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CALTHORPE INVESTMENTS LIMITED

Report and Financial Statements
For the year ended 31 December 2012

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COMPANIES HOUSE

REGISTERED NUMBER IN ENGLAND AND WALES: FC028333
REGISTERED NUMBER IN CAYMAN ISLANDS: WK207927

CALTHORPE INVESTMENTS LIMITED

(REGISTERED NUMBER IN ENGLAND AND WALES FC028333)

DIRECTORS' REPORT

For the year ended 31 December 2012

The directors present their report together with the audited financial statements for the year ended 31 December 2012

Review of business and future outlook

The principal activity of the Company is to act as an investment company. No significant change in this activity is envisaged in the foreseeable future and the directors expect the Company's performance to be in line with the current year.

The directors have reviewed the Company's business and performance and consider it to be satisfactory for the year. The directors consider that the Company's position at the end of the year is consistent with the size and complexity of the business.

Given the nature of the business, the Company's directors are of the opinion that analysis using Key Performance Indicator's (KPIs) is not necessary for an understanding of the development, performance or position of the business.

Results and dividends

During the year to 31 December 2012 the Company made a loss after tax for the year of £1,194,338 (2011 £976,246). The directors do not recommend the payment of a dividend in relation to the year ended 31 December 2012 (2011 £nil). The Company has net liabilities of £22,750,980 (2011 £21,556,642).

Financial instruments

The Company operates within the Barclays financial risk management objectives and policies. These include a policy for hedging each major type of forecasted transaction for which hedge accounting is used. The exposures to price risk, credit risk and liquidity risk are set out on page 67 – Risk Management.

Going concern

After reviewing the Company's performance and taking into account the support from Barclays Bank Plc, the Directors are satisfied that the Company has adequate access to resources to enable them to meet its obligations and to continue in operational existence for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing these financial statements.

Directors

The directors of the Company, who served during the year, together with their dates of appointment and resignation, where appropriate, are as shown below:

N R Brand
D Cook
G J Clark
S Poulter

Since the year end, D Cook was removed as director and B Ferry and E Sherwood were appointed as directors on 11 March 2013.

CALTHORPE INVESTMENTS LIMITED

(REGISTERED NUMBER IN ENGLAND AND WALES FC028333)

DIRECTORS' REPORT (continued)

For the year ended 31 December 2012

Directors' Third Party Indemnity Provisions

Qualifying third party indemnity provisions were in force during the course of the financial year ended 31 December 2012 for the benefit of the then directors and, at the date of this report, are in force for the benefit of the directors in relation to certain losses and liabilities which may occur (or have occurred) in connection with their duties, powers or office

Statement of Directors' Responsibilities

The following statement, which should be read in conjunction with the auditors' Report, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the financial statements

The directors are required by the Companies Act 2006 as applicable to overseas companies to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year

The directors consider that in preparing the financial statements

- the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and
- that the financial statements have been prepared on a going concern basis

The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure the financial statements comply with the Companies Act 2006, as applicable to overseas companies

The directors in office as at the date of this report confirm that

- there is no relevant audit information of which the Company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

CALTHORPE INVESTMENTS LIMITED

(REGISTERED NUMBER IN ENGLAND AND WALES FC028333)

DIRECTORS' REPORT (continued)

For the year ended 31 December 2012

Independent auditors

The directors have appointed PricewaterhouseCoopers LLP as auditors to the Company
PricewaterhouseCoopers LLP have indicated their willingness to continue in office

ON BEHALF OF THE BOARD


Director

Name

For and on behalf of

CALTHORPE INVESTMENTS LIMITED

Date


BEN FERRY
27 June 2013

CALTHORPE INVESTMENTS LIMITED

(REGISTERED NUMBER IN ENGLAND AND WALES FC028333)

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF CALTHORPE INVESTMENTS LIMITED

We have audited the financial statements of Calthorpe Investments Limited for the year ended 31 December 2012 which comprise the Income Statement, the Balance Sheet and the related notes. These financial statements have been prepared on the basis of preparation and accounting policies set out in notes 2 and 3 to the financial statements.

Respective responsibilities of the directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the basis of preparation and accounting policies in notes 2 and 3 to the financial statements and the Companies Act 2006 as applicable to overseas companies. 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.

This report, including the opinion, has been prepared for and only for the directors for management purposes in accordance with our engagement letter and for no other purpose. We do not, in giving this opinion, 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 including without limitation under any contractual obligations of the company, save where expressly agreed by our prior consent in writing.

