

Company No 5467450

ANNUAL REPORT AND FINANCIAL STATEMENTS
CARISBROOKE CENTRAL LIMITED
YEAR ENDED 30 JUNE 2011

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CARISBROOKE CENTRAL LIMITED

CONTENTS

	<u>Pages</u>
CORPORATE INFORMATION	1
DIRECTORS' REPORT	2 - 4
INDEPENDENT AUDITOR'S REPORT	5 - 6
PROFIT AND LOSS ACCOUNT	7
BALANCE SHEET	8
NOTES TO THE FINANCIAL STATEMENTS	9 - 15

CARISBROOKE CENTRAL LIMITED

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

5467450

CARISBROOKE CENTRAL LIMITED

DIRECTORS' REPORT

The directors present their annual report and audited financial statements of Carisbrooke Central 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 during the year was to act as an intermediate holding company

RESULTS AND DIVIDENDS

The retained loss for the year ended 30 June 2011 amounted to £1,500 (2010 £1,198,145 loss)

No dividend is proposed (2010 £nil)

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

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

DIRECTORS' REPORT (Cont.)

RISK MANAGEMENT

The principal risks that the Company is exposed to and manages are 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 cash flow 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 throughout the year ended 30 June 2011 and up to the date of approval of the directors' 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 CENTRAL 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 the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 which 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
29 March 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARISBROOKE CENTRAL LIMITED

We have audited the financial statements of Carisbrooke Central Limited for the year ended 30 June 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. 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 year ended 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

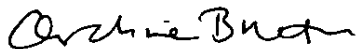
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARISBROOKE CENTRAL 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, and
- 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 CENTRAL LIMITED**PROFIT AND LOSS ACCOUNT****For the year ended 30 June 2011**

	Note	2011 £	2010 £
TURNOVER	2	-	-
Administrative expenses		(1,500)	(100)
OPERATING LOSS		<u>(1,500)</u>	<u>(100)</u>
Interest receivable and similar income	5	2,687,248	3,064,089
Interest payable and similar charges	6	(2,687,248)	(3,064,089)
Impairment of investments	8	<u>-</u>	<u>(1,198,045)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAX		(1,500)	(1,198,145)
Tax charge/credit on loss on ordinary activities	7	<u>-</u>	<u>-</u>
LOSS FOR THE YEAR	13	<u><u>(1,500)</u></u>	<u><u>(1,198,145)</u></u>

The Company had no recognised gains or losses for the year or prior year, other than those shown above. Accordingly no statement of recognised gains and losses has been presented.

The notes on pages 9 to 15 form part of these financial statements.


BALANCE SHEET

As at 30 June 2011

	Note	2011 £	2010 £
TANGIBLE FIXED ASSETS			
Investments	8	<u>479,762</u>	<u>479,762</u>
		479,762	479,762
CURRENT ASSETS			
Debtors	9		
falling due within one year		38,943,496	2
falling due after more than one year		-	38,943,494
		<u>38,943,496</u>	<u>38,943,496</u>
CREDITORS: amounts falling due within one year	10	<u>(42,693,517)</u>	<u>(3,748,523)</u>
NET CURRENT LIABILITIES		(3,750,021)	35,194,973
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(3,270,259)</u>	<u>35,674,735</u>
CREDITORS: amounts falling due after one year	11	-	(38,943,494)
NET LIABILITIES		<u>(3,270,259)</u>	<u>(3,268,759)</u>
CAPITAL AND RESERVES			
Called up share capital	12	2	2
Profit and loss account	13	<u>(3,270,261)</u>	<u>(3,268,761)</u>
SHAREHOLDERS' DEFICIT	14	<u>(3,270,259)</u>	<u>(3,268,759)</u>

The notes on pages 9 to 15 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

29 March 2012

CARISBROOKE CENTRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 30 June 2011**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention except for the revaluation of investment properties in accordance with SSAP 19, 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 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 with, 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

Consolidation

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

Interest

Interest income and expense are accounted for on an accruals basis

NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the year ended 30 June 2011

1 ACCOUNTING POLICIES (Cont.)

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 investment is less than its carrying value.

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 draw up a cash flow statement in accordance with FRS1.

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:

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.

