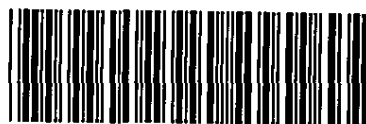


COMPCO HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010
Company Number: SC037323

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COMPCO HOLDINGS LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2010

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COMPCO HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2010

The directors present their report and the accounts for the year ended 31 March 2010.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

During the year the company continued its principal activity of holding and managing investments in subsidiary companies involved in property investment and trading.

The company's principal source of income is dividends receivable from subsidiaries. The directors consider that the investments performed satisfactorily during the year and that the costs of administration were reasonable in relation to the scale of the group's activities.

The principal risks facing a business such as that of the company are seen as:

- (i) a rise in vacancy levels in the investment properties held by subsidiaries: during the year there was a significant reduction in vacancy levels.
- (ii) a rise in interest rates: the group of which the company forms part has taken out a significant level of protection against interest rate increases.
- (iii) a fall in value of the commercial properties held by its subsidiary undertakings.
- (iv) a finance risk: the group is dependent on bank loan funding.

RESULTS FOR THE YEAR

The loss for the year after taxation was £29,394,000 (2009: loss of £5,763,000).

DIVIDENDS

No interim dividend was paid during the year (2009: £Nil). The directors do not recommend the payment of a final dividend (2009: £Nil).

POST BALANCE SHEET EVENTS

On 26 August 2010 as part of a restructure, the Company disposed of 90% of the issued share capital of a subsidiary, Chelsea Harbour Estates Limited, parent company of Chelsea Harbour Limited, to certain shareholders for an aggregate consideration of £500,000, an amount approximately equivalent to the net assets disposed of.

On 23 December 2010 the Company disposed of the remaining 10% of the shares for a nominal immediate consideration but with a right to receive (broadly) 10% of the proceeds of any onward sale by the purchasers of substantially the whole of Chelsea Harbour Estates Limited or its business.

The consolidated balance sheet of City & General Securities Limited at 31 March 2010 included investment properties at a valuation of £126.6m and bank loans due after more than one year of £122.5m in respect of the companies disposed of in this transaction.

DIRECTORS

The directors of the company during the year were:

T S Cole
S R Collins
Sir Christopher Howes
M N Steinberg
B S Anderson

(Resigned 19 February 2010)

COMPCO HOLDINGS LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2010

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 company 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 those accounts, 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 accounts 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 principles 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.

BY ORDER OF THE BOARD ON 24 March 2011



R J De Barr
Secretary

Registered office:
Level 4, Saltire Court,
20 Castle Terrace,
Edinburgh

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COMPCO HOLDINGS LIMITED

We have audited the accounts of Compco Holdings Limited for the year ended 31 March 2010 which comprise of the Profit and Loss Account, the Balance Sheet, and the related notes. These accounts have been prepared under the accounting policies set out therein. 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 Section 495 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 pages 1 and 2, 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 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.

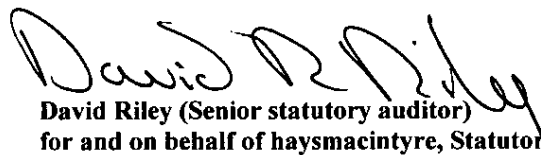
Opinion on other matter prescribed by the Companies Act 2006

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.

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 Auditor

Fairfax House
15 Fulwood Place
London
WC1V 6AY

24/03/11

COMPCO HOLDINGS LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2010**

	Note	2010 £'000	2009 £'000
TURNOVER		-	-
Cost of sales		-	-
GROSS LOSS		-	-
Administrative expenses		(1,446)	(2,121)
Other operating income	2	84	-
Impairment on investments		(29,693)	-
OPERATING LOSS	3	(31,055)	(2,121)
Interest receivable	6	70	35
Interest payable	7	(2,678)	(3,677)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(33,663)	(5,763)
Taxation on loss on ordinary activities	8	4,269	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>£(29,394)</u>	<u>£(5,763)</u>

All income and expenditure are derived from continuing activities.

COMPCO HOLDINGS LIMITED

OTHER PRIMARY STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES	2010 £'000	2009 £'000
RETAINED LOSS FOR THE FINANCIAL YEAR	(29,394)	(5,763)
Unrealised deficit on revaluation of investments	(107,205)	(21,631)
TOTAL RECOGNISED LOSSES FOR THE YEAR	<u>£(136,599)</u>	<u>£(27,394)</u>

