

CAPCO EMPRESS STATE LP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

Company number 6482931



CAPCO EMPRESS STATE LP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

The Directors submit their report and audited financial statements of the Company for the year ended 31 December 2013.

PRINCIPAL ACTIVITY

The principal activity of the Company was to act as Limited Partner to The Empress State Limited Partnership ("Partnership") up to the date of disposal of its entire interest in the Partnership to C&C Properties (Jersey) Limited, a related group undertaking.

INCORPORATION

The Company was incorporated and registered in England and Wales on 24 January 2008.

BUSINESS REVIEW

The Company's results for and financial position at the year ended 31 December 2013 are set out in full in the profit and loss account, the balance sheet and the notes relating thereto.

Both the level of business during the year and the yearend financial position were as expected. As a result of the Company's disposal of its investment in the Partnership, profit on ordinary activities before tax was £11,467,000 (2012: £5,877,000). Shareholder funds at 31 December 2013 were £11,467,000 (2012: £nil).

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of its development, performance or position.

The Directors believe that the principal risks and uncertainties facing the Company are not materially different to those disclosed in the Group Annual Report & Accounts of Capital & Counties Properties PLC for the year ended 31 December 2013 that are publicly available and in which the Company is consolidated.

DIVIDENDS

The Directors do not recommend a dividend for the year (2012: nil).

DIRECTORS IN THE YEAR

The Directors of the Company who were in office during the year and up to the date of signing the financial statements are given below:

W R Black
S Das
I D Hawksworth
B S Tattar
G J Yardley

DIRECTORS INDEMNITY

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company's ultimate parent company purchased and maintained Directors' and Officers' liability insurance in respect of the Group throughout the financial year, including the Company and its Directors.

CAPCO EMPRESS STATE LP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of its profit or loss for that year.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures being 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 to 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.


DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information of which the auditors are unaware and each Director has taken all reasonable steps to make himself or herself aware of any relevant audit information and to establish that the auditors are aware of that information.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. Under the provisions of the Companies Act 2006, the Company is not required to hold an annual general meeting and accordingly the auditors, PricewaterhouseCoopers LLP, will therefore be deemed to be reappointed for each succeeding financial year.

By order of the Board



B S Tattar

Director

29 April 2014

CAPCO EMPRESS STATE LP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAPCO EMPRESS STATE LP LIMITED

REPORT ON THE FINANCIAL STATEMENTS

OUR OPINION

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 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.

This opinion is to be read in the context of what we say in the remainder of this report.

WHAT WE HAVE AUDITED

The financial statements, which are prepared by Capco Empress State LP Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the year then ended;
- the reconciliation of movements in shareholders' funds for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 and financial statements (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 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.

CAPCO EMPRESS STATE LP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAPCO EMPRESS STATE LP LIMITED

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

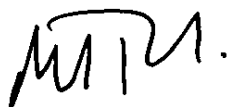
RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the Directors

As explained more fully in the Statement of the Directors' Responsibilities set out on page 2, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Mark Pugh (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 April 2014

CAPCO EMPRESS STATE LP LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

		2013 £000	2012 £000
Continuing operations	Notes		
Exceptional items:	2		
Profit on disposal of investment		11,467	-
Impairment reversal on investment		<u>-</u>	<u>5,877</u>
Profit on ordinary activities before tax	3	11,467	5,877
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
Profit for the financial year		<u>11,467</u>	<u>5,877</u>

There are no material differences between the profit on ordinary activities before taxation and profit for the year and their historical cost equivalents.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER FUNDS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 £000	2012 £000
Opening shareholder funds / deficit	-	(5,877)
Total recognised gains for the year	<u>11,467</u>	<u>5,877</u>
Closing shareholder funds	<u>11,467</u>	<u>-</u>

The Company has no recognised gains or losses other than those included in the profit and loss account above and therefore a statement of total recognised gains and losses has not been included.

The notes on pages 7 to 11 form part of these financial statements.

CAPCO EMPRESS STATE LP LIMITED

BALANCE SHEET AT 31 DECEMBER 2013

Continuing operations	Notes	2013 £000	2012 £000
Fixed assets			
Investment	5	-	32,334
Current assets			
Debtors	6	11,467	6,476
Creditors: amounts falling due within one year	7	-	(38,810)
Net current assets / (liabilities)		<u>11,467</u>	<u>(32,334)</u>
Total assets less current liabilities		<u>11,467</u>	<u>-</u>
Net assets		<u>11,467</u>	<u>-</u>
Share capital and reserves			
Called up share capital	8	-	-
Profit and loss reserve	9	<u>11,467</u>	<u>-</u>
Total shareholder funds		<u>11,467</u>	<u>-</u>

The notes on pages 7 to 11 form part of these financial statements.

The financial statements on page 5 to 11 have been approved by the Board on 29 April 2014 and signed on its behalf by



S Das
Director



B S Tattar
Director

CAPCO EMPRESS STATE LP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. Accounting policies

These financial statements have been prepared under the historic cost convention and in accordance with the Companies Act 2006 and applicable accounting standards.

The Directors have concluded that the Company will have adequate support to continue in operational existence for the foreseeable future and have therefore prepared these financial statements on a going concern basis.

The principal accounting policies which have been adopted and consistently applied in the preparation of the financial statements are set out below:

Exceptional items

Exceptional items are in the Directors' view, those significant items which are separately disclosed by virtue of their size or incidence to enable a full understanding of the Company's financial performance.

