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1 Chester Gate Limited

Report and Financial Statements

Year Ended

31 March 2016

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|-----------|---------|--|
| WEDNESDAY | TUESDAY |  |
| | | *A661KNU3* |
| | A11 | 09/05/2017 #118 |
| | | COMPANIES HOUSE |
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| | A14 | *A656QQI8* 26/04/2017 #23 |
| | | COMPANIES HOUSE |

1 Chester Gate Limited

Company Information

| | |
|----------------------------|---|
| Directors | CPCCD Limited (appointed 7 April 2015) CPC Group Limited (resigned 7 April 2015) C G Whitehouse (appointed 1 April 2015) J G Wilson (appointed 1 April 2015) R P Share (appointed 1 April 2015) B G A David (appointed 10 August 2016) |
| Company secretary | Cosign Limited |
| Registered number | 58963 |
| Registered office | P O Box 119 Martello Court Admiral Park St. Peter Port Guernsey GY1 3HB |
| Independent auditor | BDO Limited PO Box 180 Place du Pre Rue du Pre St Peter Port Guernsey GY1 3LL |

1 Chester Gate Limited

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1 Chester Gate Limited

Directors' Report For the Year Ended 31 March 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and generally accepted accounting practice.

Company law applicable to companies in Guernsey requires the directors to prepare financial statements for each financial year which 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 financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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 (Guernsey) Law, 2008. 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.

Principal activity

The company's principal activity is property trading and development.

Dividends paid

There were no dividends paid in the year under review (2015: £nil).

Results

The Statement of Income and Retained Earnings is set out on page 4.

Going concern

The directors have prepared the financial statements on a going concern basis. The directors consider this to be appropriate as they have received assurances from the company's parent company to the effect that the parent company will continue to make funds available to the company for the foreseeable future and will continue to meet the company's obligations to other creditors as and when they fall due.

Directors

The directors who served during the year and to date were:

CPCCD Limited (appointed 7 April 2015)
CPC Group Limited (resigned 7 April 2015)
C G Whitehouse (appointed 1 April 2015)
J G Wilson (appointed 1 April 2015)
R P Share (appointed 1 April 2015)
B G A David (appointed 10 August 2016)

1 Chester Gate Limited

Directors' Report (continued) For the Year Ended 31 March 2016

Disclosure of information to auditor

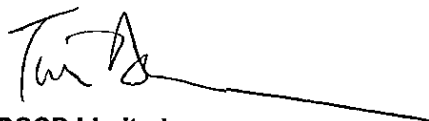
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that 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 auditor is aware of that information.

Independent auditor

BDO Limited were appointed as auditor to the company and have expressed a willingness to continue in office.

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



CPCCD Limited
Director

Date: 30 SEPTEMBER 2016

1 Chester Gate Limited

Independent Auditor's report to the members of 1 Chester Gate Limited

We have audited the financial statements of 1 Chester Gate Limited for the year ended 31 March 2016 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and the related notes 1 to 11. 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 262 of the Companies (Guernsey) Law, 2008. Our audit work is 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 auditor

As explained more fully in the Directors' Responsibilities Statement within the Directors' Report, 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 International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council'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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

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 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

1 Chester Gate Limited

Independent Auditor's report to the members of 1 Chester Gate Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the company; or
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

BDO LIMITED

BDO Limited
Chartered Accountants
Place du Pré
Rue du Pré
St Peter Port
Guernsey

Date: *3 October 2016*

1 Chester Gate Limited

Statement of Income and Retained Earnings For the Year Ended 31 March 2016

| | Note | Year ended 31 March 2016 £ | Period 3 September 2014 to 31 March 2015 £ |
|--|------|-------------------------------------|---|
| Administrative expenses | | (3,365) | (192,720) |
| Operating loss | 4 | (3,365) | (192,720) |
| Interest payable | 5 | (110,268) | - |
| Loss before tax | | (113,633) | (192,720) |
| Tax on loss | 6 | - | - |
| Loss after tax | | (113,633) | (192,720) |
| Accumulated deficit at the beginning of the year/period | | (192,720) | - |
| Loss for the year/period | | (113,633) | (192,720) |
| Accumulated deficit at the end of the year/period | | (306,353) | (192,720) |

There were no recognised gains or losses for 2016 or 2015 other than those included above.

All amounts relate to continuing operations.


The notes on pages 7 to 11 form part of these financial statements.

1 Chester Gate Limited

Statement of Financial Position As at 31 March 2016

| | Note | 2016 £ | 2015 £ |
|--|------|------------------|------------------|
| Current assets | | | |
| Development property | 7 | 6,914,920 | 6,931,487 |
| Debtors | 8 | 19,243 | 22,510 |
| | | <u>6,934,163</u> | <u>6,953,997</u> |
| Creditors: amounts falling due within one year | 9 | (7,240,514) | (7,146,715) |
| Net liabilities | | <u>(306,351)</u> | <u>(192,718)</u> |
| Capital and reserves | | | |
| Called up share capital | 10 | 2 | 2 |
| Profit and loss account | | (306,353) | (192,720) |
| | | <u>(306,351)</u> | <u>(192,718)</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


CPCCD Limited
 Director

Date: 30 SEPTEMBER 2016

The notes on pages 7 to 11 form part of these financial statements.

1 Chester Gate Limited

Notes to the Financial Statements For the Year Ended 31 March 2016

1. General information

1 Chester Gate Limited is a company registered in Guernsey under the Companies (Guernsey) Law 2008. The address of the registered office is given on the Company Information page and the nature of the company's operations and its principal activity is property trading and development.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies (Guernsey) Law, 2008.

