

GCP Nominees Limited

Report and Financial Statements

Period Ended

23 July 2009

Company number 3744679

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GCP Nominees Limited

Annual report and financial statements for the period ended 23 July 2009

Contents

Page:

1	Report of the directors
3	Independent auditors report
5	Profit and loss account
6	Balance sheet
7	Notes forming part of the financial statements

Directors

Trafalgar Officers Limited
M Benady
C White

Secretary and registered office

REIT (Corporate Services) Limited, 5 Wigmore Street, London, W1U 1PB.

Company number

3744679

Auditors

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

GCP Nominees Limited

Report of the directors for the period ended 23 July 2009

The directors present their report together with the audited financial statements for the period ended 23 July 2009.

Results and dividends

The profit and loss account is set out on page 5 and shows the result for the period.

The directors do not recommend the payment of a dividend (2008 - £Nil).

Principal activities, trading review and future developments

The company's principal activity is property investment.

The value of the company's investment property was impaired by £3.86m during the period.

In the opinion of the directors the company is unable to meet pay its debts as they fall due.

On 16th July 2009 the tenant of the company's investment property, Brentwood Hotels Limited (in administration) became subject to an Administration Order of the High Court of Justice. Subsequent to the Administration Order the Joint Administrators took the decision to cease the hotel operations of the tenant of the investment property of the company. As a result of this the company became unable to meet its obligations to the freehold landlord of the company's leasehold investment property and the directors were of the opinion that the company was unable to pay its debts as they fall due and entered into discussions with the freehold landlord as to how best to progress the situation.

Directors

The directors of the company during the period were:

Trafalgar Officers Limited (appointed 10 November 2008)

M Benady (appointed 10 November 2008)

C White (appointed 10 November 2008)

REIT (Corporate Directors) Limited (resigned 10 November 2008)

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial period which 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

GCP Nominees Limited

Report of the directors for the period ended 23 July 2009 (Continued)

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

As explained in note 1 to the financial statements, the directors do not believe the going concern basis to be appropriate and these financial statements have not been prepared on that basis.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the Board



REIT (Corporate Services) Limited
Secretary

Date 13/11/09

GCP Nominees Limited

Independent auditors report

To the shareholders of GCP Nominees Limited

We have audited the financial statements of GCP Nominees Limited for the period ended 23 July 2009 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of director's responsibilities.

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 have been properly prepared in accordance with the Companies Act 1985 and whether the information contained in the directors report is consistent with the financial statements. We also 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

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.

GCP Nominees Limited

Independent auditors report (*Continued*)

Qualified opinion arising from disagreements about accounting treatment

As explained in note 1, the directors have changed the company's accounting policy for investment properties to include them in the balance sheet at open market value as required by Statement of Standard Accounting Practice 19 "Accounting for Investment Properties". As the group's accounting policy has changed, Financial Reporting Standard 28 "Corresponding Amounts" requires the restatement of comparative amounts in the prior period. However, this restatement has not been made and the investment properties have been included in the financial statements at 24 March 2008 at cost less impairment.

We are unable to quantify the effect, if any, on the comparative balance sheet and profit and loss account, or on the need for any permanent diminution in valuation to be shown in the profit and loss account for the period ended 23 July 2009, or on reserves movements during the period.

Except for the failure to include investment properties at open market value in the financial statements in prior periods, in our opinion:

- the company financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 23 July 2009 and of its loss for the period then ended; and
- the company financial statements have been properly prepared in accordance with the Companies Act 1985.

In our opinion the information given in the directors' report is consistent with the financial statements.

Emphasis of matter – going concern

Without qualifying our opinion, we draw attention to the disclosures made in note 1 to the financial statements concerning the company's inability to continue as a going concern and the basis on which the financial statements are prepared. The company is not expected to be able to discharge its liabilities in full from the realisation of its assets and accordingly is not regarded as a going concern. The directors have not prepared the financial statements on a going concern basis.



