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BROOMCO (4102) LIMITED

**Directors' Report and Financial Statements
for year ended 31 December 2013**

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BROOMCO (4102) LIMITED

Directors' Report and Financial Statements for year ended 31 December 2013

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BROOMCO (4102) LIMITED

Directors and other information

Board of Directors at 16 October 2014

J Nesbitt
B Lenihan
T A Barry

Secretary and registered office

T A Barry
9 Clifford Street
London W1S 2LD
England

Registered No: 6355485

Bankers

Carbon Finance Limited
Custom Plaza House
International Financial Services Centre
Dublin 1

Auditors

PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
No.1 South Mall
Cork
Ireland

BROOMCO (4102) LIMITED

Directors' report for year ended 31 December 2013

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2013.

Principal activities, business review and future development

The principal activity of the Company is property development. The results for the year are included on page 10. The Directors plan to continue the development of its trading properties during the foreseeable future.

Results and dividends

During the period the Company recorded an operating profit amounting to £340,737 (2012: £231,957 loss).

No dividends were paid or proposed in respect of the financial year.

Directors

The names of the persons who are currently and were Directors of the Company during the year ended 31 December 2013 are as follows:

J Nesbitt
T A Barry
B Lenihan

The secretary of the Company at 31 December 2013 was T A Barry who had been secretary for the whole of the year then ended.

Directors' interests

The Directors and secretary in office at 31 December 2013 did not hold a beneficial interest in the shares of the Company or any other group undertaking as at 1 January 2013 and 31 December 2013 that are required to be disclosed under applicable law.

Statement of disclosure of information to auditors

So far as each of the Directors in office at the date of approval of these financial statements are aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

BROOMCO (4102) LIMITED

Directors' report for year ended 31 December 2013 - continued

Directors' Responsibilities Statement

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, 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 UK 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.

Books of account

The measures taken by Directors to secure compliance with the Company's obligation to keep proper books of account are the use of appropriate systems and procedures and employment of competent persons. The books of account are kept at 9 Clifford Street, London W1S 2LD, England.

Events since the year-end

In May 2014, the outstanding borrowings of the Colebridge Limited Group "the Colebridge Group" (of which the company forms part) held with National Asset Loan Management Limited were purchased by Carbon Finance Limited, a subsidiary undertaking of Blackstone Real Estate Partners Europe (hereinafter referred to individually and collectively as "Carbon").

Subsequent to this, on 29 July 2014, Carbon appointed Receivers over the shares of the principal shareholders in Colebridge Limited. Although these shares had been pledged as security over corporate (and not personal) loans, a demand by Carbon for immediate repayment of personal loans of these shareholders was followed by an appointment of receivers to personal assets of the principal shareholders and in turn this was linked in the pledge to an enforcement of the share pledge in Colebridge. The Receivers, purportedly acting on behalf of the shareholders of Colebridge, passed a written resolution removing all existing directors of Colebridge and appointing Ms Lorna Brown and Ms Diane Hoffman (who are Carbon directors) in their place. The purported Directors and/or the Receivers then passed written resolutions removing all existing directors of certain subsidiaries of Colebridge and appointing themselves as directors. Within a short space of time, Corporate Demand Letters were served on key holding companies within the Colebridge Group. Arising from the non-payment of the demands set forth in the Corporate Demand Letters, Receivers were appointed over the shares of the main companies within the Colebridge Group. In addition, Carbon brought a petition before the High Court in Dublin to appoint an Interim Examiner to four Irish companies within the Colebridge Limited Group.

BROOMCO (4102) LIMITED

Directors' report for year ended 31 December 2013 - continued

Events since the year-end - continued

Immediately following the enforcement actions described above, the principal shareholders in Colebridge International Limited brought an application before the Irish High Court seeking interlocutory relief to seek to restrain and reverse the enforcement actions taken by Carbon and, at the same time, an application was brought by the Companies subject to the Examinership Petition to set aside the Petition and to discharge the interim Examiner. On 13 August 2014, the Court delivered a judgment in relation to the Enforcement and Examinership Motions in support of the application made by the shareholders. The Court made orders setting aside the Order made on 29 July 2014, discharging the interim examiner and dismissing the Petition. In relation to the Enforcement Motion, the Court granted certain interlocutory reliefs restraining and reversing the enforcement actions taken by Carbon on 29 July 2014. This will be subject to a full hearing of the Court on 20 January 2015.

The foregoing matters are more fully set out in the going concern note (Note 2) to the financial statements.

