

Registration number: 02623547

# Calthorpe Property Company Limited

Annual Report and Financial Statements

Year Ended 5 April 2016

Dixon Wilson  
22 Chancery Lane  
London  
WC2A 1LS

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# **Calthorpe Property Company Limited**

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**Year Ended 5 April 2016**

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# **Calthorpe Property Company Limited**

## **Company Information**

**Year Ended 5 April 2016**

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**Directors** M S W Lee  
J C Kirk  
Sir Euan A-G-Calthorpe, Bt.  
A Ashenden  
R D Kent  
A J Parker

**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 2016**

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The directors present their report and the financial statements for the year ended 5 April 2016.

### **Directors of the company**

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

M S W Lee

J C Kirk

Sir Euan A-G-Calthorpe, Bt.

A Ashenden

R D Kent

A J Parker

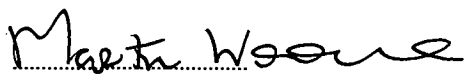
### **Disclosure of information to the auditor**

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 company provisions**

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

Approved by the Board on ..... 6 July 2016 ..... and signed on its behalf by:



M B Woolhouse  
Company secretary

## **Calthorpe Property Company Limited**

### **Statement of Directors' Responsibilities**

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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.

## **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 2016, set out on pages 5 to 19. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective January 2015) (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 auditor**

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. 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 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 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 2016 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 in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



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

Date: 6 July 2016

**Calthorpe Property Company Limited**  
**Profit and Loss Account**  
**Year Ended 5 April 2016**

	<b>Note</b>	<b>2016 £</b>	<b>2015 £</b>
Turnover	2	1,534,671	1,245,596
Administrative expenses		(556,604)	(692,944)
Profit on disposal of investment property		-	930,646
Operating profit	3	978,067	1,483,298
Income from other fixed asset investments		320,000	236,685
Other interest receivable and similar income		2,466	1,568
Interest payable and similar charges	5	(720,110)	(571,398)
Profit on ordinary activities before taxation		580,423	1,150,153
Tax on profit on ordinary activities	6	(29,629)	(151,010)
Profit for the financial year	13	550,794	999,143

**Calthorpe Property Company Limited**  
**Statement of Total Recognised Gains and Losses**  
**Year Ended 5 April 2016**

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	<b>Note</b>	<b>2016 £</b>	<b>2015 £</b>
Profit for the financial year		550,794	999,143
Unrealised gain on trade investments		800,000	790,978
Unrealised surplus on revaluation of properties		<u>2,061,189</u>	<u>716,169</u>
Total recognised gains and losses relating to the year		<u>3,411,983</u>	<u>2,506,290</u>



**Calthorpe Property Company Limited**  
**Note of Historical Cost Profits and Losses**  
**Year Ended 5 April 2016**

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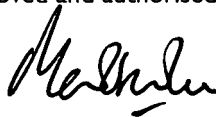
	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Reported profit on ordinary activities after taxation	550,794	999,143
Realisation of property valuation gains of prior periods	<u>-</u>	<u>1,264,014</u>
Historical cost profit on ordinary activities after taxation	550,794	2,263,157
Retained historical cost profit brought forward	<u>2,401,845</u>	<u>138,688</u>
Retained historical cost profit carried forward	<u><u>2,952,639</u></u>	<u><u>2,401,845</u></u>

**Calthorpe Property Company Limited****(Registration number: 02623547)****Balance Sheet at 5 April 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible fixed assets	7	23,952,737	21,704,499
Investments	8	5,600,001	4,800,001
		<u>29,552,738</u>	<u>26,504,500</u>
<b>Current assets</b>			
Debtors	9	794,944	910,854
Cash at bank and in hand		480,807	220,172
		<u>1,275,751</u>	<u>1,131,026</u>
Creditors: Amounts falling due within one year	10	(457,965)	(676,985)
Net current assets		<u>817,786</u>	<u>454,041</u>
Total assets less current liabilities		30,370,524	26,958,541
Creditors: Amounts falling due after more than one year	11	(18,310,235)	(18,310,235)
Net assets		<u>12,060,289</u>	<u>8,648,306</u>
<b>Capital and reserves</b>			
Called up share capital	12	900,000	900,000
Revaluation reserve	13	8,207,650	5,346,461
Profit and loss account	13	2,952,639	2,401,845
Shareholder's funds		<u>12,060,289</u>	<u>8,648,306</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 2015).

Approved and authorised for issue by the Board on 6 July 2016 and signed on its behalf by:



M S W Lee  
Director



J C Kirk  
Director

The notes on pages 9 to 19 form an integral part of these financial statements.

**Calthorpe Property Company Limited**  
**Notes to the Financial Statements**  
**Year Ended 5 April 2016**

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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 January 2015).

**Group accounts**

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 Trustees of Niall Calthorpe's Discretionary Settlement dated 4 February 1959, 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 January 2015) 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.

**Calthorpe Property Company Limited**  
**Notes to the Financial Statements**  
**Year Ended 5 April 2016**

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**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**

Unlisted investments are stated at their market value and revalued annually.

