

**Company Registration No. 06952256**

**InnBrighton Properties Limited**

**Annual Report and Financial Statements**

**30 June 2011**

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# **InnBrighton Properties Limited**

## **Annual report and financial statements 2011**

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# **InnBrighton Properties Limited**

## **Annual report and financial statements 2011**

### **Officers and professional advisers**

#### **Directors**

P Bennett  
G George  
G Pettet  
M Swindon

#### **Registered Office**

Global House  
High Street  
Crawley  
West Sussex  
RH10 1DL

#### **Bankers**

Royal Bank of Scotland plc  
Kirkstone House  
139 St Vincent Street  
Glasgow  
G2 5JF

#### **Solicitors**

SJ Berwin LLP  
10 Queen Street Place  
London  
EC4R 1BE

#### **Independent auditor**

Deloitte LLP  
Chartered Accountants  
Crawley

# **InnBrighton Properties Limited**

## **Directors' report**

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report for the year ended 30 June 2011

### **Principal activity**

The principal activity of the company is to acquire freehold premises and lease these to InnBrighton Limited and/or its other subsidiaries

### **Business review and dividends**

The trading results of the company are shown on page 5

The position of the company at the balance sheet date is shown on page 7

The directors do not recommend the payment of a dividend (2010 - £nil)

### **Risk management objectives and policies**

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term debt finance via its immediate parent company

### **Directors**

The directors of the company throughout the year were

P Bennett  
G George  
G Pettet  
M Swindon

### **Independent auditor and statement of provision of information to the independent auditor**

Deloitte LLP have expressed their willingness to continue in office as auditor of the company and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Each of the persons who is a director at the date of approval of this report confirms that

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Approved by the Board and signed on its behalf



M Swindon  
Director

31 October 2011

# **InnBrighton Properties Limited**

## **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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 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

## **Independent auditor's report to the members of InnBrighton Properties Limited**

We have audited the financial statements of InnBrighton Properties Limited for the year ended 30 June 2011 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2011 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.

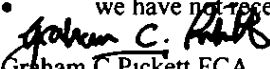
### **Opinion on other matter prescribed by the Companies Act 2006**

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.

  
Graham C Pickett FCA  
(Senior Statutory Auditor)

for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Crawley, United Kingdom

**31** October 2011

# InnBrighton Properties Limited

## Profit and loss account For the year ended 30 June 2011

		Year ended 30 June 2011 £	Period from 3 July 2009 to 30 June 2010 £
<b>Turnover and gross profit</b>	1,2	112,426	84,377
Administrative expenses		<u>(107,073)</u>	<u>(80,359)</u>
<b>Profit on ordinary activities before taxation</b>	4	5,353	4,018
Tax charge on profit on ordinary activities	5	<u>(31,478)</u>	<u>(23,626)</u>
<b>Loss for the financial year/period</b>	9	<u><u>(26,125)</u></u>	<u><u>(19,608)</u></u>

Results for the year/period are derived from the continuing operations of the company

## InnBrighton Properties Limited

### Statement of total recognised gains and losses For the year ended 30 June 2011

	Year ended 30 June 2011 £	Period from 3 July 2009 to 30 June 2010 £
Loss for the financial year/period	(26,125)	(19,608)
Unrealised gains on freehold properties	-	955,463
<b>Total recognised gains and losses relating to the financial year/period</b>	<b>(26,125)</b>	<b>935,855</b>

### Note of historical cost profits and losses Year ended 30 June 2011

	Note	2011 £	2010 £
Reported profit on ordinary activities before taxation		5,353	4,018
Difference between an historical cost depreciation charge and the actual depreciation charge for the year	9	22,577	-
<b>Historical cost profit on ordinary activities before taxation</b>		<b>27,930</b>	<b>4,018</b>
Historical cost loss for the year after taxation		(3,548)	(19,608)



# InnBrighton Properties Limited

## Balance sheet At 30 June 2011

	Note	At 30 June 2011		At 30 June 2010	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	6		4,042,933		4,150,000
<b>Current assets</b>					
Debtors amounts owed by group undertakings		196,797		84,378	
<b>Creditors: amounts falling due within one year</b>	7	<u>(3,329,999)</u>		<u>(3,298,522)</u>	
<b>Net current liabilities</b>			<u>(3,133,202)</u>		<u>(3,214,144)</u>
<b>Total assets less current liabilities</b>			<u>909,731</u>		<u>935,856</u>
<b>Capital and reserves</b>					
Called up share capital	8,9		1		1
Revaluation reserve	9		932,886		955,463
Profit and loss account (deficit)	9		<u>(23,156)</u>		<u>(19,608)</u>
<b>Total shareholders' funds</b>	9		<u>909,731</u>		<u>935,856</u>

The financial statements of InnBrighton Properties Limited, registered number 06952256, were approved by the board of directors and authorised for issue on 31 October 2011

Signed on its behalf by



M Swindon  
Director

# InnBrighton Properties Limited

## Notes to the accounts For the year ended 30 June 2011

### 1 Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the current financial year and preceding financial period.

#### Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets.

#### Going concern

The company is reliant on the support of its parent company, InnBrighton Limited.

In preparing these financial statements the directors have considered the appropriateness of the going concern basis. In forming their view, the Directors have conducted a detailed review of the trading prospects of the company and group for the 12 months from the date of the signing of these accounts in order to assess the group's funding requirements and its ability to comply with the covenants attached to the lending received from the bank.

At the balance sheet date and to the date the balance sheet was approved by the board, the group has not breached any of its banking covenants and is not forecast to do so.

