

Company No. 05332194

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**CARISBROOKE PROPERTY INVESTMENTS LIMITED**  
**YEAR ENDED 30 JUNE 2011**

FRIDAY



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COMPANIES HOUSE

## **CARISBROOKE PROPERTY INVESTMENTS LIMITED**

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**CARISBROOKE PROPERTY INVESTMENTS LIMITED**

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**CORPORATE INFORMATION**

**DIRECTORS**

N Young  
N S Rumsey

**SECRETARY**

N S Rumsey

**INDEPENDENT AUDITOR**

Deloitte LLP  
London

**BANKERS**

Irish Bank Resolution Corporation Limited (formerly Anglo Irish Bank Corporation Limited)  
10 Old Jewry  
London EC2 8DN

**REGISTERED OFFICE**

22 Grosvenor Square  
London  
W1K 6DT

**REGISTERED NUMBER**

05332194

## **CARISBROOKE PROPERTY INVESTMENTS LIMITED**

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### **DIRECTORS' REPORT**

The directors present their annual report and audited financial statements of Carisbrooke Property Investments Limited ('the Company') for the year ended 30 June 2011

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption of the Companies Act 2006

### **PRINCIPAL ACTIVITY**

The principal activity of the Company is as a management and intermediate holding company. Investments are held in GPF Investment Company Limited, Carisbrooke Lime Street Limited and Carisbrooke Central Limited

### **RESULTS AND DIVIDENDS**

The loss for the year ended 30 June 2011 amounted to £882,073 (2010: £10,700,084 loss)

No dividend is proposed (2010: £nil)

### **IMPORTANT EVENTS SINCE THE YEAR END**

There were no significant events affecting the company after the year end

### **GOING CONCERN**

The financial statements have not been prepared on a going concern basis for the reasons set out below

The Company and its subsidiaries operate in the UK property market which has experienced volatile conditions over the last number of years. Whilst there are signs of stabilisation in the UK market overall, conditions for the secondary property market remain extremely demanding.

The Company does not maintain any liquid assets itself and places all surplus funds and draws any required funds from its ultimate parent company, Carisbrooke Anglo Ventures Limited ("CAVL"). Consequently, the Company relies completely on CAVL for the ongoing daily supply of liquidity and funds to enable the Company to function. The Company has operated effectively throughout the year and continues to do so at the date of the Directors' Report.

As a condition of the group's loan facilities, the Group's loan to value ratio should not be greater than 80%. Given the current property valuation of £54.5m, the Group is in breach of the loan to value covenant resulting in the loans becoming payable on demand. The lender remains supportive and continues to work with the Group with a view to settling the loan in the near future.

CAVL has confirmed that it will continue to provide funding to ensure that the Company can meet its liabilities as they fall due for a period of at least one year following the date of approval of these financial statements.

However, the CAVL financial statements have not been prepared on a going concern basis as its directors intend to sell the Group's investment properties within a 12-18 month timeframe. This is due to the Group's loan to value covenant being breached, resulting in the loans being repayable on demand. Once the properties are sold, the Group and all of its subsidiary companies, including this Company, would cease to trade. In light of this intention, the directors have concluded that the Group and its subsidiary companies can no longer be considered to be a going concern. Accordingly, the financial statements of the Company have been prepared on a basis other than that of a going concern.

No adjustments to the carrying value of the Company's assets or liabilities were necessary as a result of ceasing to prepare the financial statements on a going concern basis.

## **CARISBROOKE PROPERTY INVESTMENTS LIMITED**

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### **DIRECTORS' REPORT (Cont.)**

#### **RISK MANAGEMENT**

The principal risks and uncertainties facing the Company relate to its investments whose principal activity is property investment. As a result the principal risks and uncertainties derive from the Company's interests in such properties as follows

##### **Credit risk**

Credit risk is the risk arising from the possibility that the Company will incur losses from the failure of customers to meet their obligations

- Risk is managed on a periodic basis by the board
- Customers with emerging credit problems are managed on a daily basis to ensure that any contractual cash flow obligations can be met as they arise

##### **Liquidity risk**

Liquidity risk is the risk that the Company is unable to meet its obligations as they fall due

- The liquidity of the Company is managed on a daily basis to ensure that any contractual cashflow obligations and potential cash flows can be met as they arise

