

Company Registration No. 1718594

Caparo House Limited

Report and Financial Statements

31 December 2012

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Caparo House Limited

Report and financial statements 2012

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Caparo House Limited

Report and financial statements 2012

Officers and professional advisers

Directors

The Honourable Ms Anjli Paul
The Honourable Angad Paul
D P Dancaster

Registered Office

Caparo House
103 Baker Street
London
W1U 6LN

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, UK

Caparo House Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2012. The company is a wholly owned subsidiary of Caparo Group Limited, a company registered in England and Wales.

Principal activity

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

Results and dividends

The profit and loss account is set out on page 5. The company made a profit after tax of £438,000 during the year (2011: £306,000).

No interim dividend was paid during the year (2011: £nil). The directors do not recommend a final dividend for the year (2011: £nil).

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 and will be able to operate within their existing facilities. Therefore the accounts have been prepared on the going concern basis.

Directors

The directors of the company during the year, and to the date of this report, were

The Honourable Ms Anjali Paul
The Honourable Angad Paul
D P Dancaster

Indemnity cover

Third party indemnity cover for the directors was in force during the financial year and at the year end.

Auditor

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of the information needed by the company's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The directors are not aware of any relevant audit information of which the auditor is unaware.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming annual general meeting.

In preparing the directors' report advantage has been taken of the small companies' exemption under the Companies Act 2006.

By order of the Board



D P Dancaster

Director

Date 27 June 2013

Caparo House Limited

Directors' responsibilities statement

The directors are responsible 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 then apply them consistently,
- make judgments 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.

Independent auditor's report to the members of Caparo House Limited

We have audited the financial statements of Caparo House Limited for the year ended 31 December 2012, which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with 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 Directors' Responsibilities Statement, 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 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 annual 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 financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 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.


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 take advantage of the small companies exemption in preparing the directors' report.



Jane Whitlock (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, UK

Date 28 June 2013

Caparo House Limited

Profit and loss account Year ended 31 December 2012

	Note	2012 £'000	2011 £'000
Turnover	2	667	556
Cost of sales		<u>(32)</u>	<u>(49)</u>
Operating profit and profit on ordinary activities before taxation	5	635	507
Taxation on profit on ordinary activities	6	<u>(197)</u>	<u>(201)</u>
Profit for the financial year	12	<u><u>438</u></u>	<u><u>306</u></u>

All amounts relate to continuing activities

All recognised gains and losses are included in the profit and loss account for the current and prior year

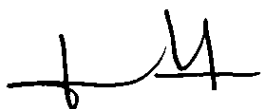
The notes on pages 7 to 13 form part of these financial statements

Caparo House Limited

Balance sheet 31 December 2012

<i>Company number 1718594</i>	Note	2012 £'000	2012 £'000	2011 £'000	2011 £'000
Fixed assets					
Tangible assets	7		4,983		5,014
Current assets					
Debtors due within one year	8	-		15	
Debtors due after more than one year	8	3,857		3,445	
Cash at bank and in hand		83		82	
		<u>3,940</u>		<u>3,542</u>	
Creditors: amounts falling due within one year	9	<u>(277)</u>		<u>(348)</u>	
Net current assets			<u>3,663</u>		<u>3,194</u>
Net assets			<u>8,646</u>		<u>8,208</u>
Capital and reserves					
Called up share capital	11	-		-	
Revaluation reserve	12	1,513		1,522	
Profit and loss account	12	7,133		6,686	
Total shareholders' funds	12	<u>8,646</u>		<u>8,208</u>	

The financial statements were approved by the Board of Directors and authorised for issue on 27 June 2013



The Honourable Angad Paul
Director



D P Dancaaster
Director

The notes on pages 7 to 13 form part of these financial statements

Caparo House Limited

Notes to the financial statements (continued) Year ended 31 December 2012

1. Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of properties, and are in accordance with United Kingdom Accounting Standards

