

Registration number 02623547

# Calthorpe Property Company Limited

Directors' Report and Financial Statements

Year Ended 5 April 2012



Dixon Wilson  
22 Chancery Lane  
London  
WC2A 1LS

# **Calthorpe Property Company Limited**

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**Year Ended 5 April 2012**

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**Calthorpe Property Company Limited**  
**Company Information**  
**Year Ended 5 April 2012**

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**Directors** J R Allen  
M S W Lee

**Company secretary** M B Woolhouse

**Registered office** 76 Hagley Road  
Edgbaston  
Birmingham  
B16 8LU

**Bankers** Lloyds TSB Bank Plc  
3rd Floor  
125 Colmore Row  
Birmingham  
B3 2DS

**Auditors** Dixon Wilson  
22 Chancery Lane  
London  
WC2A 1LS

## **Calthorpe Property Company Limited**

### **Directors' Report**

**Year Ended 5 April 2012**

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The directors present their report and the financial statements for the year ended 5 April 2012

#### **Principal activity**

The principal activity of the company is property investment

#### **Directors of the company**

The directors who held office during the year were as shown on page 1

#### **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 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). 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 apply them consistently,
- make judgements 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 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 auditors**

Each director confirms so far as they are aware that there is no relevant audit information which has not been made available to the company's auditors and that they have each taken all the steps they ought reasonably to have done as the company's directors to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **Small company provisions**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 11 July 2012 and signed on its behalf by



M B Woolhouse  
Company secretary

## **Independent Auditor's Report to the Members of Calthorpe Property Company Limited**

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We have audited the financial statements of Calthorpe Property Company Limited for the year ended 5 April 2012, set out on pages 4 to 15. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Report (set out on page 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 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 Auditing Practices Board's (APB'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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 5 April 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

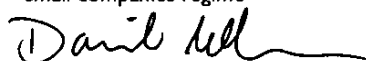
### **Opinion on other matter prescribed by the Companies Act 2006**

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, or
- the directors were not entitled to prepare the financial statements and the Directors' Report in accordance with the small companies regime.



David Mellor (Senior Statutory Auditor)  
For and on behalf of Dixon Wilson, Statutory Auditor  
22 Chancery Lane  
London, WC2A 1LS

Date 11 July 2012

**Calthorpe Property Company Limited**  
**Profit and Loss Account**  
**Year Ended 5 April 2012**

|   | <b>Note</b> | <b>2012<br/>£</b> | <b>2011<br/>£</b> |
|---|-------------|-------------------|-------------------|
| Turnover                                      | 2           | 405,907           | 369,158           |
| Administrative expenses                       |             | <u>(262,344)</u>  | <u>(315,791)</u>  |
| Operating profit                              | 3           | 143,563           | 53,367            |
| Profit on grant of long lease                 |             | 100,971           | -                 |
| Other interest receivable and similar income  |             | <u>163</u>        | <u>341</u>        |
| Profit on ordinary activities before taxation |             | 244,697           | 53,708            |
| Tax on profit on ordinary activities          | 4           | <u>(126,286)</u>  | <u>(10,673)</u>   |
| Profit for the financial year                 | 10          | <u>118,411</u>    | <u>43,035</u>     |

**Calthorpe Property Company Limited**  
**Statement of Total Recognised Gains and Losses**  
**Year Ended 5 April 2012**

|   | <b>Note</b> | <b>2012</b><br><b>£</b> | <b>2011</b><br><b>£</b> |
|---|-------------|-------------------------|-------------------------|
| Profit for the financial year                             |             | 118,411                 | 43,035                  |
| Unrealised (deficit)/surplus on revaluation of properties |             | <u>(125,300)</u>        | <u>1,424,372</u>        |
| Total recognised gains and losses relating to the year    |             | <u>(6,889)</u>          | <u>1,467,407</u>        |

**Calthorpe Property Company Limited**  
**Note of Historical Cost Profits and Losses**  
**Year Ended 5 April 2012**

|  | 2012<br>£ | 2011<br>£ |
|--|-----------|-----------|
| Reported profit on ordinary activities after taxation        | 118,411   | 43,035    |
| Realisation of property valuation gains of prior periods     | 465,111   | -         |
| Historical cost profit on ordinary activities after taxation | 583,522   | 43,035    |
| Retained historical cost (loss)/profit brought forward       | (701,593) | (744,628) |
| Retained historical cost loss carried forward                | (118,071) | (701,593) |



