

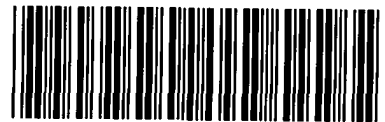
Company Registration No. 08596868

**C.A.E.C. HOWARD LIMITED
(formerly HPG SAWSTON LIMITED)**

Annual report and financial statements

For the year ended 30 September 2017

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C.A.E.C. HOWARD LIMITED
(formerly HPG SAWSTON LIMITED)

Annual report and financial statements
For the year ended 30 September 2017

CONTENTS

PAGE

Officers and professional advisers

1

Directors' report

2

Independent auditor's report

4

Profit and loss account

7

Balance sheet

8

Statement of changes in equity

9

Notes to the financial statements

10

C.A.E.C. HOWARD LIMITED
(formerly HPG SAWSTON LIMITED)

Annual report and financial statements
For the year ended 30 September 2017

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Nicholas C J Bewes
William E S Jewson
A Huw Jones

REGISTERED OFFICE

93 Regent Street
Cambridge
CB2 1AW

AUDITOR

Deloitte LLP
Statutory Auditor
Cambridge
United Kingdom

C.A.E.C. HOWARD LIMITED
(formerly HPG SAWSTON LIMITED)

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 September 2017.

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

CHANGE OF NAME

On 2 November 2016 HPG Sawston Limited changed its name to C.A.E.C. Howard Limited.

PRINCIPAL ACTIVITY

The company is principally engaged in the investment in, and management and development of, commercial property.

DIRECTORS

The directors who served throughout the year and to the date of this annual report were:

Nicholas C J Bewes
William E S Jewson
A Huw Jones

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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; 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 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.

C.A.E.C. HOWARD LIMITED
(formerly HPG SAWSTON LIMITED)

DIRECTORS' REPORT (continued)

AUDITOR

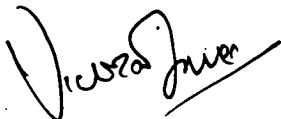
Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them as auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



Nicholas C J Bewes

Director

Date: 20 February 2018

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
C.A.E.C. HOWARD LIMITED
(formerly HPG SAWSTON LIMITED)**

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of C.A.E.C. Howard Limited (the 'company') which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
C.A.E.C. HOWARD LIMITED
(formerly HPG SAWSTON LIMITED) (continued)**

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit for the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
C.A.E.C. HOWARD LIMITED
(formerly HPG SAWSTON LIMITED) (continued)**

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Matthew Hall

Matthew Hall FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Cambridge, United Kingdom

Date: 1 MARCH 2018

C.A.E.C. HOWARD LIMITED
(formerly HPG SAWSTON LIMITED)

PROFIT AND LOSS ACCOUNT
For the year ended 30 September 2017

	Note	2017 £	2016 £
TURNOVER	3	21,582	6,269,373
Cost of sales		-	(2,916,773)
GROSS PROFIT		21,582	3,352,600
Administrative expenses		19,664	(318,368)
OPERATING PROFIT	4	41,246	3,034,232
Interest receivable and similar income	5	159,431	26,122
Interest payable and similar charges	6	(13)	-
PROFIT BEFORE TAXATION		200,664	3,060,354
Tax on profit	8	(79,306)	(272,733)
PROFIT FOR THE FINANCIAL YEAR		121,358	2,787,621

All activities derive from continuing operations.

There are no comprehensive income or expenses other than the profit for the financial year and the preceding financial year. Accordingly, no statement of comprehensive income is given.

