

**Brightsea FP Limited**

Report and Financial Statements

Year Ended

31 March 2011

Company Number 00732454

THURSDAY



\*A0P837D7\*

A38

29/12/2011

#354

COMPANIES HOUSE

**Brightsea FP Limited**  
**Report and financial statements for the year ended 31 March 2011**

**Contents**

**Page**

1	Report of the directors
2	Statement of directors' responsibilities in respect of the Directors' Report and the financial statements
3	Independent auditors' report
5	Profit and loss account
6	Statement of total recognised gains and losses
7	Balance sheet
8	Notes forming part of the financial statements

**Directors**

M Benady

C White

Trafalgar Officers Limited

**Country of incorporation**

England

**Secretary and registered office**

F&C REIT (Corporate Services) Limited, 5 Wigmores Street, London, W1U 1PB

**Company number**

00732454

**Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

**Brightsea FP Limited**  
**Report of the directors for the year ended 31 March 2011**

The directors present their report together with the audited financial statements for the year ended 31 March 2011

**Results and principal activities**

Results for the year are set out on page 5.

The company's principal activity is property investment in the UK together with the management of its properties.

**Directors**

The directors of the company during the year and since were

Trafalgar Officers Limited

M Benady

C White

**Disclosure of information to auditors**

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

**Auditors**

A resolution to reappoint BDO LLP as auditor will be proposed at the annual general meeting in accordance with Companies Act 2006.

By order of the board



**A. Jacobs**

**For and on behalf of F&C REIT (Corporate Services) Limited**

*Secretary*

Date 28 DEC 2011

**Brightsea FP Limited**  
**Report of the directors for the year ended 31 March 2011**

**Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the company 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 year.

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 United Kingdom Generally Accepted Accounting policies have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

In preparing this Directors' Report advantage has been taken of the small companies' exemption.

**Brightsea FP Limited**  
**Independent auditor's report**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIGHTSEA EP LIMITED**

We have audited the financial statements of Brightsea FP Limited for the year ended 31 March 2011 which comprise profit and loss account, the balance sheet, the statement of total recognised gains and losses 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)

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 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 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 (APB's) Ethical Standards for Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

**Basis for qualified opinion on financial statements**

With respect to the company's current tax liability, the audit evidence available to us was limited. The company is a member of a large group and its tax position is potentially subject to adjustment under the UK Worldwide Debt Cap regime. The consolidated accounts of the ultimate parent company were not available to us and the tax position cannot be finalised until these accounts are available. Owing to the nature of the company's records, we were unable to obtain sufficient appropriate audit evidence regarding the current tax liability by using other audit procedures.

**Brightsea FP Limited**  
**Independent auditor's report (Continued)**

**Qualified opinion on financial statements**

In our opinion, except for the possible effects of matters described in the Basis for qualified opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 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 matters 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.

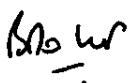
**Matters on which we are required to report by exception**

In respect solely of the limitation on our work relating to the tax liability, described above.

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been kept.

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:

- 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
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime



*Michael Goldstein, (senior statutory auditor)*  
*For and on behalf of BDO LLP, statutory auditor*  
*London*

Date *28th* December 2011

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

**Brightsea FP Limited**  
**Profit and loss account for the year ended 31 March 2011**

	Note	2011 £	2010 £
<b>Gross rental income</b>	1	411,315	6,756,165
Other income		-	467,229
Property expenses		<u>(1,462,845)</u>	<u>(1,893,510)</u>
Gross (loss)/profit		(1,051,530)	5,329,884
Administrative (expenses)/income		(56,464)	28,957
Provision for intercompany debtors		<u>(67,318,838)</u>	<u>-</u>
<b>Operating (loss)/profit</b>		(68,426,832)	5,358,841
Interest receivable	3	3,419,679	11,601
Interest payable	4	-	(1,566,361)
<b>(Loss)/profit on ordinary activities before taxation</b>		<u>(65,007,153)</u>	<u>3,804,081</u>
Tax on (loss)/profit on ordinary activities	5	<u>1,157,323</u>	<u>(53,759)</u>
<b>(Loss)/profit the financial year</b>		<u>(63,849,830)</u>	<u>3,750,322</u>

