

Presented to Parliament pursuant to C.43, Sch. 5(20) (3) of the Crown Agents Act 1979

Crown Agents Holding and Realisation Board Statement of Accounts for 2007

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ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 15 JULY 2009

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Foreword

The Crown Agents Holding and Realisation Board was established on 1 January 1980, by virtue of the Crown Agents Act 1979. The Board is charged with the duty

- a to secure the realisation of the Board's assets and the assets of the Board's subsidiaries and the application of the proceeds in or towards discharging the liabilities of the Board and their subsidiaries;
- b to secure that while any particular asset of the Board or any of the Board's subsidiaries remains unrealised, it is held and managed as advantageously as is consistent with their eventual realisation; and
- c to discharge the liabilities of the Board and of each of their subsidiaries so far as not discharged in pursuance of paragraph (a).

Paragraph 14(2) of Schedule 5 to the Act provides that the Minister of Overseas Development (subsequently the Secretary of State for Foreign and Commonwealth Affairs, and now the Secretary of State for International Development) may direct the Board to pay any excess of revenue over the amount properly chargeable to the revenue account in any accounting year into the Consolidated Fund. However paragraphs 17 and 23 of Schedule 5 to the Act enable the Secretary of State, with the approval of the Treasury, to make a grant to the Board inter alia in the event and to the extent that the proceeds from the realisation of assets prove insufficient to discharge the liabilities of the Board and of their subsidiaries.

Paragraph 20 of Schedule 5 to the Act requires the Board and their subsidiaries to keep proper accounts and records and to prepare for each accounting year, ending on 31 December, a statement of accounts conforming to the best commercial standards and, subject to that, complying with any requirements in relation to content, presentation and preparation which the Secretary of State, with the approval of the Treasury, has notified to the Board. The statement of accounts is to be submitted to the Secretary of State at such time as he may direct, and the Secretary of State must then send each such statement to the Comptroller and Auditor General who is required to examine, certify and report on the statement and lay copies of the statement and his report on it before each House of Parliament.

In late 2007, the Board advised the Secretary of State that the duties of the Crown Agents Holding and Realisation Board under section 25(3)(a) and (c) of that Act had been substantially discharged and an Order was made by the Secretary of State on 26 March 2008 defining the prescribed day for the purposes of paragraph 23 and 24 of Schedule 5 to the Crown Agents Act 1979 to be 1 April 2008.

The accounts have been prepared in accordance with the Crown Agents Act 1979 and comply with the requirements and directions which the Secretary of State has notified to the Board. The basis of preparation of accounts is set out in note 1 to the accounts.

The surplus for the year ended 31 December 2007 amounted to £467,894. £1,580,000 was paid to the Consolidated Fund during the year.

The Members of the Board during 2007 were
D H Probert CBE – Chairman
P F Berry CMG

Statement of Board Members' responsibilities

The Board Members are required by the Crown Agents Act 1979 and by the Directions issued by the Secretary of State to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Board as at the end of the financial year and of the profit or loss for the financial year.

The Board Members consider that in preparing the financial statements on pages 8 to 17, the Board has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all applicable accounting standards have been followed.

The Board Members have responsibility for ensuring that the Board keeps accounting records which disclose with reasonable accuracy the financial position of the Board and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Board Members have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Board and to prevent and detect fraud and other irregularities.

Statement on the System of Internal Control

The Board Members acknowledge their responsibility for ensuring that an effective system of internal control is maintained and have reviewed the effectiveness of the operation of the system.

Any system can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The financial and administrative affairs of the Board are managed by The Crown Agents for Oversea Governments and Administrations Limited and are subject to that company's internal control procedures.

The Board's internal control and monitoring procedures include

- clear responsibilities on the part of line and financial management for the maintenance of good controls and the production of accurate and timely financial management information;
- the control of key financial risks through published authority levels, which are kept under constant review, together with proper segregation of duties;
- regular reviews by the Board of periodic and annual financial reports; and
- comments made by the external auditors in their management letter and other reports.

