

Carmelite Property Management Limited

Director's report and financial statements

Registered number 03182775

31 December 2018

TUESDAY



A8E6J4Y0

A11

17/09/2019

#373

COMPANIES HOUSE

Carmelite Property Management Limited
Contents
31 December 2018

Officers and professional advisors	1
Director's report	2
Statement of Director's responsibilities in respect of the Director's report and the financial statements	4
Independent auditor's report to the members of Carmelite Property Management Limited	5
Profit and loss account	7
Statement of changes in equity	7
Balance sheet	8
Notes to the financial statements	9

Carmelite Property Management Limited
Officers and professional advisors
31 December 2018

DIRECTOR

M A Webberley

REGISTERED OFFICE

Point 3
Haywood Road
Warwick
CV34 5AH

AUDITOR

CBHC Limited
Suite 3, The Hamilton Centre
Rodney Way
Chelmsford
Essex
CM1 3BY

Carmelite Property Management Limited

Director's report

31 December 2018

The Director presents the annual report and the audited financial statements for Carmelite Property Management Limited, registered number 03182775 ("the Company") for the year ended 31 December 2018.

Principal activity and business review

Until recent years, the Company was primarily responsible for the management of a portfolio of property leases. During the year ended 31 December 2014 the final leases held on properties expired. The Company continues to manage legacy assets and liabilities which relate primarily to these property leases and to pursue the Carmelite Capital Limited ("CCL") group simplification programme by ensuring its remaining assets and those of its remaining subsidiary undertakings are realised and their liabilities settled.

The Company made a loss before taxation for the year of £25,000 (loss of 2017: £43,000).

Going concern

The Company has prepared cash flow forecasts which indicate that the Company has sufficient funds to meet its obligations for the next 12 months, commencing from the date these accounts are signed.

Consequently, the Director has continued to adopt the going concern basis in preparing the annual report and financial statements.

Loans to Co-Investment Guernsey Limited ("CIGL") (formerly Co-Investment Limited)

The Company has an outstanding loan balance of £52,065,000 (2017: £50,193,000) due from CIGL, including accrued interest to the balance sheet date. The interest accrues at a floating rate of LIBOR plus 3% to ensure the return reflects market movements plus an adequate margin for risk. During the year a further provision was created against the loan for £1,873,000, to continue to reflect the book value of £250,000 that the Director has assessed as being recoverable as at 31 December 2018 (2017: £250,000).

Dividends

The Director does not recommend the payment of any dividends (2017: £nil).

Director

The Director who held office during the year and subsequently is as follows:

M A Webberley

Carmelite Property Management Limited
Director's report
31 December 2018

Financial risk management objectives and policies

The principal financial assets of the Company as at 31 December 2018 are loans to related parties and cash. Its principal financial liabilities are accruals. The main risks arising from these financial instruments are credit risk and liquidity risk. The Director has reviewed and set policies for managing each of these risks and they are summarised below.

Credit risk

The risk of impairments in value being required against these assets and policy for repayment of intra group loans are managed as part of the overall financial strategy for the Tusk Investments LP Inc Group.

Liquidity risk

The Company's objective is to ensure it has sufficient cash available on demand to cover its net commitments and to work with the Tusk Group on the timing of loan repayments.

Political and charitable contributions

The Company made no charitable or political donations during the year (2017: £nil).

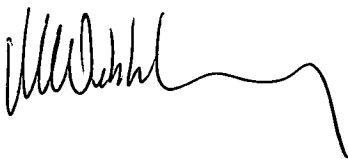
Auditors

The Director who held office at the date of approval of this Director's report confirms that, so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and he has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

KPMG LLP resigned as auditor on 22 March 2019. CBHC Limited was appointed as auditor with effect from 1 January 2018 and will be deemed to be re-appointed as auditor for a further term under the provisions of section 487(2) of the Companies Act 2006.

