

Registered number: 693661

CHELSEA LAND LIMITED

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2018



CHELSEA LAND LIMITED

31 DECEMBER 2018

CORPORATE INFORMATION

Directors:	H R Seaborn S Patel P M Loutit
Secretary:	P M Loutit
Registered office:	10 Duke of York Square London SW3 4LY United Kingdom
Registered number:	693661
Auditor:	Ernst & Young LLP 1 More London Place London SE1 2AF

CHELSEA LAND LIMITED
REGISTERED NUMBER: 693661

STRATEGIC REPORT

The directors present their strategic report for the year ended 31 December 2018.

REVIEW OF THE BUSINESS

The company is an intermediate holding company and wholly owned subsidiary of Cadogan Group Limited. A review of the company's business is included within the group's consolidated financial statements.

During the year the company recorded a profit attributable to shareholders of £14,720,000 (2017 - £9,263,000).

APPROACH TO RISK MANAGEMENT

The company is a member of a group which is a long term property investor with a focus on high quality property assets located in central London. The group has appropriate policies in place to identify, assess and manage the risks faced by the business. Because of its private ownership and long term outlook the group aims for, and is able to achieve, a high level of resilience in all areas of its business.

A detailed review of the group's approach to dealing with its principal risks and uncertainties is set out in the consolidated financial statements of Cadogan Group Limited.

By order of the board



P M Loutit
Secretary

24 April 2019

CHELSEA LAND LIMITED
REGISTERED NUMBER: 693661

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2018.

PRINCIPAL ACTIVITY

The principal activity of the company continues to be that of an investment holding company.

DIVIDEND

An interim dividend of £14,720,000 (2017 - £9,263,000) was declared and paid during the year.

FUTURE DEVELOPMENTS

The directors do not anticipate any major change in the company's principal activity outlined above in the foreseeable future.

FINANCIAL RISK MANAGEMENT

A summary of approach to risk management has been included in the strategic report.

DIRECTORS

The directors holding office during the financial year and up to the date of this report are listed on page 1 except Mr P M Loutit who was appointed to the board on 31 October 2018 and Mr S Patel who was appointed to the board on 18 March 2019. Mr J G Bentley resigned as a director on 31 October 2018.

The company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in Section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' Report.

GOING CONCERN

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments and derivative activities, and its exposures to price, credit, liquidity and cash flow risk are set out in the strategic report contained in the Cadogan Group Limited consolidated financial statements.

The company has considerable financial resources derived from it being the intermediate holding company whose subsidiaries are holders of established investment property portfolios in prime Central London. As a consequence the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the report and financial statements in accordance with applicable law and regulations.

CHELSEA LAND LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS' RESPONSIBILITIES STATEMENT (continued)

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), including FRS 102.

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 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 THE AUDITOR

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board



P M Loutit
Secretary

24 April 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHELSEA LAND LIMITED

Opinion

We have audited the financial statements of Chelsea Land Limited for the year ended 31 December 2018 which comprise the Income Statement, Statement of Comprehensive Income, Statement of Changes of Equity, Statement of Financial Position and the related notes 1 to 8, 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 FRS 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 company's affairs as at 31 December 2018 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.

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 Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHELSEA LAND LIMITED (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 directors' report have been prepared in accordance with applicable legal requirements.

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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHELSEA LAND LIMITED (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 3 and 4 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.

Auditor's 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 auditor's 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 <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



B Forsyth (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
24 April 2019

CHELSEA LAND LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £'000	2017 £'000
Dividend from subsidiary undertaking		14,720	9,263
PROFIT BEFORE TAXATION	3	14,720	9,263
Tax on profit on ordinary activities	4	-	-
PROFIT AFTER TAXATION		14,720	9,263
		=====	=====

Notes 1 to 8 form an integral part of these financial statements

CHELSEA LAND LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

There was no other comprehensive income during the year and therefore total comprehensive income for the year equals the profit attributable to shareholders of the company of £14,720,000 in the year ended 31 December 2018 and the profit attributable to shareholders of the company of £9,263,000 in the year ended 31 December 2017.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital £'000	Share premium account £'000	Revaluation reserve £'000	Profit and loss account £'000	Shareholders' equity £'000
At 1 January 2017	5,000	1,544	129,500	4,901	140,945
Profit for year	-	-	-	9,263	9,263
Total comprehensive income for the year	-	-	-	9,263	9,263
Equity dividends paid	-	-	-	(9,263)	(9,263)
At 31 December 2017	5,000	1,544	129,500	4,901	140,945
At 1 January 2018	5,000	1,544	129,500	4,901	140,945
Profit for year	-	-	-	14,720	14,720
Total comprehensive income for the year	-	-	-	-	-
Equity dividends paid	-	-	-	(14,720)	(14,720)
At 31 December 2018	5,000	1,544	129,500	4,901	140,945

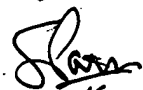
Notes 1 to 8 form an integral part of these financial statements

CHELSEA LAND LIMITED

STATEMENT OF FINANCIAL POSITION 31 DECEMBER 2018

	Note	2018 £'000	2017 £'000
FIXED ASSETS			
Investments	5	134,944	134,944
		<hr/>	<hr/>
CURRENT ASSETS			
Amount owed by fellow subsidiary undertaking		6,001	6,001
		<hr/>	<hr/>
NET ASSETS		140,945	140,945
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	6	5,000	5,000
Share premium account		1,544	1,544
Revaluation reserve	7	129,500	129,500
Profit and loss account	7	4,901	4,901
		<hr/>	<hr/>
EQUITY SHAREHOLDERS' FUNDS		140,945	140,945
		<hr/>	<hr/>


H R Seaborn – Director


S Patel – Director

24 April 2019

Notes 1 to 8 form an integral part of these financial statements

CHELSEA LAND LIMITED

NOTES ON THE FINANCIAL STATEMENTS 31 DECEMBER 2018

1 ACCOUNTING POLICIES

(a) Statement of compliance

Chelsea Land Limited is a private company limited by shares incorporated in England. The Registered Office is 10 Duke of York Square, London, SW3 4LY.

