

Charlotte Street Estate Holdings Limited

Annual Report for the year ended 30 September 2013

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Charlotte Street Estate Holdings Limited

Annual Report

For the year ended 30 September 2013

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Charlotte Street Estate Holdings Limited

Directors, Officers and Advisors

Directors

B Bickell

S J Quayle

T J C Welton

C P A Ward

Company Secretary

P R Thomas

Registered office

Pegasus House

37 - 43 Sackville Street

London

W1S 3DL

Solicitors

Hogan Lovells International LLP

Eversheds LLP

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

1 Embankment Place

London

WC2N 6RH

Charlotte Street Estate Holdings Limited

Strategic Report

The directors present their Strategic Report on the Company for the year ended 30 September 2013

Business review

The results for the year ended 30 September 2013 are set out in the Profit and Loss Account on page 8

The Company is managed as part of the Shaftesbury PLC Group (the Group) Further details of the Group's strategic review are given on pages 10 to 37 of the Group's annual report which is publically available at www.shaftesbury.co.uk

On 1 February 2013 as part of a Group restructuring, the Company reduced its share capital by £13,415,099 by cancelling 13,415,099 ordinary shares of £1 each

Following this capital reduction the Company sold its investment in the shares of Shaftesbury Charlotte Street Limited to its ultimate parent undertaking Shaftesbury PLC The transaction was at book value of £13,415,100 and settled by way of an increase in amounts due from the ultimate parent undertaking

Following the share sale the Company paid an interim dividend of £13,415,099 to its ultimate parent undertaking which was settled by way of a decrease in amounts due from the ultimate parent undertaking

The Company, together with other members of the Group, is subject to taxation as a Real Estate Investment Trust (REIT)

The Company has chosen to early adopt Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) which is discussed in further detail in note 1 of the financial statements on page 10

Principal risks and uncertainties facing the business

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed on pages 48 and 49 of the Group's annual report which does not form part of this report

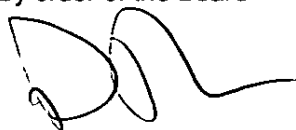
Key performance indicators

The directors of Shaftesbury PLC manage the Group's operations on a consolidated basis For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Charlotte Street Estate Holdings Limited The development, performance and position of the Group, which includes the Company, are discussed on page 13 of the Group's annual report, which does not form part of this report

Prospects

Following the restructuring noted above, the Company will effectively be dormant for the foreseeable future

By order of the Board



P R Thomas
Company Secretary
19 December 2013

Charlotte Street Estate Holdings Limited

Directors' Report

Registered No 5208442

The directors present their report and the audited financial statements of the Company for the year ended 30 September 2013

Strategic Report

A review of the Company's business during the year, the principal risks and uncertainties facing the Company and future prospects are included in the Strategic Report which should be read in conjunction with this report

Results and dividends

The results for the year are set out in the Profit and Loss Account on page 8

The final dividend for the year ending 30 September 2012 of £509,774 (2012 £550,000 for the year ending 30 September 2011) was paid during the year

In addition the Company paid an interim dividend of £13,415,099 (2012 £Nil) in respect of the year ending 30 September 2013

Share capital

On 1 February 2013 the Company cancelled 13,415,099 ordinary shares of £1 each

Directors

The directors who served throughout the year and up to the date of signing the financial statements were as follows

J S Lane (resigned 7 February 2013)

B Bickell

S J Quayle

T J C Welton

C P A Ward

None of the directors who served during the year had any interests in the share capital of the Company. The interests of the directors in the share capital of Shaftesbury PLC, the ultimate parent undertaking, are disclosed in the financial statements of that company.

Directors' indemnities and directors' and officers' liability insurance

Shaftesbury PLC indemnifies each director against any liability incurred by the director in the course of their duties to the extent permitted by law. The Group maintains Directors' and Officers' Liability Insurance of £10 million which covers subsidiary companies as well.

Employees

The Company has no employees (2012 None)

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report and 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 judgements and accounting estimates that are reasonable and prudent,
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements,

Charlotte Street Estate Holdings Limited

Directors' Report (continued)

Statement of directors' responsibilities (continued)

- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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 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.

Independent auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution to reappoint them as auditors will be proposed at the next annual general meeting.

Disclosure of information to auditors

Each of the persons who is a director of the Company at the time when this report is approved confirms that

- a So far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- b He has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given in accordance with Section 418 of the Companies Act 2006.