The following principal accounting policies have been applied

Basis of preparation

The company is expected to operate within its cash facilities based on cash flow forecasts for the period to June 2014 prepared by the directors. The directors have therefore prepared the accounts on the going concern basis

Turnover

Turnover, stated net of value added tax, represents amounts invoiced to third parties. Rent receivable under the terms of the leases is adjusted, in accordance with Urgent Issues Task Force Abstract 28 'Operating Lease Incentives', for the effect of any incentives given, which are spread on a straight line basis up to the time when the prevailing market rent will be payable

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is measured on a non-discounted basis

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% per annum
Freehold buildings	2% per annum

Freehold land is not depreciated

Following the reclassification of the property from an investment property to a fixed asset in 2007 the book amount of the last valuation of the property was retained, and is being depreciated from that date

Caparo House Limited

Notes to the financial statements (continued) Year ended 31 December 2012

1 Accounting policies (continued)

Cash flow statement

Under Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' (FRS 1), the company is exempt from the requirement to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Caparo Group Limited and the company is included in the consolidated financial statements of Caparo Group Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.

2. Turnover

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

3 Employees

The company does not employ any personnel. The activities of the company are managed by employees of a fellow subsidiary company of Caparo Group Limited, the ultimate parent company.

4. Directors' remuneration

No director received any remuneration during the current or prior year in relation to services provided to this company. The directors are remunerated by fellow subsidiary companies of Caparo Group Limited, the ultimate parent company.

5. Operating profit

This has been arrived at after charging

	2012 £'000	2011 £'000
Depreciation of owned assets	<u>31</u>	<u>31</u>

No audit fee or non-audit fee was borne by this company in either period, these fees were borne by fellow subsidiary companies of Caparo Group Limited, the ultimate parent company.

Caparo House Limited

Notes to the financial statements (continued) Year ended 31 December 2012

6 Taxation on profit on ordinary activities

	2012 £'000	2011 £'000
The taxation on profit on ordinary activities comprises		
<i>Current tax</i>		
Corporation tax charge for the year	194	176
Adjustment in respect of previous years	-	41
Total current tax charge	194	217
<i>Deferred tax</i>		
Movement in deferred tax provision (note 10)	3	(16)
Taxation charge on profit on ordinary activities	197	201

The current tax on ordinary activities for the year is different from the standard rate of corporation tax in the UK. The differences are explained below

	2012 £'000	2011 £'000
Profit on ordinary activities before tax	635	507
Profit on ordinary activities at the standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	155	135
Effect of		
Permanent differences	40	43
Capital allowances for year in excess of depreciation	(1)	(2)
Adjustment in respect of previous years	-	41
Current tax charge for the year	194	217

Factors that may affect future tax charges

No provision has been made for deferred tax on gains recognised on revaluing the property to its market value or on the sale of the property. Such tax would become payable only if the property were sold without it being possible to claim rollover relief or to offset the gain against tax losses brought forward in the Caparo Group. The amount unprovided is disclosed in note 10. At present, it is not envisaged that any tax will become payable in the foreseeable future.

In the 2012 Budget, issued on 21 March 2012, the Chancellor announced that the main rate of corporation tax would be reduced to 24% with effect from 1 April 2012, with a further annual 1% rate reduction down to 23% by 1 April 2013. As these rates were not substantively enacted in the 2012 Finance Act, the deferred tax rate has been recognised at 23.25%.

In that Budget he also announced a reduction to 22% by 1 April 2014 however, in the Autumn Statement issued on 5 December 2012, he announced a further reduction to 21%. As this future rate has not been substantively enacted at the balance sheet date, it has not been reflected in these financial statements. The effect of this tax rate reduction will be accounted for in the period in which it is substantively enacted.