BDO LLP

*Chartered Accountants
and Registered Auditors*
London
United Kingdom

13 November 2009

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

GCP Nominees Limited**Profit and loss account for the period ended 23 July 2009**

	Note	2009 £	2008 £
Rental income	2	167,215	463,424
Property outgoings		454,025	227,725
		<hr/>	<hr/>
Gross (loss)/profit		(286,810)	235,699
Administrative expenses		3,866,628	16,429
		<hr/>	<hr/>
Operating (loss)/profit	5	(4,153,438)	219,270
Interest payable and similar charges	6	346,644	260,339
		<hr/>	<hr/>
Loss on ordinary activities before and after taxation	7	(4,500,082)	(41,069)
		<hr/>	<hr/>

All amounts relate to discontinuing activities.

All recognised gains and losses in the current period and prior year are included in the profit and loss account.

The notes on pages 7 to 12 form part of these financial statements.


GCP Nominees Limited**Balance sheet at 23 July 2009****COMPANY NUMBER 3744679**

	Note	2009 £	2009 £	2008 £	2008 £
Fixed assets					
Tangible assets	8		-		3,864,614
Current assets					
Debtors	9	22,740		927,071	
Creditors: amounts falling due within one year	10	<u>521,323</u>		<u>1,244,342</u>	
Net current liabilities			<u>(498,583)</u>		<u>(317,271)</u>
Total assets less current liabilities			<u>(498,583)</u>		<u>3,547,343</u>
Creditors: amounts falling due after more than one year	10		<u>4,229,826</u>		<u>3,775,670</u>
Net liabilities			<u>(4,728,409)</u>		<u>(228,327)</u>
Capital and reserves					
Called up share capital	11		2		2
Profit and loss account	12		<u>(4,728,411)</u>		<u>(228,329)</u>
Shareholders' deficit	13		<u>(4,728,409)</u>		<u>(228,327)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board and authorised for issue on

13/11/09


Trafalgar Officers Limited
Director

M M Benady
Director

The notes on pages 7 to 12 form part of these financial statements.

I Accounting policies

The financial statements have been prepared under the historical cost convention and, except as indicated below, are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Basis of preparation

As required by FRS 18.21 and as permitted by SI 2008/420 Schedule 1(10) (2), the directors have prepared the financial statements on the basis that the company is no longer a going concern.

Going concern

The directors are required to make an assessment of the company's ability to continue as a going concern.

On 16th July 2009 the tenant of the company's investment property, Brentwood Hotels Limited (in administration) became subject to an Administration Order of the High Court of Justice. Subsequent to the Administration Order the Joint Administrators took the decision to cease the hotel operations of the tenant of the investment property of the company. As a result of this the company became unable to meet its obligations to the freehold landlord of the company's leasehold investment property and the directors were of the opinion that the company was unable to pay its debts as they fall due and entered into discussions with the freehold landlord as to how best to progress the situation.

As a result of the above the directors have prepared the financial statements on the basis that the company is no longer a going concern.

The financial statements have otherwise been prepared in accordance with applicable United Kingdom accounting standards

Investment property

In accordance with Statement of Standard Accounting Practice No 19 ("SSAP 19") investment properties at 23 July 2009 are revalued annually to open-market value. Investment properties at 24 March 2008 are shown at cost less any impairment provision required.

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

No depreciation is provided on investment property. This treatment is a departure from the Companies Act 1985 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 1985 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

GCP Nominees Limited

Notes forming part of the financial statements for the period ended 23 July 2009 (Continued)

1 Accounting policies (Continued)

Cash flow statements

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Ashpol plc and the company is included in its consolidated financial statements.

Rental income

Rental income represents rent receivable from the letting of property in the United Kingdom, net of value added tax.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

2 Rental income

Rental income is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Employees

The company had no employees during the period (2008 - Nil).

4 Directors

No remuneration was paid to the directors during the current year and prior period, in respect of their services in relation to the company.

