

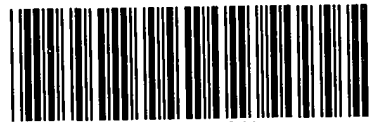
Company Registration No. 1718594

Caparo House Limited

Report and Financial Statements

31 December 2014

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Caparo House Limited

Report and financial statements 2014

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Caparo House Limited

Report and financial statements 2014

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 2014. 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 £175,000 during the year (2013: £271,000).

No interim dividend was paid during the year (2013: £nil). The directors do not recommend a final dividend for the year (2013: £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. As a result of the small companies' exemption, the company is not required to prepare a Strategic Report.

By order of the Board



D P Dancaster

Director

Date 29 JUNE 2015

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; 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 2014, which comprise the Profit and Loss Account, the note of Historical Cost Profits and Losses, 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 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 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 2014 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 from preparing a Strategic Report or in preparing the Directors' report.


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

30 June 2015

Caparo House Limited

Profit and loss account Year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Turnover	2	545	570
Cost of sales		(36)	(39)
Gross profit		509	531
Administrative Expenses		(252)	(111)
Operating profit and profit on ordinary activities before taxation	5	257	420
Taxation on profit on ordinary activities	6	(82)	(149)
Profit for the financial year	12	175	271

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.

Historical cost profits and losses Year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Reported profit on ordinary activities before taxation		257	420
Difference between actual and historical cost depreciation		9	10
Historical cost profit on ordinary activities before taxation		266	430
Historical cost profit for the year after taxation		184	281

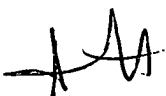
The notes on pages 7 to 12 form part of these financial statements.

Caparo House Limited

Balance sheet 31 December 2014

<i>Company number 1718594</i>	Note	2013 £'000	2014 £'000	2013 £'000	2013 £'000
Fixed assets					
Tangible assets	7		4,921		4,952
Current assets					
Debtors due within one year	8	81		62	
Debtors due after more than one year	8	4,222		4,094	
Cash at bank and in hand		83		83	
		<u>4,386</u>		<u>4,239</u>	
Creditors: amounts falling due within one year	9	<u>(215)</u>		<u>(274)</u>	
Net current assets			<u>4,171</u>		<u>3,965</u>
Net assets			<u>9,092</u>		<u>8,917</u>
Capital and reserves					
Called up share capital	11		-		-
Revaluation reserve	12		1,494		1,503
Profit and loss account	12		7,598		7,414
Total shareholders' funds	12		<u>9,092</u>		<u>8,917</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29 JUNE 2015



The Honourable Angad Paul
Director



D P Dancaaster
Director

The notes on pages 7 to 12 form part of these financial statements.

Caparo House Limited

Notes to the financial statements Year ended 31 December 2014

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 2016 prepared by the directors. The directors have therefore prepared the financial statements on the going concern basis.

Turnover

Turnover, stated net of value added tax, represents amounts invoiced to group companies and 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 2014

1. Accounting policies (continued)

Cash flow statement

Under Financial Reporting Standard 1 'Cash Flow Statements' (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:

	2014 £'000	2013 £'000
Depreciation of owned assets	31	31
Vacant floor costs	194	61
Legal and professional costs	3	50
	<u>228</u>	<u>142</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, and not recharged.

Caparo House Limited

Notes to the financial statements (continued) Year ended 2014

6. Taxation on profit on ordinary activities

	2014 £'000	2013 £'000
The taxation on profit on ordinary activities comprises:		
<i>Current tax</i>		
Corporation tax charge for the year	89	147
Adjustment in respect of previous years	(1)	(1)
Total current tax charge	88	146
<i>Deferred tax</i>		
Movement in deferred tax provision (note 10)	(6)	3
Taxation charge on profit on ordinary activities	82	149

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.

	2014 £'000	2013 £'000
Profit on ordinary activities before tax	257	420
Profit on ordinary activities at the standard rate of corporation tax in the UK of 21.50% (2013: 23.25%)	55	98
Effect of:		
Permanent differences	27	50
Differences between capital allowances and depreciation	7	(1)
Adjustment in respect of previous years	(1)	(1)
Current tax charge for the year	88	146

Factors that may affect future tax charges

No provision has been made for deferred tax on potential 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. There is currently no unprovided deferred tax in relation to the revaluation of assets.

In the 2013 Budget, issued on 20 March 2013, the Chancellor announced that the main rate of corporation tax would be reduced to 20% with effect from 1 April 2015. As this rate was enacted in the 2013 Finance Act, the deferred tax rate has been recognised at 20%.

Caparo House Limited

Notes to the financial statements (continued) Year ended 2014

7. Tangible fixed assets

	Freehold land and buildings £'000	Fixtures and fittings £'000	Total £'000
Cost or valuation			
At 1 January and 31 December 2014	5,169	5	5,174
Depreciation			
At 1 January 2014	217	5	222
Charge for the year	31	-	31
At 31 December 2014	248	5	253
Net book value			
At 31 December 2014	4,921	-	4,921
At 31 December 2013	4,952	-	4,952

The historic cost of the freehold land and buildings is £3,599,000 (2013: £3,599,000).

8. Debtors

	2014 £'000	2013 £'000
Amounts falling due within one year:		
Prepayments and accrued income	81	62
	81	62
Amounts falling due after more than one year:		
Amount owed by group undertakings	4,206	4,084
Deferred tax (note 10)	16	10
	4,222	4,094
Total debtors	4,303	4,156

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

9. Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Corporation tax	89	147
Other creditors	83	83
Accruals and deferred income	43	44
	215	274

Caparo House Limited

Notes to the financial statements (continued) Year ended 2014

10. Deferred tax asset

Total deferred tax is included in the balance sheet as follows:

	£'000
At 1 January 2014	(10)
Movement in deferred tax	(6)
	<hr/>
At 31 December 2014	(16)
	<hr/>

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 2014 £'000	Unprovided 2014 £'000	Provided 2013 £'000	Unprovided 2013 £'000
Accelerated capital allowances	(16)	-	(10)	-
On revaluation of assets	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	(16)	-	(10)	-
	<hr/>	<hr/>	<hr/>	<hr/>

11. Called up share capital

	Allotted, called up and fully paid			
	2014 Number	2014 £'000	2013 Number	2013 £'000
Ordinary shares of £1 each	100	-	100	-
	<hr/>	<hr/>	<hr/>	<hr/>

Caparo House Limited

Notes to the financial statements (continued) Year ended 2014

12. (a) Reserves

	Revaluation reserve £'000	Profit and loss account £'000
At 1 January 2014	1,503	7,414
Profit for the financial year	-	175
Difference between actual and historical cost depreciation	(9)	9
At 31 December 2014	1,494	7,598

(b) Reconciliation of movements in shareholders' funds

	2014 £'000	2013 £'000
Opening shareholders' funds	8,917	8,646
Profit for the financial year	175	271
Closing shareholders' funds	9,092	8,917

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.

14. Ultimate parent company and controlling parties

The company is a wholly owned subsidiary undertaking of Caparo Group Limited, which is also both the immediate and 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 Anjli 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.