David H Probert
24 March 2009

Peter F Berry
24 March 2009

The Certificate of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of the Crown Agents Holding and Realisation Board for the year ended 31 December 2007 under the Crown Agents Act 1979. These comprise the Revenue Statement, the Balance Sheet and the Cashflow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them.

Respective responsibilities of the Board Members and Auditor

The Crown Agents Holding and Realisation Board are responsible for preparing the Foreword and the financial statements in accordance with the Crown Agents Act 1979 and directions made thereunder by the Secretary of State for International Development and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Board Members' Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Crown Agents Act 1979 and directions made thereunder by the Secretary of State for International Development. I report to you whether, in my opinion, certain information given in the Foreword, is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if Crown Agents Holding and Realisation Board has not kept proper accounting records, if I have not received all the information and explanations I require for my audit.

I review whether the Statement on Internal control reflects Crown Agents Holding and Realisation Board's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of Crown Agents Holding and Realisation Board's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Foreword and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Crown Agents Holding and Realisation Board in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Crown Agents Holding and Realisation Board's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinions

Audit opinion

In my opinion

- the financial statements give a true and fair view, in accordance with the Crown Agents Act 1979 and directions made thereunder by the Secretary of State for International Development, of the state of the Crown Agents Holding and Realisation Board's affairs as at 31 December 2007 and of its surplus for the year then ended;
- the financial statements have been properly prepared in accordance with the Crown Agents Act 1979 and the Secretary of State's directions made thereunder; and
- information given within the Foreword, is consistent with the financial statements.

Audit opinion on regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

See also my Report at page 7.

T J Burr
Comptroller and Auditor General

6 May 2009

National Audit Office
151 Buckingham Palace Road
Victoria
London SW1W 9SS

Report of the Comptroller and Auditor General Crown Agents Holding and Realisation Board Accounts 2007

Under the Crown Agents Act 1979, the duty of the Crown Agents Holding and Realisation Board, subject to the instructions of the Secretary of State, was to realise their assets and those of their subsidiaries and to apply the proceeds towards discharging their liabilities.

The assets managed by the Board comprised investments in a number of miscellaneous companies and bodies, most of which were in the hands of liquidators or receivers. As such the Board had considered that the going concern basis was not appropriate to their Accounts. The Accounts have, therefore, historically been prepared so as to reflect the Board's best assessment of the net realisation value of their assets. The Accounts are not consolidated on a group basis because the adjustments required in respect of the Board's subsidiary companies are considered by the Board to be not material. I concur with both these views.

The Secretary of State informed Parliament on 26 March 2008 that the duties of the Board had been substantially discharged and instructed the remaining assets be transferred to him for disposal on 1 April 2008. A final account has been prepared for the accounting period to 31 March 2008.

T J Burr
Comptroller and Auditor General

6 May 2009

National Audit Office
151 Buckingham Palace Road
Victoria
London SW1W 9SS

Consolidated Revenue Statement for the year ended 31 December 2007

| | Notes | 2007 £'000 | 2006 £'000 |
|---|-------|---------------|---------------|
| Gross income | 3 | 487 | 0 |
| Administration and other expenses | 4 | (31) | (27) |
| Operating surplus/(deficit) before other interest and provisions | | 456 | (27) |
| Interest receivable | | | |
| On bank deposits | | 12 | 12 |
| Net (deficit)/surplus for period transferred to reserves | | 468 | (15) |

There are no recognised gains and losses in 2006 and 2007 other than the net revenue (deficit)/surplus for the year.

