

**CHELSEA LAND LIMITED**

**REPORT AND ACCOUNTS**

**31 DECEMBER 1995**



**CHELSEA LAND LIMITED****31 DECEMBER 1995**

Directors:

Viscount Chelsea

The Rt Hon The Earl Cadogan MC DL

The Rt Hon The Lord Churston

S A Corbyn

P A Grant

R J Grant

P A Sim

Secretary:

J L Treves

Registered  
Office:18 Cadogan Gardens  
London SW3 2RPRegistered  
number:

693661

# CHELSEA LAND LIMITED

## DIRECTORS' REPORT

The directors present their report for the period ended 31 December 1995.

### PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The principal activity of the company was the management of its subsidiary companies.

### ACCOUNTS AND DIVIDEND

The accounts show a profit for the period attributable to shareholders of £304,505. The directors recommend the payment of a dividend of £1,691,000.

### DIRECTORS

The directors listed on page 1 held office throughout the period under review.

None of the directors has any beneficial interest in the shares of the company. The interests of Viscount Chelsea and Mr P A Grant in the shares of the holding company, Cadogan Group Limited and its subsidiaries are shown in the accounts of that company. The interests of The Earl Cadogan in the shares of Cadogan Group Limited at 6 January 1996 and 31 December 1995 were as follows:

	Beneficial	Non beneficial
Ordinary shares	72,656	1,453,125
Deferred shares	21,094	421,875

The company has taken out indemnity insurance in respect of its own and its subsidiaries' directors and officers.

### THE DIRECTORS' RESPONSIBILITIES IN RELATION TO THE COMPANY'S ACCOUNTS

The directors are required by the Companies Act 1985 to prepare accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the result for the period. The directors consider that, in preparing the accounts which accompany this report, the company has used appropriate accounting policies, and that all accounting standards which they believe to be applicable have been followed. They further consider that these accounting policies have been consistently applied and are supported by reasonable and prudent judgements and estimates.

The accounts have been prepared on a going concern basis as the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 1985. The directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the company's assets and to prevent and detect fraud and other irregularities.

By order of the board



J L Treves  
Secretary  
30 September 1966

**REPORT OF THE AUDITORS**  
**TO THE MEMBERS OF CHELSEA LAND LIMITED**

We have audited the accounts on pages 4 to 12 which have been prepared under the historical cost convention as modified by the revaluation of fixed asset investments and on the basis of the accounting policies set out on page 7.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

**BASIS OF OPINION**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts

**OPINION**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 1995 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Chartered accountants  
Registered auditor  
London  
30 September 1996

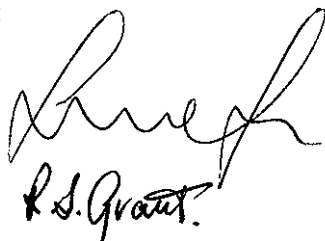
**CHELSEA LAND LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD ENDED 31 DECEMBER 1995**

		1995	1994 (note 1)
	Note	£	£
Administrative expenses		(15,706)	(321,742)
Dividends from subsidiary undertakings		1,786,796	418,000
		<hr/>	<hr/>
<b>NET OPERATING INCOME</b>		<b>1,771,090</b>	<b>96,258</b>
Exceptional item	3	1,387,467	-
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>383,623</b>	<b>96,258</b>
Interest receivable		35,001	38,424
Interest payable		-	(29,484)
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	6	<b>418,624</b>	<b>105,198</b>
Tax on profit on ordinary activities	7	(114,119)	86,372
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>304,505</b>	<b>191,570</b>
Proposed dividend		1,691,000	-
		<hr/>	<hr/>
<b>RETAINED (LOSS)/PROFIT FOR THE FINANCIAL PERIOD</b>	11	<b>£(1,386,495)</b>	<b>£191,570</b>
		<hr/> <hr/>	<hr/> <hr/>

# CHELSEA LAND LIMITED

## BALANCE SHEET 31 DECEMBER 1995

		31 December 1995 £	6 January 1995 £
	Note		
<b>FIXED ASSETS</b>			
Tangible assets	8	-	8,226
Investments	9	116,178,000	101,293,000
		<hr/>	<hr/>
		116,178,000	101,301,226
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Other debtors		12,147	1,033
Amount owed by subsidiary undertakings		2,734,581	14,720,799
Cash at bank		110,937	1,057,539
		<hr/>	<hr/>
		2,857,665	15,779,371
		<hr/>	<hr/>
<b>CREDITORS - amounts falling due within one year</b>			
Other creditors		39,250	74,760
Amount owed to subsidiary undertakings		5,516,144	25,557,885
Amount owed to fellow subsidiary undertaking		5,391,698	3,884
Dividend		1,691,000	-
		<hr/>	<hr/>
		12,638,092	25,636,529
		<hr/>	<hr/>
<b>NET CURRENT LIABILITIES</b>		(9,780,427)	(9,857,158)
		<hr/>	<hr/>
		<b>£106,397,573</b>	<b>£91,444,068</b>
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	10	5,000,000	5,000,000
Share premium account		1,544,000	1,544,000
Revaluation reserve	11	95,695,214	79,997,633
Capital reserve	11	-	530,248
Profit and loss account	11	4,158,359	4,372,187
		<hr/>	<hr/>
S A Corbyn - Director			
R J Grant - Director			
30 September 1996			
	12	<b>£106,397,573</b>	<b>£91,444,068</b>
		<hr/>	<hr/>