##### **Valuation risk**

Valuation risk is the risk that the value of the Company's investments fall due to a reduction in property values and ultimately results in losses for the Company

- The directors seek to reduce this risk through active asset management of their investments

#### **DIRECTORS AND THEIR INTERESTS**

The directors of the company during the year ended 30 June 2011, and up to the date of approval of this report, were as follows

N Young  
N S Rumsey

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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). 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

## **CARISBROOKE PROPERTY INVESTMENTS LIMITED**

### **DIRECTORS' REPORT (Cont.)**

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES (Cont.)**

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on a 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **DISCLOSURE OF INFORMATION TO THE AUDITOR**

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

- so far as the director is aware, there is no relevant audit information of the the company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself 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

#### **INDEPENDENT AUDITOR**

Deloitte LLP has indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting

By order of the board



N Young  
Director

DATE 29 March 2012

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARISBROOKE PROPERTY INVESTMENTS LIMITED**

We have audited the financial statements of Carisbrooke Property Investments Limited for the year ended 30 June 2011 which comprise the Profit and Loss Account, the Balance Sheet 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 (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 June 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Emphasis of matter – Financial statements prepared other than on a going concern basis**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARISBROOKE PROPERTY INVESTMENTS LIMITED (Cont.)**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report



**Caroline Britton (Senior Statutory Auditor)**  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom  
30 March 2012



**CARISBROOKE PROPERTY INVESTMENTS LIMITED****PROFIT AND LOSS ACCOUNT****For the year ended 30 June 2011**

	Notes	2011 £	2010 £
Administrative expenses		(757)	(100)
<b>OPERATING LOSS</b>		<b>(757)</b>	<b>(100)</b>
Interest payable and similar charges	4	(744,763)	(752,636)
Impairment of investments	6	(136,553)	(10,158,086)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAX</b>		<b>(882,073)</b>	<b>(10,910,822)</b>
Tax credit on loss on ordinary activities	5	-	210,738
<b>LOSS FOR THE YEAR</b>	11	<b>(882,073)</b>	<b>(10,700,084)</b>

All results for the year was derived from continuing operations

The company had no recognised gains or losses for the year, other than those shown above. Accordingly no Statement of Recognised Gains and Losses has been presented.

The notes on pages 9 to 14 form part of these financial statements.

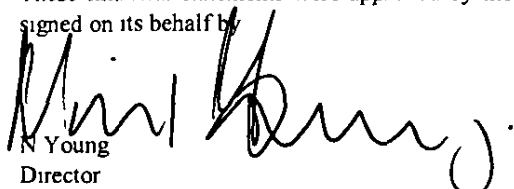
**BALANCE SHEET**

As at 30 June 2011

	Notes	2011 £	2010 £
<b>TANGIBLE FIXED ASSETS</b>			
Investments	6	395,476	532,029
<b>CURRENT ASSETS</b>			
Debtors	7	<u>967,412</u>	<u>967,412</u>
		967,412	967,412
<b>CREDITORS: amounts falling due within one year</b>	8	<u>(14,151,293)</u>	<u>(2,839,413)</u>
<b>NET CURRENT LIABILITIES</b>		(13,183,881)	(1,872,001)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(12,788,405)</u>	<u>(1,339,972)</u>
<b>CREDITORS: amounts falling due after one year</b>	9	<u>-</u>	<u>(10,566,360)</u>
<b>NET LIABILITIES</b>		<u>(12,788,405)</u>	<u>(11,906,332)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	2	2
Profit and loss account	11	<u>(12,788,407)</u>	<u>(11,906,334)</u>
<b>SHAREHOLDERS' DEFICIT</b>	12	<u>(12,788,405)</u>	<u>(11,906,332)</u>

The notes on pages 9 to 14 form part of these financial statements

These financial statements were approved by the board of directors. They were authorised for issue on 29 March 2012 and signed on its behalf by

  
N Young  
Director

DATE 29 March 2012

## **CARISBROOKE PROPERTY INVESTMENTS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2011**

#### **1 ACCOUNTING POLICIES**

The financial statements are prepared under the historical cost convention and in accordance with applicable UK accounting standards and company law except that, as explained below, investment properties are not depreciated

The financial statements have been prepared on a basis other than that of a going concern basis for the reasons set out below

##### ***Going concern***

The Company and its subsidiaries operate in the UK property market which has experienced volatile conditions over the last number of years. Whilst the market is showing signs of stabilisation in the UK market overall, conditions for the secondary property market remain extremely demanding.

