

CARNEGIE INVESTMENT ASSET MANAGEMENT LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019



CARNEGIE INVESTMENT ASSET MANAGEMENT LIMITED
REGISTERED NUMBER:03530679

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Fixed asset investments		664,889	633,811
Investment property	5	9,342,633	9,342,178
		<u>10,007,522</u>	<u>9,975,989</u>
CURRENT ASSETS			
Debtors	6	20,256,840	18,586,812
Cash at bank and in hand		179,851	396,973
		<u>20,436,691</u>	<u>18,983,785</u>
Creditors: amounts falling due within one year	7	(24,926,505)	(25,015,422)
NET CURRENT LIABILITIES		(4,489,814)	(6,031,637)
TOTAL ASSETS LESS CURRENT LIABILITIES		5,517,708	3,944,352
PROVISIONS FOR LIABILITIES			
Deferred tax		-	(15,942)
NET ASSETS		5,517,708	3,928,410
CAPITAL AND RESERVES			
Called up share capital		1	1
Profit and loss account		5,517,707	3,928,409
		<u>5,517,708</u>	<u>3,928,410</u>

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The director acknowledges her responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

CARNEGIE INVESTMENT ASSET MANAGEMENT LIMITED
REGISTERED NUMBER:03530679

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2019

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


L L de Savary
Director

Date: 20 November 2019

The notes on pages 3 to 8 form part of these financial statements.

CARNEGIE INVESTMENT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. GENERAL INFORMATION

Carnegie Investment Asset Management Limited is a limited liability company incorporated in the United Kingdom. The registered office is Minerva House, Lower Bristol Road, Bath, BA2 9ER.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 REVENUE RECOGNITION

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 INTEREST INCOME

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

CARNEGIE INVESTMENT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. ACCOUNTING POLICIES (continued)

2.4 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.5 INVESTMENT PROPERTY

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

2.6 VALUATION OF INVESTMENTS

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.7 DEBTORS

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.

2.8 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

CARNEGIE INVESTMENT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. ACCOUNTING POLICIES (continued)

2.9 CREDITORS

Short term 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.

2.10 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.11 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

CARNEGIE INVESTMENT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. ACCOUNTING POLICIES (continued)

2.12 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. EMPLOYEES

The Company has no employees other than the directors, who did not receive any remuneration (2018: £NIL).

4. FIXED ASSET INVESTMENTS

	Other fixed asset investments £
COST OR VALUATION	
At 1 April 2018	704,061
Revaluations	31,078
At 31 March 2019	<u>735,139</u>
IMPAIRMENT	
At 1 April 2018	70,250
At 31 March 2019	<u>70,250</u>
NET BOOK VALUE	
At 31 March 2019	<u><u>664,889</u></u>
At 31 March 2018	<u><u>633,811</u></u>

The company instructed Rothschild Bank (CI) Limited to invest on its behalf. At the year end this investment was valued by Rothschild Bank (CI) Limited at £664,889 (2018: £633,811). In a prior year management considered the investment and concluded that given its nature there was currently a permanent diminution in value which has been reflected in the valuation at the year end.

Realised gains associated with these investments of £561 (2018: £1,684) have been recognised within the results for the year.

CARNEGIE INVESTMENT ASSET MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

5. INVESTMENT PROPERTY

	Freehold investment property £
VALUATION	
At 1 April 2018	9,342,178
Additions at cost	455
AT 31 MARCH 2019	9,342,633

The 2019 valuations were made by the directors, on an open market value for existing use basis.

If the investment properties were sold at the values shown in the Financial Statements at the Statement of Financial Position date, there would be no tax liabilities.

6. DEBTORS

	2019 £	2018 £
DUE AFTER MORE THAN ONE YEAR		
Other debtors	10,203,456	10,203,456
	<u>10,203,456</u>	<u>10,203,456</u>
DUE WITHIN ONE YEAR		
Other debtors	10,024,461	8,383,356
Deferred taxation	28,923	-
	<u>20,256,840</u>	<u>18,586,812</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Corporation tax	304,856	315,834
Other taxation and social security	6,750	34,905
Other creditors	24,457,669	24,507,453
Accruals and deferred income	157,230	157,230
	<u>24,926,505</u>	<u>25,015,422</u>

CARNEGIE INVESTMENT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

8. RELATED PARTY TRANSACTIONS

During the year the company has completed a number of transactions with companies under common control which has resulted in the following balances at the year end:

	2019 £	2018 £
Amounts due from associated undertakings	20,042,922	18,572,562
Amounts due to associated undertakings	(993,587)	(287,553)
Amounts due to director and family members	<u>(23,904,356)</u>	<u>(24,211,400)</u>

Included within amounts due from associated undertakings at the year end is balance of £9,210,833 (2018: £9,210,833) on which interest of 8% is charged. During the year interest of £720,868 (2018: £864,255) was charged on this balance. The debt is unsecured.

Included within amounts due from associated undertakings at the year end is a balance of £992,623 (2018: £992,623) on which interest of 8% is charged. During the year interest of £59,556 (2018: £59,336) was charged on this balance. The debt is unsecured.

The balance due to the director and family members at the year end of £23,904,356 (2018: 24,211,400) is secured against the assets of the company and is interest free.

9. CONTROLLING PARTY

The ultimate controlling party is L L De Savary, by virtue of her 100% shareholding.