CARISBROOKE CENTRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

For the year ended 30 June 2011

2 TURNOVER AND SEGMENTAL ANALYSIS

The company did not trade during the current or the prior year

3 LOSS ON ORDINARY ACTIVITIES BEFORE TAX

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

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

4 DIRECTORS' EMOLUMENTS

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

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2011	2010
	£	£
Interest receivable from group undertakings	<u>2,687,248</u>	<u>3,064,089</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Interest payable on intercompany loans	<u>2,687,248</u>	<u>3,064,089</u>

CARISBROOKE CENTRAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Cont.)****For the year ended 30 June 2011****7 TAX CHARGE/CREDIT ON LOSS ON ORDINARY ACTIVITIES**

	2011 £	2010 £
Corporation tax		
Current year	-	-
Prior year adjustment	-	-
	<u>-</u>	<u>-</u>

The reconciliation of current tax on loss on ordinary activities at the average UK Corporation tax rate of 27.5% (2010: 28%) to the company's actual current tax charge is analysed as follows

Loss on ordinary activities before tax	<u>(1,500)</u>	<u>(1,198,145)</u>
Tax on loss on ordinary activities at 27.5% (2010: 28%)	(412)	(335,480)
Factors affecting charge:		
Expenses not deductible for tax	412	28
Impairment of investment not tax deductible	<u>-</u>	<u>335,452</u>
Current tax	<u>-</u>	<u>-</u>

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.

8 FIXED ASSET INVESTMENTS

	2011 £	2010 £
Subsidiary undertakings and shares		
Cost		
At 1 July	479,762	1,677,807
Impairment	<u>-</u>	<u>(1,198,045)</u>
At 30 June	<u>479,762</u>	<u>479,762</u>

CARISBROOKE CENTRAL LIMITED

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

8 FIXED ASSET INVESTMENTS (Cont.)

The principal subsidiary undertakings are as follows,

	Principal Activity	Country of Incorporation / Registration
Carisbrooke Central Investments Limited	Property investment	England and Wales
Carisbrooke Properties (Basingstoke) Limited	Property investment	England and Wales
Countryroad Investments Limited	Property investment	Cayman Islands

The Company holds 100% of the issued ordinary share capital of all the subsidiaries

The principal activity of the company's subsidiary undertakings is all property investment. Due to the volatile conditions in the UK property market, the timing and extent of any recovery is uncertain. Accordingly the directors have reviewed the Company's investments and have considered that the values of these Companies reflects their net asset value at 30 June 2011.

9 DEBTORS

	2011 £	2010 £
Amounts falling due within one year:		
Intercompany loans	38,943,494	-
Called up share capital not paid	2	2
	<u>38,943,496</u>	<u>2</u>
Amounts falling due after more than one year:		
	2011 £	2010 £
Intercompany loans	<u>-</u>	<u>38,943,494</u>

The loans are subject to cross guarantees within the group and the property portfolio owned by its subsidiary companies is used as security for loans to other members of the group headed by Carisbrooke Anglo Ventures Limited.

The interest rate on the loans was at 6.50% during the year and the loans do not have a fixed repayment date.

The intercompany loans have been reclassified as debtors falling due within one year, due to the covenant breaches in the current year.

CARISBROOKE CENTRAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Cont.)****For the year ended 30 June 2011****10 CREDITORS: Amounts falling due within one year**

	2011 £	2010 £
Trade creditors	750	-
Intercompany Loans	38,943,494	-
Amounts owed to group undertakings	3,027,693	3,026,943
Corporation tax - group relief	721,576	721,576
Other creditors	4	4
	<u>42,693,517</u>	<u>3,748,523</u>

The intercompany loans have been reclassified as creditors falling due within one year, due to the covenant breaches in the current year

The loans are subject to cross guarantees within the group and the property portfolio owned by its subsidiary companies is used as security for loans to other members of the group headed by Carisbrooke Anglo Ventures Limited

The interest rate on the loans was at 6.50% (2010: 6.50%) during the year and are repayable on demand

11 CREDITORS: Amounts falling due after one year

	2011 £	2010 £
Intercompany loans	<u>-</u>	<u>38,943,494</u>

12 SHARE CAPITAL

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

13 PROFIT AND LOSS ACCOUNT

	2011 £	2010 £
At 1 July	(3,268,761)	(2,070,616)
Loss for the financial year	<u>(1,500)</u>	<u>(1,198,145)</u>
At 30 June	<u>(3,270,261)</u>	<u>(3,268,761)</u>

CARISBROOKE CENTRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

For the year ended 30 June 2011

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011	2010
	£	£
At 1 July	(3,268,759)	(2,070,614)
Loss for the financial year	<u>(1,500)</u>	<u>(1,198,145)</u>
At 30 June	<u><u>(3,270,259)</u></u>	<u><u>(3,268,759)</u></u>

15 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)

16 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 Property Investments Limited is the Company's immediate parent company.

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)