Consolidated Balance Sheet as at 31 December 2007

| | Notes | 2007 £ | 2007 £ | 2006 £ | 2006 £ |
|--|-------|------------|-------------|--------------|--------------|
| Fixed assets | | | | | |
| <i>Investments:</i> | | | | | |
| Subsidiary company | 7 | | 0 | | 0 |
| Current assets | | | | | |
| Loans | 5 | 454 | | 77 | |
| Cash at bank and in hand | 6 | 213 | | 1,691 | |
| | | <u>667</u> | | <u>1,768</u> | |
| <i>Less:</i> | | | | | |
| Current liabilities | | | | | |
| Creditors – due within one year | | | <u>(17)</u> | <u>(6)</u> | |
| Net current assets | | | <u>650</u> | | <u>1,762</u> |
| Total assets less current liabilities | | | <u>650</u> | | <u>1,762</u> |
| Capital and reserves | | | | | |
| <i>Revenue reserve:</i> | | | | | |
| Balance brought forward | | | 1,762 | | 1,777 |
| Repaid to Capital Fund | | | (1,580) | | 0 |
| (Deficit)/surplus for year | | | 468 | | (15) |
| | | | <u>650</u> | | <u>1,762</u> |

These accounts were approved by the Board of the Crown Agents Holding and Realisation Board at their meeting on 24 March 2009 and are signed on their behalf by

David H Probert

Peter F Berry

Consolidated Cash Flow Statement for the year ended 31 December 2007

| | 2007 £'000 | 2006 £'000 |
|---|-----------------------------|---------------|
| Net cash outflow/inflow from operating activities | (20) | (49) |
| Returns on investments | | |
| Interest received | 12 | 12 |
| Investing activities | | |
| Realisation of Investment | 110 | 0 |
| Payment to Consolidated Fund | (1,580) | 0 |
| Reduction/increase in cash | (1,478) | (37) |

Notes to the Cash Flow Statement

1 Reconciliation of operating (deficit)/surplus to net cash (outflow) from operating activities

| | 2007 £'000 | 2006 £'000 |
|---|-----------------------------|---------------|
| Operating (deficit)/surplus | 456 | (27) |
| Increase in loans recoverable | (487) | 0 |
| (Decrease)/Increase in creditors | 11 | (22) |
| Net cash outflow from operating activities | (20) | (49) |

2 Analysis of changes in cash during the period

| | 2007 £'000 | 2006 £'000 |
|-------------------------------|-----------------------------|---------------|
| Balance at 1 January | 1,691 | 1,728 |
| Net cash outflow | (1,478) | (37) |
| Balance at 31 December | 213 | 1,691 |

Notes to the Accounts

1 Basis of preparation of accounts

The Crown Agents Holding and Realisation Board ('the Board') was incorporated on 1 January 1980, by virtue of the Crown Agents Act 1979. The Board took over the assets, liabilities and activities covered by the Realisation Account of the unincorporated Crown Agents for Overseas Governments and Administrations. The Board took over these assets at book value as at 1 January 1980. For convenience, in certain of the notes, the original cost to the unincorporated Crown Agents and accumulated provisions are shown. Thus the Board's assets consist of the investments in and advances in respect of those activities from which the unincorporated Crown Agents were required to disengage in accordance with directions issued by the Minister of Overseas Development. The duty of the Board is

- a to secure the realisation of the Board's assets and those of their subsidiaries and to apply the proceeds towards discharging their liabilities;
- b to secure that, pending realisation, any asset of the Board and their subsidiaries is held and managed as advantageously as is consistent with its eventual realisation; and
- c to discharge the liabilities of the Board and of their subsidiaries insofar as these are not discharged by the application of the proceeds of their realised assets.

The function of the Board is to wind up their affairs in an orderly fashion. The Act enables the Secretary of State for Foreign and Commonwealth Affairs to meet a grant to the extent that the proceeds from the realisation of assets, referred to in (c) above, proves insufficient. During 1982 the Board sold the Australian subsidiary, Abbey Capital Holdings Limited, which represents the greater part of the assets of the Board and their subsidiaries. As in previous years the Board do not consider that the going concern basis of accounting is appropriate.

The accounts have been drawn up in accordance with the Crown Agents Act 1979 and comply with the requirements and directions which the Secretary of State has notified to the Board. The ministerial direction dealing with the form and contents of the accounts is at Appendix 1.