By order of the Board



P R Thomas
Company Secretary
19 December 2013

Charlotte Street Estate Holdings Limited

Independent Auditors' Report to the Members of Charlotte Street Estate Holdings Limited

Report on the financial statements

Our opinion

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 September 2013 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

This opinion is to be read in the context of what we say below

What we have audited

The financial statements for the year ended 30 September 2013, which are prepared by Charlotte Street Estate Holdings Limited, comprise

- the Profit and Loss Account,
- the Statement of Changes in Shareholder's Equity,
- the Balance Sheet, and
- the notes to the financial statements

The financial reporting framework that has been applied in their preparation comprises applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework"

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (ISAs (UK & Ireland)). 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

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on matter prescribed by the Companies Act 2006

In our opinion 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.

Charlotte Street Estate Holdings Limited

Independent Auditors' Report to the Members of Charlotte Street Estate Holdings Limited (continued)

Other matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion

- we have not received all the information and explanations we require for our audit, or
- 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 have not been made

We have no exceptions to report arising from this responsibility

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the statement of directors' responsibilities set out on pages 4 and 5, 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 and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing



Andrew Paynter
Senior Statutory Auditor
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
19 December 2013

Charlotte Street Estate Holdings Limited

Profit and Loss Account For the year ended 30 September 2013

	Note	2013 £	2012 £
Income from shares in subsidiaries		<u>509,774</u>	<u>550,000</u>
Profit on ordinary activities before taxation		509,774	550,000
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
Profit for the financial year		<u>509,774</u>	<u>550,000</u>

Statement of Changes in Shareholder's Equity For the year ended 30 September 2013

	Note	Called up share capital £	Retained earnings £	Total £
At 1 October 2011		13,415,100	-	13,415,100
Profit for the financial year		-	550,000	550,000
Transactions with owners				
Dividends paid during the year	5	<u>-</u>	<u>(550,000)</u>	<u>(550,000)</u>
At 30 September 2012		13,415,100	-	13,415,100
Profit for the financial year		-	509,774	509,774
Capital reduction	9	<u>(13,415,099)</u>	<u>13,415,099</u>	<u>-</u>
Transactions with owners.				
Dividends paid during the year	5	<u>-</u>	<u>(13,924,873)</u>	<u>(13,924,873)</u>
At 30 September 2013		<u>1</u>	<u>-</u>	<u>1</u>

The notes on pages 10 to 13 form an integral part of this Company financial information

Charlotte Street Estate Holdings Limited

Balance Sheet At 30 September 2013

Registered No 5208442

	Note	2013 £	2012 £
Fixed assets			
Investment in subsidiaries	6	100	13,415,200
Current assets			
Debtors	7	1	550,000
Creditors: amounts falling due within one year	8	<u>(100)</u>	<u>(550,100)</u>
Net current liabilities		<u>(99)</u>	<u>(100)</u>
Net assets		<u>1</u>	<u>13,415,100</u>
Capital and reserves			
Called up share capital	9	<u>1</u>	<u>13,415,100</u>
Total shareholder's funds		<u>1</u>	<u>13,415,100</u>

The notes on pages 10 to 13 form an integral part of this Company financial information

On behalf of the Board who approved the financial statements on pages 8 to 13 on 19 December 2013



C P A Ward
Director

Charlotte Street Estate Holdings Limited

Notes to the financial statements

1 General information

Company information

The financial statements of the Company for the year ended 30 September 2013, were approved by the Board for issue on 19 December 2013

The nature of the Company's operations are set out in the Strategic Report on page 3

The Company is a limited company and is incorporated and domiciled in the UK. The address of the registered office is given on page 2

Basis of preparation

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular, Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101) and the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The Company is a qualifying entity for the purposes of FRS 101. Note 10 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

These are the first financial statements of the Company prepared in accordance with FRS 101. The Company's date of transition to FRS 101 is 1 October 2012. The Company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions used by the Company in these financial statements.

FRS 101 sets out amendments to EU-adopted IFRS that are necessary to achieve compliance with the Act and related Regulations. The amendments to the Company's previously adopted accounting policies in accordance with EU-adopted IFRS had no impact on shareholder's equity as at the date of transition and as at 30 September 2013 and on the profit for the year ended 30 September 2013.

The disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- Cash flow statement,
- Related party transactions between the parent and wholly owned subsidiaries,
- Reconciliation of ordinary share capital movements for the comparative year in the notes to the financial statements,
- Management of financial risk disclosures including management of credit, liquidity, and market risk and interest rate sensitivity analysis,
- Disclosures around categories of financial instruments, and
- Disclosure of new accounting standards and interpretations

The financial statements have been prepared under the historical cost convention. A summary of the significant accounting policies is set out below.