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 Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements for the year ended 31 December 2012 have been properly prepared, in all material respects, in accordance with

- the basis of preparation and accounting policies in notes 2 and 3 to the financial statements, and
- the Companies Act 2006 as applicable to overseas companies

CALTHORPE INVESTMENTS LIMITED

(REGISTERED NUMBER IN ENGLAND AND WALES FC028333)

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF CALTHORPE INVESTMENTS LIMITED (continued)

Basis of preparation

Without modifying our opinion, we draw attention to notes 2 and 3 of the financial statements which discloses the basis of preparation. The financial statements have been prepared for the directors for management purposes and may not be suitable for another purpose.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants

London, United Kingdom

Date

27/06/13

CALTHORPE INVESTMENTS LIMITED
(REGISTERED NUMBER IN ENGLAND AND WALES FC028333)

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Notes	2012	2011
		£	£
Continuing operations:			
Interest receivable and similar income	5	224,960	687,222
Net interest income		<u>224,960</u>	<u>687,222</u>
Foreign exchange on Euro deposits		(1,806,865)	(2,015,448)
Loss on ordinary activities before taxation	6	<u>(1,581,905)</u>	<u>(1,328,226)</u>
Taxation	9	387,567	351,980
Loss for the year		<u><u>(1,194,338)</u></u>	<u><u>(976,246)</u></u>

Loss for the year is derived from continuing activities. All recognised income and expenses have been reported in the income statement, hence no statement of comprehensive income has been included in the financial statements. The accompanying notes form an integral part of these financial statements.


CALTHORPE INVESTMENTS LIMITED
(REGISTERED NUMBER IN ENGLAND AND WALES FC028333)

BALANCE SHEET AS AT 31 DECEMBER 2012

	Notes	2012 £	2011 £
ASSETS			
Current assets			
Cash at hand		460,624	-
Loans and advances	10	73,717,263	75,347,566
Current taxation	11	817,240	841,979
Total current assets		74,995,127	76,189,545
TOTAL ASSETS		74,995,127	76,189,545
LIABILITIES			
Current liabilities			
Bank overdraft		-	(80)
Borrowings	12	(97,746,107)	(97,746,107)
Total current liabilities		(97,746,107)	(97,746,187)
Net current liabilities		(22,750,980)	(21,556,642)
NET LIABILITIES		(22,750,980)	(21,556,642)
SHAREHOLDERS' EQUITY			
Share capital	13	10,000	10,000
Accumulated losses	14	(22,760,980)	(21,566,642)
TOTAL SHAREHOLDERS' EQUITY		(22,750,980)	(21,556,642)

The accompanying notes form an integral part of these financial statements

The financial statements were approved by the board of directors and authorised for issue on ~~27th~~ June 2013. They were signed on its behalf by

Director 
Name BEN FERRA
Date 27 June 2013

CALTHORPE INVESTMENTS LIMITED

(REGISTERED NUMBER IN ENGLAND AND WALES FC028333)

NOTES TO THE FINANCIAL STATEMENTS

1 REPORTING ENTITY

The financial statements are prepared for Calthorpe Investments Limited (the Company), the principal activity of the Company is to act as an investment company

Calthorpe Investments Limited is a limited company incorporated in the Cayman Islands. It is registered in England and Wales as a Branch. The Company's registered office is

Walker House
87 Mary Street
George Town
Grand Cayman
KY1-9005
Cayman Islands

2. ACCOUNTING FRAMEWORK

The financial statements have been prepared in accordance with the Overseas Companies Regulations 2009 (SI 2009/1801) made under section 1049 of the Companies Act 2006 (the "Regulations"). The Company has applied Section 396 of the Companies Act 2006, as modified by the Regulations, in producing overseas companies individual financial statements

The Company applies the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), as published by the International Accounting Standards Board ("IASB") and in accordance with the IFRSs and IFRIC interpretations as adopted by the European Union

However, for presentation and disclosure purposes, the directors have adopted the requirements under the Regulations and selected disclosures under IFRS which the directors deem to be relevant in understanding its state of affairs. As a result, the following items which are required under IFRS are not included in these financial statements

- | | |
|---|--|
| 1 | Statement of Changes in Equity, |
| 2 | Statement of Cash flows, |
| 3 | Capital Management note, |
| 4 | IFRS 7 Financial Instruments Disclosures to the extent they are not relevant in assessing the Company's state of affairs |

The preparation of these financial statements in conformity with the Regulations requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Company are set out below

Basis of preparation

The financial statements have been prepared under the historical cost convention modified to include the fair valuation of certain financial instruments. They are stated in GBP, which is the Company's functional and presentation currency

CALTHORPE INVESTMENTS LIMITED

(REGISTERED NUMBER IN ENGLAND AND WALES FC028333)

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Going concern

After reviewing the Company's performance and taking into account the support available from Barclays Bank PLC, the directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations and to continue in operational existence for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing these financial statements.

