

Carisbrooke Aurora (UK) Limited

**Directors' report and financial
statements**

Registered number 05932008

31 March 2010

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Company information

Directors	SNH Lewis CJ Phoenix
Secretary	C J Phoenix
Company number	05932008
Registered office	22 Grosvenor Square London W1K 6DT
Auditors	KPMG LLP St Nicholas House Park Row Nottingham NG1 6FQ

Directors' report

The directors present their report and the financial statements for the year ended 31 March 2010

Principal activity

The principal activity of the company is as General Partner of

Aurora (Leigh) Limited Partnership
Aurora (Motherwell) Limited Partnership
Aurora (Bedworth) Limited Partnership
Aurora (Nuneaton) Limited Partnership
Aurora (Normanton) Limited Partnership
Aurora (Hinckley) Limited Partnership

Business review and dividends

The company's results for the year are set out on page 6. The directors do not recommend the payment of a final dividend.

Directors

The directors who served during the year are as stated below

SNH Lewis
CJ Phoenix

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



C J Phoenix

Secretary

Date 11 March 2011

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities



Independent auditors' report to the members of Carisbrooke Aurora (UK) Limited

We have audited the financial statements of Carisbrooke Aurora (UK) Limited for the year ended 31 March 2010 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

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 31 March 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Emphasis of matter- going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company is party to cross guarantees (see note 9), which means that its ability to continue as a going concern is dependent on the ability of the group, of which it is a part, to continue to operate as a going concern. This in turn is largely dependent on the successful outcome of negotiations with the lenders to procure sufficient and appropriate facilities to allow it to trade in an orderly fashion and to meet its liabilities as they fall due. The facilities which the Group are currently utilising have expired and are repayable on demand at the option of the lender. The directors are in discussions with the lenders but the willingness and ability of the existing, or any new lenders, to make available such funds as are necessary to meet the ongoing requirements of the group is inherently uncertain. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as 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 auditors' report to the members of Carisbrooke Aurora (UK) Limited
(continued)

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

Wayne Cox

Wayne Cox (*Senior Statutory Auditor*)

11 March 2011

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

St Nicholas House

Park Row

Nottingham NG1 6FQ

Profit and loss account
for the year ended 31 March 2010

	<i>Note</i>	2010 £	2009 £
Administrative expenses (including exceptional costs of £136,084 as per note 3 (2009 £1,217,937))		(138,448)	(1,221,937)
Operating loss		(138,448)	(1,221,937)
Interest receivable and similar income	2	-	1,714
Interest payable	2	-	(1,762)
Loss on ordinary activities before taxation	3	(138,448)	(1,221,985)
Tax on loss on ordinary activities		-	-
Loss for the year	8	(138,448)	(1,221,985)

All of the company's activities in the above periods derive wholly from continuing operations

The company has no recognised gains or losses other than the above result for the period

Balance sheet
as at 31 March 2010

	<i>Note</i>	£	2010 £	£	2009 £
Fixed assets					
Investments	4		2		2
Current assets					
Debtors	5	-		155	
Cash at bank and in hand		970,620		889,087	
		<u>970,620</u>		<u>889,242</u>	
Creditors amounts falling due within one year	6	(2,337,148)		(2,117,322)	
Net current liabilities			<u>(1,366,528)</u>		<u>(1,228,080)</u>
Net liabilities			<u>(1,336,526)</u>		<u>(1,228,078)</u>
Capital and reserves					
Called up share capital	7		2		2
Profit and loss account	8		(1,366,528)		(1,228,080)
Shareholder's deficit			<u>(1,336,526)</u>		<u>(1,228,078)</u>

Approved by the Board of Directors and signed on their behalf by



CJ Phoenix
Director

Date 11 March 2011

Company number 05932008

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Accounting convention

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

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size

Basis of preparation

Going concern

The entity is part of a group of entities that are subject to common control, which comprises, but is not limited to Carisbrooke Investments General Partner Limited, Carisbrooke Investments Limited Partnership, Carisbrooke Aurora Limited (Isle of Man), Carisbrooke Aurora (UK) Limited, Aurora Nominee 1 Limited, Aurora Nominee 2 Limited, Aurora (Leigh) Limited, Aurora (Leigh) Limited Partnership, Aurora (Normanton) Limited, Aurora (Normanton) Limited Partnership, Aurora (Hinckley) Limited, Aurora (Hinckley) Limited Partnership, Aurora (Bedworth) Limited, Aurora (Bedworth) Limited Partnership, Aurora (Motherwell) Limited, Aurora (Motherwell) Limited Partnership, Aurora (Nuneaton) Limited, Aurora (Nuneaton) Limited Partnership and Merrington Unit Trust

As a result of cross guarantees and intra-group indebtedness the application of the going concern assumption to each entity is dependent on the circumstances of the group as a whole, notably the extent to which the cross-guarantees are called upon and the extent to which intra group balances may be irrecoverable in the event of any such call

The financial statements of the company have been prepared on a going concern basis, notwithstanding the overall indebtedness of the group and the cross guarantees entered into by it

The banking facilities under which the group currently operates have expired. At the present time those facilities are being made available to the Group but they are technically repayable on demand at the option of the lender. Negotiations are ongoing with the bankers with the objective of putting in place appropriate and sufficient facilities. These negotiations are, however, being affected by the current state of the property and financial markets.

In the opinion of the directors in aggregate the market value of the properties of the group noted above as at the date of approval of these accounts is less than the aggregated loans secured on them.