The Company does not maintain any liquid assets itself and places all surplus funds and draws any required funds from its ultimate parent company, Carisbrooke Anglo Ventures Limited ("CAVL"). Consequently, the Company relies completely on CAVL for the ongoing daily supply of liquidity and funds to enable the Company to function which has operated effectively throughout the year and continues to do so at the date of the Directors' Report.

CAVL has confirmed that it will provide funding to ensure that the Company can meet its liabilities as they fall due for a period of at least one year following the date of approval of these financial statements.

However, the CAVL financial statements have not been prepared on a going concern basis as its directors intend to sell the Group's investment properties within a 12-18 month timeframe. This is due to the Group's loan to value covenant being breached resulting in the loans being repayable on demand. Once the properties are sold, the Group and all of its subsidiary companies, including this Company, would cease to trade. In light of this intention, the directors have concluded that the Group and its subsidiary companies can no longer be considered to be a going concern. Accordingly, the financial statements of the Company have been prepared on a basis other than that of a going concern.

No adjustments to the carrying value of the Company's assets or liabilities were necessary as a result of ceasing to prepare the financial statements on a going concern basis.

##### ***Taxation***

Current tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less tax, with the following exceptions

## **CARISBROOKE PROPERTY INVESTMENTS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS (Cont.)**

**For the year ended 30 June 2011**

#### **1 ACCOUNTING POLICIES (Cont.)**

##### ***Taxation (Cont.)***

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on a sale has been recognised in the financial statements

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

##### ***Cash Flow Statement***

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to prepare a cashflow statement in accordance with FRS 1

##### ***Interest***

Interest income and expense are accounted for on an accruals basis

##### ***Group Financial Statements***

Consolidated financial statements have not been prepared as the Company is exempt from the obligation to prepare and deliver group accounts under section 400 of the Companies Act 2006, as it is an indirect wholly-owned subsidiary of CAVL which prepares consolidated accounts that are publicly available. The Company complies with all the conditions set out in section 400 of the Companies Act as a wholly owned subsidiary of a company incorporated in another EEA state

##### ***Investments***

Fixed asset investments are stated at cost less any provision for impairment

An impairment review is performed when events or circumstances indicate that the carrying value of the fixed asset may not be recoverable

Impairment is measured by comparing the carrying amount of a fixed asset with its recoverable amount. Recoverable amount is the higher of its net realisable value and its value in use. An impairment loss is charged to the profit and loss account to the extent that the recoverable amount of the fixed asset is less than its carrying value

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**CARISBROOKE PROPERTY INVESTMENTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS (Cont.)****For the year ended 30 June 2011****2 LOSS ON ORDINARY ACTIVITIES BEFORE TAX**

The audit fee for the year was £3,500 (2010 £3,500) This fee was paid by the ultimate parent company

The company had no employees during the year (2010 None)

**3 DIRECTORS' EMOLUMENTS**

No director received any emoluments for their services to the company during the year (2010 £nil)

**4 INTEREST PAYABLE**

	<b>2011</b> £	<b>2010</b> £
Interest payable on intercompany loans	<u>744,763</u>	<u>752,636</u>

**5 TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES**

	<b>2011</b> £	<b>2010</b> £
<b>UK corporation tax:</b>		
Group relief	<u>-</u>	<u>(210,738)</u>
Tax credit for the year	<u>-</u>	<u>(210,738)</u>

The tax assessed for the period differs from the standard rate of corporation tax in the UK 27.5% (2010 28%)  
The differences are explained below

Loss On Ordinary Activities Before Tax	<u>(882,073)</u>	<u>(10,910,822)</u>
Tax on loss on ordinary activities at 27.5% (2010 28%)	<u>(242,570)</u>	<u>(3,055,030)</u>
<b>Effects of:</b>		
Disallowed expenses	205	28
Impairment of investments	37,552	2,844,264
Unrelieved tax losses	<u>204,813</u>	<u>-</u>
Current tax	<u>-</u>	<u>(210,738)</u>

The company has non trading loan relationship deficits of £731,463 (2010 £nil) available for offset against future non trading profits. A deferred tax asset of £204,813 (2010 £nil) has not been recognised in respect of this as it is not anticipated that there will be suitable profits in the future against which to offset these amounts