Revenue recognition

Revenue is recognised in the income statement when it is probable that the economic benefits associated with the transaction will be received by the Company. Revenue is reported at the fair value of the consideration received or receivable.

Foreign exchange

Foreign currency transactions are translated into GBP using the spot exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currencies are translated into functional currency at the spot rate prevailing on the balance sheet date. All exchange gains and losses are recognised in the income statement except for items that are designated as hedging instruments in qualifying cash flow hedges or hedges of net investments, translation differences for which are recognised in other comprehensive income.

Non-monetary items recognised at historical cost are not re-translated at subsequent dates. Non-monetary items that are measured at fair value are re-translated using the exchange rate at the date when the fair value was determined. Exchange differences on equities and similar non-monetary items held at fair value through profit and loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items whose fair value gains or loss are recognised in other comprehensive income are included directly in other comprehensive income.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in the income statement, and other changes in the carrying amount are recognised in other comprehensive income.

Interest

Interest income or expense is recognised on all interest bearing financial instruments classified as held to maturity, available for sale or other loans and advances, and on interest bearing financial liabilities, using the effective interest method.

The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the instrument. The application of the method has the effect of recognising income (and expense) receivable (or payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment.

CALTHORPE INVESTMENTS LIMITED

(REGISTERED NUMBER IN ENGLAND AND WALES FC028333)

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

Taxation payable on taxable profits is recognised as an expense in the period in which the profits arise. Income tax recoverable on tax allowable losses is recognised as an asset only to the extent that it is regarded as probable that it is recoverable by offset against current or future taxable profits.

Deferred income tax is provided in full, using the liability method, on temporary differences arising from the differences between the tax bases of assets and liabilities and their carrying amounts in the Company's financial statements. Deferred income tax is determined using tax rates and legislation enacted or substantially enacted by the balance sheet date and is expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred and current tax assets and liabilities are only offset when they arise in the same tax reporting group and where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Debt securities in issue

Debt securities refer to redeemable preference shares issued by the Company. They are recognised as a liability when a contractual agreement results in the Company having a present obligation to deliver cash or another financial asset to the holder. The liability is recognised at fair value and amortised to the redemption value using the effective rate of interest over the life of the instrument.

Distributions on the debt securities are discretionary.

Share capital

Share capital classified as equity, provided that there is no present obligation to deliver cash or another financial asset to the holder, is shown in called up share capital, and the costs associated with the issuance of shares are recorded as a deduction from equity.

Determining fair value

Where the classification of a financial instrument requires it to be stated at fair value, this is determined by reference to the quoted market value in an active market wherever possible. Where no such active market exists for the particular asset, the Company uses a valuation technique to arrive at the fair value, including the use of prices obtained in recent arms' length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

4. SEGMENTAL REPORTING

The Company has elected not to comply with the voluntary disclosure requirements of IFRS 8, and does not disclose segmental information, as such information is disclosed in the financial statements of the parent company (see note 15).

CALTHORPE INVESTMENTS LIMITED

(REGISTERED NUMBER IN ENGLAND AND WALES FC028333)

NOTES TO THE FINANCIAL STATEMENTS (continued)**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2012 £	2011 £
Interest receivable from group undertakings	224,960	687,222
	<u>224,960</u>	<u>687,222</u>

6. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The audit fee is borne by another group company. Although the audit fee is borne by another group company, the fee that would have been charged to the Company amounts to £3,950 (2011 £7,145) for the year. This fee is not recognised as an expense in the financial statements.

7. DIRECTORS' EMOLUMENTS

The directors did not receive any emoluments in respect of their services to the Company during the year (2011 £Nil).

8. STAFF COSTS

There were no employees employed by the Company during the year to 31 December 2012 (2011 Nil).

9. TAXATION

	2012 £	2011 £
UK corporation tax	387,567	351,980
Tax credit on loss on ordinary activities	<u>387,567</u>	<u>351,980</u>

The UK corporation tax credit is based on a UK corporation tax rate of 24.5% (2011 26.5%).