Going concern

The going concern status of the company is linked to that of the Colebridge Group due to the existence of group-wide loan cross guarantee arrangements in place and, therefore, the directors consider it appropriate to undertake the company's going concern assessment by reference to that for the Colebridge Group. In undertaking their assessment of going concern for the Colebridge Group the directors have considered in detail the impact of outstanding legal proceedings referred to above and other associated matters. This assessment identifies a number of material uncertainties that impact on the going concern basis of preparing the financial statements which are summarised as follows:

- The outcome of pending legal proceedings in respect of purported enforcement actions taken by Carbon on 29 July 2014;
- The outcome of the second part of the pending legal proceedings in relation to the proper construction of the restructured facility agreements in the hands of the new Lender;
- The ability to deliver acceptable transactions that will meet scheduled loan expiry dates on 31 December 2014; and
- Continued support of the lender and continued compliance with the facility agreements

These matters are described in detail in Note 2 to the financial statements. The directors have considered the nature and likely impact of these uncertainties, individually and collectively, on the going concern status of the Colebridge Group and of its subsidiary undertakings. In making this assessment, the directors have taken full consideration of legal advices received and have considered plans for the future designed to generate cash to meet committed loan repayment obligations, including an assessment of the Group's ability to realise these plans. Further to undertaking this detailed assessment, and notwithstanding the material uncertainties that exist, the directors have concluded that it remains appropriate to prepare the financial statements of the Colebridge Group and of its subsidiary undertakings, including this company, on a going concern basis. Further details in relation to the director's assessment of going concern are set out in Note 2 to the financial statements.

Auditors

The auditors, PricewaterhouseCoopers, Republic of Ireland, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the board

T A Barry

Company Secretary

16 October 2014

BROOMCO (4102) LIMITED

Directors' report for year ended 31 December 2013 - continued

Events since the year-end - continued

Immediately following the enforcement actions described above, the principal shareholders in Colebridge International Limited brought an application before the Irish High Court seeking interlocutory relief to seek to restrain and reverse the enforcement actions taken by Carbon and, at the same time, an application was brought by the Companies subject to the Examinership Petition to set aside the Petition and to discharge the interim Examiner. On 13 August 2014, the Court delivered a judgment in relation to the Enforcement and Examinership Motions in support of the application made by the shareholders. The Court made orders setting aside the Order made on 29 July 2014, discharging the interim examiner and dismissing the Petition. In relation to the Enforcement Motion, the Court granted certain interlocutory reliefs restraining and reversing the enforcement actions taken by Carbon on 29 July 2014. This will be subject to a full hearing of the Court on 20 January 2015.

The foregoing matters are more fully set out in the going concern note (Note 2) to the financial statements.

Going concern

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- The outcome of pending legal proceedings in respect of purported enforcement actions taken by Carbon on 29 July 2014;
- The outcome of the second part of the pending legal proceedings in relation to the proper construction of the restructured facility agreements in the hands of the new Lender;
- The ability to deliver acceptable transactions that will meet scheduled loan expiry dates on 31 December 2014; and
- Continued support of the lender and continued compliance with the facility agreements

These matters are described in detail in Note 2 to the financial statements. The directors have considered the nature and likely impact of these uncertainties, individually and collectively, on the going concern status of the Colebridge Group and of its subsidiary undertakings. In making this assessment, the directors have taken full consideration of legal advices received and have considered plans for the future designed to generate cash to meet committed loan repayment obligations, including an assessment of the Group's ability to realise these plans. Further to undertaking this detailed assessment, and notwithstanding the material uncertainties that exist, the directors have concluded that it remains appropriate to prepare the financial statements of the Colebridge Group and of its subsidiary undertakings, including this company, on a going concern basis. Further details in relation to the director's assessment of going concern are set out in Note 2 to the financial statements.

Auditors

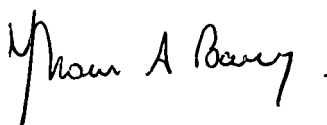
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By order of the board

T A Barry

Company Secretary

16 October 2014





INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BROOMCO (4102) LIMITED

We have audited the financial statements of Broomco (4102) Limited for the year ended 31 December 2013 on pages 10 to 21 which comprise the Profit and Loss Account, the Balance Sheet, the Accounting Policies and the related notes. 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).

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit.

Emphasis of matter – Going concern

In forming an opinion on the financial statements, which is not modified, we have considered the implications of the significant uncertainties disclosed in Note 2 on pages 13 to 18 that impact on the going concern basis of preparation of the financial statements. These uncertainties arise and are considered from the standpoint of the Colebridge International Limited Group ("the group") but impact directly on the company due to it being party to limited recourse cross guarantee agreements in place in respect of the group's debt.



Emphasis of matter – Going concern - continued

These uncertainties, which are more fully dealt with in Note 2 on pages 13 to 18 of the financial statements, are summarised as follows:

- (i) The outcome of pending legal proceedings in respect of purported enforcement actions taken by Carbon on 29 July 2014.

On 29 July 2014, following a demand for immediate repayment of shareholders' personal loans, the group's financier, Carbon Finance Limited (Carbon) appointed receivers to personal assets of the principal shareholders in Colebridge International Limited. This was followed by the appointment of Receivers over the principal shareholders' shares in the company. Subsequent to this, following the non-payment of demands included in Corporate Demand Letters served by Carbon on key holding companies within the group, receivers were appointed over the shares in the main companies within the group. Carbon also filed an Examinership petition for the appointment of an examiner in respect of certain companies within the group.