2 Accounting policies

a *Basis of Accounting*

The accounts deal with the assets, liabilities and results of the operations of the Board and its subsidiaries.

b *Foreign currencies*

Assets, liabilities, and surpluses and deficits in foreign currencies are expressed in sterling at the exchange rates ruling at the year end. Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. All profits and losses arising on foreign currencies are taken into account in arriving at the surplus/deficit for the year.

c *Tax*

Under the Crown Agents Act 1979 the Board and its subsidiaries are exempt from UK Corporation Tax.

d *Investments in subsidiaries*

Investment holdings in subsidiary companies are valued at cost less provision for diminution in value.

e Other loans

Specific provisions for doubtful debts are made when ultimate recovery is considered doubtful. Debts owed by companies in liquidation or receivership are written off in the books when the final statements are received or when the Board is advised that no further receipt is likely. Any recovery of debts written off is accounted for as revenue.

f Interest and other income

This comprises interest received from borrowers and income from secured assets. Interest receivable from borrowers whose capacity to repay is doubtful is not accrued and is treated as income only when actually received. Provision for possible defaults has been made in respect of interest which was accrued but is now considered unlikely to be received. This treatment is followed for conservative accounting purposes and does not imply any mitigation of claims against debtors.

3 Gross income

Gross income for the year of £487,000 represented an increased final dividend from the liquidators of a secondary bank, £33,000, and an estimate of the net realisable value of land in the Bahamas held by the Board as mortgagee in possession, £454,000 (see also note 5).

4 Administrative and other expenses

This includes:

| | 2007 £'000 | 2006 £'000 |
|--|-----------------------------|---------------|
| Management charges for the year/period | 14 | 14 |
| Auditors remuneration | 3 | 4 |
| Legal and professional costs | 6 | 0 |
| Property taxes | 8 | 9 |
| | 31 | 27 |

None of the members of the Board received any remuneration during the year (2006: Nil).

5 Loans

| | 2007 £'000 | 2006 £'000 |
|--|---------------|---------------|
| Net book value as at 1 January | 77 | 77 |
| Revision to estimated recoverable value | 487 | 0 |
| | <u>564</u> | <u>77</u> |
| Amount recovered in year | (110) | 0 |
| Estimated Realisable Value as at 31 December | <u>454</u> | <u>77</u> |

The loans and provisions may be analysed as follows:

| | 2007 | | 2006 | |
|------------------------------|-------------------------|----------------------------------|-------------------------|----------------------------------|
| | Amount owed £'000 | Provision for Losses £'000 | Amount owed £'000 | Provision for Losses £'000 |
| The Board's loans to: | | | | |
| Secondary banks | 454 | 0 | 77 | 0 |
| | <u>454</u> | <u>0</u> | <u>77</u> | <u>0</u> |

The loans were made to secondary banking and financial institutions and other borrowers prior to 1975. The amount shown at 31st December 2007 of £454,000 represents the estimated realisable value of land in the Bahamas held by the Board as mortgagee in possession.

6 Cash at bank

| | 2007 £'000 | 2006 £'000 |
|------------------------------------|---------------|---------------|
| Bank balances and deposits at call | 213 | 426 |
| Deposit with HM Government | 0 | 1,265 |
| | <u>213</u> | <u>1,691</u> |

The deposits with HM Government, which were paid to the Consolidated Fund during the year, were made in accordance with the instructions issued by the Secretary of State for International Development and were non-interest bearing.

