

CORFE HILL LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

REGISTERED NUMBER: 6455235

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CORFE HILL LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2009

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CORFE HILL LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

Directors	Keith A Ritchie Emma L Scott
Secretary	Helene Y H Li
Registered Office	2 King Edward Street London EC1A 1HQ
Independent auditors	PricewaterhouseCoopers LLP Hays Galleria 1 Hays Lane London SE1 2RD

CORFE HILL LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements for Corfe Hill Limited ("the Company") for the year ended 31 December 2009. The comparative figures are for the period 17 December 2007, the date of incorporation, to 31 December 2008.

1. Principal activities and review of the business

Business structure and principal activities

The Company is a wholly owned subsidiary of Carrington Limited and is part of the Bank of America Corporation group. The Company is incorporated in the United Kingdom.

The principal activity of the Company is to carry on business as an investment company. The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

The Company derives income from the investment of funds with an intermediate parent company, Bank of America, N A.

Future outlook

The Company earned all of its income from its investment activities. The directors expect to generate income from the continued investment of capital to maintain the Company's profitability in the coming year.

Principal risks and uncertainties

The Company's only asset is cash held on deposit with its intermediate parent company, Bank of America, N A, together with accrued interest thereon. The Company's only liability is an amount due for Corporation tax in the normal course of business. For these reasons the directors do not believe that the Company is subject to any material risks.

The Company's risk management exposures are more fully described in note 2 to the financial statements.

Results and key performance indicators

The results of the Company for the period are set out in the statement of comprehensive income on page 7 of the financial statements. The profit for the year after providing for income tax was £1,581,000 (period 17 December 2007 to 31 December 2008: £9,620,000). The reduced profit in 2009 compared to 2008 reflects the fall in interest rates.

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

2. Dividends

No dividends were declared or paid during the year. The directors do not recommend the payment of a dividend in respect of 2009 (period 17 December 2007 to 31 December 2008: £nil).

3. Charitable and political donations

The Company made no charitable or political donations during the year (period 17 December 2007 to 31 December 2008: £nil).

CORFE HILL LIMITED

DIRECTORS' REPORT (continued)

4. Directors

The present directors are shown on page 1. The directors who served throughout the year to the date of this report were

Reginald Brown	Resigned 24 March 2009
Timothy J Puntan	Resigned 27 September 2010
Keith A Ritchie	
Emma L Scott	Appointed 23 April 2009

The directors have not at any time during the period held any beneficial interest in the shares of the Company or any other group company incorporated in the United Kingdom.

5. Independent auditors

The auditors, PricewaterhouseCoopers LLP, have signified their willingness to continue in office.

6. Provision of information to auditors

Each director confirms that

- (a) so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (b) that they have taken all of the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

CORFE HILL LIMITED

DIRECTORS' REPORT (continued)

7. Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

The Companies Act 2006 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 International Financial Reporting Standards (IFRS), as adopted by the European Union, and applicable law

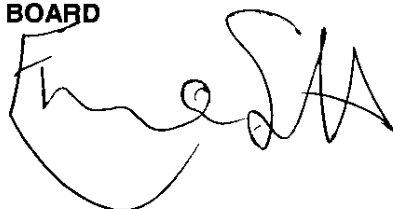
The financial statements are required by law to give a true and fair view of the state of affairs of the Company and Group at 31 December 2009 and of the profit or loss of the Group and Company for the year then ended. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

BY ORDER OF THE BOARD

Emma L. Scott
Director
30 September 2010



CORFE HILL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORFE HILL LIMITED

We have audited the financial statements of Corfe Hill Limited for the year ended 31 December 2009, which comprise, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

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 2009 and of the Company's profit and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, 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.

CORFE HILL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORFE HILL 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
- 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


Simon Hunt

Senior Statutory Auditor

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

30 September 2010

CORFE HILL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	Note	Year 01 Jan 09 to 31 Dec 09 £'000	Period 17 Dec 07 to 31 Dec 08 £'000
Interest income	4	2,196	13,464
Profit before income tax		2,196	13,464
Income tax expense	8	(615)	(3,844)
Profit and total comprehensive income		1,581	9,620

The results above are all derived from continuing activities

Profit and total comprehensive income are attributable to the members of the Company

The above statement of comprehensive income should be read in conjunction with the accompanying notes on pages 11 to 15