On 13 August, the group secured interlocutory relief from the Irish High Court to restrain and reverse the enforcement actions taken by Carbon. At the same time, following an application brought by the companies subject to the Examinership petition, the Court ruled that the interim Examiner and the Examiner petition be dismissed.

The injunction application granting interlocutory relief reversing the enforcement actions taken by Carbon on 29 July 2014 is subject to a full hearing of the High Court that is expected to commence on 20 January 2015. The directors have concluded that the outcome of this, which has a direct bearing on the going concern assumption, could be one of the following: (i) the appointment of the receivers is confirmed; (ii) the appointment of the receivers is not confirmed; or (iii) the outstanding legal issues between Carbon and the group are resolved. In the event that the appointment of receivers is confirmed as being valid, the directors' are of the opinion that the going concern assumption would not likely be appropriate.

- (ii) The outcome of the second part of the pending legal proceedings in relation to the proper construction of the restructured facility agreements in the hands of the new Lender.

There exists differences of interpretation between the group and Carbon as regards the interpretation and practical application of certain aspects of the Corporate Facility Agreements as follows:

- The manner in which monies lodged in the Debt Service Account are applied in relation to meeting the group's obligations to pay interest, principal and meeting repayments on expiring facilities.
- The means by which funds in the Debt Service Account are applied to repay principal of "at risk" Facilities (as referenced in the Facility Agreements) including the extent to which Carbon must give consideration to the group's recommendation in determining which Connection Facilities are most "at risk".

Emphasis of matter – Going concern - continued

The High Court is scheduled to rule on the correct interpretation of the above loan construction issues at the hearing that is expected to commence on 20 January 2015. The directors have concluded that the outcome of this, which has a direct bearing on the going concern assumption, could be one of the following: (i) the loan construction issues, or a significant number of them, are confirmed in the group's favour; (ii) the loan construction issues, or a significant number of them, are not confirmed in the group's favour; or (iii) the outstanding legal issues between Carbon and the group are resolved. In the event that the loan construction issues, or a significant number of them, are not confirmed in the group's favour, the directors' are of the opinion that the going concern assumption may not be appropriate as they consider that the group may not be in a position to determine that monies in the Debt Service Account are applied in a manner that allows the group to discharge its obligations under the Facility Agreements.

- (iii) The ability to deliver acceptable transactions that will meet scheduled loan expiry dates on 31 December 2014.

Under the Facility Agreements, the group has loan repayment obligations at 31 December 2014 that amount to €235m; this reduces to a repayment obligation of €225.9m following principal repayments made in September 2014.

In the opinion of the directors, the group's ability to bring forward transactions to meet these obligations are dependent on a number of factors that include (i) sourcing suitable purchasers/funders; (ii) executing a suitable transaction or transactions within the appropriate timeframe; and (iii) receiving consent from Carbon to proceed with transactions contemplated and being in a position to subsequently apply the proceeds generated to expiring facilities.

As referred to in Note 2, the directors have been engaging with Carbon, at the time of approving the financial statements, on a proposed strategy to meet its loan repayment obligations. Should the group not be in a position to meet these obligations, it becomes in default of the Facility Agreements and, consequently, this could impact on the ability of the group to continue as a going concern.

- (iv) Continued support of the lender and continued compliance with the facility agreements

The group's Facility Agreements include financial covenants that relate to preservation of net rental income levels and complying with Loan to Value covenants. The directors have concluded that the group is in compliance with these financial covenants at the date of approval of the financial statements and forecast that the group will continue to remain in compliance for the foreseeable future.

Notwithstanding the foregoing, the directors consider that the outstanding legal proceedings with the Group's lender, Carbon, do cast some doubt regarding the disposition of Carbon towards supporting the Group into the future. The group is reliant on the support of its Lender in a number of key areas that include (i) the approval of annual budgets; (ii) consent to effecting quarterly transfers to fund expenditure incurred; and (iii) consent to property leases. The directors consider that, should this support not be forthcoming, it may impact on the ability of the group to continue as a going concern.

**Emphasis of matter – Going concern - continued**

The directors of the group have considered in detail the possible effects of the matters referred to in (i) to (iv) above and have concluded that these can be managed and mitigated and therefore that it remains appropriate to prepare the financial statements of the group and of its subsidiary undertakings on a going concern basis.

Notwithstanding the foregoing, the matters referred to in (i) to (iv) above indicate the existence of material uncertainties which, individually or collectively, may cast significant doubt about the ability of the group and of its subsidiary undertakings to continue as a going concern. Consistent with the assessment and conclusion of the directors, the financial statements of the company do not include the adjustments that would result if the group and, by extension, the company was unable to continue as a going concern.

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 December 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.

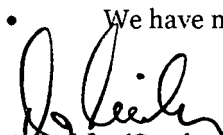
Opinion on other matter prescribed by the Companies Act 2006

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.