By Order of the Board



M A Webberley
Director

Date: 18 July 2019

Carmelite Property Management Limited
Statement of Director's responsibilities in respect of the Director's report
and the financial statements
31 December 2018

The Director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102 *The financial reporting standard applicable in the UK and Republic of Ireland*.

Under company law the Director must not approve the financial statements unless he is 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 Director is required to:

- select suitable accounting policies and then 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is responsible for such internal control as he determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Carmelite Property Management Limited

Opinion

We have audited the financial statements of Carmelite Property Management Limited ("the Company") for the year ended 31 December 2018 which comprise the profit and loss account, statement of changes in equity, balance sheet and related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 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 Auditors' 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 Director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Director has 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 Director is responsible for the other information. The other information comprises the information in the Report of the Director, but does not include the financial statements and our Report of the Auditors 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.

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 matters 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 Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Director have been prepared in accordance with applicable legal requirements.

Independent auditor's report to the members of Carmelite Property Management Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Director

As explained more fully in the Statement of Director's Responsibilities set out on page 4, the Director is 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 Director determines 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 Director is 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 Director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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.

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 Report of the Auditors.

Use of our report

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 a Report of the Auditors 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.



Peter Sartain FCCA (Senior Statutory Auditor)
for and on behalf of CBHC Limited
Suite 3, The Hamilton Centre
Rodney Way
Chelmsford
Essex

Date: 13th September 2019

Carmelite Property Management Limited
Profit and loss account
Year ended 31 December 2018

	Note	2018 £000	2017 £000
Operating expenses		(26)	(43)
Operating loss		(26)	(43)
Interest receivable and similar income	4	1,874	1,641
Amounts provided against intercompany loans	7	(1,873)	(1,641)
Loss before taxation		(25)	(43)
Tax on loss	5	-	-
Loss for the financial year		(25)	(43)

The notes on pages 9 to 14 form an integral part of these financial statements.

All results relate to continuing operations.

There were no recognised gains or losses in the year or in the prior year other than the results for those years. Accordingly, no statement of comprehensive income has been prepared.

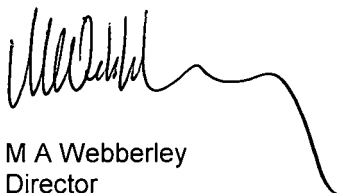
Statement of changes in equity
Year ended 31 December 2018

	Called up share capital £000	Capital redemption reserve £000	Profit and loss account £000	Total £000
At 1 January 2017	26,509	86,779	(112,702)	586
Loss for the year	-	-	(43)	(43)
At 31 December 2017	26,509	86,779	(112,745)	543
Loss for the year	-	-	(25)	(25)
At 31 December 2018	26,509	86,779	(112,770)	518

Carmelite Property Management Limited
Balance sheet
Year ended 31 December 2018

	Note	2018 £000	2017 £000
Fixed assets			
Investments	6	-	-
		<u>-</u>	<u>-</u>
Current assets			
Debtors (including £nil (2017: £nil) due after more than one year)	7	253	258
Cash at bank and in hand		275	295
		<u>528</u>	<u>553</u>
Creditors: amounts falling due within one year	8	(10)	(10)
		<u>518</u>	<u>543</u>
Net current assets			
		<u>518</u>	<u>543</u>
Total assets less current liabilities		<u>518</u>	<u>543</u>
Net assets		<u>518</u>	<u>543</u>
Capital and reserves			
Called up share capital	9	26,509	26,509
Capital redemption reserve		86,779	86,779
Profit and loss account		(112,770)	(112,745)
		<u>518</u>	<u>543</u>
Shareholder's funds		<u>518</u>	<u>543</u>

These financial statements of Carmelite Property Management Limited, registered number 3182775, were approved by the Director on 18 July 2019.



M A Webberley
Director

Carmelite Property Management Limited
Notes to the financial statements
Year ended 31 December 2018

1 Principal accounting policies

Carmelite Property Management Limited is a private company limited by shares and incorporated and domiciled in the UK.

These financial statements have been prepared in accordance with Financial Reporting Standard 102 ("FRS 102").

