

**CASTLE TOPCO LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS**

**31<sup>st</sup> October 2009**

THURSDAY



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15/07/2010

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COMPANIES HOUSE

*Registered No 5988581*

## CASTLE TOPCO LIMITED

### REPORT OF THE DIRECTORS

The Directors present their report and the audited accounts for the year ended 31<sup>st</sup> October 2009

#### Principal Activities & Business Review

The principal activity of the Company is that of a holding company. During the year, the company's immediate subsidiary, Castle Midco Limited, disposed of its investment in Castle Bidco Limited for consideration of £1. This was pursuant to a significant financial restructure of the Crest Nicholson group, in which Castle Bidco Limited had investments.

The company's investment in Castle Midco Limited was fully provided against for diminution in value in the year ended 31<sup>st</sup> October 2008. Subsequent to the year-end, Castle Midco Limited entered into a Members Voluntary Liquidation.

The company is expected to be dormant for the foreseeable future.

#### Results and Dividend

The profit for the year after taxation amounted to £6.3m (2008 loss £104.0m). The directors do not propose a dividend for the year (2008 nil).

#### Directors

The Directors during the year were


Mr S Stone	
Mr D P Darby	
Mr J C McMahon	(resigned 23 <sup>rd</sup> March 2009)
Mr P Callcutt	(resigned 31 <sup>st</sup> March 2009)
Mr B S Anderson	(resigned 23 <sup>rd</sup> March 2009)
Mr D J B Shearer	(resigned 23 <sup>rd</sup> March 2009)
Mr N C Tinker	
Mr P J Davies	(resigned 23 <sup>rd</sup> March 2009)

#### 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 he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### Re-appointment of auditors

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

  
K M Maguire  
Secretary

By Order of the Board

Crest House  
Pyncroft Road  
Chertsey  
Surrey KT16 9GN

6<sup>th</sup> July 2010

**CASTLE TOPCO LIMITED****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  
CASTLE TOPCO LIMITED**

We have audited the financial statements of Castle Topco Limited for the year ended 31 October 2009 set out on pages 4 to 8. 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 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 2, 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 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/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

**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 October 2009 and of its profit 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.

**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.

**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.



**W E J Holland (Senior Statutory Auditor)**

**for and on behalf of KPMG Audit Plc, Statutory Auditor**

Chartered Accountants  
London

6 July 2010

**CASTLE TOPCO LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31<sup>st</sup> OCTOBER 2009**

Note

		2009	2008
		£m	£m
Revenue		-	-
Cost of Sales		-	-
Gross Profit		<u>-</u>	<u>-</u>
Other operating income		-	-
Administrative expenses		6 4	(19 0)
Operating profit/(loss) – continuing operations		<u>6 4</u>	<u>(19 0)</u>
Impairment of investment		-	(85 0)
Profit/(loss) on ordinary activities before interest and taxation	3	<u>6 4</u>	<u>(104 0)</u>
Net interest payable		-	-
Profit/(loss) on ordinary activities before taxation		<u>6 4</u>	<u>(104 0)</u>
Taxation	4	(0 1)	-
Profit/(loss) for the financial year	10	<u>6 3</u>	<u>(104 0)</u>

There are no recognised gains or losses other than those shown above

There is no material difference between the loss for the year as shown above and that based on historic costs

**BALANCE SHEET AS AT 31<sup>st</sup> OCTOBER 2009**

	<u>Notes</u>	<u>2009</u> £m	<u>2008</u> £m
<u>Fixed assets</u>			
Investments	6	-	-
<u>Current assets</u>			
Debtors	7	-	0 4
Cash at bank and in hand		-	-
		-	0 4
<u>Creditors</u> amounts falling due within one year			
Bank loans and overdrafts		-	(4 7)
Creditors	8	-	(2 0)
		-	(6 7)
Net current assets/(liabilities)		-	(6 3)
Total assets less current liabilities		-	(6 3)
Net assets/(liabilities)		-	(6 3)
<u>Capital and reserves</u>			
Share capital	9	10 0	10 0
Share premium account	10	81 5	81 5
Profit and loss account	10	(91 5)	(97 8)
Equity shareholders' funds/(deficit)	11	-	(6 3)

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

6<sup>th</sup> July

2010

D P Darby  
Director

## NOTES TO THE ACCOUNTS

### 1 BASIS OF PREPARATION

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

The accounting policies have been applied consistently in dealing with items which are considered material

The Company is exempt by virtue of the small companies regime 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.

