

Company's Registered Number: 2828998

CAPE CALSIL GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013



CAPE CALSIL GROUP LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M Hooper
R F Allan
V A George

COMPANY SECRETARY

R F Allan

REGISTERED OFFICE

Drayton Hall
Church Road
West Drayton
Middlesex
UB7 7PS

BANKERS

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

INDEPENDENT AUDITORS

Ernst & Young LLP
Apex Plaza
Forbury Road
Reading
Berkshire
RG1 1YE

CAPE CALSIL GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their strategic report for the year ended 31 December 2013.

Review of the business and future developments

The Company is a non-trading holding company and the directors do not expect it to trade in the foreseeable future.

Principal risks and uncertainties

The Board of Cape plc manages risks at a group level and is committed to enhancing the group's risk management capability. Risk is assessed formally at business segment level through risk workshops and via the maintenance of risk registers. The updating of the risk registers is a continuous process involving the identification, evaluation and management of risks by individual managers. This enables the early identification of key risks and the taking of action to mitigate the likelihood of loss.

The Company does not trade but has material investments in subsidiaries whose values are underpinned by intercompany receivables due from other Cape plc subsidiary undertakings in those companies. The Company's principal risk is therefore the recoverability of intercompany receivables by its subsidiaries.

On behalf of the Board



V A George
Director
17 October 2014

CAPE CALSIL GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

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

Results and dividends

The directors do not recommend the payment of a dividend (2012: £nil).

The Company made a loss of £134,000 during the year (2012: loss of £145,000).

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 F Allan (appointed 3 December 2013)

R N Amey (resigned 8 March 2013)

V A George

M Hooper (appointed 3 December 2013)

R J Skipp (appointed 8 March 2013, resigned 3 December 2013)

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 financial statements. Neither these indemnifications nor insurance provides cover in the event that a director or officer is proved to have acted fraudulently or dishonestly. The Company has not made any qualifying indemnity provisions.

Going concern

The Company's business activities, together with the risks that are likely to affect its financial position are described in the Strategic Report on page 2.

The Company is part of a group that has considerable financial resources and long term contracts with a number of customers across different geographic areas. In addition, it has recently extended the term of its borrowing facilities to 2018. Consequently the directors believe that the group and Company are well placed to manage their business risks in the coming years.

After making enquiries, the directors have a reasonable expectation that the Company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

CAPE CALSIL GROUP LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2013

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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

During the year Ernst & Young LLP was appointed as external auditor in place of the previous auditor, PricewaterhouseCoopers LLP.

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

On behalf of the Board



V A George
Director
17 October 2014

CAPE CALSIL GROUP LIMITED

INDEPENDENT AUDITOR'S 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 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 17. 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).

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 an auditor's report 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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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.

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 Annual Report and Financial Statements 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 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 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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 AUDITOR'S 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.

Ernst & Young LLP
Kevin Harkin (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading
15 October 2014

CAPE CALSIL GROUP LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £000	2012 £000
Interest receivable and similar income	3	15	16
Interest payable and similar charges	3	(149)	(161)
Loss on ordinary activities before taxation	2	(134)	(145)
Tax on loss on ordinary activities	4	-	-
Loss on ordinary activities after taxation	13	(134)	(145)

All results relate to continuing operations.

The Company had no recognised gains or losses in the year other than those included in the profit and loss account.

CAPE CALSIL GROUP LIMITED**BALANCE SHEET****AT 31 DECEMBER 2013**

	Notes	2013 £000	2012 £000
Fixed assets			
Investments	5	9,887	9,887
Current assets			
Debtors: amounts falling due within one year	6	471	-
Debtors: amounts falling due after more than one year	7	-	456
		471	456
Creditors: amounts falling due within one year	8	(3,142)	-
Net current (liabilities)/assets		(2,671)	456
Total assets less current liabilities		7,216	10,343
Creditors: amounts falling due after more than one year	9	(1,537)	(4,530)
Net assets		5,679	5,813
Capital and reserves			
Called up share capital	11	39,000	39,000
Profit and loss account	12	(33,321)	(33,187)
Total shareholders' funds	13	5,679	5,813

The financial statements were approved by the board of directors on 17 October 2014 and were signed on its behalf by:



V A George
Director

CAPE CALSIL GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2013****1. Accounting policies****a) Basis of preparation**

These financial statements are prepared on a going concern basis under the historical cost convention, 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 taxation is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted and are expected to apply to the accounting period.

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 401 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) 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 taxation 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 taxation 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.

e) Investments in subsidiary undertakings

Investments are held at cost less provision for impairment.

2. Loss on ordinary activities before 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 (2012: nil). The directors were not remunerated for their services to the Company during the year (2012: £nil).