The financial statements have been prepared in compliance with FRS 102.

Basis of preparation

The financial statements of Chelsea Land Limited were authorised for issue by the Board of Directors on 24 April 2019.

The financial statements have been prepared on a historical cost basis in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £'000.

The financial statements contain information about the company as an individual company and do not contain consolidated financial information as the parent of a group. The company is exemption under Section 400 of the Companies Act 2006 from the requirement to prepare and delivers consolidated financial statements as it and its subsidiaries are included in the consolidated financial statements of Cadogan Group Limited.

Under the provisions of FRS 102, the company is defined as a qualifying entity and has consequently taken advantage of the disclosure exemptions set out in Section 1.12 not to:

- Provide a reconciliation of the number of shares outstanding at the beginning and end of the year;
- Prepare a statement of cash flow; and
- Disclosure of key management personnel compensation.

(b) Judgements 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. There are no judgements that would have a significant affect on amounts recognised in the financial statements.

CHELSEA LAND LIMITED

NOTES ON THE FINANCIAL STATEMENTS 31 DECEMBER 2018

1 ACCOUNTING POLICIES (continued)

(c) Investments

Investments in subsidiary undertakings are included at deemed cost less a provision for impairment in value where applicable.

(d) Related parties

The company has taken advantage of the exemptions in FRS 102 Section 33.1A Related Party Disclosures, not to disclose related party transactions between two or more members of a group provided that any subsidiary which is party to the transaction is wholly owned by such a member.

(e) Taxation

Current taxation including UK corporation tax is provided at the amounts expected to be paid (or recovered) using the tax rates and laws that have been substantially enacted at the balance sheet date.

2 STAFF COSTS

The company did not employ any staff during the year (2017 – nil).

The directors received no remuneration during the year (2017 – nil).

3 PROFIT BEFORE TAXATION

Auditor's remuneration of £6,300 (2017 - £6,000) in respect of the audit of the company has been borne by Cadogan Estates Limited, a fellow subsidiary undertaking.

CHELSEA LAND LIMITED

NOTES ON THE FINANCIAL STATEMENTS **31 DECEMBER 2018**

4 TAXATION

(a) Tax on profit

The tax charge is made up of as follows:

	2018 £'000	2017 £'000
Current tax:		
UK corporation tax on profits of the year	-	-
	<u>-</u>	<u>-</u>

(b) Factors affecting tax charge for the year

The tax assessed on the profit for the year is less than (2017 – less than) the current standard rate of corporation tax in the UK of 19.00% (2017 – 19.25%). The difference is explained as follows:

	2018 %	2017 %
Standard tax rate	19	19
Actual current tax rate	-	-
Difference	<u>(19)</u> ===	<u>(19)</u> ===
Explained by		
Non-taxable group dividends	(19)	(19)
	<u>(19)</u> ===	<u>(19)</u> ===

(c) Factors that may affect future tax charges

The UK corporation tax rate for the whole of 2018 was 19%. Accordingly the company's result for the accounting period is taxed at an effective rate of 19.00% (2017 – 19.25%). The corporation tax rate will reduce to 17% from April 2020. At the balance sheet date, the reduction to 17% from April 2020 has been substantially enacted and hence in accordance with Accounting Standards, the impact of these reductions has been reflected in the company's financial statements at 31 December 2018. The rate changes will also impact the amount of future tax payments to be made by the company.

The company expects its future effective tax rate to be less than the standard UK tax rate as a result of its sole income being the receipt of UK dividends from subsidiary undertakings.

CHELSEA LAND LIMITED

NOTES ON THE FINANCIAL STATEMENTS 31 DECEMBER 2018

5 FIXED ASSET INVESTMENTS

£'000

Shares in subsidiary companies

Valuation at 1 January 2018 and at **31 December 2018**

134,944

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Company held	Nature of business	Proportion of voting rights and shares held %
<i>Held Directly:</i>		
Cadogan Holdings Limited	Property investment	100
<i>Held Indirectly:</i>		
Chelsea Land Developments Limited	Non-trading	100

The subsidiary companies are incorporated in England; and the above is holding of ordinary shares. The registered offices for all subsidiary companies is 10 Duke of York Square, London, SW3 4LY.

6 CALLED UP SHARE CAPITAL

**2018
£'000**

**2017
£'000**

5,000,000 Authorised, allotted and fully paid
ordinary shares of £1 each

5,000

5,000

CHELSEA LAND LIMITED

NOTES ON THE FINANCIAL STATEMENTS 31 DECEMBER 2018

7 RESERVES

Revaluation reserve

This reserve is used to record increases in fair value of investments previously accounted for at directors' valuation.

Profit and loss account

This is the distributable reserve represented by the retained profit and loss.

8 ULTIMATE HOLDING COMPANY

The company's immediate parent undertaking is Cadogan Group Limited. The holding company for all operational purposes is Cadogan Group Limited. This is the smallest group which included the company's results in its consolidated financial statements.

In the directors' opinion, the company's ultimate holding company (and the largest group in which the company's results are consolidated) is Cadogan Settled Estates Limited.

The ultimate ownership of Cadogan Settled Estates Limited is vested in The Eighth Earl Cadogan's 6 December 1961 Settlement.

Group financial statements are prepared by Cadogan Settled Estates Limited and Cadogan Group Limited and can be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff CF14 3UZ.