

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013
FOR
CARISBROOKE CENTRAL LIMITED**

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FOR THE YEAR ENDED 30 JUNE 2013**

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CARISBROOKE CENTRAL LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2013**

DIRECTORS: N Young
N S Rumsey

SECRETARY: N S Rumsey

REGISTERED OFFICE: 22 Grosvenor Square
London
W1K 6DT

REGISTERED NUMBER: 05467450 (England and Wales)

AUDITORS: Hollis and Co Limited
Chartered Accountants
Statutory Auditor
35 Wilkinson Street
Sheffield
South Yorkshire
S10 2GB

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2013**

The directors present their report with the financial statements of the company for the year ended 30 June 2013.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of an intermediate holding company.

REVIEW OF BUSINESS

The company has been charged interest on a loan from a group undertaking and also charges interest on loans to group undertakings.

The directors have fully impaired the value of the company's share investments in group companies and they have also made a substantial provision against the recoverability of loan capital and interest due to the company from a subsidiary.

DIVIDENDS

No dividends will be distributed for the year ended 30 June 2013.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2012 to the date of this report.

N Young
N S Rumsey

GOING CONCERN

The financial statements have not been prepared on a going concern basis.

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 an intermediate 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.

However, the CAVL financial statements have not been prepared on a going concern basis the CAVL Group's loan to value ratio under the lender's loan agreement is breached as it exceeds 80%. thereby putting the loan into an event of default. Accordingly, the financial statements of this Company have been prepared on a basis other than that of a going concern basis.

On the 16 January 2013, the lender sold the loans of the CAVL Group to Firelighter (LUX) S.A.R.L. Firelighter (LUX) S.A.R.L has confirmed to the Company, by the way of a letter dated 16th January 2013, that it is Firelighter (LUX) S.A.R.L's intention to support the strategy/business plan of the Company.

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 the going concern basis.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2013**

PRINCIPAL RISKS

The principal risks that the Company are 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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

CARISBROOKE CENTRAL LIMITED (REGISTERED NUMBER: 05467450)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2013**

AUDITORS

The auditors, Hollis and Co Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

N Young - Director

29 October 2014

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CARISBROOKE CENTRAL LIMITED

We have audited the financial statements of Carisbrooke Central Limited for the year ended 30 June 2013 on pages seven to sixteen. 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 a Report of the Auditors 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

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 Report of the Directors 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 2013 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

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CARISBROOKE CENTRAL LIMITED**

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.

Peter Hollis (Senior Statutory Auditor)
for and on behalf of Hollis and Co Limited
Chartered Accountants
Statutory Auditor
35 Wilkinson Street
Sheffield
South Yorkshire
S10 2GB

29 October 2014

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2013**

	Notes	2013 £	2012 £
TURNOVER		-	-
Administrative expenses		<u>30,853,997</u>	<u>-</u>
OPERATING LOSS	3	<u>(30,853,997)</u>	<u>-</u>
Interest receivable and similar income	5	<u>2,531,327</u>	<u>2,661,164</u>
		(28,322,670)	2,661,164
Interest payable and similar charges	6	<u>2,531,327</u>	<u>2,661,164</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(30,853,997)</u>	<u>-</u>
Tax on loss on ordinary activities	7	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u><u>(30,853,997)</u></u>	<u><u>-</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current year.

CARISBROOKE CENTRAL LIMITED (REGISTERED NUMBER: 05467450)**BALANCE SHEET****30 JUNE 2013**

	Notes	2013 £	£	2012 £	£
FIXED ASSETS					
Investments	8		-		479,762
CURRENT ASSETS					
Debtors	9	19,976,375		38,943,496	
CREDITORS					
Amounts falling due within one year	10	<u>54,100,631</u>		<u>42,693,517</u>	
NET CURRENT LIABILITIES			<u>(34,124,256)</u>		<u>(3,750,021)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(34,124,256)</u>		<u>(3,270,259)</u>
CAPITAL AND RESERVES					
Called up share capital	11		2		2
Profit and loss account	12		<u>(34,124,258)</u>		<u>(3,270,261)</u>
SHAREHOLDERS' FUNDS	17		<u>(34,124,256)</u>		<u>(3,270,259)</u>

The financial statements were approved by the Board of Directors on 29 October 2014 and were signed on its behalf by:

N Young - Director

The notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

	Notes	2013 £	2012 £
Net cash inflow from operating activities	1	<u>-</u>	<u>-</u>
Increase in cash in the period		<u>-</u>	<u>-</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	2		
Increase in cash in the period		<u>-</u>	<u>-</u>
Change in net debt resulting from cash flows		<u>-</u>	<u>-</u>
Movement in net debt in the period		<u>-</u>	<u>-</u>
Net debt at 1 July		<u>-</u>	<u>-</u>
Net debt at 30 June		<u>-</u>	<u>-</u>

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

1. **RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2013	2012
	£	£
Operating loss	(30,853,997)	-
Increase in amounts due to group	-	750
Provision against share investments	479,762	-
Provision against loan capital/interest	30,374,235	-
Decrease in creditors	-	(750)
Net cash inflow from operating activities	-	-

2. **ANALYSIS OF CHANGES IN NET DEBT**

	At 1.7.12	Cash flow	At 30.6.13
	£	£	£
Net cash:			
Cash at bank and in hand	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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 an intermediate 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.

However, the CAVL financial statements have not been prepared on a going concern basis the CAVL Group's loan to value ratio under the lender's loan agreement is breached as it exceeds 80%. thereby putting the loan into an event of default. Accordingly, the financial statements of this Company have been prepared on a basis other than that of a going concern basis.

