

Company Registration No. 5214355

CASTLEFORD (UK) LIMITED

Report and Financial Statements

31 December 2007

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CASTLEFORD (UK) LIMITED
REPORT AND FINANCIAL STATEMENTS 2007
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CASTLEFORD (UK) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

X Pullen
C Staveley

SECRETARY

F Desai

REGISTERED OFFICE

10 Lower Grosvenor Place
London
SW1W 0EN

AUDITORS

Bourner Bullock
Chartered Accountants
Sovereign House
212/224 Shaftesbury Avenue
London
WC2H 8HQ

CASTLEFORD (UK) LIMITED

DIRECTORS' REPORT

The directors present their annual report together with the audited financial statements for the year ended 31 December 2007.

PRINCIPAL ACTIVITY, TRADING REVIEW AND FUTURE DEVELOPMENTS

The principal activity of the company is holding and managing property investments.

FINANCIAL RISKS

The directors carry out an annual risk review to ensure that risks associated with these investments are correctly managed and reported.

RESULTS AND DIVIDENDS

The profit and loss account is set out on page 6.

The directors do not recommend the payment of a dividend (2006: £nil).

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year and at the year end were:

M Barber (resigned 31 March 2008)
X Pullen
W Sunnucks (resigned 1 October 2008)
C Staveley (appointed 1 October 2008)

The interests of the directors in the share capital and share options of the ultimate parent company, Capital & Regional plc, are disclosed in the Report and Accounts of that company.

None of the directors had any beneficial interest at any time during the period, in the share capital of the company or any other company in the group.

PROVISION OF INFORMATION TO AUDITORS

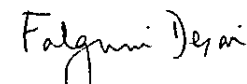
Each of the persons who are directors at the time when this Director's report is approved has confirmed that:

- So far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors will be proposed for reappointment in accordance with section 485 of the Companies Act 2006 at the forthcoming Annual General Meeting.

By Order of the Board


F Desai

Secretary

30 January

2009

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. 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). The financial statements are required by law to 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 on a consistent basis;
- make judgements and estimates that are prudent and reasonable;
- state whether applicable UK Accounting Standards have been followed; 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CASTLEFORD (UK) LIMITED

We have audited the financial statements of Castleford (UK) Limited for the year ended 31 December 2007 set out on pages 6 to 11. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 AUDITORS

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CASTLEFORD (UK) LIMITED

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Bourner Bullock

BOURNER BULLOCK

Chartered Accountants
Registered Auditors

Sovereign House
212-224 Shaftesbury Avenue
London
WC2H 8HQ

30 January

2009

CASTLEFORD (UK) LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 2007

	Note	Year ended 31 December 2007 £	Year ended 31 December 2006 £
Write-down of investment		-	-
OPERATING PROFIT/(LOSS)		-	-
Share of operating loss in joint venture	3	(2,414,585)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,414,585)	-
Taxation	4	(252,784)	(3,300,044)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED FOR THE YEAR	9	(2,667,369)	(3,300,044)

All of the company's activities during the period relate to continuing operations within the meaning of Financial Reporting Standard No. 3.

There is no difference between the loss on ordinary activities before taxation and the retained loss for the current financial period stated above, and their historical cost equivalents.

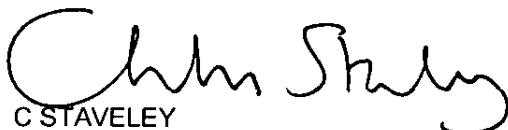
The company has no recognised gains or losses other than those included in the profit and loss account above for the current financial period and therefore a separate statement of total recognised gains and losses has not been presented.

CASTLEFORD (UK) LIMITED

BALANCE SHEET As at 31 December 2007

	Note	2007 £	2006 £
FIXED ASSETS			
Investments	5	500	500
CURRENT ASSETS			
Debtors	6	1	1
		<u>1</u>	<u>1</u>
CREDITORS: amounts falling due within one year	7	(2,414,585)	-
NET CURRENT (LIABILITIES)/ASSETS		<u>(2,414,584)</u>	<u>1</u>
PROVISIONS FOR LIABILITIES AND CHARGES	8	(3,552,828)	(3,300,044)
NET LIABILITIES		<u>(5,966,912)</u>	<u>(3,299,543)</u>
CAPITAL AND RESERVES			
Called up share capital	9	1,069,384	1,069,384
Profit and loss account	10	(7,036,296)	(4,368,927)
EQUITY SHAREHOLDERS' DEFICIT	11	<u>(5,966,912)</u>	<u>(3,299,543)</u>

The financial statements were approved by the Board of Directors and signed on their behalf on
30 January 2009 by:


C STAVELEY
Director

CASTLEFORD (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2007

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom law and Accounting Standards and with the Companies Act 1985. The financial statements have been prepared under the historical cost convention, using the following principal accounting policies, which have been applied consistently.