All of the above results derive from the continuing operations of the company

The notes on pages 8 to 13 form part of these financial statements

**Brightsea FP Limited****Statement of total recognised gains and losses for the year ended 31 March 2011**

	Note	2011 £	2010 £
(Loss)/profit for the financial year		(63,849,830)	3,750,322
Provision for impairment	13	<u>-</u>	<u>(38,673,190)</u>
<b>Total recognised losses relating to the year</b>	13	<u><b>(63,849,830)</b></u>	<u><b>(34,922,868)</b></u>

The notes on pages 8 to 13 form part of these financial statements



**Brightsea FP Limited**  
**Balance sheet at 31 March 2011**

<i>Company number 00732454</i>	<b>Note</b>	<b>2011 £</b>	<b>2010 £</b>
<b>Fixed assets</b>			
Investment property	6	-	89,430,000
<b>Current assets</b>			
Debtors	7	433,504	906,142
		433,504	906,142
<b>Creditors: amounts falling due within one year</b>	8	-	(952,529)
<b>Net current assets/(liabilities)</b>		433,504	(46,387)
<b>Total assets less current liabilities</b>		433,504	89,383,613
<b>Creditors: amounts falling after more than one year</b>	9	-	(23,942,956)
<b>Provisions for liabilities and charges</b>	10	-	(1,157,323)
<b>Net assets</b>		433,504	64,283,334
<b>Capital and reserves</b>			
Called up share capital	11	5,000,000	5,000,000
Revaluation reserve	12	-	24,774,904
Profit and loss account	12	(4,566,496)	34,508,430
<b>Shareholders' funds</b>	13	433,504	64,283,334

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

The financial statements were approved and authorised for issue by the board on 28 DEC 2011

  
**L. Berisch**

**For and on behalf of Trafalgar Officers Limited**  
**Director**

The notes on pages 8 to 13 form part of these financial statements.

## **Brightsea FP Limited**

### **Notes forming part of the financial statements for the year ended 31 March 2011**

#### **1. Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are material in relation to the financial statements

##### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards.

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement on the grounds that it is a "small entity" under the Companies Act 2006

##### *Investment properties*

Investment properties are stated at open market valuations less provision for permanent diminution shown at cost less any impairment provision required

Acquisitions and disposals of investment properties are considered to have taken place where, by the end of the accounting year, there is a legally binding, unconditional and irrevocable contract, with subsequent completion post year end before financial statements are approved for issue.

No depreciation is provided on investment property. This treatment is a departure from the Companies Act 2006 concerning depreciation of fixed assets. However, these properties are not held for consumption but investment and therefore the directors consider that systematic annual depreciation would be inappropriate. Therefore the accounting policy adopted is necessary for the accounts to give a true and fair view. The effect of this departure from the Companies Act 2006 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

##### *Property expenses*

Property expenses represent the direct costs associated with the letting of property, and are recognised on an accruals basis.

##### *Taxation*

Current tax, including UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

**Brightsea FP Limited****Notes forming part of the financial statements for the year ended 31 March 2011 (Continued)****1. Accounting policies (Continued)**

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

*Gross rental income*

Gross rental income represents amounts invoiced to external tenants, excluding value added tax, as adjusted for rents invoiced in advance and in arrears. It is derived from a single class of business within the United Kingdom.

**2. Information regarding directors, employees and operating profit**

No director received emoluments specific to employment as a director of the company during the year ended 31 March 2011 (2010 £ Nil). The company had no other employees (2010 none).

The audit fees were borne by the parent company.

**3. Interest receivable**

	2011 £	2010 £
Intercompany interest	3,419,679	-
Interest receivable	<u>-</u>	<u>11,601</u>
	<u>3,419,679</u>	<u>11,601</u>

**4. Interest payable**

	2011 £	2010 £
Intercompany interest	<u>-</u>	<u>1,566,361</u>

**Brightsea FP Limited**Notes forming part of the financial statements for the year ended 31 March 2011 (*Continued*)**5. Taxation**

	2011 £	2010 £
<b>Current tax</b>		
UK corporation tax	-	65
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>1,157,323</u>	<u>53,694</u>
<b>Total tax on profit on ordinary activities</b>	<u>1,157,323</u>	<u>53,759</u>

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax of 28% (2010 28%) to the profit before tax is as follows:

	2011 £	2010 £
<b>Profit/(Loss) on ordinary activities before tax</b>	<u>(65,007,153)</u>	<u>3,804,081</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 28% (2010 28%)	(18,202,003)	1,065,142
Effects of:		
Expenses not deductible for tax	18,926,622	300,088
Group relief	(724,619)	(1,150,481)
Capital allowances in excess of depreciation	-	(214,749)
Adjustments to tax charge in respect of previous periods	<u>-</u>	<u>65</u>
<b>Current tax charge/(credit) for year</b>	<u>-</u>	<u>65</u>

As the company is a member of a large group its tax position is potentially subject to adjustment under the UK Worldwide Debt Cap regime. The consolidated accounts for the ultimate parent company are not yet available and any such adjustments cannot be quantified until they have been finalised. The directors believe that although it is unlikely that any significant tax charge will result it is appropriate to draw the reader's attention to this matter.

**Brightsea FP Limited**Notes forming part of the financial statements for the year ended 31 March 2011 (*Continued*)**6. Investment properties**

	Freehold investment properties £	Long leasehold investment properties £	Total £
<b>Valuation</b>			
At 1 April 2010	73,033,728	16,396,272	89,430,000
Disposals	<u>(73,033,728)</u>	<u>(16,396,272)</u>	<u>(89,430,000)</u>
At 31 March 2011	<u>-</u>	<u>-</u>	<u>-</u>

On 28<sup>th</sup> April 2010 the investment properties were disposed of to Brightsea UK Limited and Brightsea SARL, both of which are related parties

**7. Debtors**

	2011 £	2010 £
Trade and other debtors	182,917	898,730
Other taxes	<u>250,587</u>	<u>7,412</u>
	<u>433,504</u>	<u>906,142</u>

**8. Creditors: amounts falling due within one year**

	2011 £	2010 £
Trade creditors	-	(145,490)
Accruals and deferred income	<u>-</u>	<u>1,098,019</u>
	<u>-</u>	<u>952,529</u>

**9. Creditors: amounts falling due after more than one year**

	2011 £	2010 £
Amount owed to intermediate parent company	<u>-</u>	<u>23,942,956</u>

**Brightsea FP Limited**Notes forming part of the financial statements for the year ended 31 March 2011 (*Continued*)**10. Provision for liabilities and charges**

	<b>Deferred taxation £</b>
At 1 April 2010	1,157,323
Credit for the year	<u>(1,157,323)</u>
At 31 March 2011	<u>-</u>
Deferred tax is provided as follows	

	<b>2011 £</b>	<b>2010 £</b>
Accelerated capital allowances	<u>-</u>	<u>1,157,323</u>

**11. Called up share capital**

	<b>2011 £</b>	<b>2010 £</b>
<i>Authorised, called up and fully paid</i>		
5,000,000 (2010 5,000,000) ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>

**12. Reserves**

	<b>Revaluation reserve £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 April 2010	24,774,904	34,508,430	59,283,334
Transfer of revaluation reserve on disposal	(24,774,904)	24,774,904	-
Loss for the financial year	<u>-</u>	<u>(63,849,830)</u>	<u>(63,849,830)</u>
At 31 March 2011	<u>-</u>	<u>(4,566,496)</u>	<u>(4,566,496)</u>

**Brightsea FP Limited****Notes forming part of the financial statements for the year ended 31 March 2011 (Continued)****13. Reconciliation of movements in shareholders' funds**

	2011 £	2010 £
(Loss)/ profit on ordinary activities after taxation	(63,849,830)	3,750,322
Provision for impairment	-	(38,673,190)
Net decrease in shareholders' funds	<u>(63,849,830)</u>	<u>(34,922,868)</u>
Opening shareholders' funds	<u>64,283,334</u>	<u>99,206,202</u>
Closing shareholders' funds	<u>433,504</u>	<u>64,283,334</u>

**14. Related parties**

On 28<sup>th</sup> April 2010 the investment properties were disposed of to Brightsea UK Limited, fellow subsidiary of Trafalgar Overseas Limited, for an amount of £89,430k. Payment was settled via the intercompany account

During the year the company provided for amounts totalling £67 318m in respect of amounts due from Brightsea Leeds UK Limited, an intermediate parent company.

**15. Ultimate parent company**

The company's immediate parent company is Brightsea EP Ltd a company registered in the UK, and the company's ultimate parent company is Trafalgar Overseas Limited, a company registered in Gibraltar