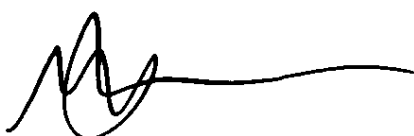
COMPCO HOLDINGS LIMITED

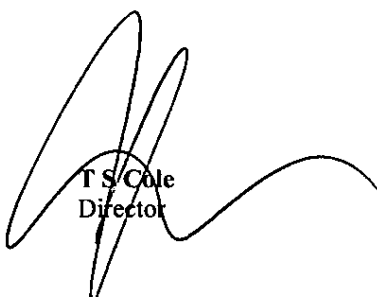
BALANCE SHEET

AS AT 31 MARCH 2010

	Note	2010 £'000	2009 £'000
FIXED ASSETS			
Tangible assets	9	25	40
Investments	10	16,038	152,936
		<u>16,063</u>	<u>152,976</u>
CURRENT ASSETS			
Debtors	11	253,796	258,225
Cash at bank and in hand		5	54
		<u>253,801</u>	<u>258,279</u>
CREDITORS: amounts falling due within one year	12	<u>(263,792)</u>	<u>(268,584)</u>
NET CURRENT LIABILITIES		<u>(9,991)</u>	<u>(10,305)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>£6,072</u></u>	<u><u>£142,671</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	7,475	7,475
Share premium account	14	38,719	38,719
Revaluation reserve	14	-	107,205
Profit and loss account	14	(40,122)	(10,728)
SHAREHOLDERS' FUNDS	15	<u><u>£6,072</u></u>	<u><u>£142,671</u></u>

The financial statements were approved and authorised for issue by the Board of Directors on 24 March 2011 and signed below on its behalf by:


M N Steinberg
 Director


T S Cole
 Director

COMPCO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

1. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties, and in accordance with applicable accounting standards.

b) Basis of consolidation

The directors have taken the exemption available under Section 400 of the Companies Act 2006 and have not prepared consolidated accounts on the grounds that the company is itself a subsidiary company (see note 16).

c) Cash Flow Statement

As permitted by Financial Reporting Standard No 1 'Cash Flow Statements' (FRS 1), no cash flow statement has been prepared since that information is adequately reflected in the group cash flow statement included in the accounts of the parent company during the year, City and General Securities Limited.

d) Rental income

Rents are accounted for on a receivable basis, all rental income arose in the United Kingdom.

e) Property expenses

Expenditure on properties is charged to cost of sales as incurred.

f) Interest charges

Interest is charged to the profit and loss account as incurred.

g) Finance issue costs

Finance issue costs are amortised over the life of the associated loans under the classification of interest charges.

h) Other tangible fixed assets and depreciation

Tangible fixed assets are stated at costs or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Other fixtures and fittings 15% straight line

i) Investments

Investments in subsidiaries are stated on the basis of the net asset value to the parent company.

j) Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance date.

k) Dividends

Final dividends payable by the Company are recorded as a liability following a dividend declaration by the Board. Interim dividends are recognised when paid.

l) Operating leases

Operating lease costs are charged to the profit and loss account as incurred.

COMPCO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2010

2. OTHER OPERATING INCOME	2010	2009
	£'000	£'000
Other income	£84	£ -
	<u> </u>	<u> </u>
3. OPERATING LOSS	2010	2009
	£'000	£'000
The operating loss is stated after charging:		
Operating lease rentals - land and buildings	37	37
Depreciation of owned assets	15	14
Auditor's remuneration	-	-
	<u> </u>	<u> </u>
4. STAFF COSTS	2010	2009
	£'000	£'000
Wages and salaries (including directors)	387	1,013
Social security costs	67	125
Other pension costs	22	37
	<u> </u>	<u> </u>
	<u>£476</u>	<u>£1,175</u>

The average number of full time persons employed (including executive directors) during the year, analysed by category, was as follows:

	Number of Employees	
	2010	2009
Property investment and trading	4	7
	<u> </u>	<u> </u>

5. DIRECTORS' EMOLUMENTS	2010	2009
	£'000	£'000
Fees	£4	£ -
	<u> </u>	<u> </u>
Emoluments in respect of the highest paid director are:	£4	£ -
	<u> </u>	<u> </u>
No pension contributions are made in respect of Directors (2009: £Nil).		
6. INTEREST RECEIVABLE	2010	2009
	£'000	£'000
Bank interest	£70	£35
	<u> </u>	<u> </u>

COMPCO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2010

7. INTEREST PAYABLE	2010 £'000	2009 £'000
Interest payable to group undertaking	2,676	3,674
On bank loans and overdrafts	2	3
	<u>£2,678</u>	<u>£3,677</u>
8. TAXATION	2010 £'000	2009 £'000
(a) Analysis of credit for year		
Current Tax:		
UK corporation tax credit on profit for the year	791	-
Adjustment in respect of prior years	3,478	-
	<u>4,269</u>	<u>-</u>
Deferred Tax:		
Origination and reversal of timing differences	-	-
	<u>-</u>	<u>-</u>
Tax credit on profit on ordinary activities	<u>£4,269</u>	<u>£ -</u>
(b) Factors affecting tax credit for year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK.		
The differences are explained below:		
Loss on ordinary activities before tax	<u>£(33,663)</u>	<u>£(5,763)</u>
Loss on ordinary activities multiplied by the standard rate of Corporation tax in the UK of 28% (2009: 28%)	(9,426)	(1,614)
Effects of:		
Expenses not deductible for tax purposes	8,317	2
Capital allowances less than depreciation	3	3
Losses brought forward utilised	315	1,612
Tax credit to group companies no longer payable due to change in earlier years group relief claim	(3,478)	-
Other timing differences	-	(3)
	<u>-</u>	<u>-</u>
Current tax credit for year	<u>£(4,269)</u>	<u>£ -</u>