The financial statements are prepared in Sterling which is the functional currency of the Company and under the historical cost convention.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS102 in respect of the following disclosures:

- Cash flow statement and related notes;
- Key management personnel compensation;
- The disclosures required by FRS102.11 (Basic Financial Instruments) and FRS102.12 (Other Financial Instrument Issues) in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36 (4) of Schedule 1.

Group financial statements

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

Going concern

The Company has prepared cash flow forecasts which indicate that the Company has sufficient funds to meet its obligations for the next 12 months, commencing from the date these accounts are signed. Consequently, the Director has continued to adopt the going concern basis in preparing the annual report and financial statements.

Related party transactions

As the Company is a wholly owned subsidiary of Carmelite Capital Limited ("CCL"), the Company has taken advantage of the exemption permitted by FRS102 section 33.11 and has therefore not disclosed transactions or balances with entities which form part of the CCL group (or investees of the group qualifying as related parties). The consolidated financial statements of CCL, within which this Company is included, can be obtained from the address given in note 11.

Investments

Investments in subsidiary undertakings are stated at cost less any provision for impairment.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Interest receivable

Interest receivable and similar income includes interest receivable on funds invested and bank interest receivable. Interest income is recognised in the profit and loss account on the date that the right to receive payments is established.

Carmelite Property Management Limited
Notes to the financial statements
Year ended 31 December 2018

1 Principal accounting policies (continued)

Taxation

Taxation on profit is that which has been paid or becomes payable in respect of profits for the year.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Differences relating to investments in subsidiaries have not been provided for to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Cash

Cash comprises cash in hand and deposits repayable on demand.

Financial assets

All financial assets are held at fair value and objectively assessed at each reporting date for impairment. Any impairment is recognised immediately in the profit and loss account.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs.

2 Accounting estimates and judgements

In the application of the Company's accounting policies, which are described in Note 1, the Director is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that the Director has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Bad debt provision

The Director has reviewed the accounts of Co-investment Guernsey Limited (CIGL) and Carmelite Finance Limited, and the terms under which the loans to these companies have been advanced, and assessed the recoverable amounts at £250,000 and £nil respectively. This assessment was based on a consideration of the net assets position of both companies and, in the case of CIGL, the legal arrangements that are in place to ensure the Company can access sufficient funds to meet reasonably foreseeable expenditure.

3 Directors, employees and auditors

The Director received no remuneration during the year in respect of services to the Company (2017: £nil). There were no employees during the year (2017: none). The fees for the audit of these financial statements were £1,750 (2017: £2,500). The Company also bore audit fees amounting to £4,500 (2017: £5,500) in respect of other members of the CCL Group.

Carmelite Property Management Limited
Notes to the financial statements
Year ended 31 December 2018

4 Interest receivable and similar income

	2018 £000	2017 £000
Other interest receivable	1	-
On amounts receivable from related parties	1,873	1,641
	<u>1,874</u>	<u>1,641</u>

The interest receivable from related parties in the current and prior year was all due from Co-Investment Guernsey Limited (formerly Co-Investment Limited).

5 Taxation

	2018 £000	2017 £000
Current tax		
UK taxation at 19% (2017: 19.25%)	-	-
	<u>-</u>	<u>-</u>
Tax on loss	-	-
	<u>-</u>	<u>-</u>
	2018 £000	2017 £000
Reconciliation of total tax charge for the period		
Loss before taxation	(25)	(43)
	<u>-</u>	<u>-</u>
Total tax credit at 19% (2017: 19.25%)	5	8
Capital allowances for year in excess of depreciation	1	1
Non-deductible expenses	(356)	(315)
Profits covered by brought forward tax losses	350	306
	<u>-</u>	<u>-</u>
Total tax credit	-	-
	<u>-</u>	<u>-</u>

Carmelite Property Management Limited
Notes to the financial statements
Year ended 31 December 2018

5 Taxation (continued)

A reductions in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly.

