

**Carmelite Capital Limited**

**Director's report and consolidated financial  
statements**

**Registered number 03557633**

**31 December 2018**



**Carmelite Capital 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
Report of the independent auditors to the members of Carmelite Capital Limited	5
Consolidated profit and loss account	7
Consolidated balance sheet	8
Consolidated statement of changes in equity	9
Consolidated cash flow statement	10
Company balance sheet	11
Notes to the financial statements	12

**Carmelite Capital 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 Capital Limited**  
**Director's report**  
**31 December 2018**

The Director presents the annual report and the audited financial statements for Carmelite Capital Limited, registered number 03557633 ("the Company") and its subsidiaries (collectively "the Group") for the year ended 31 December 2018.

**Principal activity**

The principal activity of the Company is that of an investment holding company.

**Business review**

The Group loss for the year before taxation was £25,000 (2017: loss of £43,000). The loss before taxation includes net interest receivable of £1,874,000 (2017: £1,641,000).

Until recent years, the Group 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 Group continues to manage legacy assets and liabilities which relate primarily to these property leases and to pursue the group simplification programme by ensuring its remaining assets and those of its remaining subsidiary undertakings are realised and their liabilities settled.

**Going concern**

The Group 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.

***Loan to Co-Investment Guernsey Limited ("CIGL") (formerly Co-Investment Limited)***

The Group has an outstanding loan balance of £52,065,000 (2017: £50,193,000) due from CIGL (a holding company within the group structure that owns the Company) 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.

**Dividends**

The Director does not recommend the payment of a dividend (2017: £nil).

**Principal risks and uncertainties**

The Group's risk profile consists mainly of risks associated with managing the Group's liquidity to ensure timely settlement of its obligations.

**Carmelite Capital Limited**  
**Director's report**  
**31 December 2018**

**Financial risk management objectives and policies**

The principal financial assets of the Group 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 Group and its parent undertakings, Co-Investment Guernsey Limited (formerly Co-Investment Limited) and Tusk Investments LP Inc.

*Liquidity risk*

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

**Directors**

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

M A Webberley

**Political and charitable contributions**

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

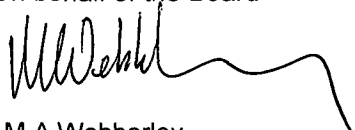
**Auditors**

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.

On behalf of the Board



M A Webberley  
Director

Date: 18 July 2019

**Carmelite Capital 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 Group and parent Company 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 Group and parent Company and of their profit or loss for that period. In preparing each of the Group and parent Company 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 Group and parent 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 Group or the parent 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 parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable him to ensure that the financial statements comply with the Companies Act 2006. The Director 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 Group and to prevent and detect fraud and other irregularities.

# **Report of the independent auditors to the members of Carmelite Capital Limited**

## **Opinion**

We have audited the financial statements of Carmelite Capital Limited ("the Company") for the year ended 31 December 2018 which comprise the consolidated profit and loss account, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement, company balance sheet and notes to the financial statements, 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 this 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 has been prepared in accordance with applicable legal requirements.

# Report of the independent auditors to the members of Carmelite Capital 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](http://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  
CM1 3BY

Date: 13/09/2019



**Carmelite Capital Limited**  
**Consolidated profit and loss account**  
**Year ended 31 December 2018**

	Note	2018 £000	2017 £000
Net operating expense		(26)	(43)
<b>Operating loss</b>		<b>(26)</b>	<b>(43)</b>
Interest receivable and similar income	6	<b>1,874</b>	1,641
Amounts provided against loans	9	<b>(1,873)</b>	(1,641)
<b>Loss before taxation</b>		<b>(25)</b>	<b>(43)</b>
Tax on loss	7	-	-
<b>Loss after taxation</b>		<b>(25)</b>	<b>(43)</b>
Non-controlling interest	12	<b>25</b>	43
<b>Result for the financial year</b>		<b>-</b>	<b>-</b>

The notes on pages 12 to 19 form an integral part of these financial statements.

All results relate to continuing operations.

The Group has no recognised gains or losses in the year or in the prior year other than the result for the financial year therefore a statement of comprehensive income has not been prepared.

**Carmelite Capital Limited**  
**Consolidated balance sheet**  
**Year ended 31 December 2018**

	Note	2018 £000	2017 £000
<b>Current assets</b>			
Debtors (including £nil (2017: £nil) due after more than one year)	9	253	258
Cash at bank and in hand		275	295
		<u>528</u>	<u>553</u>
<b>Creditors: amounts falling due within one year</b>	10	(9)	(9)
<b>Net current assets</b>		<u>519</u>	<u>544</u>
<b>Total assets less current liabilities</b>		<u>519</u>	<u>544</u>
<b>Net assets</b>		<u>519</u>	<u>544</u>
<b>Capital and reserves</b>			
Called up share capital	11	544,253	544,253
Profit and loss account		(544,253)	(544,253)
<b>Equity attributable to parent's shareholder</b>		-	-
Non-controlling interest	12	519	544
<b>Shareholder's funds</b>		<u>519</u>	<u>544</u>

The consolidated financial statements of Carmelite Capital Limited, registered number 03557633, were approved by the Director on 18 July 2019.