A Reidy (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
Cork
Republic of Ireland

17 October 2014

BROOMCO (4102) LIMITED

Profit and loss account for year ended 31 December 2013

	Notes	2013 £	2012 £
Turnover		129,980	124,978
Operating expenses		(56,824)	(56,935)
Impairment in carrying value of trading properties		-	(300,000)
Gain on revaluation of trading properties	6	267,581	-
Operating profit/(loss)	3	340,737	(231,957)
Net interest payable	4	(512,097)	(644,996)
Loss on ordinary activities before taxation		(171,360)	(876,953)
Tax on loss on ordinary activities	5	13,022	(10,638)
Loss for the financial year	13	(158,338)	(887,591)

All results derive from continuing operations of the Company.

The Company has no recognised gains and losses other than those included in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the loss retained for the period stated above, and their historical cost equivalents.

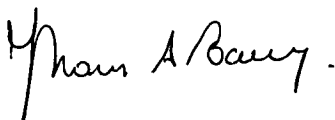
BROOMCO (4102) LIMITED

Balance sheet at 31 December 2013

	Notes	2013 £	2012 £
Current assets			
Trading properties	6	8,967,581	8,700,000
Debtors	7	330,078	327,543
		9,297,659	9,027,543
Creditors: amounts falling due within one year	8	(18,618,625)	(18,190,171)
Net current liabilities		(9,320,966)	(9,162,628)
Capital and reserves			
Called up share capital	10	100	100
Share premium account	11	1,099,976	1,099,976
Profit and loss account	12	(10,421,042)	(10,262,704)
Total shareholders' funds	13	(9,320,966)	(9,162,628)

The financial statements on pages 10 to 21 were approved by the Board of Directors on 16 October 2014 and were signed on its behalf by:

T A Barry



Broomco (4102) Limited

Registered No: 6355485

BROOMCO (4102) LIMITED

Statement of accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Companies Act 2006 and applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, are set out below:

Basis of accounting

The financial statements are prepared on the going concern basis and in accordance with the historical cost convention.

Taxation

Provision is made for taxation at the current rates on taxable profits/losses.

Deferred taxation

Deferred tax is provided in respect of all timing differences that have originated but not reversed at the balance sheet date where an event has occurred to pay more or less tax in the future. Deferred tax is calculated at the tax rates which apply at the balance sheet date.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange ruling at the balance sheet date. Revenues, costs and non-monetary items, denominated in a foreign currency, are translated at the rates of exchange ruling at the dates of the transactions.

Profits and losses arising from foreign currency translations and on settlement of amounts receivable and payable in foreign currency are dealt with through the profit and loss account.

Trading properties

Expenditure on the acquisition of sites and their development is stated at lower of cost and net realisable value. Expenditure comprises costs of site, site clearance, construction costs, related professional services and capitalised interest. Interest which can be attributed to trading properties in the course of development and which relates to specific borrowings is capitalised as part of the cost of such assets. When development is complete no further interest costs are capitalised.

BROOMCO (4102) LIMITED

Notes to the financial statements for year ended 31 December 2013

1 Parent Company and controlling party

The Company's parent undertaking is Tiger Developments, a Company registered in Ireland. The Directors regard Colebridge International Limited, a Company incorporated in the British Virgin Islands, as the ultimate parent Company and controlling party. Copies of Colebridge International Limited consolidated financial statements can be obtained from:

The Company Secretary,

Palm Grove House,
Wickhams Cay,
Road Town Torola,
British Virgin Islands.

The Company is exempt from producing a cash flow statement as required by Financial Reporting Standard No. 1 "Cash Flow Statements" on the grounds that it is a wholly owned subsidiary undertaking of a parent undertaking who publishes consolidated financial statements and meets the other conditions set out in paragraph 5 of FRS 1.

2 Going Concern

Broomco (4102) Limited ("the company") forms part of a group of property development and investment entities that ultimately form part of a holding company, Colebridge International Limited ("The Colebridge Group").

Bank Borrowings are recognised as liabilities of the Company and are correspondingly recognised as assets in the books of the lending bank or financial institution. In May 2014, following the execution of a loan sale process, the loan facilities extended to the Colebridge Group by the National Asset Management Agency (NAMA), were sold to Carbon Finance Limited ("Carbon"), a subsidiary of Blackstone Real Estate Partners Europe. This transaction involved the assignment of loan facilities between NAMA and Carbon and accordingly the terms of the underlying loan facilities remain unchanged. These terms include the provision of loan finance to the Colebridge Group with repayment dates on individual facilities ranging from 2014 to 2018. The individual facilities are identifiable with specific property asset groupings within the Colebridge Group and are interconnected by way of a group wide limited recourse cross guarantee. In the case of the company, it has guaranteed the liabilities of other group companies forming part of the Colebridge Group and this guarantee is agreed to be limited, if called upon, to the available net assets of the company. The facility agreements, security documents and related documents are defined in the facility agreements as the "Finance Documents".

The foregoing guarantee would potentially be called upon in the event of default under any of the Finance Documents including in relation to breach of certain covenants of a financial nature. These include satisfying interest and principal repayment obligations and compliance with covenants which include loan to value ratios and not reducing net rental income on the Group's property portfolio below certain threshold levels, taking account of any disposals.