# **CHELSEA LAND LIMITED**

## **STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE PERIOD ENDED 31 DECEMBER 1995**

	1995	1994 (note 1)
	£	£
Profit attributable to shareholders of the company	304,505	191,570
Unrealised surplus on revaluation of fixed asset investments	16,340,000	7,532,000
	<hr/>	<hr/>
Total recognised gains and losses	<u><u>£16,644,505</u></u>	<u><u>£7,723,570</u></u>

# CHELSEA LAND LIMITED

## NOTES ON THE ACCOUNTS 31 DECEMBER 1995

### 1 YEAR END

This accounting period runs from 7 January 1995 to 31 December 1995. The previous accounting period commenced on 26 December 1993 and finished on 6 January 1995 and for convenience is referred to as 1994 in the profit and loss account and relevant notes.

### 2 ACCOUNTING POLICIES

#### (a) Accounting convention

The accounts have been prepared in accordance with all applicable accounting standards and under the historical cost convention as modified by the revaluation of fixed asset investments.

#### (b) Depreciation

The cost of fixed assets is written off over their estimated useful lives as follows:

Motor vehicles at 25% per annum on cost.

#### (c) Deferred taxation

Provision is made for deferred taxation on all material timing differences which are expected to crystallise in the foreseeable future.

#### (d) Fixed assets investments

Fixed asset investments are included at directors' valuation.

#### (e) Pension benefits

The annual contributions for defined contribution schemes are charged to the profit and loss account as accrued.

The cost of the defined benefit scheme is charged to the profit and loss account so as to spread the cost to the company of providing benefits over the employees' working lives with the company. Actuarial surpluses or deficits are spread over the anticipated remaining service lives of the participating employees.

#### (f) Consolidated accounts

Consolidated accounts have not been prepared as the company is a wholly owned subsidiary of Cadogan Group Limited.

### 3 EXCEPTIONAL ITEM

	1995	1994 (note 1)
Loss on liquidation of subsidiaries	<u>£1,387,467</u>	<u>-</u>



# CHELSEA LAND LIMITED

## NOTES ON THE ACCOUNTS 31 DECEMBER 1995

### 4 EMOLUMENTS OF DIRECTORS

	1995	1994 (note 1)
	£	£
Fees	2,000	4,000
Remuneration, including pension contributions	21,895	154,131
	<u>£23,895</u>	<u>£158,131</u>

The emoluments, excluding pension contributions, of the directors are detailed as follows:

	1995	1994 (note 1)
Chairman (also highest paid director)	<u>£19,886</u>	<u>£75,880</u>

	1995	1994 (note 1)
	Number of directors	
The emoluments of directors were within the bands set out below		
Not more than £5,000	6	6
£15,001 to £20,000	1	-
£75,001 to £80,000	-	1

### 5 EMPLOYEES AND EMPLOYEE COSTS

The average number of persons employed by the company, including directors, during the period was 7 (1994 - 7).

Employee costs comprised:

	1995	1994 (note 1)
	£	£
Wages and salaries	18,250	128,411
Social security costs	2,009	11,850
Pension costs	-	75,385
	<u>£20,259</u>	<u>£215,646</u>

# CHELSEA LAND LIMITED

## NOTES ON THE ACCOUNTS 31 DECEMBER 1995

### 6 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION is stated after charging:

	1995	1994 (note 1)
	£	£
Depreciation	-	8,227
Auditors' remuneration:		
As auditors	2,350	2,605
Other services	-	42,915
Interest on bank advances repayable within 5 years otherwise than by instalments	-	29,484
Loss on disposal of fixed assets	8,226	-
	<hr/>	<hr/>

### 7 TAXATION

A tax loss for the period has been surrendered to another group company and group relief represents the receipt for such loss. The taxation charge/(credit) in the profit and loss account comprises the following:

	1995	1994 (note 1)
	£	£
Group relief	(9,068)	(95,301)
Adjustment in respect of previous years	123,187	8,929
	<hr/>	<hr/>
	<u>£114,119</u>	<u>£(86,372)</u>

The company is a close company.