**Calthorpe Property Company Limited****(Registration number: 02623547)****Balance Sheet at 5 April 2012**

|  | Note | 2012<br>£          | 2011<br>£          |
|--|------|--------------------|--------------------|
| <b>Fixed assets</b>                            |      |                    |                    |
| Tangible fixed assets                          | 5    | 10,182,090         | 11,793,501         |
| Investments                                    | 6    | <u>3</u>           | <u>2</u>           |
|  |      | <u>10,182,093</u>  | <u>11,793,503</u>  |
| <b>Current assets</b>                          |      |                    |                    |
| Debtors  | 7    | 293,472            | 100,885            |
| Cash at bank and in hand                       |      | <u>743,468</u>     | <u>256,702</u>     |
|  |      | 1,036,940          | 357,587            |
| Creditors: Amounts falling due within one year | 8    | <u>(4,551,953)</u> | <u>(5,477,121)</u> |
| Net current liabilities                        |      | <u>(3,515,013)</u> | <u>(5,119,534)</u> |
| Net assets                                     |      | <u>6,667,080</u>   | <u>6,673,969</u>   |
| <b>Capital and reserves</b>                    |      |                    |                    |
| Called up share capital                        | 9    | 900,000            | 900,000            |
| Revaluation reserve                            | 10   | 5,885,151          | 6,475,562          |
| Profit and loss account                        | 10   | <u>(118,071)</u>   | <u>(701,593)</u>   |
| Shareholders' funds                            |      | <u>6,667,080</u>   | <u>6,673,969</u>   |

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board on 11 July 2012 and signed on its behalf by

  
J R Allen  
Director

  
M S W Lee  
Director

**Calthorpe Property Company Limited**  
**Cash Flow Statement**  
**Year Ended 5 April 2012**

|  |    | 2012<br>£   | 2011<br>£   |
|--|----|-------------|-------------|
| <b>Reconciliation of operating profit to net cash flow from operating activities</b> |    |             |             |
| Operating profit   |    | 143,563     | 53,367      |
| Increase in debtors  |    | (218,749)   | (17,313)    |
| Increase/(decrease) in creditors   |    | 1,222,588   | (121,139)   |
| Net cash inflow/(outflow) from operating activities                                  |    | 1,147,402   | (85,085)    |
| <b>Returns on investments and servicing of finance</b>                               |    |             |             |
| Interest received  |    | 163         | 341         |
| <b>Capital expenditure and financial investment</b>                                  |    |             |             |
| Purchase of tangible fixed assets  |    | (984,000)   | (891,128)   |
| Sale of tangible fixed assets  |    | 2,571,082   | -           |
|  |    | 1,587,082   | (891,128)   |
| <b>Acquisitions and disposals</b>  |    |             |             |
| Acquisition of investments in subsidiary undertakings                                |    | (1)         | -           |
| Net cash inflow/(outflow) before management of liquid resources and financing        |    | 2,734,646   | (975,872)   |
| <b>Financing</b>   |    |             |             |
| Repayment of loans and borrowings  |    | (2,247,880) | 820,000     |
| Increase/(decrease) in cash  |    | 486,766     | (155,872)   |
|  |    | 2012<br>£   | 2011<br>£   |
| <b>Reconciliation of net cash flow to movement in net debt</b>                       |    |             |             |
| Increase/(decrease) in cash  |    | 486,766     | (155,872)   |
| Cash outflow from repayment of loans   |    | 2,247,880   | (820,000)   |
| Change in net debt resulting from cash flows   | 12 | 2,734,646   | (975,872)   |
| Movement in net debt   | 12 | 2,734,646   | (975,872)   |
| Net debt at 6 April  | 12 | (5,091,178) | (4,115,306) |
| Net debt at 5 April  | 12 | (2,356,532) | (5,091,178) |

The notes on pages 9 to 15 form an integral part of these financial statements  
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## **Calthorpe Property Company Limited**

### **Notes to the Financial Statements**

**Year Ended 5 April 2012**

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#### **I Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment property and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

##### **Going concern**

The financial statements have been prepared on a going concern basis as the parent undertaking, Calthorpe Group Limited, will continue to support the company for a period of no less than twelve months from the date of approval of the accounts

##### **Turnover**

Rents are brought into account on an accruals basis. The rental income is matched to the days of the period

##### **Investment properties**

These are carried at open market value. In accordance with Financial Reporting Standard for Smaller Entities (effective April 2008) these are revalued annually and the aggregate surplus is transferred to the revaluation reserve. No depreciation or amortisation is provided. This is a departure from the requirements of the Companies Act 2006 which requires all properties to be depreciated. The directors consider that this accounting policy results in the accounts giving a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

##### **Property disposals**

Disposals of investment properties are recognised on the exchange of unconditional contracts or on the satisfaction of the relevant conditions when conditional contracts have been exchanged.

##### **Group relief**

Charges for amounts payable in respect of losses surrendered to the company or credits in respect of amounts receivable for tax losses surrendered by the company and utilised by other group companies are recognised in the period to which they relate.

##### **Fixed asset investments**

Fixed asset investments are stated at historical cost less provision for any diminution in value.

