

Registration number: 02623547

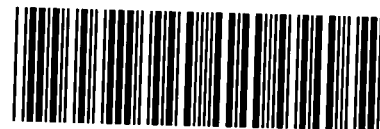
Calthorpe Property Company Limited

Annual Report and Financial Statements

Year Ended 5 April 2018

Dixon Wilson
22 Chancery Lane
London
WC2A 1LS

THURSDAY



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Calthorpe Property Company Limited

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Calthorpe Property Company Limited

Company Information

Directors M S W Lee
 J C Kirk
 Sir Euan Anstruther-Gough-Calthorpe, Bt.
 A J Parker
 G A Allison
 P M Hay-Plumb

Company secretary M B Woolhouse

Registered office 76 Hagley Road
 Edgbaston
 Birmingham
 B16 8LU

Bankers Lloyds 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 2018

The directors present their report and the financial statements for the year ended 5 April 2018.

Directors of the company

The directors who held office during the year were as follows:

M S W Lee

J C Kirk

Sir Euan Anstruther-Gough-Calthorpe, Bt.

A J Parker

A Ashenden (resigned 29 September 2017)

R D Kent (resigned 29 September 2017)

G A Allison (appointed 29 September 2017)

P M Hay-Plumb (appointed 29 September 2017)

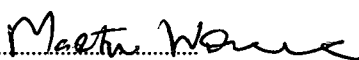
Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 12/7/18 and signed on its behalf by:


M B Woolhouse
Company secretary

Calthorpe Property Company Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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;
- 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 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.

Calthorpe Property Company Limited

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

Opinion

We have audited the financial statements of Calthorpe Property Company Limited (the 'company') for the year ended 5 April 2018, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, 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 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 5 April 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. 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Calthorpe Property Company Limited

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

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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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 in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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.

Calthorpe Property Company Limited

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



.....
David Mellor (Senior Statutory Auditor)
For and on behalf of Dixon Wilson, Statutory Auditor

22 Chancery Lane
London
WC2A 1LS

Date: 12 July 2018

Calthorpe Property Company Limited

Profit and Loss Account

Year Ended 5 April 2018

	Note	2018 £	2017 £
Turnover		2,148,318	1,896,900
Administrative expenses		<u>(604,908)</u>	<u>(512,486)</u>
Operating profit		<u>1,543,410</u>	<u>1,384,414</u>
Income from other fixed asset investments		373,349	332,482
Other interest receivable and similar income		1,699	2,140
Amounts written off investments		(1)	-
Interest payable and similar expenses		(997,330)	(1,195,784)
Gain on investment properties		<u>265,832</u>	<u>417,342</u>
		<u>(356,451)</u>	<u>(443,820)</u>
Profit before tax	4	1,186,959	940,594
Taxation		<u>(68,015)</u>	<u>(128,558)</u>
Profit for the financial year		<u>1,118,944</u>	<u>812,036</u>

The notes on pages 11 to 17 form an integral part of these financial statements.

Calthorpe Property Company Limited

Statement of Comprehensive Income

Year Ended 5 April 2018

	2018	2017
	£	£
Profit for the year	<u>1,118,944</u>	<u>812,036</u>
Unrealised gain/(loss) on cash flow hedges	180,667	(189,082)
Tax effect on unrealised (gain)/loss on cash flow hedges	<u>(36,217)</u>	<u>37,816</u>
	<u>144,450</u>	<u>(151,266)</u>
Total comprehensive income for the year	<u><u>1,263,394</u></u>	<u><u>660,770</u></u>

Calthorpe Property Company Limited


(Registration number: 02623547)


Balance Sheet as at 5 April 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	5	28,767,949	28,502,800
Investments	6	<u>7,568,300</u>	<u>6,707,236</u>
		<u>36,336,249</u>	<u>35,210,036</u>
Current assets			
Debtors	7	375,005	418,664
Cash at bank and in hand		<u>756,640</u>	<u>693,910</u>
		1,131,645	1,112,574
Creditors: Amounts falling due within one year	8	<u>(930,778)</u>	<u>(1,173,697)</u>
Net current assets/(liabilities)		<u>200,867</u>	<u>(61,123)</u>
Total assets less current liabilities		36,537,116	35,148,913
Creditors: Amounts falling due after more than one year	8	(22,507,519)	(22,383,186)
Provisions for liabilities	10	<u>(1,687,659)</u>	<u>(1,687,183)</u>
Net assets		<u>12,341,938</u>	<u>11,078,544</u>
Capital and reserves			
Called up share capital		900,000	900,000
Cash flow hedge reserve		(6,816)	(151,266)
Profit and loss account		<u>11,448,754</u>	<u>10,329,810</u>
Total equity		<u>12,341,938</u>	<u>11,078,544</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 12 July 2018 and signed on its behalf by:


