

F B P MANAGEMENT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2007

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COMPANIES HOUSE

Registered No. 1931856

F B P MANAGEMENT LIMITED

DIRECTORS' REPORT

Directors S Jennings (resigned 15 October 2008)
 J Walker (resigned 24 January 2008)
 A Turner
 R Brazier
 S Ellis (appointed 24 January 2008)

Secretary R J Levine

Registered office Lloyds Chambers, 1 Portsoken Street, London E1 8PP

The directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985

ACCOUNTS

The directors present their annual report together with the financial statements and auditors' report, for the year ended 31 December 2007

ACTIVITIES

The principal activity of the company is the management and maintenance of the Frimley Business Park. The company will continue in this activity for the foreseeable future.

RESULTS

The results for the year are shown in the profit and loss account on page 6. The company's articles do not permit the payment of a dividend.

DIRECTORS

The directors of the company throughout the year were those listed above.

AUDITORS

Deloitte & Touche LLP resigned as auditors on 17 December 2007 and KPMG LLP were appointed in their place. KPMG LLP were appointed as auditors on 29 October 2008.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

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

- a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- b) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself 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 s234ZA of the Companies Act 1985.

F B P MANAGEMENT LIMITED**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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 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, 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FBP MANAGEMENT LIMITED

We have audited the financial statements of FBP Management Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



KPMG LLP
Chartered Accountants
Registered Auditor
One Canada Square
London
E14 5AG

29 October 2008

F B P MANAGEMENT LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	2007 £	2006 £
TURNOVER	2	15,761	60,538
Cost of sales		<u>(15,722)</u>	<u>(60,386)</u>
OPERATING (LOSS) / PROFIT	3	39	152
Interest receivable		3,559	1,709
Interest payable & similar charges		<u>(10)</u>	<u>469</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,588	2,330
Taxation on profit on ordinary activities	4	<u>(729)</u>	<u>(397)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	8	<u>2,859</u>	<u>1,933</u>

There are no recognised gains or losses or movements in shareholders' funds during the current and prior years other than the profit on ordinary activities after taxation disclosed above. Accordingly no statement of total recognised gains and losses or reconciliation of movements in shareholders' funds is given. All operations are continuing operations.

F B P MANAGEMENT LIMITED**BALANCE SHEET - 31 DECEMBER 2007**

	Note	2007 £	2006 £
CURRENT ASSETS			
Debtors	5	197,246	206,403
Cash at bank and in hand		41,516	33,295
		<u>238,762</u>	<u>239,698</u>
CREDITORS - amounts falling due within one year	6	<u>(230,532)</u>	<u>(234,327)</u>
NET CURRENT ASSETS		<u>8,230</u>	<u>5,371</u>
CAPITAL AND RESERVES			
Called up share capital	7	86	86
Profit and loss account	7	<u>8,144</u>	<u>5,285</u>
EQUITY SHAREHOLDERS' FUNDS		<u>8,230</u>	<u>5,371</u>

These financial statements were approved and authorised for issue by the board of directors on ~~24 October~~ 2008 and signed on their behalf by



A Turner
Director

F B P MANAGEMENT LIMITED**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2007****1 ACCOUNTING POLICIES****a) Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom company law and accounting standards

b) Deferred tax

Deferred taxation is provided in full on timing differences that 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 assets and liabilities are not discounted.

c) Turnover recognition

Turnover is recognised on an accruals basis, based on expenses incurred and charged to the profit and loss.

(d) Taxation

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

2 TURNOVER

Turnover represents service charges recoverable from the owners/occupiers of the Frimley Business Park. All of the company's turnover arises in the United Kingdom.

3 PROFIT ON ORDINARY ACTIVITIES

The auditors' remuneration for the years ended 31 December 2007 and 31 December 2006 was borne by the Royal Mail Pension Plan. A fee of £6,000 has been allocated from the group audit fee in respect of the audit of this company.

The directors did not receive any emoluments in respect of their services to the company during the year (2006 - £Nil).

The company had no employees for the current or preceding years.

