW10 0XD. The company's principal activity is property investment and development via its wholly owned subsidiaries.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

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.

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of CHEL (Shares) LLP as at 30 September 2019 and these financial statements may be obtained from Companies House.

2.3 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The company's operations do not currently require management to make any material judgements, estimates or assumptions.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

4. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
	<u>4</u>	<u>4</u>
Directors		

5. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 October 2018	10
At 30 September 2019	<u>10</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
CHEL (No.2) Limited		100
	Ordinary	%
CHEL (No.3) Limited*		100
	Ordinary	%
Chelsea Harbour Estates Limited*		100
	Ordinary	%
Chelsea Harbour Limited*		100
	Ordinary	%
Chelsea Harbour Property Management Limited*		100
	Ordinary	%
Creative Hat Limited*		100
	Ordinary	%

* - Denotes indirectly held. The company's subsidiaries share the registered office of 319 Harbour Yard Chelsea Harbour,
London, SW10 0XD.

6. Share capital

	2019 £000	2018 £000
Allotted, called up and fully paid		
10,000 (2018 - 10,000) Ordinary shares of £1.00 each	<u>10</u>	<u>10</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

7. Controlling party

The company's parent undertaking is CHEL (Shares) LLP, an entity registered in England and Wales which is the largest entity which prepares consolidated financial statements into which this company is consolidated.

The directors do not consider there to be a controlling party.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.