

**Caparo House Limited**

**Directors' report and  
financial statements**

**For the year ended  
31 December 2000**

**Registered number: 1718594**



**BDO**

**BDO Stoy Hayward  
Chartered Accountants**

# CAPARO HOUSE LIMITED

## Directors' report and financial statements

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# **CAPARO HOUSE LIMITED**

## **Directors' report**

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The directors present their annual report and the audited financial statements for the year ended 31 December 2000.

### **Principal activity**

The principal activity of the company is property investment. The company's property is situated at 103 Baker Street, London. Part of the property provides accommodation for Caparo Group Limited, whilst the remaining accommodation is let to external tenants.

### **Business review and future developments**

The results for the year are shown in the profit and loss account set out on page 4. The profit after taxation for the year was £382,000 (1999: £362,000).

The company has operated satisfactorily during the year. The directors are of the opinion that the company will continue to be profitable in the foreseeable future.

### **Dividends**

The directors do not recommend the payment of a dividend.

### **Fixed assets**

Tangible fixed assets are included in the balance sheet at cost or valuation. The directors consider that their market value is not materially different from book value.

### **Directors and directors' interests**

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

The Honourable Angad Paul  
The Honourable Anjli Punn  
CG Steele

The interests of The Honourable Angad Paul in the share capital of Caparo Group Limited, the ultimate parent company, are disclosed in the directors' report of that company. Neither of the other directors had any interest in the share capital of Caparo Group Limited.

No director had any interest in the share capital of any subsidiary company of the ultimate parent company.

## **CAPARO HOUSE LIMITED**

### **Directors' report (*Continued*)**

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#### **Directors' responsibilities**

Company law 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 for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records which 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 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

#### **EMU Impact**

Having reviewed its commercial and accounting transactions, the company is managing the impact of the single currency.

#### **Auditors**

Pursuant to a shareholders' resolution, the company is not obliged to re-appoint its auditors annually and BDO Stoy Hayward will, therefore, continue in office.

By order of the board



**CG Steele**  
Secretary

25 April 2001

Caparo House  
103 Baker Street  
London  
W1U 6LN

**Independent auditors' report to the shareholders of Caparo House Limited**

We have audited the financial statements of Caparo House Limited for the year ended 31 December 2000 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Directors' Report.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

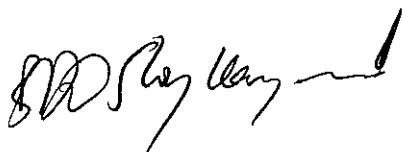
**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes the examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**BDO Stoy Hayward**  
*Chartered Accountants and Registered Auditor*  
Nottingham

25 April 2001

**CAPARO HOUSE LIMITED****Profit and loss account for the year ended 31 December 2000**

	<b>Note</b>	<b>2000 £'000</b>	<b>1999 £'000</b>
<b>Turnover</b>	2	555	522
Cost of sales		(11)	(4)
<b>Operating profit</b>		<u>544</u>	<u>518</u>
Other interest receivable	3	2	1
<b>Profit on ordinary activities before taxation</b>		<u>546</u>	<u>519</u>
Tax on profit on ordinary activities	5	(164)	(157)
<b>Profit on ordinary activities after taxation and retained profit for the financial year</b>		<u>382</u>	<u>362</u>
Profit brought forward		2,064	1,702
<b>Profit carried forward</b>		<u>2,446</u>	<u>2,064</u>

The amounts reported above all relate to continuing activities.

There are no recognised gains or losses other than the result for the year and prior year as shown above.

The notes on pages 6 to 8 form part of these financial statements.

