

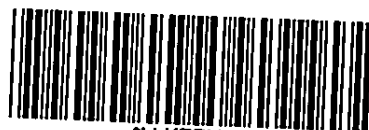
White Rose Development Enterprises Limited

**Directors' report and financial
statements**

Registered number 2454379

31 March 2009

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Officers and professional advisers

Directors

Mr M M Benady
Mr C G White
Trafalgar Officers Limited

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 annual report and the audited financial statements for the year ended 31 March 2009

Principal activities and business review

The principal activity of the company is that of property investment and development of properties for further resale

The company's financial position at 31 March 2009 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 2009 (2008 £4,753,993)

Directors and directors' interests

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

Mr M M Benady (appointed 10 November 2008)

Mr C G White (appointed 10 November 2008)

Trafalgar Officers Limited (appointed 10 November 2008)

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

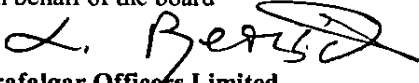
Disclosure of information to auditors

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 section 385 of the Companies Act 1985

On behalf of the board


Trafalgar Officers Limited
Director

21 July 2010

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 auditor's report to the shareholders of White Rose Development Enterprises Limited

We have audited the financial statements of White Rose Development Enterprises Limited for the year ended 31 March 2009 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, 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 report and 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 directors' 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 given in the directors' report is consistent with those 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.

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 group's and company's circumstances, consistently applied and adequately disclosed.

We planned 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.

Independent auditors' report to the members of White Rose Development Enterprises Limited (*continued*)

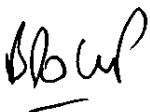
Qualified opinion arising from disagreement about accounting treatment of investment properties

As explained in note 1, investment properties have been included in the financial statements at 31 March 2009 based on the 31 March 2008 valuation rather than year end open market value as required by Statement of Standard Accounting Practice 19 "Accounting for Investment Properties". We are unable to quantify the effect, if any, on reserves, tangible fixed assets and profit for the year resulting from this non-compliance with accounting standards

Except for the financial effect of such adjustments, resulting from the non-compliance with Statement of Standard Accounting Practice 19 "Accounting for Investment Properties" as set out above, in our opinion

- the 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 31 March 2009 and of its profit for the year then ended,
- the 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



BDO LLP
*Chartered Accountants
and Registered Auditors*
London
United Kingdom

Date 21/7/10

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 2009

	<i>Note</i>	2009 £	2008 £
Gross rental income	2	3,495,259	2,871,146
Other operating income		253,543	-
Property expenses		(160,307)	(642,136)
Gross profit		3,588,495	2,229,010
Administrative expenses		(829,059)	(87,381)
Operating profit		2,759,436	2,141,629
Interest payable	4	(1,205,644)	(825,261)
Interest receivable	5	2,128	95,490
Profit on ordinary activities before taxation		1,555,920	1,411,858
Tax on profit on ordinary activities	6	72,193	630,000
Profit for the financial year	14	1,628,113	2,041,858

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

The notes on pages 9 to 16 form part of these Financial Statements

Statement of total recognised gains and losses
for the year ended 31 March 2009

	<i>Note</i>	2009 £	2008 £
Profit for the financial year		1,628,113	2,041,858
Dividend payable	7	-	(4,753,993)
Total recognised gains and losses for the year		1,628,113	(2,712,135)

The notes on pages 9 to 16 form part of these Financial Statements

Balance sheet
at 31 March 2009

	<i>Note</i>	2009 £	2008 £
Fixed assets			
Investment properties	8	65,386,085	62,499,019
		<hr/>	<hr/>
Current assets			
Stocks	9	-	2,887,066
Debtors	10	906,957	2,535,140
		<hr/>	<hr/>
		906,957	5,422,206
Creditors: amounts falling due within one year	11	(19,472,155)	(22,739,080)
		<hr/>	<hr/>
Net current liabilities		(18,565,198)	(17,316,874)
		<hr/>	<hr/>
Total assets less current liabilities		46,820,887	45,182,145
		<hr/>	<hr/>
Provision for liabilities and charges	12	(374,000)	(363,371)
		<hr/>	<hr/>
Net assets		46,446,887	44,818,774
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	13	15,000,000	15,000,000
Revaluation reserve	14	27,776,916	27,776,916
Profit and loss account	14	3,669,971	2,041,858
		<hr/>	<hr/>
Shareholders' funds	15	46,446,887	44,818,774
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 21 July 2010 and were signed on its behalf by


Trafalgar Officers Limited
Director

The notes on pages 9 to 16 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 accounting

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost accounting rules as modified by the revaluation of investment properties

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 228 of the Companies Act 1985 because it is a subsidiary of Brightsea UK Limited which prepares consolidated financial statements which are publicly available. Accordingly, these financial statements present information about the company only and not its group.

Under the provisions of FRS 1 (Revised), the company has not prepared a cashflow statement because its 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.

Non compliance with accounting standards

The financial statements have also not been prepared in accordance with the requirements of Statement of Standard Accounting Practice No. 19 ("SSAP 19"), that investment properties are included in the financial statements at their year end open market value.