5 Operating profit

	Period ended 23 July 2009 £	Year ended 24 March 2008 £
This has been arrived at after charging:		
Auditors' remuneration	4,000	2,000

GCP Nominees Limited**Notes forming part of the financial statements for the period ended 23 July 2009 (Continued)****6 Interest payable and similar charges**

	Period ended 23 July 2009 £	Year ended 24 March 2008 £
Loans from group companies	346,644	260,339

7 Taxation on loss on ordinary activities

The tax assessed for the period differs from the standard rate of corporation tax in the UK. The differences are explained below:

	Period ended 23 July 2009 £	Year ended 24 March 2008 £
Loss on ordinary activities before tax	(4,500,082)	(41,069)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 28% (2008 – 30%)	(1,260,023)	(12,320)
Effects of:		
Group relief surrendered	177,931	12,320
Capital losses transferred to group companies	1,082,092	-
Current tax charge for period	-	-

8 Tangible assets

	Leasehold investment property £
<i>Valuation</i>	
At 24 March 2008	3,864,614
Impairment of asset	(3,864,614)
At 23 July 2009	-

The above leasehold investment property is charged as security for loans held by other group companies (refer note 15).

GCP Nominees Limited**Notes forming part of the financial statements for the period ended 23 July 2009 (Continued)****9 Debtors**

	2009	2008
	£	£
Amounts owed by related undertakings	-	70,684
Other debtors	-	856,387
Prepayments	22,740	-
	<u>22,740</u>	<u>927,071</u>

All amounts shown under debtors fall due for payment within one year.

10 Creditors**Amounts falling due within one year**

	2009	2008
	£	£
Amounts owed to group undertakings	205,421	45,684
Amounts owed to related undertakings	-	80,030
Accruals and deferred income	92,470	9,975
Trade creditors	177,039	-
Other creditors	46,393	1,108,653
	<u>521,323</u>	<u>1,244,342</u>

Amounts falling due after more than one year

	2009	2008
	£	£
Amounts owed to parent undertaking	<u>4,229,826</u>	<u>3,775,670</u>

GCP Nominees Limited

Notes forming part of the financial statements for the period ended 23 July 2009 (Continued)

11 Share capital

	2009 Number	Authorised 2008 Number	2009 £	2008 £
Ordinary shares of £1 each	100	100	100	100

	Allotted, called up and fully paid			
	2009 Number	2008 Number	2009 £	2008 £
Ordinary shares of £1 each	2	2	2	2

12 Profit and loss account

	£
At 25 March 2008	(228,329)
Retained loss for period	(4,500,082)
At 23 July 2009	(4,728,411)

13 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Loss for the period	(4,500,082)	(41,069)
Opening shareholders' deficit	(228,327)	(187,258)
Closing shareholders' deficit	(4,728,409)	(228,327)

14 Related party disclosures

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with members of the group headed by Ashpol plc on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in its consolidated financial statements.

GCP Nominees Limited

Notes forming part of the financial statements for the period ended 23 July 2009 (Continued)

14 Related party disclosures (Continued)

Related party transactions

	Property management charge for the period ended 23 July 2009 £	Amounts owed (to)/from related party as at 23 July 2009 £	Property management charge for the year ended 24 March 2008 £	Amounts owed (to)/from related party as at 24 March 2008 £
REIT Asset Management	6,951	-	13,903	-

Certain of the directors of REIT (Corporate Directors) Limited are also partners of REIT Asset Management, an entity that provides services to the company.

15 Contingent liabilities and guarantees

The company's leasehold property is charged as security for loans held by other group companies (see note 8). At the period end the liabilities covered by the security totalled £75,000,000 (2008 - £75,000,000).

16 Post balance sheet events

On 16th July 2009 the tenant of the company's investment property, Brentwood Hotels Limited (in administration) became subject to an Administration Order of the High Court of Justice. Subsequent to the Administration Order the Joint Administrators took the decision to cease the hotel operations of the tenant of the investment property of the company. As a result of this the company became unable to meet its obligations to the freehold landlord of the company's leasehold investment property and the directors were of the opinion that the company was unable to pay its debts as they fall due and entered into discussions with the freehold landlord as to how best to progress the situation.

17 Ultimate parent company

The smallest group in which the accounts of the company are consolidated is that headed by Ashpol plc, a company registered in England and Wales, whose ultimate controlling party, in the opinion of the directors, is Trafalgar Overseas Limited, a company registered in Gibraltar.

Copies of the financial statements of Ashpol plc can be obtained from Companies House.