7 The subsidiary companies

| Name | Country of Incorporation | Class of share held | Direct or indirect interest of the Board on 31 December 2007 and 2006 (per cent) |
|-------------------------------|-----------------------------|------------------------|---|
| Four Millbank Investments Ltd | England | Ordinary | 100 |

8 Summary of realisation account

The following tables show an historical summary of movements in the Board and its subsidiaries' assets and liabilities (formerly those of the Realisation Account) since the setting up of that account with effect from 1 January 1975.

| | 31 December 2007 £'000 | 1 January 1975 £'000 |
|--|---------------------------------------|----------------------------|
| Investments in Subsidiaries | 0 | 843 |
| Other investments: gross book value | 0 | 21,826 |
| Other loans | 454 | 219,630 |
| Investments in properties: gross book value | 0 | 6,193 |
| | 454 | 248,492 |
| Provision for losses and fall in value | 0 | (123,630) |
| | 454 | 124,862 |
| Other assets less other liabilities | 196 | (24,154) |
| Amount due to Crown Agents | 0 | (139,702) |
| (Deficit)/surplus (the figure for 1 January 1975 is after grant and capital reserve and that for 31 December 2007 is after further grant) | 650 | (38,994) |

The movement in the amounts outstanding in respect of the principal assets has been:

| | Investments in subsidiaries £'000 | Other investments £'000 | Other Loans £'000 | Investments in properties/ leasing assets £'000 | Total £'000 |
|--|---|-------------------------------|-------------------------|--|------------------------|
| Cost | | | | | |
| Balance at 1 January 1975 | 843 | 21,826 | 219,630 | 6,193 | 248,492 |
| Further sums invested/advanced | 5,657 | 18,873 | 65,420 | 13,627 | 103,577 |
| | 6,500 | 40,699 | 285,050 | 19,820 | 352,069 |
| Adjustments in respect of prior years | 0 | 1,715 | 0 | 0 | 1,715 |
| Reclassification as a subsidiary | 4,312 | (4,312) | 0 | 0 | 0 |
| Adjustments arising on consolidation | 0 | 0 | (67,162) | 141,424 | 74,262 |
| Costs to completion | 0 | 0 | 0 | 39,136 | 39,136 |
| Repayment/Sales: at book value (including gain on exchange) | (5,776) | (10,301) | (105,345) | (263,114) | (384,536) |
| Increase in valuation | 0 | 0 | 499 | 64,144 | 64,643 |
| Amounts written off | (5,036) | (27,801) | (112,588) | (1,410) | (146,835) |
| | 0 | 0 | 454 | 0 | 454 |
| Provision for losses and falls in value | | | | | |
| Balance at 1 January 1975 | 843 | 10,506 | 111,215 | 1,066 | 123,630 |
| Additions including direct write off | 5,073 | 19,892 | 1,373 | 344 | 26,682 |
| | 5,916 | 30,398 | 112,588 | 1,410 | 150,312 |
| Adjustments in respect of prior years | 0 | 1,715 | 0 | 0 | 1,715 |
| Reclassification as a subsidiary | 4,312 | (4,312) | 0 | 0 | 0 |
| Adjustment arising on consolidation | (5,192) | 0 | 0 | 0 | (5,192) |
| Amount written off as above | (5,036) | (27,801) | (112,588) | (1,410) | (146,835) |
| | 0 | 0 | 0 | 0 | 0 |

Further sums advanced in respect of Other Loans relate to commitments entered into before October 1974. The further sums invested in other areas do not represent new ventures, but are amounts expended in furtherance of the policy of divestment in order to minimise losses which would otherwise have been incurred. Reclassification relates to investments in which the unincorporated Crown Agents' interest was increased to over 50 per cent in order to gain control for purposes of facilitating divestment. These investments are shown as subsidiary companies. The sale of the assets relating to the subsidiary companies in Australia is reflected in this table, giving rise to the adjustments on consolidation. The change from deficit to surplus in the Realisation Account from 1975 to 2007 can be summarised as follows:

| | £'000 | £'000 | £'000 |
|--|-----------------|-----------------|------------------|
| Deficit as at 1 January 1975 | | | (38,994) |
| <i>Add:</i> Government grant received in 1974 | | | (85,000) |
| | | | <u>(123,994)</u> |
| Interest cost | | (122,923) | |
| Extra provisions for losses | | <u>(27,093)</u> | |
| | | (150,016) | |
| <i>Less:</i> Miscellaneous income | 132,818 | | |
| Increase in valuation of Australian properties | <u>64,144</u> | | |
| | 196,962 | | |
| <i>Less:</i> Charge | <u>(29,431)</u> | | |
| | | <u>167,531</u> | |
| | | 17,515 | |
| <i>Less:</i> Adjustment re sale of Australian subsidiary | | <u>(46,080)</u> | |
| | | | <u>(28,565)</u> |
| | | | (152,559) |
| <i>Less:</i> Transfer of reserves | | | <u>16,800</u> |
| Deficit before Government grants | | | (135,759) |
| Government grants received in 1974 and 1978 | | 175,000 | |
| <i>Less:</i> Amounts repaid to HM Government | | <u>(38,591)</u> | |
| | | | <u>136,409</u> |
| Surplus as at 31 December 2007 | | | <u>650</u> |

Chairman's Report for 2007

The Board came into existence on 1 January 1980 and assumed responsibility for the assets and liabilities of the Realisation Account of the unincorporated Crown Agents, together with the liabilities for external borrowing which were financing the Realisation Account but were held in the name of the unincorporated Crown Agents. Consequently as from that date, the Board became a separate entity from the incorporated Crown Agents. The Board was created under the terms of the Crown Agents Act 1979 Section 25 which defines its duties as follows:

- a to secure the realisation of the Board's assets and the assets of the Board's subsidiaries and the application of the proceeds in or towards discharging the liabilities of the Board or its subsidiaries;
- b to secure that while any particular asset of the Board or any of the Board's subsidiaries remain unrealised, it is held and managed as advantageously as is consistent with its eventual realisation;
- c to discharge the liabilities of the Board and of each of its subsidiaries so far as not discharged in pursuance of paragraph (a).

The majority of the Board's assets related to companies in the property and secondary banking sector which were in the hands of liquidators or receivers.

Since 1 January 1980 realisations can be summarised as follows

| | Loans | Other assets |
|-----------|-------------|--------------|
| | £m | £m |
| 1980 | 1.6 | 0 |
| 1981 | 1.3 | 0 |
| 1982 | 3.8 | 192.2 |
| 1983 | 1.5 | 0.8 |
| 1984 | 6.1 | 0 |
| 1985 | 0.1 | 0 |
| 1986 | 0.5 | 0 |
| 1987 | 0.6 | 0 |
| 1988 | 0.1 | 0 |
| 1989 | 0.1 | 0 |
| 1990 | 0.1 | 0 |
| 1991 | 0.1 | 0 |
| 1992 | 0.1 | 0 |
| 1993-1994 | 0 | 0 |
| 1995 | 0.1 | 0 |
| 1996 | 0.2 | 0 |
| 1997-2006 | 0 | 0 |
| 2008 | 0.1 | 0 |
| | <u>16.4</u> | <u>193.0</u> |

Realisations from loans consist of dividends from liquidators and receivers as well as the proceeds of the sale of properties charged to the Board as security for loans. The realisation of assets in 1982 consisted mainly of the sale of the Australian property portfolios. This sale was achieved by way of the sale of shares of the Australian property holding company at its net asset value. After repaying all the borrowings and other liabilities associated with the sale, both in Australia and the United Kingdom, the Board was able to repay about £17 million to HM Government. Payment to HM Government from recoveries from all other sources amounted to £5 million up to the end of 1996 and a further £15 million was repaid in March 1997. A further £1.580 million was repaid during the year.

There were further recoveries of £110,000 during 2007. The only asset still available for disposal is land in the Bahamas, held by the Board as mortgagee in possession, which is stated within the accounts at market value estimated by Janet Taylor Rich Real Estate, a local Licensed Property Broker acting for the Board in the disposals, less estimated realisation costs.

The Board's 2007 accounts, which will be laid before Parliament in accordance with paragraph 20(a) of Schedule 5 to the Crown Agents Act 1979, have been prepared in accordance with the Act and comply with the requirements and Directions that the Secretary of State for International Development has notified to the Board. The Directions made to the Board by the Secretary of State are set out in the attached Appendix.