Tax

The charge for current tax is based on the results for the year as adjusted for items that are non-assessable or disallowed for tax purposes and any adjustment in respect of prior years. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

Investments

Participating interest in investments are carried in the balance sheet at cost less provision for impairment. Impairment charges are determined with reference to the investment's fair value less costs to sell. Fair value is derived from the investment's net assets at the balance sheet date. Subsequent impairment reversals may not exceed the original cost prior to impairment, and must be calculated on a basis consistent with the original impairment charge. On disposal, the difference between the net disposal proceeds and the carrying amount of the investment is included in profit and loss.

Amounts owing to and from group undertakings

Amounts due to and from group undertakings are recognised at fair value and subsequently measured at amortised cost until settled.

Group financial statements

The Company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it is a wholly controlled undertaking of Capital & Counties Properties PLC who prepares publicly available consolidated financial statements.

Cash flow statement

The Company is not required to produce a statement of cash flows under Financial Reporting Standard 1 (Revised 1996) as it is a wholly controlled undertaking of Capital & Counties Properties PLC who prepares publicly available consolidated financial statements and the cash flows of the Company are included in the consolidation.

CAPCO EMPRESS STATE LP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. Accounting policies (continued)

Related party transactions

At 31 December 2013 the Company was ultimately wholly owned by Capital & Counties Properties PLC, whose consolidated financial statements are publicly available, and therefore the Company is exempt under the terms of Financial Reporting Standard 8 from disclosing details of transactions with related parties who are members or investees of the Capital & Counties Properties PLC group.

Financial instruments

The Company is not required to meet the disclosure requirements for financial instruments as set out under Financial Reporting Standard 29 as it is a wholly owned subsidiary of Capital & Counties Properties PLC whose consolidated financial statements are publicly available.

2. Exceptional items

	2013 £000	2012 £000
Profit on disposal of investment	11,467	-
Impairment reversal on investment	-	5,877
	<u>11,467</u>	<u>5,877</u>

On 3 July 2013 the Company transferred the whole of its share, being a 49.95 per cent interest as a Limited Partner in the Partnership, to a related group undertaking, C&C Properties (Jersey) Limited, for consideration of £44,364,000 resulting in a profit on disposal of £11,467,000.

Investments are reviewed at least annually for impairment. Where objective evidence of impairment exists, the recoverable amount of the investment is calculated, being the greater of its continued value in use and its fair value less costs to sell. Fair value is derived from the investment's net assets at the balance sheet date. The investment is then carried at its recoverable amount. When the recoverable amount of the asset exceeds its current carrying value impairment reversals are recognised on a basis consistent with the original charge but may not exceed the original cost of the investment. The impairment reversal of £5,877,000 in 2012 relates revaluation of the Company's investment in the Partnership to its recoverable amount.

CAPCO EMPRESS STATE LP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

3. Profit on ordinary activities before tax

The profit on ordinary activities before tax of £11,467,000 (2012: £5,877,000) is arrived at after charging:

	2013 £	2012 £
Auditors' remuneration – audit services	-	-
Directors' remuneration	-	-

Auditors' remuneration of £2,000 (2012: £2,000) has been met by the Company's immediate parent, C&C Properties UK Limited, and has not been recharged.

There were no employees during the year (2012: nil).

4. Tax on profit on ordinary activities

The differences between the tax charged for the year and the current average standard rate of United Kingdom corporation tax 23.3% (2012: 24.5%) are shown below:

	2013 £000	2012 £000
Profit on ordinary activities before tax	<u>11,467</u>	<u>5,877</u>
United Kingdom corporation tax at 23.3% (2012: 24.5%)	2,666	1,440
Effects of:		
Exceptional write back not subject to tax	-	(1,440)
Group relief	(2,962)	(565)
Partnership profit taxed in Company	<u>296</u>	<u>565</u>
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

CAPCO EMPRESS STATE LP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

5. Investments

	2013 £000	2012 £000
Cost		
At 1 January	32,334	32,334
Disposal	(32,334)	-
At 31 December	<u>-</u>	<u>32,334</u>
Provision		
At 1 January	-	(5,877)
Impairment reversal	-	5,877
At 31 December	<u>-</u>	<u>-</u>
Carrying value at 31 December	<u>-</u>	<u>32,334</u>

The Company's investment up to the date of disposal comprised a 49.95 per cent limited partner interest in the Partnership.

6. Debtors

	2013 £000	2012 £000
Amounts due from group undertakings	<u>11,467</u>	<u>6,476</u>

Amounts due from the group undertakings are unsecured, interest free and repayable on demand.

7. Creditors: amounts falling due within one year

	2013 £000	2012 £000
Amounts due to immediate parent undertaking	<u>-</u>	<u>38,810</u>

Amounts due to the immediate parent undertaking are unsecured, interest free and repayable on demand.

8. Called up share capital

	2013 £	2012 £
Issued, called up and fully paid 1 ordinary share of £1	<u>1</u>	<u>1</u>

CAPCO EMPRESS STATE LP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

9. Profit and loss reserve

	2013 £000	2012 £000
At 1 January	-	(5,877)
Profit for the financial year	<u>11,467</u>	<u>5,877</u>
At 31 December	<u>11,467</u>	<u>-</u>

10. Ultimate parent company

The ultimate parent company is Capital & Counties Properties PLC, a company incorporated and registered in England and Wales, copies of whose consolidated financial statements may be obtained from the Company Secretary, 15 Grosvenor Street, London, W1K 4QZ.

The immediate parent company is C&C Properties UK Limited, a company registered in England and Wales, copies of whose financial statements may also be obtained as above.