The preparation of financial statements in conformity with FRS 101 requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the directors' best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The Company is a wholly owned subsidiary of Shaftesbury PLC and is included within the consolidated financial statements of Shaftesbury PLC which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

Charlotte Street Estate Holdings Limited

Notes to the financial statements (continued)

1 General information (continued)

Going concern

The Company adopts the going concern basis in preparing its financial statements

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis in preparing the financial statements

Critical judgements, assumptions and estimates

The preparation of financial statements requires the directors to make judgements, assumptions and estimates that affect the amounts reported in the Profit and Loss Account and Balance Sheet. Such decisions are made at the time the financial statements are prepared and adopted based on historical experience and other factors that are believed to be reasonable at the time. Actual outcomes may be different from initial estimates and are reflected in the financial statements as soon as they become apparent.

2. Accounting policies

Investment in subsidiaries

Subsidiaries are those entities controlled by the Company. Control exists where the Company has the power, directly or indirectly, to direct the financial and operating activities of an entity so as to obtain benefits from its activities.

Investments in subsidiaries are included at cost less any provision in respect of permanent impairment loss.

Trade debtors and creditors

Trade debtors and trade creditors are recognised at fair value and subsequently held at amortised cost.

In the case of trade debtors a provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Share capital

Ordinary shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from retained earnings.

Current and deferred corporation tax

The Company, together with other members of the Shaftesbury Group, is subject to taxation as a REIT. Under the REIT regime, income from its rental business (calculated by reference to tax rather than accounting rules) and chargeable gains from the sale of its investment properties are exempt from corporation tax. As such, deferred tax is not provided in respect of the activities that fall within the REIT regime including investment property revaluation movements.

Dividends

Dividends are recognised in the year in which they are paid or received.

Charlotte Street Estate Holdings Limited

Notes to the financial statements (continued)

3 Administrative expenses

All administrative expenses (including audit fees) have been met by the ultimate parent undertaking

The five directors (2012 five) who served during the year received no remuneration for services as director of the Company (2012 £Nil) The directors all served as directors of the Group during the year Remuneration received for services to the Group is borne by the ultimate parent undertaking This is disclosed on page 70 of the Shaftesbury PLC 2013 Annual Report

The Company had no employees (2012 None)

4. Tax on profit on ordinary activities

	2013 £	2012 £
Factors affecting the tax charge		
Profit on ordinary activities before taxation	509,774	550,000
Tax at standard corporation tax rate 23.5% (2012 25%)	119,797	137,500
Dividend receivable from subsidiary not liable to corporation tax	(119,797)	(137,500)
Tax on profit on ordinary activities	-	-

5 Dividends paid

	2013 £	2012 £
Interim dividend paid in respect of		
Year ended 30 September 2013 at 99.99p per share	13,415,099	-
Final dividend paid in respect of		
Year ended 30 September 2012 at 3.80p per share	509,774	-
Year ended 30 September 2011 at 4.10p per share	-	550,000
	13,924,873	550,000

6 Investment in subsidiaries

	2013 £	2012 £
Shares at cost		
At 1 October	13,415,200	13,415,200
Disposal of shares	(13,415,100)	-
At 30 September	100	13,415,200

On 1 February 2013 the Company sold its investment in the shares of Shaftesbury Charlotte Street Limited to its ultimate parent undertaking Shaftesbury PLC, at book value

At 30 September 2013 the Company owned the entire issued ordinary share capital of

	Ordinary shares of £1 each held	Principal activity
Charlotte Street Property Investments Limited	100	Dormant

The subsidiary is incorporated in Great Britain and registered in England and Wales

Charlotte Street Estate Holdings Limited

Notes to the financial statements (continued)

7 Debtors

	2013 £	2012 £
Amounts due from ultimate parent undertaking	1	-
Amounts due from subsidiary undertaking	-	550,000
	<u>1</u>	<u>550,000</u>

There is no set date or terms for repayment of the unsecured amounts due from the ultimate parent undertaking

8. Creditors amounts falling due within one year

	2013 £	2012 £
Amounts due to ultimate parent undertaking	-	550,000
Amounts due to subsidiary undertaking	100	100
	<u>100</u>	<u>550,100</u>

There is no set date or terms for repayment of the unsecured amounts due to the subsidiary undertaking

9. Called up share capital

	2013 Number	2013 £
Allotted and fully paid ordinary shares of £1 each		
At 1 October	13,415,100	13,415,100
Capital reduction	(13,415,099)	(13,415,099)
At 30 September	<u>1</u>	<u>1</u>

On 1 February 2013 the Company reduced its share capital by £13,415,099 by cancelling 13,415,099 ordinary shares of £1 each

The Company has one class of ordinary shares which have equal voting rights, rights to dividends and rights on winding up of the Company

10. Ultimate and immediate parent undertaking

The immediate and ultimate parent undertaking and controlling party is Shaftesbury PLC (registered number 1999238), which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the financial statements of Shaftesbury PLC are available from the Company Secretary at Pegasus House, 37/43 Sackville Street, London, W1S 3DL. They are also available on the Group's website at www.shaftesbury.co.uk