On the 16 January 2013, the lender sold the loans of the CAVL Group to Firelighter (LUX) S.A.R.L. Firelighter (LUX) S.A.R.L has confirmed to the Company, by the way of a letter dated 16th January 2013, that it is Firelighter (LUX) S.A.R.L's intention to support the strategy/business plan of the Company.

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 the going concern basis.

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Preparation of consolidated financial statements

The financial statements contain information about Carisbrooke Central Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements.

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 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2013

1. ACCOUNTING POLICIES - continued

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. The recoverable amount is the net realisable value. 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.

Interest

Interest income and expense are accounted for on an accruals basis.

2. STAFF COSTS

There were no staff costs for the year ended 30 June 2013 nor for the year ended 30 June 2012.

3. OPERATING LOSS

The operating loss is stated after charging:

	2013	2012
	£	£
Impairment provision against fixed asset investments	<u>479,762</u>	<u>-</u>
Directors' remuneration	<u>-</u>	<u>-</u>

The audit fee for the year is £2,500 (2012 : £3,500). The fee will be charged to another group company.

4. EXCEPTIONAL ITEMS

Included within administrative expenses is an amount of £479,762 which relates to the fully impairment of the company's share investments in subsidiary companies, together with an amount of £30,374,235 which relates to a provision for the irrecoverability of loan capital and interest which is due to it from one of its subsidiary undertakings.

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2013	2012
	£	£
Interest receivable from group undertakings	<u>2,531,327</u>	<u>2,661,164</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Interest payable to group undertakings	<u>2,531,327</u>	<u>2,661,164</u>

7. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 30 June 2013 nor for the year ended 30 June 2012.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2013

7. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2013
	£
Loss on ordinary activities before tax	<u>(30,853,997)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.750%	(7,327,824)
Effects of:	
Expenses not deductible for tax purposes	<u>7,327,824</u>
Current tax charge	<u>-</u>

8. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 July 2012	479,762
Impairments	<u>(479,762)</u>
At 30 June 2013	-
NET BOOK VALUE	
At 30 June 2013	-
At 30 June 2012	<u>479,762</u>

The company's investments at the balance sheet date in the share capital of companies include the following:

Carisbrooke Central Investments Limited

Nature of business: Property investment

	% holding	2013 £	2012 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		(26,218,518)	(24,903,218)
Loss for the year		<u>(1,315,300)</u>	<u>(5,331,989)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2013

8. FIXED ASSET INVESTMENTS - continued

Carisbrooke Properties (Basingstoke) Limited

Nature of business: Property investment

	% holding	2013 £	2012 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		3,036,875	3,036,875
Loss for the year		-	(94)

Countryroad Investments Limited

Country of incorporation: Cayman Islands

Nature of business: Property investment

	% holding	2013 £	2012 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		1,732,405	506,966
Loss for the year		(134,257)	(81,955)

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 2013.

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Intercompany loans	19,976,373	38,943,494
Called up share capital not paid	2	2
	<u>19,976,375</u>	<u>38,943,496</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 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 continued covenant breaches.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Amounts owed to group undertakings	14,435,557	3,028,443
Corporation tax - group relief	721,576	721,576
Other creditors	4	4
Intercompany loans	38,943,494	38,943,494
	<u>54,100,631</u>	<u>42,693,517</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2013

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

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 6.50% during the year and the loans do not have a fixed repayment date.

The intercompany loans have been reclassified as creditors falling due within one year, due to continued covenant breaches.

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2013 £	2012 £
2	Ordinary	£1	<u>2</u>	<u>2</u>

12. RESERVES

	Profit and loss account £
At 1 July 2012	(3,270,261)
Deficit for the year	<u>(30,853,997)</u>
At 30 June 2013	<u>(34,124,258)</u>

13. ULTIMATE PARENT COMPANY

On the 21 February 2013, Carisbrooke Arkle LLP became the company's ultimate parent. The smallest group of which the Company is a member is headed by Carisbrooke Property Investments Limited. Neither the ultimate parent nor the immediate parent company prepare consolidated financial statements.

14. RELATED PARTY DISCLOSURES

The company has received and made back to back loans from and to certain group companies in the amount of £38,943,494. Interest is charged on these loans at the rate of 6.50% per annum, therefore interest receivable and payable both amount to £2,531,327.

The directors consider that there is significant doubt as to the recoverability of £18,967,121 of the monies that are due from a group company, therefore provision has been made in the accounts.

The company has a net indebtedness of £3,028,443 (2012: £3,028,443) on certain intercompany loans with group companies. Included in this figure is an amount of £11,407,114 which relates to loan interest due to the company. The directors consider that there is significant doubt as to the recoverability of this amount therefore provision has been made in the accounts.

The company is due to pay £721,576 (2012: £721,576) to group companies for Group Corporation tax relief it has benefitted from.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2013

15. POST BALANCE SHEET EVENTS

After the balance sheet date the groups investment properties have been disposed of and the inter group loan funding has been settled as far as possible. There are however certain amounts of inter company loan debtors which have not been recovered in full and therefore these have been written down at the balance sheet date to their estimated recoverable amounts.

In due course, the company and the group it is part of are expected to be wound up.

16. ULTIMATE CONTROLLING PARTY

The ultimate controlling parties are the members of Carisbrooke Arkle LLP

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Loss for the financial year	(30,853,997)	-
Net (reduction)/addition to shareholders' funds	(30,853,997)	-
Opening shareholders' funds	(3,270,259)	(3,270,259)
Closing shareholders' funds	(34,124,256)	(3,270,259)

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.