The Directors consider that the Colebridge Group will be in a position to meet the debt repayment commitments and covenant obligations attaching to the loan facilities over the foreseeable future; and that the Group will generate sufficient cash to pay direct operating and overhead expenses budgeted over that time. This analysis is supported by cash flow projections prepared by management of the Colebridge Group.

However the Directors are of the view that there are a number of material uncertainties that ought to be disclosed in the Financial Statements to present the user with a true and fair view of the position of the Group and this note describes the principal events or conditions that, individually or collectively, cast significant doubt on the entity's ability to continue as a going concern.

BROOMCO (4102) LIMITED

Notes to the financial statements for year ended 31 December 2013

2 Going Concern - continued

The four principal sources of material uncertainty identified by the directors are as follows:-

(1) The outcome of pending legal proceedings in respect of purported enforcement actions taken by Carbon on 29 July 2014.

On 29 July 2014, Carbon appointed Receivers over the principal shareholder's shares in Colebridge International Limited. The Receivers, purportedly acting on behalf of the shareholders of Colebridge, passed a written resolution removing all existing directors of Colebridge and appointing Ms Lorna Brown and Ms Diane Hoffman (who are Carbon Directors) in their place. The Purported Directors and/or the Receivers then passed written resolutions removing all existing directors of certain subsidiaries of Colebridge and appointing themselves as directors. Within a short space of time, Corporate Demand Letters were served on key holding companies within the Colebridge Group. Arising from the non-payment of the demands set forth in the Corporate Demand Letters, Receivers were appointed over the shares in the main companies in Colebridge Group. Carbon also filed an Examinership petition (the "Petition") for the appointment of an examiner in respect of O'Flynn Construction Co., and the following related companies within the Group (viz. O'Flynn Construction (B.T.C.); O'Flynn Construction (Rochestown); and Eastgate Developments (Cork), (together, the "Examinership Companies").

Immediately following the enforcement actions described above, the Group brought an application for interlocutory relief ("the Injunction Application") to seek to restrain and reverse the enforcement actions taken by Carbon and at the same time, an application was brought by the Examinership Companies to set aside the Petition and to discharge the interim Examiner.

On 13 August 2014, Irvine J. delivered a judgment in relation to the Injunction Application and Examinership Motions and it was held inter alia that Carbon and all those associated with the making of the Petition had breached their respective obligations to act with the utmost good faith and that there was "very significant non-disclosure" in the Petition. The Court made orders setting aside the Order made on 29 July 2014, discharging the interim examiner and dismissing the Petition.

In relation to the Injunction Application, Irvine J. granted certain interlocutory reliefs restraining and reversing the enforcement actions taken by Carbon on 29 July 2014. This will be subject to a full hearing of the Court on 20 January 2015.

Nevertheless, Blackstone still maintain that their proceedings were justified and intend to argue in their defense at the full hearing that receivers ought to be appointed to corporate assets on foot of an enforcement of a personal share pledge.

The outcome of these proceedings has a direct bearing on the Going Concern assumption.

There are three possible outcomes

- (i) The appointment of the receivers is confirmed
- (ii) The appointment of the receivers is not confirmed
- (iii) The outstanding legal disputes between Carbon and the Group are resolved

On current information, the full Court hearing will likely start on 20 January 2015 and it is estimated that the judgment would follow a short number of weeks later, given the nature of the issues.

BROOMCO (4102) LIMITED

Notes to the financial statements for year ended 31 December 2013

2 Going Concern - continued

In the event that the appointment of receivers is confirmed as being valid, then the Going Concern assumption (at least until the receivers indicated their strategy for value realisation on behalf of the Lender) would not likely be appropriate. In the other two alternatives ((ii) and (iii) above), the uncertainty around Going Concern would revert to a 'normal level' to be assessed in the circumstances that would prevail at the time. The Directors are confident, on legal advice received, that the basis of the purported enforcement is legally flawed and therefore any consequent actions on foot of this will not be legally confirmed.

(2) The outcome of the second part of the pending legal proceedings in relation to the proper construction of the restructured facility agreements in the hands of the new Lender.

Since the assignment of the Loans to Carbon on 16 May 2014, the Group and its Directors have engaged and cooperated with Carbon, always with a view to operating within the terms of the Facility Agreements and continuance of the business. In the view of the Directors, Carbon sought to implement a number of erroneous interpretations of the Corporate Facility Agreements. The Directors have asked the Irish High Court to declare the correct interpretation of a number of "loan construction issues" which comprises mainly how monies lodged in the Debt Service Account (DSA) are used in relation to fulfilling obligations (including in relation to interest, principal and meeting repayments on expiring facilities). These matters are regulated, according to the Group, by the restructured Facility Agreements, specifically section 16.4 of the Facility Agreement. This describes a waterfall of up to twenty elements whereby monies are disbursed in a particular order of priority. According to the Group, the facility agreements allow all monies in the DSA to be applied in this waterfall.

