

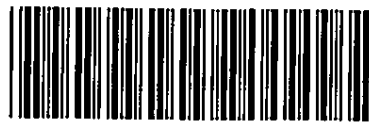
Drysdale Enterprises Limited

**Directors' report and financial
statements**

Registered number 04345793

31 March 2010

MONDAY



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31/01/2011

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Officers and professional advisers

Directors

Trafalgar Officers Limited
Mr M M Benady
Mr C G White

Secretary

F&C REIT (Corporate Services) Limited

Registered office

5 Wigmores Street
London
W1U 1PB

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Directors' report

The directors present their report on the affairs of the company together with the financial statements and independent auditors' report, for the year ended 31 March 2010

Principal activities

The principal activity of the company is that of property investment and development

The company's financial position at 31 March 2010 is considered satisfactory

No significant developments in the company's business are anticipated in the foreseeable future

Results and dividends

Results for the year are set out on page 6

The company paid no dividend for the year ended 31 March 2010 (2009 £ Nil)

Directors and directors' interests

The directors who held office during the year and since the year end were as follows

Trafalgar Officers Limited
Mr M M Benady
Mr C G White

Disclosures 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 30/12/10

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 group and 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 group and company and of the profit or loss of the group for that period.

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.

Independent auditor's report to the shareholders of Drysdale Enterprises Limited

We have audited the financial statements of Drysdale Enterprises Limited for the year ended 31 March 2010 which comprise the 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 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 31 March 2010 and of its profit 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.

Independent auditors' report to the members of Drysdale Enterprises Limited *(continued)*

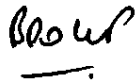
Opinion on other matters prescribed by the Companies Act 2006

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

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



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

Date 30/12/10

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

Profit and loss account
for the year ended 31 March 2010

	<i>Note</i>	2010 £	2009 £
Administrative expenses		-	(1,724,663)
Operating loss		-	(1,724,663)
Interest receivable	3	172,215	161,785
Interest payable	4	(633)	-
Profit/(loss) on ordinary activities before taxation		171,582	(1,562,878)
Tax on ordinary activities	5	-	1,445
Profit/(Loss) for the financial year	11	171,582	(1,561,433)

All of the above results are derived from the continuing operations of the group

Statement of total recognised gains and losses
for the year ended 31 March 2010

	<i>Note</i>	2010 £	2009 £
Profit/(loss) for the financial year		171,582	(1,561,433)
Impairment adjustment		-	(18,147,346)
Total recognised gains and losses relating to the year		171,582	(19,708,779)

The notes on pages 8 to 12 form part of these Financial Statements

Balance sheet
at 31 March 2010

	<i>Note</i>	2010 £	2009 £
Fixed assets			
Investments	6	3,857,760	3,857,760
Current assets			
Debtors	7	2,296,417	2,137,000
Creditors: amounts falling due within one year	8	-	(12,165)
Net current assets		2,296,417	2,124,835
Total assets less current liabilities		6,154,177	5,982,595
Net assets		6,155,705	5,982,595
Capital and reserves			
Called up share capital	9	7,600,001	7,600,001
Profit and loss account	10	(1,445,824)	(1,617,406)
Shareholders' funds	11	6,154,177	5,982,595

These financial statements were approved and authorised by the board of directors on 30th December 2010



L. Berisch
 For and on behalf of Trafalgar Officers Limited
 Director

The notes on pages 8 to 12 form part of these Financial Statements

Notes

(forming part of the financial statements)

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 under the historical cost accounting rules

Under the provisions of FRS 1 (Revised), the company has not prepared a cashflow statement because its intermediate parent company, Brightsea UK Limited, which is incorporated in England and Wales, has prepared consolidated financial statements which include the financial statements of the company for the year and which contain a cashflow statement

As the company is a wholly owned subsidiary of Brightsea UK Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties) The consolidated financial statements of Brightsea UK Limited, within which this company is included, can be obtained from Companies House

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 group'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

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

Notes (continued)

1 Accounting policies (continued)

Investments

In the Company accounts, shares in subsidiary undertakings are valued using the alternative accounting rules at the amounts of the net assets shown in the balance sheets of the individual subsidiaries

Going concern

The directors are required to make an assessment of the company's ability to continue as a going concern. In April 2010, the group was restructured and disposed of a substantial part of its portfolio. The borrowing facilities were re-financed and as a result whilst the company remains dependent on the continued financial support of its intermediate and ultimate parent companies it anticipates having sufficient cash resources to continue its current operations for the foreseeable future. Based on this, the directors have concluded that it is appropriate to prepare the company's financial statements on a going concern basis.

2 Information regarding directors and employees

No director received emoluments specific to employment as a director of the company during the year ended 31 March 2010 (2009 *£nil*). The company had no other employees (2009 *none*).

3 Interest receivable

	2010 £	2009 £
Intercompany interest	172,215	161,785

4 Interest payable

	2010 £	2009 £
Sundry interest	633	-

Notes (continued)**5 Taxation on profit on ordinary activities**

The tax charge comprises

	2010 £	2009 £
Current tax		
UK corporation tax	-	(1,445)

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax of 28% (2009 28%) to the profit before tax is as follows

	2010 £	2009 £
Profit/(loss) on ordinary activities before tax (excluding joint ventures)	171,582	(1,562,878)
Tax on (loss)/profit on ordinary activities at standard UK corporation tax rate of 28% (2009 28%)	48,043	(437,606)
Effects of		
Expenses not deductible for tax purposes	-	482,906
Adjustments in respect of prior years	-	(1,445)
Group relief	(48,043)	(45,300)
Total current tax	-	(1,445)

6 Investments in subsidiaries

	£
At 1 April 2009 and 31 March 2010	3,857,760

7 Debtors

	2010 £	2009 £
Amounts owed by intermediate parent company	2,296,417	2,137,000

Notes (continued)

8 Creditors: amounts falling due within one year

	2010 £	2009 £
Corporation tax	-	12,165
	<u> </u>	<u> </u>

9 Called up share capital

	2010 £	2009 £
<i>Authorised</i>		
7,600,001 ordinary shares of £1 each	7,600,001	7,600,001
	<u> </u>	<u> </u>
<i>Allotted, called up and fully paid</i>		
7,600,001 ordinary shares of £1 each	7,600,001	7,600,001
	<u> </u>	<u> </u>

10 Reserves

Company

	Profit and loss account £
At 1 April 2009	(1,617,406)
Profit for the year	171,582
	<u> </u>
At 31 March 2010	(1,445,824)
	<u> </u>

Notes (continued)**11 Reconciliation of movements in shareholders' funds**

	2010 £	2009 £
Profit/(loss) for the financial year	171,582	(1,561,433)
Other recognised gains and losses relating to the year	-	(18,147,346)
	<hr/>	<hr/>
Net increase/(reduction) to shareholders' funds	171,582	(19,708,779)
Opening shareholders' funds	5,982,595	25,691,374
	<hr/>	<hr/>
Closing shareholders' funds	6,154,177	5,982,595
	<hr/>	<hr/>

12 Ultimate parent company

The ultimate holding company is Trafalgar Overseas Limited, a company registered in Gibraltar

Brightsea UK Limited is the parent company of the only group of which the company is a member and for which group financial statements are drawn up. Copies of the financial statements are available from the Registrar of Companies, Companies Registration Office, Crown Way, Mandy, Cardiff, CF14 3UZ