The Members of the Board in 2007 were

D H Probert CBE – Chairman
P F Berry CMG

David H Probert
Chairman
Crown Agents Holding and Realisation Board

Appendix

Crown Agents Act 1979

The following directions have been issued on behalf of the Secretary of State for Foreign and Commonwealth Affairs (now the Secretary of State for International Development) in accordance with the Crown Agents Act 1979

Direction No 4: Holding and Realisation Board's Annual Reports

(Dated 27 October 1980)

In pursuance of paragraph 11 of Schedule 5 to the Crown Agents Act 1979 ('The Act') I am directed by the Secretary of State for Foreign and Commonwealth Affairs to say that he directs that the time within which the annual report referred to in Section 11 (1) of the Act, as applied to the Board by paragraph 11 of Section 5 shall be made to him is 31 May following the end of the accounting year to which the report relates. He further directs that each report so made shall be made not later than the date upon which the statement of accounts to be prepared in respect of the same accounting year by the Board under paragraph 20 (1) of Schedule 5 to the Act, is submitted to the Secretary of State in accordance with any direction made by him under the paragraph 20 (2) of Schedule 5 to the Act.

The Secretary of State also directs that each report so made shall include a general section dealing with the matters referred to in Section 11 (1) of the Act, as applied to the Board by paragraph 11 of Schedule 5, and in addition shall include a review of the progress made in realising the Board's assets, and of its financial position as shown in the Statement of Accounts.

Direction No 6: Holding and Realisation Board's Annual Accounts

(Dated 1 May 1981)

In pursuance of paragraph 20 (2) of Schedule 5 to the Crown Agents Act 1979, I am directed by the Secretary of State for Foreign and Commonwealth Affairs to say that he directs that every statement of accounts prepared by the Crown Agents Holding and Realisation Board in pursuance of the provisions applied by paragraph 20 (1) of Schedule 5 to that Act shall be submitted to him not later than two weeks before the end of the month of May following the accounting year to which the statement relates.

Direction No 9: Payment of Surplus Revenue of Board

(Dated 8 March 1983)

In pursuance of paragraph 14(2) of Schedule 5 to the Crown Agents Act 1979, I am directed by the Secretary of State for Foreign and Commonwealth Affairs to say that, with the approval of the Treasury, he directs the Board to pay forthwith into the Consolidated Fund, out of the excess of revenue of the Board surplus to its requirements for the accounting year end 31 December 1982, the sum of £1,250,000 (One million, two hundred and fifty thousand pounds) retained for the time being in the Moneys Payable to the Exchequer Deposit Account.

Direction No 10: Payment of Surplus Revenue of Board

(Dated 7 March 1983)

In pursuance of paragraph 14(2) of Schedule 5 to the Crown Agents Act 1979, I am directed by the Secretary of State for Foreign and Commonwealth Affairs to say that, with the approval of the Treasury, he directs the Board to pay forthwith into the Consolidated Fund, out of the excess of revenue of the Board surplus to its requirements for the accounting year ended 31 December 1982, the sterling equivalent of the sum of A\$150,000 (One hundred and fifty thousand Australian dollars).

Direction No 11: Payment of Surplus Revenue of Board

(Dated 12 January 1984)

In pursuance of paragraph 14(2) of Schedule 5 to the Crown Agents Act 1979, I am directed by the Secretary of State for Foreign and Commonwealth Affairs to say that, with the approval of the Treasury, he directs the Board to pay forthwith into the Consolidated Fund, out of the excess of revenue of the Board surplus to its requirements for the accounting year ended 31 December 1983, the sum of £325,000 (Three hundred and twenty five thousand pounds).

Direction No 12: Payment of Surplus Revenue of Board

(Dated 16 March 1984)

In pursuance of paragraph 14(2) of Schedule 5 to the Crown Agents Act 1979, I am directed by the Secretary of State for Foreign and Commonwealth Affairs to say that, with the approval of the Treasury, he directs the Board to pay forthwith into the Consolidated Fund, out of the excess of revenue of the Board surplus to its requirements for the accounting year ended 31 December 1983, the sterling equivalent of the sum of US\$ 227,078.40 (Two hundred and twenty seven thousand and seventy eight United States dollars and forty cents).