Carbon has maintained that

- "Carbon, as a prudent lender, will not be willing to agree to the sale of secured properties to fund interest payments" and as indicated in the Examinership Petition that it regards the use of disposal proceeds as "not an acceptable position";
- it has an absolute discretion in relation to the application of sums standing to the credit of the DSA to other Connection Facilities under clause 16.4(b);
- the ability to pay interest through the running of the DSA waterfall is not available until the interest payment dates of 1 March and 1 September; and that the Group is obliged to serve a Waterfall Trigger Notice as soon as Disposal Proceeds in excess of €1,000,000 have been deposited into the Debt Service Account (DSA) and that accordingly the waterfall can be run on each occasion between Interest Payment Dates when that event occurs but on such dates the entire amount in the DSA including rental income must be applied to pay principal and not interest.

There is a further waterfall issue in relation to whether the phrase "at-risk" is confined to the meaning set out in clause 16.4(c) of the Facility Agreement and whether funds in the DSA available for distribution under certain stages must be applied to Connection Facilities which are considered to be most "at-risk" and the extent to which Carbon must give consideration to the Borrower's (or its agent's) recommendation in deciding which Connection Facilities are most "at risk".

Carbon further maintain that it is entitled to (and has suggested that it will) use its consent rights in respect of disposals by the Colebridge Group in order to force the Colebridge Group to apply disposal proceeds in a particular way. The Group says that it has contractual obligations through the facility agreements to dispose of assets, that both parties have committed to agree that Disposal Proceeds are to be paid to the DSA and that the Lender is obliged to run the waterfall on IPDs and on dates upon which the Borrower serves a Waterfall Trigger Notice.

BROOMCO (4102) LIMITED

Notes to the financial statements for year ended 31 December 2013

2 Going Concern - continued

There is an issue in relation to the operation of the Annual Budgeting and quarterly transfer cycle for 2014 re the obligation of Carbon to fulfill account transfers of Budgets that the Group say were approved by NAMA.

The Irish High Court has ruled that the Irish proceedings being taken can relate only to the three Irish law governed facility agreements. (There are also another five facilities that are not expressly stated to be governed by the jurisdiction of the Irish Courts). The Group is appealing this ruling to the Irish Supreme Court. Nonetheless, the same issues of dispute arise in respect of these five facilities.

The outcome of these proceedings has a direct bearing on the Going Concern assumption.

There are a number of possible outcomes as follows:

- (i) The loan construction issues, or a sufficient number of them, are confirmed in the Group's favour;
- (ii) The loan construction issues, or a sufficient number of them, are not confirmed in the Group's favour;
- (iii) The outstanding legal disputes between Carbon and the Group are resolved.

As referred to in (1) above, the full Court hearing will likely start in January 2015 and it is estimated that the judgment would follow a short number of weeks later, given the nature of the issue.

In the event that the loan construction issues, or a sufficient number of them, are not confirmed in the Group's favour, then the Going Concern assumption may not be appropriate as the Directors could not be assured that monies would be applied in a manner that discharges the Group's obligations in a way that prevents default and therefore these circumstances should be assessed at the time. In the other two alternatives ((i) and (iii) above), the uncertainty around Going Concern would revert to a 'normal level' to be assessed in the circumstances that would prevail at the time.

The Directors are confident, on legal advice received, that the loan construction issues will be legally confirmed in favour of the Group.

(3) The ability to deliver acceptable transactions that will meet scheduled loan expiry dates on 31 December 2014.

The Group has to address €235m of loan repayment obligations to Carbon at year end 2014. In September 2014, the Group made approximately €9.1m of repayments against these obligations, reducing the principal obligation to €225.9m.

In the view of the Group, the ability of the Group to bring forward transactions to meet scheduled loan expiry dates is dependent on:

- o sourcing suitable purchasers/funders
- o executing on a suitable transaction(s) in the appropriate timeframe
- o the granting of a suitable consent by Carbon and the application of the proceeds of any disposals to the expiring facilities. This is in turn linked to the determination of the legal proceedings on the loan construction issues as detailed in part (2) above.

The Group has met, engaged in writing and in discussion with Carbon and issued a proposed strategy to meet the loan repayment obligations. To meet the loan repayment obligations the Group may undertake transaction(s) that would transact a very significant economic interest in the Group which may include one or more business units/assets held by the Group. Detailed discussions are proceeding at the time of the signing of the financial statements. The Directors are confident, based on dealings with potential counterparties, that, assuming a satisfactory agreement can be reached as regards valuation and any other issues, alternative transaction(s) can be executed by the year end of 2014 in a manner that would enhance the sustainability of the Group.

BROOMCO (4102) LIMITED

Notes to the financial statements for year ended 31 December 2013

2 Going Concern - continued

(4) Continued support of the lender and continued compliance with the facility agreements

The Group has binding Facility Agreements with the Lender for terms out to March 2018 in some cases. Arising from the items (1) and (2) above, the Group has sought to protect the terms of the Facility Agreements that are vitally important to the Directors being able to reach positive determination about Going Concern.