C.A.E.C. HOWARD LIMITED
(formerly HPG SAWSTON LIMITED)

BALANCE SHEET
As at 30 September 2017

	Note	2017 £	2016 £
CURRENT ASSETS			
Debtors:			
Amounts due within one year	9	1,255,042	1,116,251
Amounts due after more than one year	9	3,411,135	4,482,814
Cash at bank and in hand		72,585	21,169
		<u>4,738,762</u>	<u>5,620,234</u>
CREDITORS: amounts falling due within one year	10	<u>(4,468,016)</u>	<u>(5,470,846)</u>
NET CURRENT ASSETS (including long term debtors), BEING NET ASSETS		<u>270,746</u>	<u>149,388</u>
CAPITAL AND RESERVES			
Called up share capital	11	1,000	1,000
Profit and loss account	11	269,746	148,388
		<u>270,746</u>	<u>149,388</u>
SHAREHOLDERS' FUNDS		<u>270,746</u>	<u>149,388</u>

The financial statements of C.A.E.C. Howard Limited (formerly HPG Sawston Limited), registered number 08596868, were approved by the Board of Directors and authorised for issue on

28 February 2018

Signed on behalf of the Board of Directors

Nicholas C J Bewes

Nicholas C J Bewes
 Director

A. H. Jones

A Huw Jones
 Director

C.A.E.C. HOWARD LIMITED
(formerly HPG SAWSTON LIMITED)

STATEMENT OF CHANGES IN EQUITY
30 September 2017

	Called up share capital £	Profit and loss account £	Total £
At 1 October 2015	1,000	(139,233)	(138,233)
Profit for the financial year	-	2,787,621	2,787,621
Dividend paid (note 12)	-	(2,500,000)	(2,500,000)
At 30 September 2016	1,000	148,388	149,388
Profit for the financial year	-	121,358	121,358
At 30 September 2017	1,000	269,746	270,746

At 30 September 2017 the Company's distributable reserves were £269,746 (2016 - £148,388).

C.A.E.C. HOWARD LIMITED
(formerly HPG SAWSTON LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2017

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have been applied consistently throughout the current year and preceding period.

General information and basis of accounting

C.A.E.C. Howard Limited (formerly HPG Sawston Limited) is a company incorporated in the United Kingdom and registered in England and Wales under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the directors' report on page 2.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of C.A.E.C. Howard Limited (formerly HPG Sawston Limited) is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

C.A.E.C. Howard Limited (formerly HPG Sawston Limited) meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

Going concern

The directors have considered the financial position of the company and believe that the company is well placed to manage its business risks successfully.

On the basis of those assurances, the directors consider that there is reasonable expectation that the company will continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover represents rental income, insurance and service charge income. Turnover is excluding value added tax, generated in ordinary course of the company's business and is not attributable to any markets outside of the United Kingdom.

Rental income is accounted for in accordance with the leases policy, as seen below.

Insurance and service charge income arises from the provision of additional services to tenants of leased properties. Income is invoiced on a quarterly basis but is recognised in the profit and loss account in line with the associated costs, and at the year any invoicing shortfall or excess is recognised as accrued or deferred income as necessary.

Leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease, under the accruals basis. Where a rent free period is included in a lease, the rental income foregone is allocated evenly over the period from the date of lease commencement to the earliest termination date. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

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.

Deferred tax is provided in full on timing differences, which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

C.A.E.C. HOWARD LIMITED
(formerly HPG SAWSTON LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2017

1. ACCOUNTING POLICIES (continued)

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangements as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the net assets of the company.

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors have not made any critical judgements or estimates in the process of applying the Company's accounting policies when compiling the financial statements.

3. TURNOVER

An analysis of the Company's turnover is as follows:

	2017 £	2016 £
Property development income	-	5,897,267
Rental income	-	227,074
Service charge and other recharged income	21,302	145,032
Miscellaneous income	280	-
	<u>21,582</u>	<u>6,269,373</u>

Turnover is derived from operations within the United Kingdom.

4. OPERATING PROFIT

	2017 £	2016 £
Operating profit is after (charging) crediting:		
Rents received from operating leases	-	227,074
Auditor's remuneration	(1,788)	(2,443)
Tax compliance	(917)	(1,437)
	<u></u>	<u></u>

C.A.E.C. HOWARD LIMITED
(formerly HPG SAWSTON LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2017

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2017 £	2016 £
Unwinding of discount on deferred consideration receivable	159,431	26,116
Bank interest	-	6
	<u>159,431</u>	<u>26,122</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2017 £	2016 £
Bank interest paid	13	-
	<u>13</u>	<u>-</u>

7. DIRECTORS' REMUNERATION

No directors have received remuneration in respect of their services to the company.