##### **Deferred tax**

Provision is made for deferred tax liabilities in respect of all timing differences arising from the different treatment of items for accounting and taxation purposes without discounting.

Deferred tax assets in respect of such timing differences are recognised to the extent that they are regarded as being, more likely than not, recoverable in the short to medium term, and are not discounted.

##### **Exemption from preparing group accounts**

The company is part of a small group. The company has taken advantage of the exemption provided by Section 399 of the Companies Act 2006 and has not prepared group accounts.

**Calthorpe Property Company Limited**  
**Notes to the Financial Statements**  
**Year Ended 5 April 2012**

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**2 Turnover**

|                       | 2012<br>£      | 2011<br>£      |
|-----------------------|----------------|----------------|
| Rental income         | 354,786        | 262,779        |
| Service charge income | 51,005         | 104,035        |
| Sundry income         | 116            | 2,344          |
|                       | <u>405,907</u> | <u>369,158</u> |

All income is stated net of VAT and arises in the UK

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**3 Operating profit**

Operating profit is stated after charging

|   | 2012<br>£    | 2011<br>£    |
|---|--------------|--------------|
| Auditor's remuneration - the audit of the company's annual accounts | <u>4,900</u> | <u>4,700</u> |

The management services provided by Calthorpe Group Limited include £26,000 (2011 - £23,404) in respect of the provision of directors' services

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**4 Taxation**

**Tax on profit on ordinary activities**

|  | 2012<br>£      | 2011<br>£     |
|--|----------------|---------------|
| <b>Current tax</b>                             |                |               |
| Group relief payable                           | 100,124        | -             |
| <b>Deferred tax</b>                            |                |               |
| Origination and reversal of timing differences | <u>26,162</u>  | <u>10,673</u> |
| Total tax on profit on ordinary activities     | <u>126,286</u> | <u>10,673</u> |

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**Calthorpe Property Company Limited**  
**Notes to the Financial Statements**  
**Year Ended 5 April 2012**

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**5 Tangible fixed assets**

|                          | Investment<br>properties<br>£ | Total<br>£        |
|--------------------------|-------------------------------|-------------------|
| <b>Cost or valuation</b> |                               |                   |
| At 6 April 2011          | 11,793,501                    | 11,793,501        |
| Revaluation              | (125,300)                     | (125,300)         |
| Additions                | 984,000                       | 984,000           |
| Disposals                | (2,470,111)                   | (2,470,111)       |
| At 5 April 2012          | <u>10,182,090</u>             | <u>10,182,090</u> |
| <b>Net book value</b>    |                               |                   |
| At 5 April 2012          | <u>10,182,090</u>             | <u>10,182,090</u> |
| At 5 April 2011          | <u>11,793,501</u>             | <u>11,793,501</u> |

**Revaluations**

The investment properties class of fixed assets was revalued 5 April 2012 by the Directors internal to the company. The basis of this valuation was rental yields. This class of assets has a current value of £10,182,090 (2011 - £11,793,501) and a carrying amount at historical cost of £3,831,830 (2011 - £5,317,938). The depreciation on this historical cost is £nil (2011 - £nil).

Corporation tax of approximately £767,000 (2011 - £1,285,000) would become payable if the properties were sold at the value at which they are stated in the balance sheet.

Properties held at a value of £7,431,100 (2011 - £9,141,000) are charged as security for a loan facility from Lloyds TSB Bank Plc to the company's parent undertaking, Calthorpe Group Limited. The facility is for up to £6.5 million and at the balance sheet date £4.6 million of the facility had been drawn. The facility expires on 27 July 2012.

**6 Investments held as fixed assets**

|                              | 2012<br>£ | 2011<br>£ |
|------------------------------|-----------|-----------|
| Shares in group undertakings | <u>3</u>  | <u>2</u>  |

Throughout the year, the company held 100% of the ordinary share capital of Calthorpe (Church Road) Limited, a company incorporated in England which is not listed. The company was dormant throughout the year.

In the year ended 5 April 2012, the company also acquired 100% of the ordinary share capital of Greenbrook Properties (Edgbaston) Limited, a company incorporated in England which is not listed. The company became dormant shortly after acquisition and remains so.