Cash flow projections have been prepared for the group for a period ending not less than twelve months from the date of the approval of these financial statements. These projections indicate that the entity will be dependent on either a renegotiation or replacement of the banking facilities which makes available sufficient funds for the Group to be able to trade in an orderly fashion and to meet its liabilities as they fall due for payment including the settlement of intra-group balances. Further, the projections indicate that the facilities required will be greater than those which are currently being made available.

In the opinion of the directors there remains a reasonable likelihood that appropriate and sufficient banking facilities will be made available to the Group to allow it to continue to operate within these projected facilities. However both the financial circumstances of the Group and the current state of the property and financial markets means that the successful negotiation of such facilities is uncertain.

As a consequence of the above the directors are of the opinion that it remains appropriate to prepare the financial statements on a going concern basis. However, this material uncertainty may cast significant doubt on the company's ability to continue as a going concern and, it may therefore, be unable to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate due to the projected facilities being unavailable.

Notes (continued)

1 Accounting policies (continued)

Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value

Group accounts

The Company is exempt by virtue of s408 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

2 Interest

	2010 £	2009 £
<i>Interest receivable</i>		
Interest receivable	-	1,714
<i>Interest payable</i>		
Interest payable	-	1,762
	<u> </u>	<u> </u>

3 Loss on ordinary activities before taxation

	2010 £	2009 £
Exceptional cost - write off of intercompany balance	136,084	1,217,937
Auditors remuneration - audit of these financial statements	500	500
	<u> </u>	<u> </u>

4 Fixed asset investments

	Subsidiary undertakings £
<i>Cost</i>	
At 1 April 2009	2
Additions	-
	<u> </u>
At 31 March 2010	2
	<u> </u>
<i>Net book value</i>	
At 31 March 2010	2
	<u> </u>
At 31 March 2009	2
	<u> </u>

The investments in subsidiary undertakings represent 100% investment in the ordinary share capital of Aurora Nominee 1 Limited and Aurora Nominee 2 Limited, both of which are nominee entities, registered in the United Kingdom, that hold the legal title to properties on behalf of other group entities, and 100% of the ordinary share capital of Carisbrooke Aurora Limited, an investment holding company registered in the Isle of Man.

Notes (continued)

4 Fixed asset investments (continued)

The company is also a general partner to the following limited partnerships, all of whose registered address is 22 Grosvenor Square, London, W1K 6DT

Aurora (Leigh) Limited Partnership

Aurora (Motherwell) Limited Partnership

Aurora (Bedworth) Limited Partnership

Aurora (Nuneaton) Limited Partnership

Aurora (Normanton) Limited Partnership

Aurora (Hinckley) Limited Partnership

A copy of the latest financial statements of each of the partnerships has been appended to the financial statements sent to the Registrar of Companies

5 Debtors

	2010 £	2009 £
Amounts owed by participating interest	-	-
Other debtors	-	155
	<u>-</u>	<u>155</u>

6 Creditors: amounts falling due within one year

	2010 £	2009 £
Trade creditors and accruals	4,000	4,000
Amounts owed to group undertaking	2,032,111	1,812,485
Other creditors	301,037	300,837
	<u>2,337,148</u>	<u>2,117,322</u>

7 Share capital

	2010 £	2009 £
<i>Allotted, called up and fully paid</i>		
2 Ordinary shares of 1 each	2	2
	<u>2</u>	<u>2</u>

Notes (continued)

8 Profit and loss account

	2010 £	2009 £
Accumulated loss brought forward	(1,228,080)	(6,095)
Loss for the year	(138,445)	(1,221,985)
	<hr/>	<hr/>
Accumulated loss carried forward	(1,366,528)	(1,228,080)
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9 Contingent liability

The bank loan pertaining to Carisbrooke Investments Limited Partnership is secured on certain of the assets of the group and has been guaranteed by Carisbrooke Aurora (UK) Limited, Carisbrooke Investments General Partner Limited, Aurora Nominee 1 Limited, Aurora Nominee 2 Limited, Aurora (Leigh) Limited Partnership, Aurora (Normanton) Limited Partnership, Aurora (Hinckley) Limited Partnership, Aurora (Bedworth) Limited Partnership, Aurora (Motherwell) Limited Partnership, Aurora (Nuneaton) Limited Partnership and Carisbrooke Arkle LLP

10 Ultimate parent undertaking

The company is a subsidiary undertaking of Carisbrooke Investment General Partner Limited, a company registered in the United Kingdom

11 Related party transactions

During the year, monies amounting to £136,084 were advanced to Carisbrooke Investments Limited Partnership ('CILP'), a related party (2009 repayments of £3,783,510). The amount due from CILP at the year end was £1,354,021 (2009 £1,217,937), which is deemed irrecoverable and has been written off

Related party	2010		2009	
	Movement in intercompany balance £	Amount due to £	Movement in intercompany balance £	Amount due to £
Aurora (Bedworth) Limited	51,182	531,778	1,075,110	480,596
Aurora (Hinckley) Limited	29,755	169,350	313,911	139,595
Aurora (Leigh) Limited	(2,326)	111,875	353,433	114,201
Aurora (Motherwell) Limited	23,726	190,144	475,501	166,418
Aurora (Normanton) Limited	8,198	235,290	695,647	227,092
Aurora (Nuneaton) Limited	79,097	440,174	665,843	361,083
Carisbrooke Asset Management Limited	200	214,072	(82,638)	213,872

During the year monies amounting to £nil (2009 £150,000) were repaid to Carisbrooke Suon Limited Partnership ('CSLP'), a related party

During the year monies amounting to £30,000 (2009 £314,500) were received from Merrington Unit Trust, a related party. The amount due to Merrington Unit Trust at the year end was £353,500 (2009 £323,500)