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

Going concern

The directors are required to make an assessment of the company's ability to continue as a going concern. As at 31 March 2008 the company's cash forecast indicated that it had insufficient cash resources without financial support from its parent company. This financial support continued until April 2010 by way of continuous cash loans. 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 parent company 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.

Investment properties

Investment properties in the group are recorded at valuation as at 31 March 2008 less provision for any permanent diminution in value. As explained above, this policy does not comply with accounting standards as owing to the uncertainties in the property market the directors are not able to provide an accurate valuation of the property portfolio as at 31 March 2009.

Notes (continued)

1 Accounting policies (continued)

Investment properties (continued)

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.

Stocks

Land and buildings held for development and/or sale are valued at the lower of cost and net realisable value.

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.

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.

Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Notes *(continued)*

2 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.

3 Information regarding directors and employees

No director received emoluments specific to employment as a director of the company during the year ended 31 March 2009 (*2008 £nil*). The company had no other employees (*2008 none*).

4 Interest payable

	2009 £	2008 £
Interest on group loans	1,205,644	825,261
	<u> </u>	<u> </u>

5 Interest receivable

	2009 £	2008 £
Bank interest receivable	2,128	95,490
	<u> </u>	<u> </u>

Notes (continued)

6 Tax on profit on ordinary activities

	2009 £	2008 £
Current tax		
UK corporation tax	(82,822)	82,822
Deferred tax		
Origination and reversal of timing differences	10,629	(712,822)
Total deferred tax (see note 12)	10,629	(712,822)
Tax on profit on ordinary activities	(72,193)	(630,000)

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax of 28% (2008 30%) to the profit before tax is as follows

	2009 £	2008 £
Profit on ordinary activities before tax	1,555,920	1,411,858
Tax on profit on ordinary activities at standard UK corporation tax rate of 28% (2008 30%)	435,658	423,557
Effects of		
Expenses not deductible for tax purposes	49,392	301
Capital allowances in excess of depreciation	(80,728)	(188,576)
Group relief	(620,744)	(141,082)
Non taxable income	-	(11,378)
Adjustment in respect of prior year	(82,822)	-
Appropriation from stock	216,422	-
Current tax (credit)/charge for year	(82,822)	82,822

Notes (continued)

7 Dividends

The aggregate amount of dividends comprises

	2009 £	2008 £
Dividends paid in respect of the current year	-	4,753,993
	<u> </u>	<u> </u>

8 Investment properties

	£
At 1 April 2008	62,499,019
Transfer of stock to investment properties	2,887,066
	<u> </u>
At 31 March 2009	65,386,085
	<u> </u>

Investment properties are included at open market value at 31 March 2008

Notes (continued)

9 Stocks

	2009 £	2008 £
Land held for development and/or sale (see note 8)	-	2,887,066
	<u> </u>	<u> </u>

10 Debtors

	2009 £	2008 £
Trade and other debtors	906,957	777,884
Amounts due from subsidiary undertakings	-	1,757,256
	<u> </u>	<u> </u>
	906,957	2,535,140
	<u> </u>	<u> </u>

11 Creditors: amounts falling due within one year

	2009 £	2008 £
Bank overdraft	-	140,626
Trade creditors	222,425	61,893
Amount owed to parent company	18,429,123	21,291,857
Corporation tax	-	385,938
Other taxes	70,000	174,116
Accruals and deferred income	750,607	684,650
	<u> </u>	<u> </u>
	19,472,155	22,739,080
	<u> </u>	<u> </u>

Notes (continued)

12 Provision for liabilities and charges

	Deferred tax £
At 1 April 2008	363,371
Charge for the year	10,629
	<hr/>
At 31 March 2009	374,000
	<hr/>

Deferred tax is provided as follows

	2009 £	2008 £
Accelerated capital allowances	374,000	363,371
	<hr/>	<hr/>

13 Called up share capital

	2009 £	2008 £
<i>Authorised, allotted, called up and fully paid</i>		
15,000,000 (2008 15,000,000) ordinary shares of £1 each	15,000,000	15,000,000
	<hr/>	<hr/>

14 Reserves

	Revaluation reserve £	Profit and loss account £	Total £
At 1 April 2008	27,776,916	2,041,858	29,818,774
Profit for the financial year	-	1,628,113	1,628,113
	<hr/>	<hr/>	<hr/>
At 31 March 2009	27,776,916	3,669,971	31,446,887
	<hr/>	<hr/>	<hr/>

Notes (continued)

15 Reconciliation of movement in shareholders' funds

	2009 £	2008 £
Profit for the financial year	1,628,113	2,041,858
Dividends on shares classified in shareholders' funds	-	(4,753,993)
	<hr/>	<hr/>
Net (reduction)/addition to shareholders' funds	1,628,113	(2,712,135)
Opening shareholders' funds	44,818,774	47,530,909
	<hr/>	<hr/>
Closing shareholders' funds	46,446,887	44,818,774
	<hr/>	<hr/>

16 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, Maindy, Cardiff, CF14 3UZ