The ability for the Group to comply with financial covenants included within the facility agreements is considered important in the above respect. These financial covenants comprise the following obligations on the Group:

- Ensuring that aggregate net rental income generated from properties associated with individual facilities does not decrease in the following 12 months by defined percentage amounts, having suitably adjusted for the impact of property disposals. Having regard to the nature of the Group's business and tenancy arrangements in place, the directors conclude that the Group will be in a position to meet this financial covenant for the at least the twelve months following the approval of the financial statements.
- Complying with Loan to Value Covenants. These covenants are specific defined for each of the loan facilities advanced. The Loan to Value ('LTV') Covenants in the Group are calculated based on Tranche A amounts outstanding, not par debt.

The directors have prepared calculations on covenant compliance and have concluded that the group was in compliance with all LTV financial covenants contained within the facility agreements as at the date at which the financial statements have been drawn up.

In terms of support from the Lender, the Group is not dependent on Carbon for new money or further borrowing under the facility agreements, although the Facility Agreements contain the option for the Group to apply for Tranche C advances (to a total of €40m).

However, in addition to requirement to receive consent from Carbon for property disposals as per (3) above, the Group relies on the consent of Carbon as a Lender in a number of other key areas as follows:

- The approval of Annual Budgets under the Account Protocol. These Annual Budgets fund the property expenditures of the Group as well as the Group overhead. The Facility Agreement documents in Schedule 10 that the Annual Budget amounts "are to be based on figures that are appropriate for the nature of the business that the Group operates";
- Consent to the effecting of quarterly transfers in support of the funding of Group expenditure;
- The consent to leases

Given the legal proceedings described above, which are being vigorously defended by Carbon, the disposition of Carbon at this point as regards support for the Group is not conclusively known. In the Examinership petition on 29 July 2014, Carbon laid out a potential strategy of, amongst other things, further investment in the Irish business and writing down of debt or some alternative restructuring which would have to be on terms acceptable to Carbon and the Colebridge Group.

However the support of the funder is not assured. The parties have been in extensive and prolonged correspondence about a range of matters in dispute, as outlined above and also including the manner in which the parties address the information provisions of the agreements and the timing of the production of the audited accounts. There is also a dispute about the basis on which Ms Lorna Brown and Ms Diane Hoffman were appointed and acted as Directors in that the Group sees them as nominees of Carbon and says that Carbon has confirmed this in writing. Ms Brown and Ms Hoffman say that they served as Directors in a purely personal capacity and this is separate from any involvement in Carbon.

BROOMCO (4102) LIMITED

Notes to the financial statements for year ended 31 December 2013 - continued

2 Going Concern - continued

Notwithstanding this, based on relevant clauses in the Finance Documents that address the respective obligations and rights of the Lender and borrower, and the directors' assessment of the Group's ability to continue in compliance with relevant obligations in the Finance Agreements for the foreseeable future, the directors have concluded that they reasonably expect the support required from the Lender, as above, will continue to be received.

There are a number of possible outcomes which may include the following:

- (i) Carbon confirms that it is committed to the continuance of the facilities due to continued compliance by the Group with required commitments. This may involve following through on a strategy laid out by Carbon in the Examinership petition of further investment in the Irish business and writing down of debt or some alternative restructuring which would have to be on terms acceptable to Carbon and the Colebridge Group.
- (ii) Carbon will not become committed to the continuance of the facilities. This would have an impact on going concern.
- (iii) Resolution of the issues between the parties in a commercial manner. This, in the view of the Directors, would involve executing a number of transactions that would reduce or refinance or restructure all or part of the borrowings of the Group.

Having considered the matters referred to in (1) to (4) above, the Directors consider that material uncertainties do arise that, individually or collectively, cast significant doubt on the ability of the Colebridge Group and, by extension, the company to continue as a going concern. If the financial statements of the company were not prepared on a going concern basis, the directors consider the following as being the more significant implications for the financial statements:

- o Trading properties would require to be impaired to reflect values achievable in a circumstance of forced sale. This would represent a lower amount than current carrying values which the directors consider is recoverable through development plans in place for such properties.
- o Costs would require to be accrued for break-up costs.

The principal events or conditions disclosed in this note, individually or collectively, cast significant doubt on the entity's ability to continue as a going concern. While uncertainty exists, in the view of the Directors, these can be managed or mitigated and therefore that it is appropriate to prepare the financial statements of the Colebridge Group and, by extension, those of the company on a going concern basis.

Accordingly, the financial statements of the company are prepared on the basis of the company being a going concern.

3 Operating loss

Operating loss is stated after charging:	2013	2012
	£	£
Auditors' remuneration	-	-
Directors' remuneration	-	-

Auditors' remuneration is borne by another group Company within the Tiger Developments Group.

