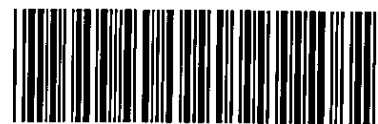


Company's Registered Number: 2828998

**CAPE CALSIL GROUP LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

WEDNESDAY



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**CAPE CALSIL GROUP LIMITED**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

R N Amey (formerly Carr)  
V A George

**SECRETARY**

J P Gorman (appointed 31 March 2011)

**REGISTERED OFFICE**

9 The Square  
Stockley park  
Uxbridge  
Middlesex  
UB11 1FW

**BANKERS**

Barclays Bank PLC  
1 Churchill Place  
London  
E14 5HP

**AUDITORS**

PricewaterhouseCoopers LLP  
The Atrium  
1 Harefield Road  
Uxbridge  
UB8 1EX

**CAPE CALSIL GROUP LIMITED**

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2010

**Principal activities**

The principal activity of the company is as a holding company for certain subsidiary undertakings of Cape plc

**Business review and future developments**

The activities of the company's subsidiary undertakings were discontinued during 2003 and the remaining assets are either being marketed for sale or other options are being considered in relation to them

The directors anticipate that the company will continue as a holding company during the coming year. Action is continuing to wind up certain of the overseas subsidiary undertakings.

The directors of Cape plc manage the group's risks at a group level. For this reason, the company's directors believe that discussion of the group's risks and analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the company's business. The principal risks and uncertainties of the group, which include those of the company, and the development, performance and position of the company are discussed in the Directors' Report in the group's annual report and accounts, which does not form part of this report.

**Results and dividends**

The directors do not recommend the payment of a dividend (2009 £nil)

The loss for the year of £204,000 (2009 loss of £33,000) has been transferred to reserves

**Fixed assets**

Particulars of the changes in fixed asset investments are shown in note 5 of the financial statements. The company does not have any property, plant or equipment.

**Directors**

The following persons served as directors during the year and up to the date of this report, unless stated otherwise:

R N Amey (formerly Carr)  
V A George

The directors had no beneficial interests in the shares of the company and were not remunerated for their services.

**Qualifying third party indemnity provisions**

As permitted by the Companies Act 2006, all directors are covered by indemnities from the ultimate parent undertaking. The directors are indemnified in respect of proceedings which may be brought by third parties and such indemnification was in place throughout the year and up to the date of approval of these accounts. Neither these indemnifications nor insurance provides cover in the event that a

**CAPE CALSIL GROUP LIMITED**

**DIRECTORS' REPORT (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

director or officer is proved to have acted fraudulently or dishonestly The company has not made any qualifying indemnity provisions

**Financial risk management**

The company's financial risk management for cash flow and fair value interest rate risk, liquidity risk and capital management is managed by Cape plc Details of the Group's policy in each of these areas are disclosed in the financial report and accounts of Cape plc

**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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 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 each director is aware, there is no relevant audit information of which the company's auditors are unaware Relevant information is defined as information needed by the company's auditors in connection with preparing their report Each director has taken all the steps (such as making enquiries of other directors and the auditors and any other steps required by the director's duty to exercise due care, skill and diligence) that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

**Independent Auditors**

The auditors PricewaterhouseCoopers LLP have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting

By Order of the Board



R N Amey  
Director

July 2011

27

**CAPE CALSIL GROUP LIMITED**

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF CAPE CALSIL GROUP LIMITED**

We have audited the financial statements of Cape Calsil Group Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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 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 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.

**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.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 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.