**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.

**Hire purchase and leasing**

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

**Financial instruments**

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

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**Calthorpe Property Company Limited**  
**Notes to the Financial Statements**  
**Year Ended 5 April 2016**

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**2 Turnover**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Rental income	1,353,276	999,095
Service charge income	160,448	195,849
Sundry income	20,947	50,652
	<u>1,534,671</u>	<u>1,245,596</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/(crediting):

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Auditor's remuneration - the audit of the company's annual accounts	7,175	6,900
Profit on disposal of investment property	<u>-</u>	<u>(930,646)</u>

The management services provided by Calthorpe Group Management Limited include £29,499 (2015 - £49,021) in respect of the provision of directors' services.

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**Calthorpe Property Company Limited**  
**Notes to the Financial Statements**  
**Year Ended 5 April 2016**

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**4 Directors' remuneration**

The directors' remuneration for the year was as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Remuneration	<u>17,150</u>	<u>20,450</u>

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**5 Interest payable and similar charges**

Interest payable includes £718,802 (2015 - £561,182) payable on loans from group companies.

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**6 Taxation**

**Tax on profit on ordinary activities**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
Group relief receivable	(10,370)	(4,546)
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>39,999</u>	<u>155,556</u>
Total tax on profit on ordinary activities	<u>29,629</u>	<u>151,010</u>

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**Calthorpe Property Company Limited**  
**Notes to the Financial Statements**  
**Year Ended 5 April 2016**

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**7 Tangible fixed assets**

	Investment properties £	Total £
<b>Cost or valuation</b>		
At 6 April 2015	21,704,499	21,704,499
Revaluation	2,061,189	2,061,189
Additions	187,049	187,049
At 5 April 2016	<u>23,952,737</u>	<u>23,952,737</u>
<b>Net book value</b>		
At 5 April 2016	<u>23,952,737</u>	<u>23,952,737</u>
At 5 April 2015	<u>21,704,499</u>	<u>21,704,499</u>

**Revaluations**

The investment properties class of fixed assets was revalued on 5 April 2016 by Cushman and 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 £23,952,737 (2015 - £21,704,499) and a carrying amount at historical cost of £17,336,069 (2015 - £17,149,020). The depreciation on this historical cost is £nil (2015 - £nil).

Properties held at a value of £7.954m (2015 - £6.883 million) are charged as security for a loan facility from Lloyds Bank Plc to the Trustees of Niall Calthorpe's Discretionary Settlement dated 4 February 1959 (see note 15).

Corporation tax of approximately £1.323m (2015 - £910,000) would become payable if the properties were sold at the value at which they are stated in the balance sheet.

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**Calthorpe Property Company Limited**  
**Notes to the Financial Statements**  
**Year Ended 5 April 2016**

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**8 Investments held as fixed assets**

	<b>2016</b> <b>£</b>	<b>2015</b> <b>£</b>
Shares in group undertakings	1	1
Other investments	5,600,000	4,800,000
	<u>5,600,001</u>	<u>4,800,001</u>

**Shares in groups undertakings**

	<b>Subsidiary undertakings</b> <b>£</b>	<b>Total</b> <b>£</b>
<b>Cost or valuation</b>		
At 6 April 2015 and at 5 April 2016	<u>1</u>	<u>1</u>
<b>Net book value</b>		
At 5 April 2016	<u>1</u>	<u>1</u>

**Other investments**

	<b>Unlisted investments</b> <b>£</b>	<b>Total</b> <b>£</b>
<b>Cost or valuation</b>		
At 6 April 2015	4,800,000	4,800,000
Revaluation	800,000	800,000
At 5 April 2016	<u>5,600,000</u>	<u>5,600,000</u>
<b>Net book value</b>		
At 5 April 2016	<u>5,600,000</u>	<u>5,600,000</u>
At 5 April 2015	<u>4,800,000</u>	<u>4,800,000</u>



# Calthorpe Property Company Limited

## Notes to the Financial Statements

Year Ended 5 April 2016

### 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	Principal activity
<b>Subsidiary undertakings</b>			
Calthorpe Group Management Limited	ordinary shares	100%	management services

The loss for the financial period of Calthorpe Group Management Limited was £23,195 and the aggregate amount of capital and reserves at the end of the period was (£27,740).

### 9 Debtors

	2016 £	2015 £
Trade debtors	91,839	210,458
Loan to group undertaking	300,000	300,000
Other debtors	382,311	345,427
Deferred tax	10,424	50,423
Amounts owed by group undertakings	10,370	4,546
	<u>794,944</u>	<u>910,854</u>

A £300,000 loan was provided to Calthorpe Group Management Limited during the year. The loan is interest free and repayable on demand.

### Deferred tax

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

	£
At 6 April 2015	50,423
Deferred tax utilised during the year	<u>(39,999)</u>
At 5 April 2016	<u>10,424</u>

**Calthorpe Property Company Limited**  
**Notes to the Financial Statements**  
**Year Ended 5 April 2016**

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**Analysis of deferred tax**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Tax losses available	10,424	50,423
	<u>10,424</u>	<u>50,423</u>

Deferred tax has been provided in respect of rental losses carried forward. The deferred tax asset relates to amounts recoverable after more than one year.