BROOMCO (4102) LIMITED

Notes to the financial statements for year ended 31 December 2013 - continued

4 Interest

	2013 £	2012 £
Interest payable on bank loans wholly payable within five years	(512,097)	(644,996)
	(512,097)	(644,996)

5 Tax on loss on ordinary activities

	2013 £	2012 £
Current tax:		
UK corporation tax	-	-
Adjustments in respect of prior years	(13,022)	10,638
Current tax (credit)/charge for the year	(13,022)	10,638

The Company is liable to corporation tax on profits at the standard rate of corporation tax in the United Kingdom. With effect from 1 April 2013, the standard rate of corporation tax is 23% giving a weighted average rate of 23.25% for the Company for 2013. Tax assessed for the period is lower (2012: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2013 of 23.25% (2012: 24.5%). The differences are explained below:

	2013 £	2012 £
Loss on ordinary activities before tax	171,360	876,953
Loss on ordinary activities multiplied by the standard rate of corporation tax for the year of 23.25% (2012: 24.5%)	39,841	214,853
Effects of:		
Provision for impairment of trading properties assets	-	(73,500)
Expenses not deductible	(830)	-
Tax losses carried forward	(39,011)	(141,353)
Adjustment in respect of prior years	13,022	(10,638)
Current tax credit for the year	13,022	(10,638)

The Company has a potential deferred tax asset amounting to £2,356,088 (2012: £2,290,593) which relates to unutilised corporation tax losses brought forward. A deferred tax asset has not been recognised in respect of these losses on the basis that the Company is not in a position to determine when these losses will be utilised.

The tax rate for the current period is lower than the prior period due to changes in the UK corporation tax rate which decreased from 24% to 23% from 1 April 2013.

Further reductions to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2013 on 2 July 2013. These reduce the main rate to 21% from 1 April 2014 and to 20% from 1 April 2015.

BROOMCO (4102) LIMITED

Notes to the financial statements for year ended 31 December 2013 - continued

6 Trading properties

	2013 £	2012 £
Site costs	13,400,000	13,400,000
Development expenditure, incl. finance costs	3,846,892	3,846,892
Impairment in carrying value of trading properties	(8,279,311)	(8,546,892)
	<u>8,967,581</u>	<u>8,700,000</u>

Trading properties are stated at cost less adjustments for any impairment in carrying value. The aggregate amount of finance costs included in trading properties is £1,240,149 (2012: £1,240,149).

7 Debtors

	2013 £	2012 £
Amounts due from fellow subsidiary undertakings	190,608	190,608
Other debtors	139,470	136,935
	<u>330,078</u>	<u>327,543</u>

8 Creditors: amounts falling due within one year

	2013 £	2012 £
Value added tax	33,296	39,447
Amounts owed to parent undertaking	3,027,743	2,861,226
Amounts owed to fellow subsidiary undertakings	1,426,997	1,263,968
Bank loans (note 9)	13,635,186	13,400,000
Accruals	495,403	625,530
	<u>18,618,625</u>	<u>18,190,171</u>

Amounts owed to fellow subsidiary undertakings are unsecured, interest free, have no fixed date of repayment and are payable on demand.

9 Bank loans

	2013 £	2012 £
Maturity of bank loans:		
In one year or less	13,735,186	13,400,000
In more than one, but not more than two years	-	-
In more than two, but not more than five years	-	-
	<u>13,735,186</u>	<u>13,400,000</u>
Unamortised loan issue costs	-	-
	<u>13,735,186</u>	<u>13,400,000</u>

Included within current borrowings are amounts totalling £13,735,186 (2012: £13,400,000) that are repayable in more than one year from the balance sheet date. Notwithstanding that the Directors certify compliance at the date of approval of the financial statements, these loans are classified at the year end as payable within one year in order to satisfy the technical requirements of accounting standards and to reflect a consistent approach between the valuation of properties used in these financial statements at the year end and the covenant compliance position that could have been computed at the year end date. As further dealt with in note 2, the directors have concluded that the company was in compliance with all financial covenants attaching to the facility agreements as at the date at which the financial statements have been drawn up.

BROOMCO (4102) LIMITED

Notes to the financial statements for year ended 31 December 2013 - continued

10 Called up share capital

	2013 £	2012 £
Authorised		
76 'A' ordinary shares of £1 each	76	76
24 'B' ordinary shares of £1 each	24	24
	100	100
Allotted, called up and fully paid		
76 'A' ordinary shares of £1 each	76	76
24 'B' ordinary shares of £1 each	24	24
	100	100

11 Share premium account

	2013 £	2012 £
Premium arising on issue of 'B' ordinary shares	1,099,976	1,099,976

12 Profit and loss account

	2013 £	2012 £
At beginning of year	(10,262,704)	(9,375,113)
Loss for the financial year	(158,338)	(887,591)
At end of year	(10,421,042)	(10,262,704)

13 Reconciliation of movement in equity shareholders' funds

	2013 £	2012 £
Equity shareholders' funds at beginning of year	(9,162,628)	(8,275,037)
Loss for the financial year	(158,338)	(887,591)
Equity shareholders' funds at end of year	(9,320,966)	(9,162,628)

14 Financial commitments

The Company has guaranteed bank borrowings of subsidiary undertakings and other related parties entities within the Colebridge International Limited Group as part of cross guarantee arrangements in place. Further details in relation to these commitments are set out in note 2.

15 Approval of financial statements

The Board of Directors approved the financial statements on 16 October 2014.