### 8 TANGIBLE FIXED ASSETS

	Motor vehicles £
Cost	
At 6 January 1995	32,907
Disposal	(32,907)
<b>At 31 December 1995</b>	<hr/> -
Depreciation	
At 6 January 1995	24,681
Disposal	(24,681)
<b>At 31 December 1995</b>	<hr/> -
Net book amounts at <b>31 December 1995</b>	<hr/> - <hr/>
6 January 1995	<hr/> £8,226 <hr/>

# CHELSEA LAND LIMITED

## NOTES ON THE ACCOUNTS 31 DECEMBER 1995

### 9 FIXED ASSET INVESTMENTS

	31 December 1995 £	6 January 1995 £
Shares in subsidiary companies:		
Valuation at 6 January 1995	101,293,000	93,761,000
Disposal of ordinary shares	(1,455,000)	-
Net surplus on revaluation	16,340,000	7,532,000
	<hr/>	<hr/>
At 31 December 1995	<u>£116,178,000</u>	<u>£101,293,000</u>

The directors revalued the fixed assets as at 31 December 1995. The value of the fixed asset investments was based on the net assets of those companies in which the company had invested at that date.

At 31 December 1995 the principal subsidiary companies were as follows:

Company	Nature of business	Proportion of shares held %
*Cadogan Holdings Company	Property investment	100
*Oakley Land Limited	Property development	100
*Oakley Investments Limited	Subsidiary holding company	98.9
ABK Distribution Limited	Distribution of household appliances	100
Oakley Leisure Parks Limited	Leisure parks operator	100
*Held directly by Chelsea Land Limited		

The subsidiary companies are all incorporated in England.

Since the year end all the ordinary shares in Oakley Leisure Parks Limited have been sold and ABK Distribution Limited has ceased operations.

### 10 CALLED-UP SHARE CAPITAL

	31 December 1995 £	6 January 1995 £
Authorised, allotted and fully paid ordinary shares of £1 each	<u>£5,000,000</u>	<u>£5,000,000</u>

# CHELSEA LAND LIMITED

## NOTES ON THE ACCOUNTS 31 DECEMBER 1995

### 11 RESERVES

	Revaluation reserve £	Capital reserve £	Profit and loss £
Retained loss for the period	-	-	(1,386,495)
Surplus on revaluation of fixed asset investments	16,340,000	-	-
Revaluation reserve realised on liquidation of subsidiaries	(642,419)	-	642,419
Loss on liquidation of subsidiaries transferred to capital reserve	-	(745,048)	745,048
Transfer negative balance on capital reserve to profit and loss account	-	214,800	(214,800)
	<u>15,697,581</u>	<u>(530,248)</u>	<u>(213,828)</u>
Balances at 6 January 1995	79,997,633	530,248	4,372,187
<b>Balances at 31 December 1995</b>	<b><u>£95,695,214</u></b>	<b><u>-</u></b>	<b><u>£4,158,359</u></b>

### 12 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	31 December 1995 £	6 January 1995 £
Profit attributable to members	304,505	191,570
Dividend	(1,691,000)	-
	<u>(1,386,495)</u>	<u>191,570</u>
Surplus on revaluation of tangible fixed assets	16,340,000	7,532,000
	<u>14,953,505</u>	<u>7,723,570</u>
Net addition to shareholders' funds	91,444,068	83,720,498
Opening shareholders' funds	<u>£106,397,573</u>	<u>£91,444,068</u>
Closing shareholders' funds	<u>£106,397,573</u>	<u>£91,444,068</u>

### 13 PENSION ARRANGEMENTS

The company participated in an externally funded defined benefit pension scheme and defined contribution pension schemes for certain of its employees. During the period these schemes were transferred to Cadogan Estates Limited by whom they are operated.

# CHELSEA LAND LIMITED

## NOTES ON THE ACCOUNTS 31 DECEMBER 1995

### 13 PENSION ARRANGEMENTS (continued)

#### Defined benefit scheme

The Cadogan Pension and Assurance Scheme provides benefits based on final pensionable earnings, and contributions are based on regular valuations by independent actuaries using the projected unit method. The most recent valuation was made at 26 December 1992. The assumptions which had the most significant effect on the results of the valuation were as follows:

Investment return	9%
Pay increases	7%
Pension increases	5%

At the date of the last actuarial valuation the market value of the assets in the scheme was £2,018,000 and the actuarial value of the assets was sufficient to cover, on average, approximately 111% of the benefits which had accrued to the members after allowing for future increases in earnings.

The pension charge for the period was £nil (1994 - £9,444).

#### Defined contribution schemes

The assets of these schemes are held separately from those of the company in independently administered funds. The pension charge represents contributions payable to these funds, and amounted to £nil (1994 - £65,941).

### 14 CONTINGENT LIABILITIES

The company has guaranteed bank and other borrowings by subsidiary companies up to a maximum of £500,000 (1994 - £1,155,000).

### 15 ULTIMATE HOLDING COMPANY

The holding company for all operational purposes is Cadogan Group Limited and the ultimate holding company is Cadogan Settled Estates Limited, both of which are registered in England and Wales.

Group accounts 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 CF4 3UZ.