.....
M S W Lee
Director


.....
J C Kirk
Director

Calthorpe Property Company Limited

Statement of Changes in Equity

Year Ended 5 April 2018

	Share capital £	Cash flow hedge reserve £	Profit and loss account £	Total £
At 6 April 2017	900,000	(151,266)	10,329,810	11,078,544
Profit for the year	-	-	1,118,944	1,118,944
Other comprehensive income	-	144,450	-	144,450
Total comprehensive income	-	144,450	1,118,944	1,263,394
At 5 April 2018	900,000	(6,816)	11,448,754	12,341,938

	Share capital £	Cash flow hedge reserve £	Profit and loss account £	Total £
At 6 April 2016	900,000	-	9,517,774	10,417,774
Profit for the year	-	-	812,036	812,036
Other comprehensive income	-	(151,266)	-	(151,266)
Total comprehensive income	-	(151,266)	812,036	660,770
At 5 April 2017	900,000	(151,266)	10,329,810	11,078,544

Calthorpe Property Company Limited

Notes to the Financial Statements

Year Ended 5 April 2018

1 General information

The company is a private company limited by share capital incorporated in England.

The address of its registered office is:

76 Hagley Road
Edgbaston
Birmingham
B16 8LU

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in Sterling which is the functional currency of the company and rounded to the nearest £.

Group accounts not prepared

As the company is subject to the small companies regime, group accounts have not been prepared.

Going concern

The financial statements have been prepared on a going concern basis as the ultimate shareholder 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.

Income from fixed asset investments is recognised when the right to receive payment is established.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Calthorpe Property Company Limited

Notes to the Financial Statements

Year Ended 5 April 2018

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Investment property

Investment properties are carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Fixed asset investments

Investments in subsidiaries are stated at cost less provision for impairment. Unlisted investments are stated at their fair value based on the fair value of the underlying assets.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Derivative financial instruments and hedging

The company uses derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rate fluctuations. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value through other comprehensive income. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of interest rate swap contracts is determined by calculating the present value of the estimated future cash flows based on observable yield curves.

Calthorpe Property Company Limited

Notes to the Financial Statements

Year Ended 5 April 2018

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity investments.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year was 20 (2017 - 20).

4 Profit before tax

Arrived at after charging:

	2018 £	2017 £
Auditor's remuneration - the audit of the company's annual accounts	<u>7,760</u>	<u>8,065</u>

5 Tangible fixed assets

	Investment properties £	Total £
Cost or valuation		
At 6 April 2017	28,502,800	28,502,800
Additions	860,381	860,381
Revaluations	<u>(595,232)</u>	<u>(595,232)</u>
At 5 April 2018	<u>28,767,949</u>	<u>28,767,949</u>
Net book value		
At 5 April 2018	<u>28,767,949</u>	<u>28,767,949</u>
At 5 April 2017	<u>28,502,800</u>	<u>28,502,800</u>

Revaluation

The investment properties class of fixed assets was revalued on 5 April 2018 by Cushman & Wakefield and Mainstay who are external to the company. The basis of this valuation was open market. This class of assets has a current value of £28,767,949 (2017 - £28,502,800) and a carrying amount at historical cost of £22,682,164 (2017 - £21,821,783).

Properties held at a value of £8.045m (2017 - £8.045m) are charged as security for loan facilities from Lloyds Bank Plc to the ultimate shareholder. In addition, properties held at a value of £10.620m (2017 - £10.570m) are charged as security for loan facilities from Svenska Handelsbanken AB Bank to the company.