CORFE HILL LIMITED
REGISTERED NUMBER: 6455235

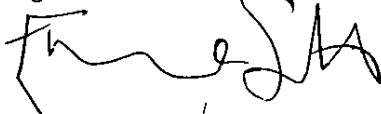
STATEMENT OF FINANCIAL POSITION

At 31 December 2009

	Note	31 Dec 09 £'000	31 Dec 08 £'000
ASSETS			
Current assets			
Interest receivable	9	59	282
Cash and cash equivalents	10	246,446	246,015
TOTAL ASSETS		<u>246,505</u>	<u>246,297</u>
EQUITY & LIABILITIES			
Share capital	11	235,000	235,000
Retained earnings		11,201	9,620
TOTAL EQUITY		<u>246,201</u>	<u>244,620</u>
Current liabilities			
Income tax liabilities		304	1,677
TOTAL LIABILITIES		<u>304</u>	<u>1,677</u>
TOTAL EQUITY & LIABILITIES		<u>246,505</u>	<u>246,297</u>

The above statement of financial position should be read in conjunction with the accompanying notes on pages 11 to 15

The financial statements on pages 7 to 15 were approved by the directors on 30 September 2010 and signed on their behalf by



Emma L. Scott
Director

CORFE HILL LIMITED**STATEMENT OF CHANGES IN EQUITY**

	Share Capital £'000	Retained Earnings £'000	Total £'000
Balance at 17 December 2007	-	-	-
Equity issued	235,000	-	235,000
Comprehensive income			
Profit and total comprehensive income	-	9,620	9,620
Balance at 31 December 2008	235,000	9,620	244,620
Comprehensive income			
Profit and total comprehensive income	-	1,581	1,581
Balance at 31 December 2009	235,000	11,201	246,201

CORFE HILL LIMITED**CASH FLOW STATEMENT**

For the year ended 31 December 2009

	Note	31 Dec 09 £'000	31 Dec 08 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		2,196	13,464
Net (decrease) / increase in interest receivable		223	(282)
Corporation tax payments		(1,988)	(2,167)
Net cash inflow from operating activities		<u>431</u>	<u>11,015</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares	11	<u>-</u>	<u>235,000</u>
Net cash from financing activities		<u>-</u>	<u>235,000</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		<u>431</u>	<u>246,015</u>
Cash and cash equivalents at beginning of year / period		246,015	-
CASH AND CASH EQUIVALENTS AT END OF YEAR / PERIOD	10	<u><u>246,446</u></u>	<u><u>246,015</u></u>

The above cash flow statement should be read in conjunction with the accompanying notes on pages 11 to 15

CORFE HILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

1. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and the requirements of the Companies Act, 2006. They have been prepared under the historical cost convention modified to include the fair valuation of certain financial instruments to the extent required or permitted under IAS 39, 'Financial Instruments, recognition, and measurement' as set out in the relevant accounting policies.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires directors to exercise their judgement in the process of applying the Company's accounting policies (see note 2 – Critical accounting estimates and judgements).

Standards, interpretations and amendments to published standards effective in 2009

IAS 1 (revised), Presentation of financial statements, and IFRS 7 'Financial instruments - Disclosures' (amendment), are both effective for periods beginning on or after 1 January 2009, but do not have any impact on the classification and measurement of the Company's elements of the financial statements. IAS 1 (revised) requires 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income, while IFRS 7 (amendment) requires enhanced disclosures about fair value measurement. In accordance with the respective transition provisions of these standards, comparative information has been re-presented in respect of the disclosures required by IAS 1 (revised) but has not been re-presented in respect of the disclosures required by IFRS 7 (amendment).

Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for the Company's accounting periods beginning after 1 January 2009. The Company has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the Company's directors are of the opinion that, there are no requirements that will have a possible significant impact on the Company's financial statements in the period of initial application.

(b) Functional and presentational currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The financial statements are presented in pounds sterling, which is the Company's functional and presentation currency.

(c) Financial reporting by segments

The Company derives operating revenue from one principal business activity, acting as an investment company. The Company's income is all generated in the United Kingdom. Accordingly, segmental data has not been disclosed.

CORFE HILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

(d) Revenue recognition

Interest receivable and similar income is recognised on an accruals basis using the effective interest rate method. Dividend income is recognised when the right to receive payment is established.

(e) Taxation

Taxation payable on taxable profits is recognised as an expense in the period in which the profits arise, and is based on the tax laws enacted or substantively enacted at the end of the reporting period date in the countries where the Company and its subsidiaries operate and generate taxable income. No deferred tax balances are recognised in the financial statements.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks. All such balances are held with Bank of America, N A.

(g) Financial instruments

Financial liabilities are measured at amortised cost. The Company's financial assets, consisting of loans to its parent company, are classified as loans and receivables. Loans and receivables are recognised initially at cost (including direct and incremental transaction costs) and subsequently at amortised cost using the effective interest method.

(h) Share capital

Ordinary shares are classified as equity.