**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.

**CAPE CALSIL GROUP LIMITED**

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF CAPE CALSIL GROUP LIMITED (continued)**

**Matters on which we are required to report by exception**

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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



John Dashwood (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Uxbridge

27<sup>th</sup> July 2011

**CAPE CALSIL GROUP LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	2010 £000	2009 £000
Interest payable and similar charges	3	(85)	(152)
Loss on ordinary activities before taxation	2	(85)	(152)
Tax (charge)/credit on loss on ordinary activities	4	(119)	119
Loss for the year	10	(204)	(33)

The results above all relate to continuing operations

There is no difference between the loss on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents

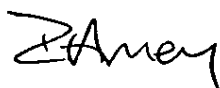
There were no recognised gains or losses in the year other than those included in the profit and loss account and therefore no separate statement of total recognised gains and losses has been presented

The notes on pages 8 to 12 form part of these financial statements

**CAPE CALSIL GROUP LIMITED****BALANCE SHEET****AT 31 DECEMBER 2010**

	Notes	2010 £000	2009 £000
<b>Fixed assets</b>			
Investments	5	9,887	9,887
Debtors Amounts falling due after more than one year	6	440	8,657
Debtors Amounts falling due within one year	6	-	119
<b>Net current assets</b>		<b>440</b>	<b>8,776</b>
<b>Total assets less current liabilities</b>		<b>10,327</b>	<b>18,663</b>
Creditors Amounts falling due after more than one year	7	(4,369)	(12,501)
<b>Net assets</b>		<b>5,958</b>	<b>6,162</b>
<b>Capital and reserves</b>			
Equity			
Called up share capital	9	39,000	39,000
Profit and loss account	10	(33,042)	(32,838)
<b>Shareholders' funds</b>	11	<b>5,958</b>	<b>6,162</b>

The financial statements were approved by the board of directors on 27 July 2011 and were signed on its behalf by



R N Amey  
Director

The notes on pages 8 to 12 form part of these financial statements



**CAPE CALSIL GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

**1 Accounting policies**

**a) Basis of Accounting**

These financial statements are prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain tangible fixed assets, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

**b) Current taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**c) Consolidated financial statements**

The financial statements contain information about Cape Calsil Group Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Cape plc.

**d) Foreign currencies**

Investments in overseas undertakings denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet dates. The differences arising from the translation of net equity interests in overseas subsidiary undertakings and of foreign currency borrowings used to finance these interests are dealt with through reserves.

**e) Deferred taxation**

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less, tax in the future.

Resultant deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted, or where there are deferred tax liabilities against which the assets can be recovered. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**f) Investments in subsidiary undertakings**

Investments are held at cost less provision for impairment.

**2. Loss on ordinary activities before interest and taxation**

All administrative expenses, including auditor's remuneration, incurred by the company have been borne by the parent company. There were no employees of the company during the year (2009: nil). The directors were not remunerated for their services to the company during the year (2009: £nil).

**CAPE CALSIL GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2010****3. Interest payable and similar charges**

	2010 £000	2009 £000
Interest payable to group undertakings	85	152
	85	152

**4. Tax charge/(credit) on loss on ordinary activities**

	2010 £000	2009 £000
<b>Current tax:</b>		
UK corporation tax at 28% (2009 28%)	-	(42)
Adjustments in respect of previous years	119	(77)
Tax charge/(credit) on loss on ordinary activities	119	(119)

The tax charge (2009 credit) for the year is higher than (2009 higher than) the standard rate of corporation tax in the UK of 28% (2009 28%) The differences are explained below

	2010 £000	2009 £000
Loss on ordinary activities before tax	(85)	(152)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28%	(24)	(42)
Effects of		
Adjustments in respect of previous years	119	(77)
Group relief surrender	24	-
Tax charge/(credit) for the year	119	(119)

A number of changes to the UK corporation tax system were announced in the June 2010 Budget Statement. Legislation was passed in the Finance (No 2) Act 2010 to reduce the main rate of UK corporation tax to 27% as from 1 April 2011. The deferred tax balances in these financial statements have therefore been measured at 27%.

**CAPE CALSIL GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2010**

However, in the March 2011 Budget Statement an additional announcement was made advising that the main rate of corporation tax will be reduced from 28% to 26% from 1 April 2011. This change was substantively enacted on 29 March 2011 through the Provisional Collection of Taxes Act 1968 and is expected to be passed through the Finance Act 2011. Further reductions to the main rate are proposed to reduce the main rate of corporation tax by 1% per annum to 23% by 1 April 2014. These changes had not been substantively enacted at the balance sheet date, and have therefore not been included in the financial statements.