**M A Webberley**  
Director

**Carmelite Capital Limited**  
**Consolidated statement of changes in equity**  
**Year ended 31 December 2018**

	Called up share capital £000	Profit and loss account £000	Non- controlling interest £000	Total £000
At 1 January 2017	544,253	(544,253)	587	587
Share of loss for the year	-	-	(43)	(43)
At 31 December 2017	544,253	(544,253)	544	544
Share of loss for the year	-	-	(25)	(25)
At 31 December 2018	544,253	(544,253)	519	519

**Carmelite Capital Limited**  
**Consolidated cash flow statement**  
**Year ended 31 December 2018**

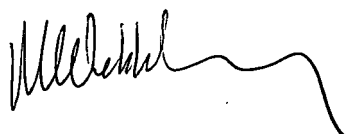
	Note	2018 £000	2017 £000
<b>Cash flows from operating activities</b>	13	(21)	(42)
<b>Cash flows from investing activities</b>			
Interest received		1	-
Net decrease in cash and cash equivalents		(20)	(42)
Cash and cash equivalents at beginning of period		295	337
<b>Cash and cash equivalents at end of period</b>		<b>275</b>	<b>295</b>

**Carmelite Capital Limited**  
**Company balance sheet**  
**Year ended 31 December 2018**

	Note	2018 £000	2017 £000
<b>Fixed assets</b>			
Investments	8	-	-
		<hr/>	<hr/>
<b>Net assets</b>		-	-
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	11	544,253	544,253
Profit and loss account		(544,253)	(544,253)
		<hr/>	<hr/>
<b>Shareholder's funds</b>		-	-
		<hr/>	<hr/>

The profit for the year of the Company was £nil (2017: £nil).

The financial statements financial statements of Carmelite Capital Limited, registered number 03557633, were approved by the Director on 18 July 2019.



**M A Webberley**  
Director

**Carmelite Capital Limited**  
**Notes to the financial statements**  
**Year ended 31 December 2018**

**1 Accounting policies**

Carmelite Capital 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 Group and under the historical cost convention.

***Basis of consolidation***

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2018. The acquisition method of accounting has been adopted. Under this method the results of any subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account, cash flow statement and statement of changes in equity.

***Going concern***

The Group 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.

***Fixed asset investments***

In the Company's financial statements 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.

***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.

***Non-controlling interest***

Non-controlling interest represents the interest in Group undertakings included in the consolidation that is attributable to the shares held by persons other than the parent undertaking.

**1 Accounting policies (continued)**

***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.

***Classification of financial instruments issued by the Group***

Financial instruments issued by the Group are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company (or Group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company (or Group); and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy. The finance cost on the financial liability component is correspondingly higher over the life of the instrument.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholder's funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholder's funds.

***Cash***

Cash, for the purpose of the cash flow statement, comprises cash in hand.

***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.

***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.

**Carmelite Capital Limited**  
**Notes to the financial statements**  
**Year ended 31 December 2018**

**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") (formerly Co-Investment Limited) 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 Segmental information**

The only class of business undertaken by the Group during the year was the management of legacy assets and liabilities relating to the Group's former portfolio of property leases. The Group's business was exclusively transacted in the UK. Accordingly, no segmental analysis is presented.

**4 Auditor remuneration**

Included in other operating expenses is remuneration to the auditor for audit and non-audit services as follows:

	2018 £000	2017 £000
Audit of these financial statements	3	4
Amounts receivable by the auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	3	4
	<u>6</u>	<u>8</u>

The audit fees of the Group were borne by Carmelite Property Management Limited.

**5 Directors and employees**

The Director received no remuneration during the year for his services as Director of the Company (2017: £nil). The Company had no employees during the year (2017: none).



**Carmelite Capital Limited**  
**Notes to the financial statements**  
**Year ended 31 December 2018**

**6 Interest receivable and similar income**

	2018 £000	2017 £000
<b>Group</b>		
On loans to related parties (see note 9)	1,873	1,641
Other interest receivable	1	-
	<u>1,874</u>	<u>1,641</u>

**7 Taxation**

	2018 £000	2017 £000
<b>Group</b>		
<b>Current tax</b>		
UK taxation at 19% (2017: 19.25%)	-	-
	<u>-</u>	<u>-</u>
<b>Tax on loss</b>	<u>-</u>	<u>-</u>
	-	-
	<u>-</u>	<u>-</u>
<b>Reconciliation of total tax charge for the period</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
Loss before tax	(25)	(43)
	<u>5</u>	<u>8</u>
Total tax credit at 19% (2017: 19.25%)	5	8
<i>Effects of:</i>		
Capital allowances 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	-	-

A reduction 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 Group's future current tax charge accordingly.

Certain subsidiaries have non-trading losses, which as at 31 December 2018 amounted to £148.0m (2017: £149.8m) with a tax value of £25.2m (2017: £25.4m), which are available for offset against future non-trading income.

No deferred tax asset has been recognised in respect of these losses as the ability of the Group to obtain a future tax benefit is uncertain.