2. FINANCIAL RISK MANAGEMENT

The Company's only asset is cash held on deposit with its intermediate parent company, Bank of America, N A, together with accrued interest thereon. The Company's only liability is an amount due for Corporation tax in the normal course of business. For these reasons the directors do not believe that the Company is subject to any material risks.

The interest income on the time deposits is based on the British Bankers' Association interest rate fixings. A 0.5% movement in the interest rate would result in a £1,232,000 movement in the Company's profit before income tax.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

CORFE HILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

Year	Period
01 Jan 09	17 Dec 07
to	to
31 Dec 09	31 Dec 08
£'000	£'000

4. INTEREST INCOME

Interest earned on deposits placed with an intermediate parent company	<u>2,196</u>	<u>13,464</u>
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5. REMUNERATION OF AUDITORS

Statutory auditors' fees of £6,000 (period 17 December 2007 to 31 December 2008 £6,000) are paid by an intermediate parent company, Bank of America, N A. The auditors did not receive any other benefits in respect of their audit and other services (period 17 December 2007 to 31 December 2008 £nil)

6. DIRECTORS' REMUNERATION

No director received any remuneration for services as a director of the Company during the year (period 17 December 2007 to 31 December 2008 £nil)

The directors have not at any time during the year held any beneficial interest in the shares of the Company or any other group company incorporated in the United Kingdom

7. EMPLOYEES

The Company did not have any employees during the year (period 17 December 2007 to 31 December 2008 £nil)

Year	Period
01 Jan 09	17 Dec 07
to	to
31 Dec 09	31 Dec 08
£'000	£'000

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

Current tax

UK corporation tax based on the profit for the year at 28%
(period 17 December 2007 to 31 December 2008 28.55%)

<u>615</u>	<u>3,844</u>
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There is no difference between the tax charge for the year shown above, and the profit on ordinary activities multiplied by the UK corporation tax rate of 28% (period ended 31 December 2008 28.55%)

The amount of deferred tax asset not recognised by the Company for the year ended 31 December 2009 was £Nil (2008 £Nil). On 27 July 2010, the United Kingdom enacted a law change reducing the corporate tax rate by one percent effective for the 2011 United Kingdom tax financial year beginning on 1 April 2011.

CORFE HILL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2009

	31 Dec 09 £'000	31 Dec 08 £'000
9. INTEREST RECEIVABLE		
Interest on deposit held with intermediate parent company	<u>59</u>	<u>9</u>

	31 Dec 09 £'000	31 Dec 08 £'000
10. CASH AND CASH EQUIVALENTS		
Short term deposits are held at Bank of America, N A	<u>246,446</u>	<u>246,015</u>

Interest bearing pounds sterling deposits held with Bank of America, N A for the amount of £246,446,000 (2008 £246,015,000) The deposits mature on 15 January 2010 Interest is earned at the one month GBP LIBOR rate At the end of the reporting period the interest rate on the deposits was 0.51500% (2008 2.45688%)

	31 Dec 09 £'000	31 Dec 08 £'000
11. SHARE CAPITAL		
Issued		
235,000,000 ordinary share of £1 fully paid	<u>235,000</u>	<u>235,000</u>

12. RELATED PARTY INFORMATION**(a) Group entities**

The Company is a wholly owned subsidiary of Carrington Limited, a company incorporated in the United Kingdom

(b) Key management personnel

The board of directors represents key management personnel A list of directors who served throughout the year is set out in note 4 of the directors' report on page 3 No director received any remuneration for services as a director of the Company during the year (2008 £nil)

CORFE HILL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2009

12. RELATED PARTY INFORMATION (continued)

(c) Transactions with related parties

Amounts receivable from and payable to entities in the wholly owned group and other related parties

	Note	31 Dec 09 £'000	31 Dec 08 £'000
Aggregate amounts receivable at the statement of financial position date			
Interest receivable	9	59	282
Cash and cash equivalents	10	246,446	246,015
		<u>246,505</u>	<u>246,297</u>

There are no related party amounts payable at the statement of financial position date

Aggregate amounts earned reported in the statement of comprehensive income

Interest income	4	<u>2,196</u>	<u>13,464</u>
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There is no related party expense reported in the statement of comprehensive income

13. ULTIMATE CONTROLLING PARTY

The ultimate parent company is Bank of America Corporation which is incorporated in the United States of America. This is the largest group to prepare consolidated financial statements which include the financial statements of the Company.

The immediate parent company is Carrington Limited, a company incorporated in the United Kingdom, is the smallest group into which the Company's results are consolidated.

Copies of the financial statements of Bank of America Corporation and Carrington Limited can be obtained from the Corporate Secretary's office, 2 King Edward Street, London EC1A 1HQ.