The directors believe that the group's banker and shareholders will continue to support the group and on this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

#### Exemption from preparing a cash flow statement

The company is a wholly owned subsidiary of InnBrighton Limited which prepares consolidated accounts that are publicly available, the company is, on this basis, exempt from the requirement of FRS1 to present a cash flow statement.

#### Turnover

Turnover represents the amounts receivable for goods and services net of VAT and trade discounts. In respect of the financial year ended 30 June 2011, turnover represents an inter-group management charge based on a mark up against costs incurred.

#### Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation is provided on cost or valuation in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Freehold land	- no depreciation
Freehold buildings	- straight line over 50 years

# InnBrighton Properties Limited

## Notes to the accounts For the year ended 30 June 2011

### 1. Accounting policies (continued)

#### Revaluation of properties

Individual freehold and short leasehold properties are revalued in accordance with FRS 15 with the surplus or deficit on book value being transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. A deficit which represents a clear consumption of economic benefits is charged to the profit and loss account regardless of any such previous surplus.

Where depreciation charges are increased following a revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss account as a movement on reserves. On the disposal or recognition of a provision for impairment of a revalued fixed asset, any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserves.

#### Taxation

Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Deferred tax assets and liabilities are not discounted.

### 2. Turnover

The total turnover of the company, all of which arises in the United Kingdom, is attributable to its principal activity and is stated net of value added tax.

### 3. Information regarding directors and employees

Other than the directors, the company has no employees.

All directors' remuneration is borne by InnBrighton Limited, the company's immediate parent company.

### 4. Profit on ordinary activities before taxation

	Year ended 30 June 2011 £	Period from 3 July 2009 to 30 June 2010 £
<b>Profit on ordinary activities is stated after charging/(crediting)</b>		
Management charge	(196,797)	(84,377)
Depreciation of tangible assets	107,067	80,359
Auditors' remuneration - audit fees	-	-
	<u>                    </u>	<u>                    </u>

The audit fee of £4,000 (2010 - £4,000) for 2011 has been borne by the company's immediate parent company.

# InnBrighton Properties Limited

## Notes to the accounts For the year ended 30 June 2011

### 5. Tax charge on profit on ordinary activities

#### (a) Tax charge on profit on ordinary activities

	Year ended 30 June 2011 £	Period from 3 July 2009 to 30 June 2010 £
<b>Current tax</b>		
United Kingdom corporation tax at 28% (2010 – 28%) based on the profit for the year/period	31,478	23,626
Total tax charge	<u>31,478</u>	<u>23,626</u>

#### (b) Factors affecting current tax charge for the year/period

	Year ended 30 June 2011 £	Period from 3 July 2009 to 30 June 2010 £
Profit on ordinary activities before taxation	<u>5,353</u>	<u>4,018</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2010 – 28%)	1,499	1,125
Effects of Expenses not deductible for tax purposes	<u>29,979</u>	<u>22,501</u>
Total actual amount of current tax	<u>31,478</u>	<u>23,626</u>

# InnBrighton Properties Limited

## Notes to the accounts For the year ended 30 June 2011

### 6. Tangible fixed assets

	<b>Freehold land and buildings £</b>
<b>Cost or valuation</b>	<u>                    </u>
At 30 June 2010 and 30 June 2011	<u>4,150,000</u>
<b>Accumulated depreciation</b>	
At 1 July 2010	-
Charge for the year	<u>107,067</u>
At 30 June 2011	<u>107,067</u>
<b>Net book value</b>	
At 30 June 2011	<u>4,042,933</u>
At 30 June 2010	<u>4,150,000</u>

Freehold land and buildings were professionally valued in the prior year by AW Gore and Co, licensed property agents, valuers and surveyors, on a value in use basis at 30 June 2010. The historic cost of revalued freehold land and buildings is £3,274,896 (2010 - £3,274,896) and the net book value on a historic basis is £3,110,047 (2010 - £3,194,537). The company's properties act as security for banking facilities provided to the company's immediate parent by the Royal Bank of Scotland plc.

### 7 Creditors: amounts falling due within one year

	<b>2011 £</b>	<b>2010 £</b>
Amounts owed to group undertakings	3,298,521	3,274,896
Corporation tax	31,478	23,626
	<u>3,329,999</u>	<u>3,298,522</u>

# InnBrighton Properties Limited

## Notes to the accounts For the year ended 30 June 2011

### 8 Called up share capital

	2011 £	2010 £
<b>Called up, allotted and fully paid</b>		
1 Ordinary share of £1	1	1

### 9 Combined reconciliation of movements in shareholders' funds and statement of movements on reserves

	Issued share capital £	Revaluation reserve £	Profit and loss account £	2011 Total £	2010 Total £
At the beginning of the year	1	955,463	(19,608)	935,856	1
Depreciation on revaluation	-	(22,577)	22,577	-	-
Unrealised surplus on revaluation	-	-	-	-	955,463
Loss for the financial year/period	-	-	(26,125)	(26,125)	(19,608)
At the end of the year	1	932,886	(23,156)	909,731	935,856

### 10. Related party transactions

The company has taken advantage of FRS8 not to disclose related party transactions with other members of the group as it is a 100% owned subsidiary

### 11 Ultimate parent companies and controlling entity

The immediate and ultimate parent undertaking is InnBrighton Limited, a company registered in England and Wales. The directors consider Graphite Capital to be the ultimate controlling party of the company.

Copies of the accounts of InnBrighton Limited, which consolidate the results of InnBrighton Properties Limited, can be obtained from Companies House, Crown Way, Mandy, Cardiff, CF14 3UZ.