**Calthorpe Property Company Limited**  
**Notes to the Financial Statements**  
**Year Ended 5 April 2012**

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**7 Debtors**

|               | 2012<br>£      | 2011<br>£      |
|---------------|----------------|----------------|
| Trade debtors | 21,111         | 4,352          |
| Other debtors | 256,159        | 54,169         |
| Deferred tax  | 16,202         | 42,364         |
|               | <u>293,472</u> | <u>100,885</u> |

**Deferred tax**

The movement in the deferred tax asset in the year is as follows

|                                       | £               |
|---------------------------------------|-----------------|
| At 6 April 2011                       | 42,364          |
| Deferred tax utilised during the year | <u>(26,162)</u> |
| At 5 April 2012                       | <u>16,202</u>   |

**Analysis of deferred tax**

|                      | 2012<br>£     | 2011<br>£     |
|----------------------|---------------|---------------|
| Tax losses available | 16,202        | 42,364        |
|                      | <u>16,202</u> | <u>42,364</u> |

Deferred tax has been provided in respect of rental income tax losses and non-trade loan relationship deficits carried forward. The deferred tax asset relates to amounts recoverable after more than one year.

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**Calthorpe Property Company Limited**  
**Notes to the Financial Statements**  
**Year Ended 5 April 2012**

**8 Creditors: Amounts falling due within one year**

|                                    | 2012<br>£        | 2011<br>£        |
|------------------------------------|------------------|------------------|
| Trade creditors                    | 16,794           | 14,174           |
| Amounts owed to parent undertaking | 1,288,643        | 9,020            |
| Loan from parent undertaking       | 3,100,000        | 5,347,880        |
| Accruals and deferred income       | 146,516          | 104,809          |
| Other taxes and social security    | -                | 1,238            |
|                                    | <u>4,551,953</u> | <u>5,477,121</u> |

The loan from the parent undertaking, Calthorpe Group Limited, was made in 2010. The loan is unsecured, interest free and repayable on demand. The directors of Calthorpe Group Limited have indicated that they do not intend to withdraw this facility.

**9 Share capital**

**Allotted, called up and fully paid shares**

|                            | No.            | 2012<br>£      | No.            | 2011<br>£      |
|----------------------------|----------------|----------------|----------------|----------------|
| Ordinary shares of £1 each | <u>900,000</u> | <u>900,000</u> | <u>900,000</u> | <u>900,000</u> |

**10 Reserves**

|                                 | Revaluation<br>reserve<br>£ | Profit and<br>loss account<br>£ | Total<br>£       |
|---------------------------------|-----------------------------|---------------------------------|------------------|
| At 6 April 2011                 | 6,475,562                   | (701,593)                       | 5,773,969        |
| Profit for the year             | -                           | 118,411                         | 118,411          |
| Transfer of realised profits    | (465,111)                   | 465,111                         | -                |
| Deficit on property revaluation | (125,300)                   | -                               | (125,300)        |
| At 5 April 2012                 | <u>5,885,151</u>            | <u>(118,071)</u>                | <u>5,767,080</u> |

**Calthorpe Property Company Limited**  
**Notes to the Financial Statements**  
**Year Ended 5 April 2012**

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**11 Commitments**

The company had a guarantee and set off arrangement in relation to the group overdraft facility which includes Calthorpe Group Limited, the parent undertaking, and Lloyds TSB Bank Plc. Any cash balance held with the bank provides security for this arrangement. At the year end the cash balance provided as security by this company was £646,013 (2011 - £187,293).

The company has provided fixed assets as security for a bank loan from Lloyds TSB Bank Plc to Calthorpe Group Limited (see note 5).

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**12 Analysis of net debt**

|                                   | At 6 April<br>2011<br>£ | Cash flow<br>£   | At 5 April<br>2012<br>£ |
|-----------------------------------|-------------------------|------------------|-------------------------|
| Cash at bank and in hand          | 256,702                 | 486,766          | 743,468                 |
| Bank overdraft                    | -                       | -                | -                       |
|                                   | <u>256,702</u>          | <u>486,766</u>   | <u>743,468</u>          |
| Debt due within one year          | (5,347,880)             | 2,247,880        | (3,100,000)             |
| Debt due after more than one year | -                       | -                | -                       |
| Net debt                          | <u>(5,091,178)</u>      | <u>2,734,646</u> | <u>(2,356,532)</u>      |

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**13 Related party transactions**

Four of the parent company's directors are Trustees of the 1994 Continuation Fund.

During the year the company was party to the following related party transactions:

Calthorpe Holdings Limited (a company controlled by the Trustees of the 1994 Continuation Fund). The company purchased 100% of the share capital of Greenbrook Properties (Edgbaston) Limited for a consideration of £1. At the balance sheet date the amount due to Calthorpe Holdings Limited was £nil (2011 - £nil).

All related party transactions outside the group are at market value and on an arm's length basis. The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group.

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## **Calthorpe Property Company Limited**

### **Notes to the Financial Statements**

**Year Ended 5 April 2012**

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#### **14 Control**

The company is controlled by Calthorpe Group Limited. This company is in turn controlled by Sir Charles Nicholson, Bt, Sir Michael Bunbury, Bt KCVO, R Kent Esq and A Ashenden Esq as the Trustees of Niall Calthorpe's Discretionary Settlement of 4 February 1959.

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