Direction No 19: Payment of Surplus Revenue of Board

(Dated 14 March 1997)

In pursuance of paragraph 14(2) of Schedule 5 to the Crown Agents Act 1979, the Secretary of State for Foreign and Commonwealth Affairs having consulted the Board and with the approval of the Treasury hereby directs the Board to pay forthwith into the Consolidated Fund out of the excess of revenue of the Board surplus to its requirements for accounting years up to and including the accounting year ending 31 December 1995 the sum of £15,000,000 held for the time being in Ways and Means Deposit Account No 3265.

Direction : Payment of Surplus Revenue of Board

(Dated 3 September 2007)

In pursuance of paragraph 14(2) of Schedule 5 to the Crown Agents Act 1979, the Secretary of State for International Development having consulted the Board and with the approval of the Treasury hereby directs the Board to pay forthwith into the Consolidated Fund out of the excess of revenue of the Board surplus to its requirements for accounting years up to and including the accounting year ending 31 December 2006 the sum of £1,580,000 (One million five hundred and eighty thousand pounds).

Crown Agents Holding and Realisation Board: Direction Relating to the Accounts (Direction No 18)

In pursuance of sections 22(1) to 22(4) of the Crown Agents Act 1979 ('The Act') as applied to the Crown Agents Holding and Realisation Board ('The Board') by paragraph 20(1) of Schedule 5 to the Act, the Secretary of State for Foreign and Commonwealth Affairs, with the approval of Treasury, hereby give the following Direction

- 1 The statement of accounts which it is the duty of the Board to prepare in respect of the financial year ended 31 December 1992 and in respect of any subsequent financial year of the Act shall comprise
 - a in respect of the Board
 - a revenue account;
 - a balance sheet; and
 - a cash flow statement.
 - b in respect of the Board and those of its subsidiaries dealt with in the consolidated accounts
 - a consolidated revenue accounts;
 - a consolidated balance sheet; and
 - a consolidated cash flow statement.

including in each case such notes as may be necessary for the purpose referred to in paragraph 2 below.

- 2 The accounts referred to above shall give a true and fair view of the profit or loss, state of affairs and (notwithstanding the reference in section 22(1) of the Act to source and application of funds) cash flow of the Board and its subsidiaries. Subject to the foregoing requirement, the statement of accounts shall also, without limiting the information given, meet, insofar as they are appropriate to the functions and activities of the Board
 - a the accounts requirements of the Companies Act for the time being in force; and
 - b best commercial accounting practices including accounting standards issued or adopted by the Accounting Standards Board.
- 3 The statement referred to in paragraph 1 above shall also include the supplementary information set out in the Schedule to this direction.
- 4 Notwithstanding the requirement in paragraph 2 above, consolidated accounts need not be prepared where the consolidation adjustments are deemed to be immaterial.
- 5 On and from the date shown below, this direction supercedes the Direction No 14, dated 15 April 1987, as amended.

K D Grimshaw
Overseas Development Administration
Foreign and Commonwealth Office

14 May 1993

Schedule

Supplementary information to be provided in the accounts of the Crown Agents Holding and Realisation Board for the year ended 31 December 1992 and subsequent years

- 1 a note showing the basis for preparation of the accounts and the duties and functions of the Crown Agents Holding and Realisation Board;
- 2 a note showing the breakdown of freehold and leasehold properties;
- 3 a note showing the movement in the provision made for falls in value of other investments;
- 4 a note showing the breakdown of bank balances held at call and on short-term deposits;
- 5 a note analysing net movement made on provisions;
- 6 a note showing the Board's guaranteed commitment position;
- 7 a note showing an historic summary of movements in the Realisation Account from its commencement at 1 January 1975.

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