The standard rate of UK corporation tax decreased from 28% to 26% with effect from 1st April 2011 and accordingly the current tax for the year is calculated at an average rate of 27.5%. The standard rate of UK corporation tax is expected to decrease further to 25% and 24% with effect from 1st April 2012 and 1st April 2013 respectively

## CARISBROOKE PROPERTY INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Cont.)

For the year ended 30 June 2011

#### 6 FIXED ASSET INVESTMENTS

	2011 £	2010 £
<b>Susidiary undertakings shares</b>		
<b>Cost</b>		
At 1 July	532,029	10,694,756
Repayments	-	(4,641)
Impairment	(136,553)	(10,158,086)
At 30 June	<u>395,476</u>	<u>532,029</u>

Fixed assets investments comprise the entire issued ordinary share capital of the following companies

GPF Investment Company Limited  
Carisbrooke Central Limited  
Carisbrooke Lime Street Limited

GPF Investment Company Limited is registered in Jersey and its principal activity is property investment  
Carisbrooke Central Limited is registered in England and Wales and is an intermediate holding company  
Carisbrooke Lime Street Limited is registered in England and Wales and its principal activity is property investment

The subsidiary companies held by Carisbrooke Central Limited comprise

Carisbrooke Properties (Basingstoke) Limited  
Carisbrooke Central Investments Limited  
Countryroad Investments Limited

All of these companies are incorporated in Great Britain with the exception of Countryroad Investments Limited which is incorporated in the Cayman Islands. The principal activity of all these companies is property investment

The principal activity of the company's subsidiary undertakings is all property investment. Due to the volatile conditions in the UK property market, these subsidiary undertakings have experienced deficits on their investment property values when compared to cost and have resulted in a reduction in their net assets at the balance sheet date

The UK property market remains volatile and timing and extent of any recovery is uncertain. Accordingly, the directors have reviewed the Company's investments and have reduced the value of these companies to reflect their net asset value at the balance sheet date

#### 7 DEBTORS

	2011 £	2010 £
Called up share capital not paid	2	2
Corporation tax - Group Relief	<u>967,410</u>	<u>967,410</u>
	<u>967,412</u>	<u>967,412</u>

**CARISBROOKE PROPERTY INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Cont.)**

For the year ended 30 June 2011

**8 CREDITORS: Amounts falling due within one year**

	2011 £	2010 £
Other taxes	4,560	4,560
Intercompany loans	10,566,360	-
Amounts owed to group undertakings	<u>3,580,373</u>	<u>2,834,853</u>
	<u>14,151,293</u>	<u>2,839,413</u>

**9 CREDITORS: Amounts falling due after one year**

	2011 £	2010 £
Intercompany loans	<u>-</u>	<u>10,566,360</u>
The loan bears interest at 6.5%		

**10 SHARE CAPITAL**

	2011 £	2010 £
<i>Allotted, called and unpaid</i>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

**11 PROFIT AND LOSS ACCOUNT**

	2011 £	2010 £
At 1 July	(11,906,334)	(1,206,250)
Loss for the financial year	<u>(882,073)</u>	<u>(10,700,084)</u>
At 30 June	<u>(12,788,407)</u>	<u>(11,906,334)</u>

**12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT**

	2011 £	2010 £
At 1 July	(11,906,332)	(1,206,248)
Loss for the financial year	<u>(882,073)</u>	<u>(10,700,084)</u>
At 30 June	<u>(12,788,405)</u>	<u>(11,906,332)</u>

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**CARISBROOKE PROPERTY INVESTMENTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS (Cont.)****For the year ended 30 June 2011****13 RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemption conferred by Financial Reporting Standard 8, "Related Party Disclosures", not to disclose transactions between members of the group that are 100% owned by Carisbrooke Anglo Ventures Limited. There are no other related party transactions requiring disclosure (2010 none)

**14 ULTIMATE PARENT UNDERTAKING**

The Company's ultimate parent company and controlling party is Carisbrooke Anglo Ventures Limited which is the parent of the only group of which the Company is a member. Carisbrooke Properties Limited is the Company's immediate parent company. However, this Company does not prepare consolidated financial statements.

The Company's financial statements have been included in the group financial statements of the ultimate parent company, Carisbrooke Anglo Ventures Limited, copies of which are available at Companies House (Crown Way, Mandy, Cardiff CF14 3UZ)