

CAPITAL & COUNTIES ASSET MANAGEMENT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

Company number 1878713

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CAPITAL & COUNTIES ASSET MANAGEMENT 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 is as an investment manager and adviser. The Company is regulated by the Financial Conduct Authority.

BUSINESS REVIEW

The Company's results for and financial position at the year ended 31 December 2013 are set out in full in the statement of comprehensive income, the balance sheet, the statement of changes in equity and the notes relating thereto.

The Company does not currently manage or advise on any investments and therefore both the level of business during the year and the yearend financial position were as expected. Loss on ordinary activities before tax was £28,000 (2012: loss £28,000). Shareholders' funds at 31 December 2013 were £1,007,000 (2012: £1,035,000).

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 expect that the present level of activity will continue for the foreseeable future. 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)

PILLAR 3 DISCLOSURE

Capital & Counties Asset Management Limited is authorised and regulated by the Financial Conduct Authority (the "FCA"). The Company is authorised as an investment manager and categorised as a limited licence firm by the FCA for capital purposes.

The Directors regard credit risk as the only material risk faced by the Company. This relates to the exposure the Company faces in relation to cash balances held at credit institutions. This risk is mitigated by ensuring accounts are only held at credit institutions with an acceptable credit rating.

The capital resources of the Company comprise Tier 1 capital with no deductions. As at the balance sheet date the regulatory capital position was:

	£000
Tier 1 Capital: Share Capital and audited reserves	1,035
Total Capital Resources Requirement	42

CAPITAL & COUNTIES ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

DIRECTORS

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:

S Das

B S Tattar

G J Yardley

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 period. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, FRS 101 Reduced Disclosure Framework ("FRS 101"), applying the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards ("IFRS"), as amended where necessary in order to comply with the Companies Act and the Regulations. 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 period.

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, including FRS 101 have been followed, subject to any material departures being disclosed and explained in the financial statements; and
- notify its shareholders in writing about the use of disclosure exemptions, if any, available under FRS 101 in the preparation of the accounts
- 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.

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 throughout the financial year in respect of the Group, including the Company and its Directors.

CAPITAL & COUNTIES ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

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 period.

By order of the Board



B S Tattar
Director
28 March 2014

CAPITAL & COUNTIES ASSET MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAPITAL & COUNTIES ASSET MANAGEMENT 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 loss 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 Capital & Counties Asset Management Limited, comprise:

- the balance sheet as at 31 December 2013;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity 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), including FRS 101 "Reduced Disclosure Framework".

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.

CAPITAL & COUNTIES ASSET MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAPITAL & COUNTIES ASSET MANAGEMENT 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.

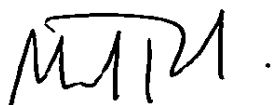
RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

OUR RESPONSIBILITIES AND THOSE OF THE DIRECTORS

As explained more fully in the Statement of Directors' Responsibilities, 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
28 March 2014

CAPITAL & COUNTIES ASSET MANAGEMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £000	2012 £000
Continuing operations			
Administrative expenses		(28)	(28)
Loss on ordinary activities before tax	5	(28)	(28)
Tax on loss on ordinary activities	6	-	-
Loss for the year		(28)	(28)
		-	-
Total comprehensive income for the year		(28)	(28)

The notes on pages 9 to 12 form part of these financial statements.

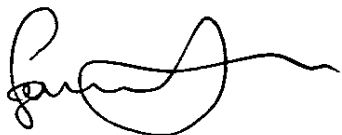
CAPITAL & COUNTIES ASSET MANAGEMENT LIMITED

BALANCE SHEET AT 31 DECEMBER 2013

	Notes	31 Dec - 2013 £000	31 Dec - 2012 £000	1 Jan - 2012 £000
Current assets				
Cash at bank	7	<u>1,035</u>	<u>1,063</u>	<u>1,131</u>
		1,035	1,063	1,131
Creditors: amounts falling due within one year	8	<u>(28)</u>	<u>(28)</u>	<u>(68)</u>
Net assets		<u>1,007</u>	<u>1,035</u>	<u>1,063</u>
Capital and reserves				
Called up share capital	9	1,000	1,000	1,000
Profit and loss reserve		<u>7</u>	<u>35</u>	<u>63</u>
Total shareholders' funds		<u>1,007</u>	<u>1,035</u>	<u>1,063</u>

The notes on pages 9 to 12 form part of these financial statements.

The financial statements on pages 6 to 12 have been approved by the Board on 28 March 2014 and signed on its behalf by



S Das
Director



B S Tattar
Director

CAPITAL & COUNTIES ASSET MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

	Called up share capital £000	Profit and loss Reserve £000	Total Equity £000
Balance at 1 January 2013	1,000	35	1,035
Total comprehensive income for the year	-	(28)	(28)
Total transactions with owners	-	-	-
Balance at 31 December 2013	1,000	7	1,007

	Called up share capital £000	Profit and loss Reserve £000	Total Equity £000
Balance at 1 January 2012	1,000	63	1,063
Total comprehensive income for the year	-	(28)	(28)
Total transactions with owners	-	-	-
Balance at 31 December 2012	1,000	35	1,035

CAPITAL & COUNTIES ASSET MANAGEMENT LIMITED

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

1. Company information

Capital & Counties Asset Management Limited was incorporated and registered in England and Wales on 17 January 1985 under the Companies Act as a limited company by shares with registration number 1878713. The registered office of the Company is 15 Grosvenor Street, London, W1K 4QZ, United Kingdom.