8. TAX ON PROFIT

	2017 £	2016 £
Current taxation		
United Kingdom corporation tax for the year	38,102	272,733
Adjustment in respect of previous periods	41,204	-
	<u>79,306</u>	<u>272,733</u>

The tax assessed for the year differs from that resulting from applying the standard rate of corporation tax in the UK of 19.5% (2016 - 20%). The differences are explained below.

	2017 £	2016 £
Profit before taxation	200,664	3,060,354
Profit multiplied by standard rate of corporation tax in the UK of 19.5% (2016 - 2016%)	39,127	612,071
Factors affecting tax for the year:		
Group relief claimed	(1,025)	(339,338)
Adjustment in respect of previous periods	41,204	-
Total tax for the year	<u>79,306</u>	<u>272,733</u>

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted by the balance sheet date being 20% with effect from 1 April 2015, 19% effective from 1 April 2017 and 17% effective from 1 April 2020.

C.A.E.C. HOWARD LIMITED
(formerly HPG SAWSTON LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2017

9. DEBTORS

	2017 £	2016 £
Due within one year:		
Trade debtors	-	672
Corporation tax	183,363	-
Other debtors	-	68,386
Deferred consideration receivable	1,071,679	1,040,569
Prepayments and accrued income	-	6,624
	<u>1,255,042</u>	<u>1,116,251</u>
Due after one year:		
Deferred consideration receivable	<u>3,411,135</u>	<u>4,482,814</u>

The deferred consideration is in respect of the sale of development property during 2016.

The consideration is receivable in stages with the amounts being discounted at a rate of 3%, which is deemed to be indicative of a market rate of interest at the date of acquisition. The balance due is payable over the course of 5 years, with equal instalments of £1,200,000 due. At the year end the undiscounted outstanding balance is £4,800,000 (2016 - £6,000,000).

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	-	866
Corporation tax	-	272,733
Other creditors	-	21,213
Amounts owed to group undertakings	4,465,358	5,167,690
Accruals and deferred income	2,658	8,344
	<u>4,468,016</u>	<u>5,470,846</u>

Amounts owed to group undertakings have no fixed repayment terms and no interest accrues on these balances.

11. CALLED UP SHARE CAPITAL AND RESERVES

	2017 £	2016 £
Allotted, called up and fully paid		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

The entity is a private company and is limited by shares.

The company's other reserve is as follows:

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

C.A.E.C. HOWARD LIMITED
(formerly HPG SAWSTON LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2017

12. DIVIDENDS

	2017 £	2016 £
Final dividend paid of £nil (2016 - £2,500) per ordinary share	-	2,500,000

13. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary and qualifying entity the company has taken advantage of the exemption in Section 33 of FRS 102 "Related Party Disclosures", from disclosing transactions with other wholly owned members of the Howard Ventures Limited group.

During the prior year, CAEC Howard Limited invoiced Howard Sawston Limited, a company with common shareholders, £6,400,000 for the development project at Iconix Park Sawston.

At 30 September 2017, £4,800,000 (2016 - £6,000,000) remains outstanding. The balance due is payable over the course of 5 years, with equal instalments of £1,200,000 due. The debt is not secured. The total amount outstanding after taking into account the impact of discounting is £4,482,814 (2016 - £5,523,383).

14. ULTIMATE PARENT COMPANY

The immediate parent undertaking is Howard Developments Limited, a company registered in England and Wales. The ultimate parent company and controlling party is Howard Ventures Limited, a company registered in England and Wales. The registered address of the parent is 93 Regent Street, Cambridge, CB2 1AW, United Kingdom.

The smallest group in which the Company's results are consolidated is that of Howard Developments Limited of which the registered address is 93 Regent Street, Cambridge, CB2 1AW, United Kingdom. The largest group in which the Company's results are consolidated is that of Howard Ventures Limited. Copies of both sets of consolidated financial statements may be requested from The Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ, United Kingdom.