CALTHORPE INVESTMENTS LIMITED
(REGISTERED NUMBER IN ENGLAND AND WALES FC028333)

NOTES TO THE FINANCIAL STATEMENTS (continued)

9 TAXATION (continued)

The overall tax credit is explained in the following table

	2012 £	2011 £
Loss on ordinary activities before tax	(1,581,905)	(1,328,226)
Loss on ordinary activities multiplied by rate of corporation tax in the UK of 24.5% (2011: 26.5%)	387,567	351,980
Effects of		
Current tax credit for the year	<u>387,567</u>	<u>351,980</u>

10. LOANS AND ADVANCES

	2012 £	2011 £
Loans and advances to parent undertaking	73,717,263	75,347,566
	<u>73,717,263</u>	<u>75,347,566</u>

11. CURRENT TAXATION

	2012 £	2011 £
Tax receivable	817,240	841,979
	<u>817,240</u>	<u>841,979</u>

12. BORROWINGS

	2012 £	2011 £
Preference shares	97,746,107	97,746,107
	<u>97,746,107</u>	<u>97,746,107</u>

These borrowings relate to preference shares purchased by Braven Investments No 1 Limited

The fair value of the Companies borrowings as at 31 December 2012 approximates the carrying value

CALTHORPE INVESTMENTS LIMITED
(REGISTERED NUMBER IN ENGLAND AND WALES FC028333)

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. BORROWINGS (continued)

The Company has issued preference shares as follows

	2012 £	2011 £
Authorised 2,000 (2011 2,000) Preference shares of £1 each	2,000	2,000
Allotted and fully paid 977 (2011 977) Preference share of £1 each	977	977

The preference shareholders do not have the right to attend, speak or vote at a general meeting of the Company. Preference share dividends are payable at the discretion of the directors out of accumulated profits lawfully available for distribution. Preference shareholders may at any time require the redemption of all or some preference shares by serving a redemption notice. Upon redemption of preference shares each preference shareholder will be entitled to an amount equal to the preference share capital amount together with a sum equal to any declared but unpaid dividends thereon.

The fair value of the preference shares as at 31 December 2012 was £97,746,107 (2011 £97,746,107)

13. CALLED UP SHARE CAPITAL

	Number of shares	Ordinary shares	Share premium £	Total £
As at 31 December 2012 and 2011	1,000	1,000	9,000	10,000

	2012 £	2011 £
Authorised 1,000 (2011 1,000) Ordinary shares of £1 each	1,000	1,000
Allotted and fully paid 1,000 (2011 1,000) Ordinary share of £1 each	1,000	1,000

Each ordinary share entitles the holder to one vote at any general meeting of the Company

CALTHORPE INVESTMENTS LIMITED

(REGISTERED NUMBER IN ENGLAND AND WALES FC028333)

NOTES TO THE FINANCIAL STATEMENTS (continued)**14. ACCUMULATED LOSSES**

	Accumulated losses £	Total £
As at 1 January 2012	(21,566,642)	(21,566,642)
Net loss for the year	(1,194,338)	(1,194,338)
As at 31 December 2012	<u>(22,760,980)</u>	<u>(22,760,980)</u>
	£	£
As at 1 January 2011	(20,590,396)	(20,590,396)
Net loss for the year	(976,246)	(976,246)
As at 31 December 2011	<u>(21,566,642)</u>	<u>(21,566,642)</u>

15. ULTIMATE HOLDING COMPANY

Braven Investments No 1 Limited is the parent undertaking and controlling party. The parent undertaking of the smallest group that presents consolidated financial statements is Barclays Bank PLC. The ultimate holding Company and the parent Company of the largest group that presents group financial statements is Barclays PLC. Braven Investments No 1 Limited is incorporated in the Caymans and Barclays Bank PLC is incorporated in Great Britain and registered in England. Barclays Bank PLC's and Barclays PLC's statutory financial statements are available for public use from Barclays Corporate Secretariat, 1 Churchill Place, London E14 5HP.

16. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions, or one other party controls both.

The definition of related parties includes parent company, ultimate parent company, subsidiary, as well as the Company's key management which includes its directors.

Braven Investments No 1 Limited is the parent undertaking and controlling party. During the year there have been no other transactions with related parties other than transactions disclosed in notes 5, 10, and 12 and cash at hand held with Barclays Bank PLC.