The Company has tax losses carried forward which may give rise to reduced tax charges in the future of £3,598,000 (2017: £3,911,000). No deferred tax asset has been recognised in respect of these losses as the ability of the Company to obtain a future tax benefit is uncertain.

6 Fixed asset investments

	Shares in group undertakings £000
Cost	
As at 1 January and 31 December 2018	1,614
	<hr/>
Provisions	
As at 1 January and 31 December 2018	(1,614)
	<hr/>
Net book value	
At 31 December 2018	-
	<hr/>
At 31 December 2017	-
	<hr/>

Impairment of investments

The Director has conducted an impairment review of the Company's investments and concluded that they should continue to be written down to £nil.

The undertakings in which the Company has an interest at the year-end are as follows:

	Principal activity	Shares	Percentage of shares held
Thorn (IP) Limited *	Holder of intellectual property rights	Ordinary	100
Thorn Limited	Dormant	Ordinary	100

* denotes investment held directly by the Company at 31 December 2018.

The registered office of Thorn (IP) Limited and Thorn Limited is Point 3, Haywood Road, Warwick, CV34 5AH.

Carmelite Property Management Limited
Notes to the financial statements
Year ended 31 December 2018

7 Debtors

	2018 £000	2017 £000
Amounts due within one year		
Other debtors	1	3
Prepayments	2	5
Amounts due from related parties	250	250
	<hr/> 253 <hr/>	<hr/> 258 <hr/>

Amounts due from related parties within one year

The Company has an outstanding loan balance of £52,065,000 (2017: £50,192,000) with Co-Investment Guernsey Limited (formerly Co-Investment Limited), including accrued interest to the balance sheet date. The interest accrues at a floating rate of LIBOR plus 3% to ensure the return reflects future market movements plus an adequate margin for risk. The loan is repayable on demand. During the year a further provision was created against the loan for £1,873,000, to reflect the book value of £250,000 that the Director has assessed as being recoverable at 31 December 2018 (2017: £250,000).

In addition to the amounts shown above, the Company is also owed £71,798,000 (2017: £71,798,000) by Carmelite Finance Limited. The loan is repayable on demand with no fixed maturity date and is interest free. The Director has performed an impairment review to assess the recoverable amount, which at 31 December 2018 was assessed to be £nil (2017: £nil).

8 Creditors: amounts falling due within one year

	2018 £000	2017 £000
Amounts owed to fellow group undertakings	1	1
Accruals and deferred income	9	9
	<hr/> 10 <hr/>	<hr/> 10 <hr/>

9 Called up share capital

	2018 £000	2017 £000
Allotted, called up and fully paid		
461,030,115 ordinary shares of 5.75 pence each	26,509	26,509
	<hr/> 26,509 <hr/>	<hr/> 26,509 <hr/>

Carmelite Property Management Limited
Notes to the financial statements
Year ended 31 December 2018

10 Controlling party, ultimate controlling party and parent undertaking of larger group

The Director regards Carmelite Finance Limited as the controlling party.

The Director regards Tusk Investments LP Inc ("Tusk LP"), a Guernsey incorporated limited partnership, as the ultimate parent and ultimate controlling party. Tusk LP owns 100% of the issued share capital of CIGL.

The registered office of Tusk LP is Ground Floor Western Suite, Mill Court, La Charroterie, St Peter Port, Guernsey, GY1 1EJ.

Carmelite Capital Limited is the largest and smallest group of which the Company was a member at 31 December 2018 and for which Group financial statements are prepared. Copies of the financial statements are available to the public and may be obtained from the Secretary at Point 3, Haywood Road, Warwick, CV34 5AH.

11 Related party transactions

The Director considers Tusk LP, Co-Investment Guernsey Limited (formerly Co-Investment Limited) and other members of the Carmelite Capital Limited group to be related parties for the year ended 31 December 2018.

Balances with these entities are disclosed in notes 7 and 8 of these financial statements, with significant movements described in the Director's Report on page 2.