**Carmelite Capital Limited**  
**Notes to the financial statements**  
**Year ended 31 December 2018**

**8 Fixed asset investments**

**Company**

The undertakings in which the Company has an interest at 31 December 2018 are:

<b>Subsidiary undertakings</b>	<b>Principal activity</b>	<b>Share classification</b>	<b>Percentage of shares held</b>
Carmelite Investments Limited* **	Holding company	Ordinary	100
Carmelite Finance Limited	Holding company	Ordinary Preferred ordinary	100 -
Carmelite Property Management Limited	Non-trading	Ordinary	100
Thorn (IP) Limited**	Holder of intellectual property rights	Ordinary	100
Thorn Limited**	Dormant	Ordinary	100
<b>Non-subsidiary undertakings</b>	<b>Principal activity</b>	<b>Share classification</b>	<b>Percentage of shares held</b>
Box Clever Technology Limited	Holding Company	Ordinary B	50

\* Denotes investment held directly by the Company at 31 December 2018

\*\* Denotes that the company has claimed exemption from audit under section 479A of the Companies Act 2006

All of the subsidiary undertakings are incorporated in England and the registered office is Point 3, Haywood Road, Warwick, CV34 5AH.

The Group owns 100% of the ordinary shares but none of the £1 preferred ordinary shares issued by Carmelite Finance Limited ("CFL"). These preferred ordinary shares carry preferential rights to future distributions by CFL up to the value of the amount paid by the subscribers but have no redemption or voting rights. All of the preferred ordinary shares are held by Co-Investment Guernsey Limited (formerly Co-Investment Limited), a related party. This accounts for the non-controlling interest disclosures.

	<b>Company Investments £000</b>
<b>Cost</b>	
As at 1 January 2018 and 31 December 2018	323,700
	<hr/>
<b>Impairments</b>	
As at 1 January 2018 and 31 December 2018	323,700
	<hr/>
<b>Net book value</b>	
At 31 December 2017 and 31 December 2018	-
	<hr/>

**Carmelite Capital Limited**  
**Notes to the financial statements**  
**Year ended 31 December 2018**

**8 Fixed asset investments (continued)**

*Box Clever Technology Limited*

Box Clever Technology Limited ("BCTL"), is incorporated in England and its registered office is 5 New Street Square, London, EC4A 3TW. The aggregate of its capital and reserves as at 30 September 2018 was £nil, and its profit / (loss) for the year ending 30 September 2018 was £nil.

The investment in BCTL comprised 50% of the ordinary share capital of BCTL (namely £5,000,000).

Although the Group holds 50% of the equity share capital of BCTL, the Director considers that neither the Company nor any of its subsidiary undertakings exert significant influence over the operating and financial policy of BCTL. This restriction is expected to continue for the foreseeable future and, consequently, this shareholding has been treated as a fixed asset investment which is held at £nil value as at 31 December 2018 (2017: £nil).

**9 Debtors**

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

Amounts due from related parties comprises a loan to Co-Investment Guernsey Limited ("CIGL") (formerly Co-Investment Limited). The Group has an outstanding loan balance of £52,065,000 (2017: £50,192,000) with 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 future market movements plus an adequate margin for risk. 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 as at 31 December 2018.

The Group has minimal risk from financial instruments, the most significant being credit risk. The exposure of the Group to credit risk principally relates to the loan to CIGL (see also note 2).

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

Group	2018 £000	2017 £000
Accruals and deferred income	9	9
	<hr/>	<hr/>

**Carmelite Capital Limited**  
**Notes to the financial statements**  
**Year ended 31 December 2018**

**11 Called up share capital**

	2018 £000	2017 £000
<i>Allotted, called up and fully paid</i>		
529,252,955 Ordinary shares of £1 each	529,253	529,253
15,000,000 Preference shares of £1 each	15,000	15,000
	<u>544,253</u>	<u>544,253</u>

The preference shares were issued in 2006 and carry an 8% preference dividend and no voting rights. On a return of assets or other voluntary distribution, the surplus assets shall be applied to preference shareholders before the ordinary shareholders to the extent their cumulative dividends have not been received in full. The preference shares carry no right to receive dividends other than in the circumstances stated above. To 31 December 2018 no preference share dividends had been paid by the Company.

**12 Non-controlling interest**

Group	2018 £000	2017 £000
At beginning of year	544	587
Share of loss for the year	(25)	(43)
	<u>519</u>	<u>544</u>

**13 Reconciliation of operating loss to operating cash flows**

Group	2018 £000	2017 £000
Operating loss	(26)	(43)
Decrease in debtors	5	1
Decrease in creditors	-	-
	<u>(21)</u>	<u>(42)</u>

**Carmelite Capital Limited**  
**Notes to the financial statements**  
**Year ended 31 December 2018**

**14 Controlling party, ultimate controlling party and parent undertaking of larger group**

The Director regards the Company's immediate parent, Co-Investment Guernsey Limited ("CIGL") (formerly Co-Investment 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.

**15 Related party disclosures**

The Director considers Tusk LP, CIGL 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 note 9 of these financial statements, with significant movements described on page 1 of the Director's Report.