Caparo House Limited

Notes to the financial statements (continued) Year ended 31 December 2012

7. Tangible fixed assets

	Freehold land and buildings £'000	Fixtures and fittings £'000	Total £'000
Cost or valuation			
At 1 January and 31 December 2012	5,169	5	5,174
Depreciation			
At 1 January 2012	155	5	160
Charge for the year	31	-	31
At 31 December 2012	186	5	191
Net book value			
At 31 December 2012	4,983	-	4,983
At 31 December 2011	5,014	-	5,014

The historic cost of the freehold land and buildings is £3,599,000 (2011 £3,599,000)

8. Debtors

	2012 £'000	2011 £'000
Amounts falling due within one year		
Other debtors	-	15
	-	15
Amounts falling due after more than one year		
Amount owed by group undertakings	3,844	3,429
Deferred tax (note 10)	13	16
	3,857	3,445
Total debtors	3,857	3,460

The amounts owed by group undertakings have no fixed repayment date and are non-interest bearing

Caparo House Limited

Notes to the financial statements (continued) Year ended 31 December 2012

9. Creditors' amounts falling due within one year

	2012 £'000	2011 £'000
Corporation tax	194	176
Other creditors	83	172
	<u>277</u>	<u>348</u>

10. Deferred tax asset

Total deferred tax is included in the balance sheet as follows

	£'000
At 1 January 2012	(16)
Movement in deferred tax	3
At 31 December 2012	<u>(13)</u>

In the opinion of the directors, the company will generate sufficient taxable profits in the future such that the future reversal of the underlying timing differences, which give rise to the deferred tax asset, will be deducted

Deferred tax is included in 'Debtors' in the balance sheet (note 8)

Deferred tax comprised the following (assets)/liabilities

	Provided 2012 £'000	Unprovided 2012 £'000	Provided 2011 £'000	Unprovided 2011 £'000
Accelerated capital allowances	(13)	-	(16)	-
On revaluation of assets	-	-	-	4
	<u>(13)</u>	<u>-</u>	<u>(16)</u>	<u>4</u>

11. Called up share capital

	Allotted, called up and fully paid			
	2012 Number	2012 £'000	2011 Number	2011 £'000
Ordinary shares of £1 each	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>

Caparo House Limited

Notes to the financial statements (continued) Year ended 31 December 2012

12 (a) Reserves

	Revaluation reserve £'000	Profit and loss account £'000
At 1 January 2012	1,522	6,686
Profit for the financial year	-	438
Difference between actual and historical cost depreciation	(9)	9
At 31 December 2012	1,513	7,133

(b) Note of historical cost profits and losses

	2012 £'000	2011 £'000
Reported profit on ordinary activities before taxation	635	507
Difference between actual and historical cost depreciation	9	11
Historical cost profit on ordinary activities before taxation	644	518
Historical cost profit for the year after taxation	447	317

(c) Reconciliation of movements in shareholders' funds

	2012 £'000	2011 £'000
Opening shareholders' funds	8,208	7,902
Profit for the financial year	438	306
Closing shareholders' funds	8,646	8,208

13. Related party transactions

The company has taken advantage of the exemptions granted under Financial Reporting Standard 8 'Related Party Transactions', from disclosing transactions entered into between two or more members of a group provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group

Transactions between two or more members of the group where any subsidiary undertaking party to those transactions is not wholly owned by a member of the group are considered immaterial and have not, therefore, been disclosed

Caparo House Limited

Notes to the financial statements (continued) **Year ended 31 December 2012**

14 Ultimate parent company and controlling parties

The company is a wholly owned subsidiary undertaking of Caparo Group Limited, which is also the ultimate parent company

The only group in which the results of the company are consolidated is that headed by Caparo Group Limited. Copies of the consolidated accounts of Caparo Group Limited are available from Companies House, Cardiff

The Right Honourable The Lord Paul of Marylebone, The Honourable Ms Anji Paul, The Honourable Ambar Paul, The Honourable Akash Paul and The Honourable Angad Paul, directors of Caparo Group Limited, are jointly and indirectly interested in the whole of the issued share capital of Caparo Group Limited through shareholdings registered in the name of Caparo International Corporation, a company registered in the British Virgin Islands. Caparo International Corporation ultimately holds the issued share capital of Caparo Group Limited on behalf of a series of family trusts.