**5 Fixed asset investments**

	2010 £000	2009 £000
Cost at 1 January	38,000	38,000
Aggregate amounts provided	(28,113)	(28,113)
Net book value at 31 December	9,887	9,887

The company's principal subsidiary undertakings at 31 December 2010 were Cape Calsil Systems Limited, a company registered in England and Wales and Cape Calsil International Limited, a company registered in England and Wales. The operations of these companies were discontinued during 2003.

In respect of the subsidiary companies in which the company holds shares or has advanced loans, in the opinion of the directors the fair value of the total net assets of these companies is not less than the net amounts at which it is stated in their balance sheets.

**6 Debtors**

	2010 £000	2009 £000
<b>Amounts falling due after more than one year</b>		
Amounts owed by parent company	440	8,657
The amounts owed by parent company will be repaid as and when agreed between the applicable parties		
	2010 £000	2009 £000
<b>Amounts falling due after within one year</b>		
Group tax relief receivable	-	77
Corporation tax recoverable	-	42
	-	119

**CAPE CALSIL GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2010****7. Creditors: Amounts falling due after more than one year**

	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>
Amounts owed to fellow group undertakings	<b>4,369</b>	12,501

The amounts owed to fellow undertakings will be repaid as and when agreed between the applicable parties. Interest is received on the balance based on the average UK LIBOR interest rate for the year.

**8 Deferred taxation**

There is no potential liability to deferred taxation arising on timing differences between the treatment of items for financial statements and taxation purposes at 31 December 2010 (2009: £nil).

**9. Called up share capital**

	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>
Allotted and fully paid 39,000,000 (2009: 39,000,000) Ordinary shares of £1 each	<b>39,000</b>	39,000

**10. Profit and loss account**

	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>
Loss at 1 January	<b>32,838</b>	32,805
Loss for the year	<b>204</b>	33
Loss at 31 December	<b>33,042</b>	32,838

**CAPE CALSIL GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2010****11 Reconciliation of movement in shareholders' funds**

	2010 £000	2009 £000
Loss for the year	(204)	(33)
Net decrease in shareholders' funds	(204)	(33)
Shareholders' funds at 1 January	6,162	6,195
Shareholders' funds at 31 December	5,958	6,162

**12. Cash flow statement**

Since the company is a wholly owned subsidiary and the cash flows of the company are included in the consolidated cash flow statement of Cape plc, the company is exempt under the terms of the FRS 1 (Revised 1996) from publishing a cash flow statement

**13. Related party transactions**

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS8, 'Related Party Disclosures', from disclosing transactions with other group companies on the grounds that it is a wholly owned subsidiary of Cape plc whose accounts are publicly available

**14. Contingent liabilities**

- (i) Under a group registration the company is jointly and severally liable for Value Added Tax due by the parent company. At 31 December 2010 this contingent liability amounted to £6,631,174 (2009 £6,244,000)
- (ii) The company has undertaken together with certain other UK undertakings within the Cape Group to give joint and several banking guarantees in respect of any amounts due to the Bank from the company and other group undertakings. The Cape Group bank facilities are secured on the UK assets of the Cape Group, including the company. At 31 December 2010 the contingent liability in respect of these borrowings amounted to £120,000,000 (2009 £140,000,000). No loss is expected to arise

**15 Ultimate parent undertaking**

During the period until 17 June 2011, the Company's immediate and ultimate parent undertaking was Cape plc, a company registered in England and Wales ("Old Cape"), which represented both the smallest and largest group in which the results of the company were consolidated. Copies of the annual report and accounts of Old Cape can be obtained from The Company Secretary, 9 The Square, Stockley Park, Uxbridge, Middlesex, UB11 1FW

On 17 June 2011, Old Cape was acquired by Cape plc, a company registered in Jersey, which now represents both the smallest and largest group in which the results of the company are consolidated. Copies of the annual report and accounts of Cape plc will be available in due course from The Company Secretary, Cape plc, 47 Esplanade, St Helier, Jersey JE1 0BD