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

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade creditors	57,013	38,259
Bank loans and overdrafts	-	230,617
Amounts owed to shareholder	24,424	43,557
Amounts owed to group undertakings	47,012	25,428
Accruals and deferred income	264,271	291,398
Other taxes and social security	47,818	33,214
Other creditors	17,427	14,512
	<u>457,965</u>	<u>676,985</u>

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**Calthorpe Property Company Limited**  
**Notes to the Financial Statements**  
**Year Ended 5 April 2016**

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**11 Creditors: Amounts falling due after more than one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Loans from shareholder	<u>18,310,235</u>	<u>18,310,235</u>

The Trustees of Niall Calthorpe's Discretionary Settlement dated 4 February 1959 provided a loan facility of £25m (2015 - £25m) throughout the year. At 5 April 2016, £18,310,235 (2015 - £18,310,235) had been drawn down. The facility is repayable in full upon 12 months prior notice in writing, and bears interest at 3.4% above Base Rate.

Interest of £718,802 (2015 - £564,227) was charged during the year.

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**12 Share capital**

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

	<b>No.</b>	<b>2016</b>	<b>No.</b>	<b>2015</b>
		<b>£</b>		<b>£</b>
Ordinary shares of £1 each	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>

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**Calthorpe Property Company Limited**  
**Notes to the Financial Statements**  
**Year Ended 5 April 2016**

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**13 Reserves**

	<b>Revaluation reserve £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 6 April 2015	5,346,461	2,401,845	7,748,306
Profit for the year	-	550,794	550,794
Surplus on property revaluation	2,061,189	-	2,061,189
Unrealised gain on trade investments	800,000	-	800,000
At 5 April 2016	<u>8,207,650</u>	<u>2,952,639</u>	<u>11,160,289</u>

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**14 Commitments**

**Operating lease commitments**

As at 5 April 2016 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	<b>2016 £</b>	<b>2015 £</b>
Within two and five years	<u>50,000</u>	<u>50,000</u>

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## **Calthorpe Property Company Limited**

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

**Year Ended 5 April 2016**

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#### **15 Related party transactions**

During the year the company made the following related party transactions:

Five Ways Security Limited, a company fully owned by the Trustees of Niall Calthorpe's Discretionary Settlement dated 4 February 1959, charged Calthorpe Property Company Limited £5,427 (2015 - £5,000) for CCTV security costs. At the balance sheet date the amount due to Five Ways Security Limited was £nil (2015 - £nil).

Pebble Mill Investments Limited, a company controlled by the trustees of the 1994 Continuation Fund, who are also trustees of Niall Calthorpe's Discretionary Settlement dated 4 February 1959, the company acquired a lease from Pebble Mill Investments Limited during the year for £120,000. At the balance sheet date the amount due to Pebble Mill Investments Limited was £nil (2015 - £nil).

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group.

The company paid rent of £50,000 (2015 - £56,301) to the Trustees of Niall Calthorpe's Discretionary Settlement dated 4 February 1959.

The company had an intercompany balance with the Trustees of Niall Calthorpe's Discretionary Settlement dated 4 February 1959. At the balance sheet date the amount due to the Trustees of Niall Calthorpe's Discretionary Settlement was £24,424 (2015 - £43,557).

A loan was provided by the Trustees of the Niall Calthorpe's Discretionary Settlement dated 4 February 1959, as detailed in note 11.

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#### **16 Control**

The company is controlled by R D Kent Esq, A Ashenden Esq and A J Parker Esq in their capacity as the Trustees of Niall Calthorpe's Discretionary Settlement dated 4 February 1959.

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**Calthorpe Property Company Limited**  
**Detailed Profit and Loss Account**  
**Year Ended 5 April 2016**

	2016	2015
£	£	£
Turnover	1,534,671	1,245,596
<b>Administrative expenses</b>		
Directors' fees	17,150	20,450
Rent and rates	1,801	38,179
Rent	50,000	56,301
Light, heat and power	6,598	(1,294)
Insurance	3,057	8,990
Repairs and maintenance	4,446	20,557
Office expenses	5,427	5,000
Sundry expenses	2,013	2,229
Service charge expenditure	153,070	213,094
Management charges payable	114,806	193,093
Advertising	25,749	21,047
Accountancy fees	3,618	937
Auditor's remuneration	7,175	6,900
Professional fees re properties	73,054	61,878
Property managing agents	15,186	37,487
Legal and professional fees	955	2,500
Bad debts written off	72,252	5,489
Bank charges	247	107
	(556,604)	(692,944)
Profit on disposal of investment property	-	930,646
Income from other fixed asset investments	320,000	236,685
Other interest receivable and similar income	2,466	1,568
Interest payable and similar charges	(720,110)	(571,398)
Profit on ordinary activities before taxation	580,423	1,150,153