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

The principal accounting policies adopted are set out below.

#### Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence and be able to meet its liabilities as they fall due for the foreseeable future. The company is expected to be dormant for the foreseeable future and does not expect future liabilities to arise.

#### Fixed asset investments

Investments are included in the balance sheet at cost less any provision for permanent diminution in value.

#### Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### Borrowings

Interest bearing bank loans and overdrafts are measured initially at fair value, net of direct issue costs. Finance charges are accounted for on an accruals basis in the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise or included within interest accruals.

### 2 DIRECTORS AND EMPLOYEES

The Company had no employees during the year (2008 nil).  
No emoluments were paid to Directors during the year (2008 £nil).

### 3 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

The audit fee of £3,000 (2008 £3,000) has been borne by the ultimate controlling party.

### 4 TAXATION

	2009 £m	2008 £m
<b>Current tax</b>		
UK Corporation tax on profit/(loss) for the year	0.1	-
Tax on profit/(loss) on ordinary activities	0.1	-

The current tax charge for the year is lower (2008 higher) than the standard rate of UK corporation tax of 28 0% (2008 28 8%) The difference is explained below

Profit/(loss) on ordinary activities before tax	6 4	(104 0)
Tax on profit /(loss) on ordinary activities at 28 0% (2008 28 8%)	<u>1 8</u>	<u>(30 0)</u>
Effects of		
Inter-company transaction not subject to taxation	(1 7)	5 5
Investment impairment	-	24 5
Total current tax	<u>0 1</u>	<u>-</u>

## 5 DIVIDENDS

No dividends have been paid or proposed in respect of the year ended 31<sup>st</sup> October 2009 (2008 nil)

## 6 INVESTMENTS

	2009	2008
	£m	£m
At beginning of year	-	85 0
Provision for impairment	-	(85 0)
At end of year	<u>-</u>	<u>-</u>

The Company holds an investment in Castle Midco Limited, a company incorporated in Great Britain and registered in England and Wales The Company's interest is in respect of ordinary issued share capital which is wholly owned As a result of the severe downturn in the house building sector during 2008, it was determined that the investment was fully impaired and was provided for accordingly

## 7 DEBTORS

	2009	2008
	£m	£m
<u>Amounts falling due within one year</u>		
Prepayments & accrued income	-	0 4
	<u>-</u>	<u>0 4</u>

## 8 CREDITORS

	2009	2008
	£m	£m
<u>Amounts falling due within one year</u>		
Other creditors	-	0 6
Accruals	-	1 4
	<u>-</u>	<u>2 0</u>

## 9 SHARE CAPITAL

	2009	2008
<b>Called up, allotted and fully paid</b>		
100,000,000 ordinary shares of 10p each (2008 100,000,000)	<u>10 0</u>	<u>10 0</u>



10 RESERVES

	Share premium account £m	Profit and loss reserve £m
At 1 November 2008	81.5	(97.8)
Profit for the financial year	-	6.3
At 31 October 2009	81.5	(91.5)

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS'  
(DEFICIT)/FUNDS

	2009 £m	2008 £m
At 1 <sup>st</sup> November	(6.3)	97.7
Profit/(loss) for the financial year	6.3	(104.0)
At 31 <sup>st</sup> October	-	(6.3)

12 CONTROLLING PARTY

The ultimate controlling party is the Lloyds Banking Group