2. Basis of preparation

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 Directors have prepared these financial statements in accordance with United Kingdom Accounting Standards, in particular, Financial reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and the Companies Act 2006. FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS. A qualifying entity is a member of a group where the parent of that group, being Capital & Counties Properties PLC, prepares publicly available consolidated financial statements which are intended to give a true and fair view (of the assets, liabilities, financial position and profit and loss), and that member is included in the consolidation. Details of where these consolidated financial statements can be obtained are disclosed in note 10.

For all periods up to and including the year ended 31 December 2012, the Company prepared its financial statements in accordance with existing UK Generally Accepted Accounting Principles ('UK GAAP'). These financial statements for the year ended 31 December 2013 are the first the Company has prepared in accordance with FRS 101. The Company has chosen to early adopt this FRS and has applied transitional arrangements accordingly. Refer to note 4 for information on how the Company has adopted this standard.

The Directors of the Company have taken advantage of the following disclosure exemptions as stipulated by FRS 101:

- 1) The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements.
- 2) The requirements of IAS 7 Statement of Cash Flows.
- 3) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- 4) The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

The Directors have notified the shareholder of the Company in writing about the use of disclosure exemptions in these accounts and the shareholder does not object.

CAPITAL & COUNTIES ASSET MANAGEMENT LIMITED

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

3. Accounting Policies

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

Estimation and uncertainty

The preparation of financial statements in conformity with FRS 101 requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Income taxes

Current tax is the amount payable on the taxable income for the year 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.

Cash at bank and in hand

Cash at bank and in hand are recognised at fair value. Cash at bank and in hand comprise cash on hand and deposits with banks.

Amounts due to group undertakings

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

Dividend distributions

Dividend distributions to shareholders are recognised as a liability once approved by shareholders.

4. First time adoption of 'FRS 101 Reduced disclosure framework'

These financial statements, for the year ended 31 December 2013, are the first the Company has prepared in accordance with FRS 101. For financial years up to and including the year ended 31 December 2012, the Company prepared its financial statements in accordance with existing UK GAAP.

Accordingly, the Company has prepared financial statements which comply with FRS 101 applicable for financial years ending on or after 31 December 2013, together with the comparative period data as at and for the year ended 31 December 2012, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet has been prepared as at 1 January 2012, the date of transition to FRS 101. IFRS 1, First time adoption of International Financial Reporting Standards requires that a company explains how the transition from existing UK GAAP to FRS 101 affected its reported financial position, financial performance and cash flows by way of reconciliations of equity as at the date of transition to FRS 101 and at comparative period end and also by way of a reconciliation of comprehensive income for the comparative period. Given that there were no adjustments required by the Company in restating its existing UK GAAP financial statements, including the balance sheet as at 1 January 2012 and the financial statements as at and for the year ended 31 December 2012, the Directors of the Company have determined that the presentation of these reconciliations is not necessary.

CAPITAL & COUNTIES ASSET MANAGEMENT LIMITED

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

5. Loss on ordinary activities before tax

The loss on ordinary activities before tax of £28,000 (2012: £28,000) was arrived at after charging:

	2013 £000	2012 £000
Auditors' remuneration – audit services	2	2
Directors' remuneration	-	-

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

6. Tax on loss on ordinary activities

	2013 £000	2012 £000
Loss on ordinary activities before tax	<u>(28)</u>	<u>(28)</u>
Current United Kingdom corporation tax at 23.3% (2012: 24.5%)	(7)	(7)
Effect of group relief	<u>7</u>	<u>7</u>
Tax on loss on ordinary activities	<u>-</u>	<u>-</u>

Further amendments to the UK corporation tax system were announced in the March 2013 Budget which included changes to the main rates of UK corporation tax. The main rate of corporation tax decreased from 24 per cent to 23 per cent from 1 April 2013, and will reduce further to 21 per cent from 1 April 2014, and 20 per cent from 1 April 2015.

7. Cash at bank

	2013 £000	2012 £000
Cash at bank	<u>1,035</u>	<u>1,063</u>

8. Creditors: amounts falling due within one year

	2013 £000	2012 £000
Amounts due to group undertakings	<u>28</u>	<u>28</u>

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

CAPITAL & COUNTIES ASSET MANAGEMENT LIMITED

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

9. Called up share capital

	2013 £000	2012 £000
Issued, called up and fully paid		
1,000,000 ordinary share of £1	<u>1,000</u>	<u>1,000</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.