COMPCO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2010

9. TANGIBLE FIXED ASSETS	Fixtures & fittings £'000
Cost	
At 1 April 2009 and 31 March 2010	107
Depreciation	
At 1 April 2009	67
Charge for year	15
At 31 March 2010	82
Net book value	
At 31 March 2010	£25
At 31 March 2009	£40
10. INVESTMENTS	Investment in Subsidiary Undertakings £'000
At 1 April 2009	152,936
Deficit on revaluation	(107,205)
Impairment	(29,693)
At 31 March 2010	£16,038
The deficit on revaluation includes the share of profits/(losses) recognised in the financial statements of the company's subsidiary undertakings for the year.	
On the historical cost basis investments would be included at:	£'000
Cost as at 1 April 2009	45,731
Impairment	(29,693)
Cost as at 31 March 2010	£16,038

COMPCO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2010

10. INVESTMENTS (continued)

Principal investments

The Company has investments in the following subsidiary undertakings, all of which are registered in England and Wales. To avoid a statement of excessive length, details of insignificant investments have been omitted.

	Principal activity	Holding	%
Cadogan Properties Limited *	Investment	Ordinary 50p shares	100
Chelsea Harbour Limited*	Property investment and development	Ordinary £1 shares	100
Compco Camden Limited	Property investment	Ordinary £1 shares	100
Haigside Limited	Property dealing and investment	Ordinary 10p shares	100
Seymour Development Limited	Property investment	Ordinary £1 shares 6% non-cumulative £1 preference shares	100
Terrington Properties Limited	Investment	Ordinary £1 shares	100
Design Centre Personal Shopping Limited	Personal shopping	Ordinary £1 shares	100
Creative Hat Limited*	Organisation of events	Ordinary £1 shares	100
Frenson *	Property trading	Unincorporated	75
Arthouse Square Limited *	Property investment	Ordinary £1 shares	75
Concert Steps Limited *	Property investment	Ordinary £1 shares	75
Chelsea Harbour Estates Limited	Property investment	Ordinary £1 shares	100
Chelsea Harbour Developments Limited	Property investment	Ordinary £1 shares	100

* Not held directly by Compco Holdings Limited.

11. DEBTORS

	2010 £'000	2009 £'000
Due within one year:		
Amounts owed by subsidiary companies	253,782	255,938
Other debtors	3	3
Prepayments and accrued income	11	12
Corporation tax	-	2,272
	<u>£253,796</u>	<u>£258,225</u>

COMPCO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2010

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2010 £'000	2009 £'000
Other taxation and social security	62	43
Other creditors	8	63
Amounts owed to subsidiary companies	263,720	268,476
Accruals and deferred income	2	2
	<u>£263,792</u>	<u>£268,584</u>
13. SHARE CAPITAL	2010 £'000	2009 £'000
Allotted, issued and fully paid: 37,376,123 (2009: 37,376,123) Ordinary shares of 20p each	<u>£7,475</u>	<u>£7,475</u>
14. RESERVES		2010 £'000
(a) Share premium account: At 1 April 2009 and at 31 March 2010		<u>£38,719</u>
(b) Revaluation reserve: At 1 April 2009 Deficit on revaluation of investments		107,205 (107,205)
As at 31 March 2010		<u>£ -</u>
(c) Profit and loss account: At 1 April 2009 Loss for the year		(10,728) (29,394)
At 31 March 2010		<u>£(40,122)</u>
15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2010 £'000	2009 £'000
Loss for the financial year	(29,394)	(5,763)
Deficit on revaluation of investments	(107,205)	(21,631)
Net decrease in shareholders funds	(136,599)	(27,394)
Opening shareholders' funds	142,671	170,065
Closing shareholders' funds	<u>£6,072</u>	<u>£142,671</u>

16. 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.

COMPCO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2010

17. CONTINGENT LIABILITIES

There are cross guarantees in respect of bank borrowings of the ultimate parent undertaking. The borrowings are secured by a fixed and floating charge over the property and assets of Compco Holdings Limited. At 31 March 2010 those borrowings amounted to £35,274,439 (2009: £33,224,518).

18. FINANCE COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows:

	Land and Buildings	
	2010 £'000	2009 £'000
Expiry date		
More than five years	<u>£37</u>	<u>£37</u>

19. 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.

20. POST BALANCE SHEET EVENTS

On 26 August 2010 as part of a restructure, the Company disposed of 90% of the issued share capital of a subsidiary, Chelsea Harbour Estates Limited, parent company of Chelsea Harbour Limited, to certain shareholders for an aggregate consideration of £500,000, an amount approximately equivalent to the net assets disposed of.

On 23 December 2010 the Company disposed of the remaining 10% of the shares for a nominal immediate consideration but with a right to receive (broadly) 10% of the proceeds of any onward sale by the purchasers of substantially the whole of Chelsea Harbour Estates Limited or its business.

The consolidated balance sheet of City & General Securities Limited at 31 March 2010 included investment properties at a valuation of £126.6m and bank loans due after more than one year of £122.5m in respect of the companies disposed of in this transaction.