These financial statements have been prepared in accordance with FRS 102 adopting section 1A Small Entities. FRS 102 is mandatory for accounting periods beginning on or after 1 January 2015. Section 1A of FRS 102 is applicable for accounting periods beginning on or after 1 January 2016 but may be applied early to accounting periods beginning on or after 1 January 2015. The company's shareholder has taken the option to apply Section 1A early in the preparation of these financial statements.

The comparatives are for the period 3 September 2014 to 31 March 2015.

The policies applied under the company's previous accounting framework (UK GAAP) are not materially different to FRS 102 and have not impacted on equity or profit or loss. The date of transition to FRS 102 is 3 September 2014.

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 as detailed in note 3.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have prepared the financial statements on a going concern basis. The directors consider this to be appropriate as they have received assurances from the company's parent company to the effect that the parent company will continue to make funds available to the company for the foreseeable future and will continue to meet the company's obligations to other creditors as and when they fall due.

2.3 Development property

Development property consists of property that is in the process of being developed or is available for sale. Development property is included at the lower of cost and the directors' estimate of its net realisable value. Net realisable value is determined as the estimated selling price less additional costs to completion and disposal.

Cost of development includes professional fees and borrowing costs capitalised in accordance with the company's accounting policy described below.

1 Chester Gate Limited

Notes to the Financial Statements For the Year Ended 31 March 2016

2. Accounting policies (continued)

2.4 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest rate method.

2.5 Finance costs

Finance costs, including issue costs, that are directly attributable to the acquisition and development of property are capitalised as part of the cost of the asset until such time as the property is substantially ready for sale. Otherwise finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount.

2.6 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

2.7 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities including trade and other accounts receivable and payable and loans from related parties.

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

Development property

The directors performed regular reviews of the company's development property for indications of impairment. The key judgements in these reviews were estimating the realisable value of the property, which is determined by forecast sales rates, expected sales prices and estimated costs to complete based on advice received by the directors. If the UK housing market were to change beyond management expectations in the future, in particular with regards to the assumptions around sales prices and estimated costs to complete, adjustments to the carrying value of development property may be required.

4. Operating loss

During the year, no director received any emoluments (2015 - £NIL)

1 Chester Gate Limited

Notes to the Financial Statements For the Year Ended 31 March 2016

5. Interest payable

| | Year ended 31 March 2016 £ | Period 3 September 2014 to 31 March 2015 £ |
|---------------------------------|-------------------------------------|---|
| On amount due to parent company | 110,268 | - |

6. Taxation

On 1 April 2015 the directors approved the transfer of the management and control of the company from Guernsey to England. As a result the company is resident for tax purposes in the United Kingdom and is subject to corporation tax at the enacted rates with effect from 1 April 2015.

| | Year ended 31 March 2016 £ | Period 3 September 2014 to 31 March 2015 £ |
|---|-------------------------------------|---|
| Current tax on loss for the year/period | - | - |
| Total current tax | - | - |

Factors affecting tax charge for the year/period

The tax assessed for the year differs from the standard rate of corporation tax of 20% (2015: 0%). The differences are explained below:

| | Year ended 31 March 2016 £ | Period 3 September 2014 to 31 March 2015 £ |
|---|-------------------------------------|---|
| Loss on ordinary activities before tax | (113,633) | (192,720) |
| Loss on ordinary activities multiplied by standard rate of corporation tax of 20% (2015 - 0%) | (22,727) | - |
| Effects of: | | |
| Group relief surrendered | 22,727 | - |
| Total tax charge for the year/period | - | - |

1 Chester Gate Limited

Notes to the Financial Statements For the Year Ended 31 March 2016

7. Development property

| | 2016 £ | 2015 £ |
|-------------------------|------------------|------------------|
| Development in progress | <u>6,914,920</u> | <u>6,931,487</u> |

Included in the cost of the development in progress are interest and finance charges of £nil (2015: £77,536) capitalised during the year. Total interest and finance charges capitalised at 31 March 2016 were £77,536 (2015: £77,536). The development property is subject to a legal charge as security for a bank loan granted to the ultimate controlling party (note 11).

8. Debtors

| | 2016 £ | 2015 £ |
|----------------|---------------|---------------|
| Sundry debtors | <u>19,243</u> | <u>22,510</u> |

9. Creditors: amounts falling due within one year

| | 2016 £ | 2015 £ |
|-----------------------------------|------------------|------------------|
| Amounts due to group undertakings | 7,236,678 | 7,135,437 |
| Trade creditors | - | 7,692 |
| Accruals | 3,836 | 3,586 |
| | <u>7,240,514</u> | <u>7,146,715</u> |

The amounts due to group companies are unsecured and repayable on demand. Included within amounts due to the parent company is a balance of £4,186,000 (2015: £4,186,000) that bears interest at LIBOR plus 2.1% per annum. The remaining amount due to group companies is currently interest free.

10. Share capital

| | 2016 £ | 2015 £ |
|------------------------------------|-----------|-----------|
| Allotted, called up and fully paid | | |
| 2 ordinary shares of £1 each | <u>2</u> | <u>2</u> |

The shares of the company are provided as security by way of a security interest agreement for the bank loan granted to the ultimate controlling party (note 11).

1 Chester Gate Limited

Notes to the Financial Statements For the Year Ended 31 March 2016

11. Controlling party and related party disclosures

The smallest group in which the results of the company are consolidated is headed by CPC Group Limited, a company registered in Guernsey which is the company's controlling party. The company is a wholly owned subsidiary of CPC Group Limited. The address of the registered office of the controlling party is Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB.

The parent company is under the control of Mr. C P Candy, the majority shareholder, who is therefore considered by the directors to be the ultimate controlling party of the company.