F B P MANAGEMENT LIMITED**NOTES TO THE ACCOUNTS**

FOR THE YEAR ENDED 31 DECEMBER 2007 (continued)

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2007	2006
	£	£
a) Profit and loss account		
Analysis of tax charge in the period		
Current tax		
UK corporation tax at 19 75% (2006 – 19%)	729	397
Total current tax charge (note 4 (b))	<u>729</u>	<u>397</u>
b) Current Tax Reconciliation		

The tax charge for the period is lower than the small companies rate of corporation tax in the UK (20%) The differences are explained below

Profit on ordinary activities before tax	3,588	2,330
Current tax at 19 75% (2006 19%)	709	443
Effects of		
Starting rate relief	-	(46)
Expenses not deductible for tax purposes	20	-
Current tax charge for period	<u>729</u>	<u>397</u>

5 DEBTORS – amounts falling due within one year

	2007	2006
	£	£
Trade debtors	44,183	44,184
Other debtors	127,480	141,921
Prepayments and accrued income	25,583	20,298
	<u>197,246</u>	<u>206,403</u>

6 CREDITORS - amounts falling due within one year

	2007	2006
	£	£
Trade creditors	21,285	77,182
Other creditors	98,716	72,552
Corporation tax	729	397
Accruals and deferred income	109,802	84,196
	<u>230,532</u>	<u>234,327</u>

F B P MANAGEMENT LIMITED**NOTES TO THE ACCOUNTS**

FOR THE YEAR ENDED 31 DECEMBER 2007 (continued)

7 CALLED UP SHARE CAPITAL

	2007	2006
	£	£
Authorised		
200 Ordinary shares of £1 each	<u>200</u>	<u>200</u>
Allotted, issued and fully paid		
86 Ordinary shares of £1 each	<u>86</u>	<u>86</u>

8 RECONCILIATION IN MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	Called up share capital	Profit and loss account	Total
	£	£	£
At 1 January 2007	86	5,285	5,371
Profit for the year	<u>-</u>	<u>2,859</u>	<u>2,859</u>
As at 31 December 2007	<u>86</u>	<u>8,144</u>	<u>8,230</u>

9 CASH FLOW STATEMENT

The accounts do not include a cash flow statement because the company does not fall within the scope of FRS1 (revised 1996), as it meets the small company definitions in sections 247 to 249 of the Companies Act 1985, for the purpose of filing accounts with the Registrar of Companies

10 ULTIMATE PARENT CONTROLLING PARTY

The directors regard the Royal Mail Pension Plan as the company's immediate and ultimate parent controlling entity. It is also the parent of the smallest and largest group of which FBP Management Limited is a member to prepare group accounts

The address of Royal Mail Pension Plan is Lloyds Chambers, 1 Portsoken Street, London E1 8HZ

F B P MANAGEMENT LIMITED**NOTES TO THE ACCOUNTS**

FOR THE YEAR ENDED 31 DECEMBER 2007 (continued)

11 RELATED PARTY TRANSACTIONS

The company provides management services to its shareholders, the Royal Mail Pension Plan (58%) and Novartis Pharmaceuticals UK Limited (42%), in respect of Frimley Business Park, Camberley

The above shareholders jointly control the company

	2007 £	2006 £
Royal Mail Pension Plan		
Invoices raised and amounts due	42,769	42,769
Less VAT on amounts due	(6,369)	(6,369)
Plus amounts billed in advance in prior years	9,100	9,100
Plus amounts accrued and not yet demanded	(25,922)	3,840
Less amounts invoiced in advance of 31 December	(9,100)	(9,100)
Turnover for the year	<u>10,478</u>	<u>40,240</u>
Due from the Royal Mail Pension Plan at 31 December	21,384	21,384
Due to Royal Mail Pension Plan at 31 December	(85,210)	(72,552)
Deferred income	(82,143)	(56,221)
	<u>(145,969)</u>	<u>(107,389)</u>
	2007 £	2006 £
Novartis Pharmaceuticals UK Ltd		
Invoices raised and amounts due	-	22,799
Less VAT on amounts due	-	(3,395)
Plus amounts accrued and not yet demanded	5,285	20,298
Less amounts invoiced relating to prior years	-	(19,404)
Turnover for the year	<u>5,285</u>	<u>20,298</u>
Due and accrued from Novartis Pharmaceuticals UK Ltd at 31 December	<u>48,382</u>	<u>43,097</u>