The Company has taken advantage of the exemption from preparing consolidated accounts afforded by Section 228 of the Companies Act 1985 because it is a subsidiary of another company for which consolidated accounts are prepared.

Investments

Investments are stated at the lower of cost and net realisable value. A provision is made to write down cost where there is considered to be a permanent diminution in the value of the investment.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Cash flow statement

The Company is ultimately owned by Capital & Regional plc and the cash flows for the Company have been included in the consolidated cash flow statement of Capital & Regional plc. Consequently the Company is exempt under FRS 1 (revised) from the requirement to prepare a cash flow statement.

2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The auditors' remuneration has been borne by another group company (2006: £nil).

The company's auditors received £nil during the period for the provision of non-audit services (2006: £nil).

The directors received no emoluments in respect of their services to the company (2006: £nil).

The company had no employees during the period (2006: £nil).

3. SHARE OF LOSSES IN JOINT VENTURE

The loss is attributed to Xscape Castleford LLP up to 23 February 2007.

4. TAX ON LOSS ON ORDINARY ACTIVITIES

	Year ended 31 December 2007 £	Year ended 31 December 2006 £
UK Corporation tax at 30%	-	-
Total current tax	-	-
Deferred tax:		
On origination and reversal of timing differences	472,787	3,300,044
Adjustment in respect of prior year	(220,003)	-
Total taxation	252,784	3,300,044

CASTLEFORD (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2007

4. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

Tax reconciliation

	Year ended 31 December 2007 £	Year ended 31 December 2006 £
Loss on ordinary activities before taxation	(2,414,585)	-
Expected tax at 30% thereon	(724,376)	-
Effects of: Expenses not deductible for tax purposes	724,376	-
Current tax charge for the period	-	-

5. INVESTMENTS

	Xscape Castleford LLP £
At the beginning and end of the year	500

6. DEBTORS

	2007 £	2006 £
Amount owed by group companies	1	1

7. CREDITORS

	2007 £	2006 £
Amount owed to group companies	2,414,585	-

8. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred Taxation

	2007 Provided £	2006 Provided £	2007 Unprovided £	2006 Unprovided £
Accelerated capital allowances	3,552,828	3,300,044	-	-
	3,552,828	3,300,044	-	-

CASTLEFORD (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2007

8. PROVISIONS FOR LIABILITIES AND CHARGES (continued)

Deferred Taxation

The movements in deferred tax provided for the year were:

	Provided 2007 £
At the beginning of the year	3,300,044
Adjustment in respect of prior year	(220,003)
Charge in the year	472,787
	<hr/>
At the end of the year	<u>3,552,828</u>

The adjustment in respect of prior year is due to the reduction in the mainstream corporation tax rate to 28% from 30% from 1 April 2008.

9. CALLED UP SHARE CAPITAL

	2007 £	2006 £
Authorised:		
50,000,000 Ordinary shares of £1 each	50,000,000	50,000,000
	<hr/>	<hr/>
Allotted, called up and fully paid:		
1,069,384 Ordinary shares of £1 each	1,069,384	1,069,384
	<hr/>	<hr/>

10. RESERVES

	Profit and loss account £
At the beginning of the year	(4,368,927)
Retained loss for the year	(2,667,369)
	<hr/>
At the end of the year	<u>(7,036,296)</u>

11. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' DEFICIT

	2007 £	2006 £
Loss for the year	(2,667,369)	(3,300,044)
	<hr/>	<hr/>
Net increase in equity shareholders deficit	(2,667,369)	(3,300,044)
Opening equity shareholders' (deficit)/funds	(3,299,543)	501
	<hr/>	<hr/>
Closing equity shareholders' deficit	<u>(5,966,912)</u>	<u>(3,299,543)</u>

12. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS 8 (Related party disclosures) from disclosing all transactions with entities within the group.

CASTLEFORD (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2007

13. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company is a wholly owned subsidiary of Xscape Castleford (Jersey) No 2 Limited, incorporated and registered in Jersey. The ultimate parent company and controlling party is Capital & Regional plc, incorporated in Great Britain and registered in England and Wales. Capital & Regional plc is the smallest and largest group of which the company is a member, for which group accounts are prepared. Copies of the consolidated financial statements of Capital & Regional plc can be obtained from The Secretary, 10 Lower Grosvenor Place, London, SW1W 0EN.