

Company Registration No. 06952256

InnBrighton Properties Limited

Annual Report and Financial Statements

30 June 2010

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InnBrighton Properties Limited

Annual report and financial statements 2010

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InnBrighton Properties Limited

Annual report and financial statements 2010

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 auditors

Deloitte LLP
Chartered Accountants
Crawley

InnBrighton Properties Limited

Directors' report

The directors present their first report and the audited financial statements for the period ended 30 June 2010

Incorporation

The company was incorporated as InnBrighton Properties Limited on 3 July 2009

The company commenced trading on 6 August 2009

Share issue

On incorporation the company issued 1 share at £1 per share

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

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

Future prospects

During the next financial year the company is looking to create a sale and leaseback option on the freeholds with the benefit of the lease falling to the parent company

Directors

The directors of the company throughout the period were

P Bennett	(appointed 3 July 2009)
G George	(appointed 3 July 2009)
G Pettet	(appointed 3 July 2009)
M Swindon	(appointed 3 July 2009)

Independent auditors and statement of provision of information to the independent auditors

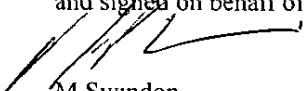
Deloitte LLP were appointed as auditors of the company during the period and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

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 auditors are 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 auditors are 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 of Directors
and signed on behalf of the Board


M Swindon
Director

21 October 2010

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 auditors' report to the members of InnBrighton Properties Limited

We have audited the financial statements of InnBrighton Properties Limited for the period from 3 July 2009 to 30 June 2010 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 30 June 2010 and of its loss for the period from 3 July 2009 to 30 June 2010,
- 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.

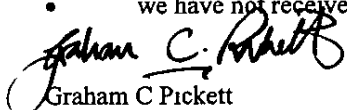
Opinion on other matter prescribed by the Companies Act 2006

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
(Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Crawley, United Kingdom

21 October 2010

InnBrighton Properties Limited

Profit and loss account

Period from 3 July 2009 to 30 June 2010

	Note	Period from 3 July 2009 to 30 June 2010 £
Turnover and gross profit	1,2	84,377
Administrative expenses		<u>(80,359)</u>
Operating profit and profit on ordinary activities before taxation	4	4,018
Tax charge on profit on ordinary activities	5	<u>(23,626)</u>
Loss on for the financial period	9	<u><u>(19,608)</u></u>

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

InnBrighton Properties Limited

Statement of total recognised gains and losses Period from 3 July 2009 to 30 June 2010

	Period from 3 July 2009 to 2010 £
Loss for the period	(19,608)
Unrealised gains on freehold properties	955,463
Total recognised gains and losses relating to the period	<u><u>935,855</u></u>

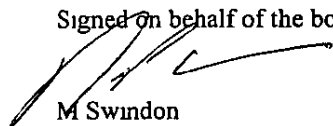
InnBrighton Properties Limited

Balance sheet 30 June 2010

	Note	£	2010 £
Fixed assets			
Tangible fixed assets	6		4,150,000
Current assets			
Debtors amounts - owed by group undertakings		84,378	
Creditors: amounts falling due within one year	7	<u>(3,298,522)</u>	
Net current liabilities			<u>(3,214,144)</u>
Total assets less current liabilities			<u>935,856</u>
Capital and reserves			
Called up share capital	8,9		1
Revaluation reserve	9		955,463
Profit and loss account	9		<u>(19,608)</u>
Total shareholders' funds	9		<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 21 October 2010

Signed on behalf of the board of directors



M Swindon
Director

InnBrighton Properties Limited

Notes to the accounts

For the period from 3 July 2009 to 30 June 2010

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 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 2010, turnover represents a 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 period from 3 July 2009 to 30 June 2010

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. Operating profit

	Period from 3 July 2009 to 30 June 2010 £
Operating profit is stated after charging/(crediting):	
Management charge	(84,377)
Depreciation of tangible assets	80,359
Auditors' remuneration - audit fees	-
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The audit fee of £4,000 for 2010 has been borne by the company's immediate parent company.

InnBrighton Properties Limited

Notes to the accounts

For the period from 3 July 2009 to 30 June 2010

5. Tax charge on profit on ordinary activities

(a) Tax charge on profit on ordinary activities

	Period from 3 July 2009 to 30 June 2010 £
Current tax	
United Kingdom corporation tax at 28% based on the profit for the period	23,626
Total tax charge	<u>23,626</u>

(b) Factors affecting current tax charge for the period

	Period from 3 July 2009 to 30 June 2010 £
Profit on ordinary activities before taxation	<u>4,018</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28%	1,125
Effects of Expenses not deductible for tax purposes	<u>22,501</u>
Total actual amount of current tax	<u>23,626</u>

InnBrighton Properties Limited

Notes to the accounts

For the period from 3 July 2009 to 30 June 2010

6. Tangible fixed assets

	Freehold land and buildings £
Cost or valuation	
On incorporation	-
Additions	3,274,896
Revaluation	875,104
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At 30 June 2010	4,150,000
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Accumulated depreciation	
On incorporation	-
Charge for the period	80,359
Revaluation adjustment	(80,359)
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At 30 June 2010	-
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Net book value	
At 30 June 2010	4,150,000
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Freehold land and buildings were professionally valued 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 and the net book value on a historic basis is £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

	2010 £
Amounts owed to group undertakings	3,274,896
Corporation tax	23,626
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	3,298,522
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InnBrighton Properties Limited

Notes to the accounts

For the period from 3 July 2009 to 30 June 2010

8. Called up share capital

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

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

	Issued share capital £	Revaluation reserve £	Profit and loss account £	2010 Total £
Balance on incorporation	1	-	-	1
Unrealised surplus on revaluation	-	955,463	-	955,463
Loss for the financial period	-	-	(19,608)	(19,608)
Balance at the end of the period	<u>1</u>	<u>955,463</u>	<u>(19,608)</u>	<u>935,856</u>

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.