Calthorpe Property Company Limited

Notes to the Financial Statements

Year Ended 5 April 2018

6 Investments held as fixed assets

	2018 £	2017 £
Shares in group undertakings	1	2
Other investments	7,568,299	6,707,234
	<u>7,568,300</u>	<u>6,707,236</u>

	Subsidiary undertakings £	Total £
Shares in group undertakings		
Cost or valuation		
At 6 April 2017	<u>2</u>	<u>2</u>
Provision		
At 6 April 2017	<u>-</u>	<u>-</u>
Provision	<u>1</u>	<u>1</u>
At 5 April 2018	<u>1</u>	<u>1</u>
Net book value		
At 5 April 2018	<u>1</u>	<u>1</u>
At 5 April 2017	<u>2</u>	<u>2</u>

	Unlisted investments £	Total £
Other investments		
Cost		
At 6 April 2017	6,707,235	6,707,235
Revaluation	<u>861,064</u>	<u>861,064</u>
At 5 April 2018	<u>7,568,299</u>	<u>7,568,299</u>
Net book value		
At 5 April 2018	<u>7,568,299</u>	<u>7,568,299</u>
At 5 April 2017	<u>6,707,234</u>	<u>6,707,234</u>

Calthorpe Property Company Limited

Notes to the Financial Statements

Year Ended 5 April 2018

Details of undertakings

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:

Undertaking	Holding	Proportion of voting rights and shares held	
		2018	2017
Subsidiary undertakings			
Calthorpe Group Management Limited	Ordinary	100%	100%
Calthorpe Group (Edgbaston) Limited	Ordinary	100%	100%

Calthorpe Group (Edgbaston) Limited applied to be struck off the Register of Companies during the year.

7 Debtors

	2018 £	2017 £
Trade debtors	43,512	39,360
Other debtors	321,123	368,934
Amounts owed by group undertakings	10,370	10,370
	<u>375,005</u>	<u>418,664</u>

8 Creditors

	Note	2018 £	2017 £
Due within one year			
Trade creditors		75,363	352,452
Amounts owed to shareholder		19,174	110,273
Amounts owed to group undertakings		28,711	14,977
Accruals and deferred income		563,305	564,217
Taxation and social security		66,840	64,682
Other creditors		16,126	33,576
Corporation tax		161,259	33,520
		<u>930,778</u>	<u>1,173,697</u>

Calthorpe Property Company Limited

Notes to the Financial Statements

Year Ended 5 April 2018

	Note	2018 £	2017 £
Due after one year			
Loans and borrowings	9	22,499,104	22,194,104
Interest rate swap		8,415	189,082
		<u>22,507,519</u>	<u>22,383,186</u>

	2018 £	2017 £
After more than five years not by instalments	<u>5,008,415</u>	<u>5,189,082</u>
	<u>5,008,415</u>	<u>5,189,082</u>

9 Loans and borrowings

	2018 £	2017 £
Non-current loans and borrowings		
Bank borrowings	5,000,000	5,000,000
Loan from shareholder	<u>17,499,104</u>	<u>17,194,104</u>
	<u>22,499,104</u>	<u>22,194,104</u>

The shareholder provided a loan facility of £25m (2017 - £25m) throughout the year. At 5 April 2018, £17,499,104 (2017 - £17,194,104) had been drawn down. The facility is repayable in full upon 12 months prior notice in writing, and during the year bore interest at an average rate of 4.7%. Interest of £821,275 (2017 - £1,134,139) was charged during the year.

The company has a loan agreement with Svenska Handelsbanken AB Bank secured on properties held by the company at a value of £10.620m (2017 - £10.570m). The facility is for up to £5m, which is repayable by 29 November 2026 and subject to interest at 2.05% over LIBOR.

Calthorpe Property Company Limited

Notes to the Financial Statements

Year Ended 5 April 2018

10 Deferred tax and other provisions

	Deferred tax £	Total £
At 6 April 2017	1,687,183	1,687,183
Increase in existing provisions	<u>476</u>	<u>476</u>
At 5 April 2018	<u>1,687,659</u>	<u>1,687,659</u>

11 Commitments

The total of future minimum lease payments is as follows:

	2018 £	2017 £
Not later than one year	50,000	50,000
Later than one year and not later than five years	200,000	200,000
Later than five years	<u>800,000</u>	<u>850,000</u>
	<u>1,050,000</u>	<u>1,100,000</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £50,000 (2017 - £50,000).

The company is party to a guarantee and set-off arrangement with Lloyds Bank Plc and other members of the Calthorpe Property Company Limited group in respect of a group overdraft facility. At the year end, this facility provided a maximum overdraft to the group of £nil and maximum overdraft to all companies of £750,000. The company's cash balance with Lloyds Bank Plc of £556,550 (2017- £471,649) provided part of the security for the group overdraft facility.