3. Interest

	2013 £000	2012 £000
Interest receivable from group undertakings	15	16
Interest payable to group undertakings	(149)	(161)

CAPE CALSIL GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2013****4. Tax on profit / loss on ordinary activities**

	2013	2012
	£000	£000
Current tax:		
UK corporation tax at 23.25% (2012: 24.49%)	-	-
Adjustments in respect of prior years	-	-
Tax charge on loss on ordinary activities	-	-

The tax credit for the year is lower than (2012: lower than) the standard rate of corporation tax in the UK of 23.25% (2012: 24.49%). The differences are explained below:

	2013	2012
	£000	£000
Loss on ordinary activities before taxation	(134)	(145)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.25% (2012: 24.49%)	(31)	(36)
Effects of: Group relief	31	36
Current tax charge for the year	-	-

Legislation has been enacted in the UK to reduce the Corporation Tax rate to 21% from 1st April 2014 and to 20% from 1st April 2015.

CAPE CALSIL GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2013****5. Fixed asset investments**

	2013	2012
	£000	£000
Cost at 31 December	38,000	38,000
Amounts provided at 31 December	(28,113)	(28,113)
Net book value at 31 December	9,887	9,887

The Company's principal subsidiary undertakings at 31 December 2013 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 in the opinion of the directors the carrying value of the investments is supported by their underlying net assets.

6. Debtors: Amounts falling due within one year

	2013	2012
	£000	£000
Amounts owed by group undertakings	471	-

The amounts owed by group undertakings are unsecured and repayable as and when agreed between the parties.

7. Debtors: Amounts falling due after more than one year

	2013	2012
	£000	£000
Amounts owed by group undertakings	-	456

The amounts owed by group undertakings are unsecured and repayable as and when agreed between the parties.

8. Creditors: Amounts falling due within one year

	2013	2012
	£000	£000
Amounts owed to group undertakings	3,142	-

The amounts owed to group undertakings are unsecured and repayable as and when agreed between the parties.

CAPE CALSIL GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2013****9. Creditors: Amounts falling due after more than one year**

	2013	2012
	£000	£000
Amounts owed to group undertakings	1,537	4,530

The amounts owed to group undertakings are unsecured and repayable as and when agreed between the parties.

10. 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 2013 (2012: £nil).

11. Called up share capital

	2013	2012
	£000	£000
Allotted and fully paid:		
39,000,000 (2012: 39,000,000) Ordinary shares of £1 each	39,000	39,000

12. Profit and loss account

	2013	2012
	£000	£000
Loss at 1 January	(33,187)	(33,042)
Loss for the financial year	(134)	(145)
Loss at 31 December	(33,321)	(33,187)

CAPE CALSIL GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2013****13. Reconciliation of movement in shareholders' funds**

	2013 £000	2012 £000
Loss for the financial year	(134)	(145)
Net decrease in shareholders' funds	(134)	(145)
Shareholders' funds at 1 January	5,813	5,958
Shareholders' funds at 31 December	5,679	5,813

14. 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) 'Cash Flow Statements' from publishing a cash flow statement.

15. Related party transactions

The Company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS 8, 'Related Party Disclosures', from disclosing transactions with other group companies on the grounds that it is a wholly owned subsidiary of Cape plc whose financial statements are publicly available.

16. Ultimate parent undertaking

The immediate parent undertaking is Cape Industrial Services Group Limited, a company registered in England and Wales. The ultimate parent undertaking and controlling party is Cape plc, a company registered in Jersey, which represents both the smallest and largest group in which the results of the Company are consolidated. Copies of the annual financial statements of Cape plc are available from The Company Secretary, Cape plc, 47 Esplanade, St Helier, Jersey JE1 0BD.

17. Post balance sheet events

On 29 May 2014, as part of the Group rationalisation process, the entity undertook a capital reduction to reduce its number of ordinary shares from 39,000,000 to 1.

The capital reduction created additional distributable reserves of £38,999,999.

On 1 July 2014, Cape Intermediate Holdings Limited repaid £477,806 of the intercompany loan owing to the Company.

On 1 July 2014, the Company repaid £3,142,033 of the intercompany loan owed to its subsidiary Cape Calsil International Limited.

On 1 July 2014, the Company received dividend income of £3,142,033 from Cape Calsil International Limited and £9,225,371 from Cape Calsil Systems Limited.

CAPE CALSIL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2013

17. Post balance sheet events (continued)

Following receipt of dividends from its two subsidiaries, the Company has impaired its investment in Cape Calsil International Limited by £548,597 (from £1,000,000 to £451,403) and its investment in Cape Calsil Systems Limited by £6,051,538 (from £8,886,538 to £2,835,000).

On 1 July 2014, the directors declared and paid a dividend of £9,703,176 to its parent company, Cape Industrial Services Group Limited.