# CAPARO HOUSE LIMITED

## Balance sheet at 31 December 2000

	Note	2000 £'000	1999 £'000
<b>Fixed assets</b>			
Tangible assets	6	5,169	5,169
<b>Current assets</b>			
Debtors	7	51	-
Cash at bank		76	74
		<u>127</u>	<u>74</u>
<b>Creditors: amounts falling due within one year</b>	8	(240)	(231)
<b>Net current liabilities</b>		(113)	(157)
<b>Total assets less current liabilities</b>		<u>5,056</u>	<u>5,012</u>
<b>Creditors: amounts falling due after more than one year</b>	9	(1,041)	(1,379)
<b>Net assets</b>		<u>4,015</u>	<u>3,633</u>
<b>Capital and reserves - equity</b>			
Called up share capital	10	-	-
Investment property revaluation reserve		1,569	1,569
Profit and loss account		2,446	2,064
<b>Equity shareholders' funds</b>	11	<u>4,015</u>	<u>3,633</u>

These financial statements were approved by the board of directors on 25 April 2001 and were signed on its behalf by:



**CG Steele**  
Director

The notes on pages 6 to 8 form part of these financial statements.

# CAPARO HOUSE LIMITED

## Notes forming part of the financial statements

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### 1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

#### *Turnover*

Turnover, stated net of value added tax, represents amounts invoiced to third parties.

#### *Deferred tax*

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes to the extent that it is probable that liabilities will crystallise.

#### *Fixed assets and depreciation*

Depreciation is provided to write off the cost, or valuation, less the estimated residual value of tangible fixed assets by equal instalments over their expected useful economic lives as follows:

Fixtures and fittings - 15% - 20%

#### *Investment property*

The investment property is not depreciated as, in the context of annual revaluations, the directors consider that systematic annual depreciation is inappropriate.

Whilst not complying with the Companies Act 1985 in respect of depreciation, this policy is considered necessary to show a true and fair view. The true and fair override provisions of the Companies Act 1985 have therefore been invoked in this respect.

#### *Cash flow statement*

Under FRS 1 (revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

### 2 Turnover

All the company's turnover is derived from its principal activity carried on within the United Kingdom.

### 3 Other interest receivable

	2000 £'000	1999 £'000
Other interest	2	1
	<hr/>	<hr/>



# CAPARO HOUSE LIMITED

## Notes forming part of the financial statements (*Continued*)

### 4 Directors' remuneration and employees

No director received any remuneration during either year.

The company had no employees during either year.

### 5 Tax on profit on ordinary activities

	2000 £'000	1999 £'000
UK Corporation tax	164	157

The taxation that would become payable on the ultimate disposal of the property outside the group amounts to approximately £465,000 (1999: £481,000) under current legislation for which no provision has been made.

### 6 Tangible fixed assets

	Freehold investment property £'000	Fixtures and fittings £'000	Total £'000
<b>Cost or valuation</b>			
At beginning and end of year	5,169	5	5,174
<b>Depreciation</b>			
At beginning and end of year	-	5	5
<b>Net book value</b>			
At 31 December 2000	5,169	-	5,169
At 31 December 1999	5,169	-	5,169

The investment property is stated at directors' valuation based on appropriate professional advice given by their managing agents, Messrs Gross Fine and in accordance with the Valuation Guidance Notes issued by the Royal Institute of Chartered Surveyors.

The historic cost of the investment property is £3,599,000.

# CAPARO HOUSE LIMITED

## Notes forming part of the financial statements (Continued)

### 7 Debtors

	2000 £'000	1999 £'000
Trade debtors	51	-
All amounts shown under debtors fall due for payment within one year.		

### 8 Creditors: amounts falling due within one year

Corporation tax	164	157
Accruals and deferred income	76	74
	240	231

### 9 Creditors: amounts falling due after more than one year

Amount owed to parent company	1,041	1,379
The loan has no fixed repayment date and bears no interest.		

### 10 Called up share capital

	£	£
<i>Authorised, allotted, called up and fully paid:</i>		
100 ordinary shares of £1 each	100	100

### 11 Reconciliation of movements in shareholders' funds

	£'000	£'000
Profit for the financial year	382	362
Shareholders' funds brought forward	3,633	3,271
Shareholders' funds carried forward	4,015	3,633

### 12 Related party transactions

The company has taken advantage of the exemption available under FRS8 not to disclose transactions with entities that are part of Caparo Group Limited on the grounds that the exemption is available as the company is a wholly owned subsidiary of Caparo Group Limited.

### 13 Ultimate parent company

The company is a subsidiary of Caparo Group Limited, which is the ultimate parent company.