

Company Registration No. 02892663

C-Side Limited

Annual Report and Financial Statements

30 June 2011

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C-Side Limited

Annual report and financial statements 2011

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C-Side Limited

Annual report and financial statements 2011

Officers and professional advisers

Directors

P Bennett
G George
G Pettet
M Swindon

Registered Office

Global House
High Street
Crawley
West Sussex
RH10 1DL

Bankers

Royal Bank of Scotland plc
Kirkstone House
139 St Vincent Street
Glasgow
G2 5JF

Solicitors

SJ Berwin LLP
10 Queen Street Place
London
EC4R 1BE

Independent auditor

Deloitte LLP
Chartered Accountants
Crawley

C-Side Limited

Directors' report

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report for the year ended 30 June 2011

Principal activity and transfer of business

The company's principal activity is as a lessor of leisure clubs and public houses to InnBrighton Limited, its ultimate parent

Business review and dividends

The position of the company at the balance sheet date is shown on page 7

The directors do not recommend the payment of a dividend (2010 - £nil)

Risk management objectives and policies

As a result of the transfer of trade and assets to InnBrighton Limited liquidity risk is the principal risk facing the company. In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term debt finance via its immediate parent company. For further details on liquidity risk, please refer to note 1

Future prospects

The directors consider the forthcoming year to be challenging, however, believe the company and wider group to be well positioned to trade through more difficult times

Directors

The directors of the company throughout the year and to the present date, were

P Bennett
G George
G Pettet
M Swindon

Independent auditor and statement of provision of information to the independent auditor

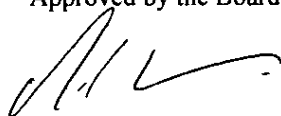
Deloitte LLP have expressed their willingness to continue in office as auditor of the company and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

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

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Approved by the Board and signed on its behalf by



M Swindon
Director

31 October 2011

C-Side Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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 members of C-Side Limited

We have audited the financial statements of C-Side Limited for the year ended 30 June 2011 which comprise the profit and loss account, the statement of total recognised gains and losses, the note of historical cost profits and losses, the balance sheet and the related notes 1 to 11. 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 auditor

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 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 June 2011 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.

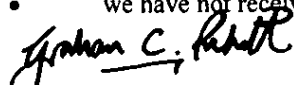
Opinion on other matter prescribed by the Companies Act 2006

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.


Graham C Pickett, FCA

(Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Crawley, United Kingdom

31 October 2011

C-Side Limited

Profit and loss account Year ended 30 June 2011

	Note	2011 £	2010 £
Turnover and gross profit	1, 2	797,010	775,964
Administrative expenses		(557,601)	(778,326)
Exceptional impairment losses		(201,456)	(235,375)
Total administrative expenses		(759,057)	(1,013,701)
Operating profit/(loss) on ordinary activities before taxation	4	37,953	(237,737)
Tax charge on loss on ordinary activities	5	(26,981)	(114,758)
Profit/(loss) for the financial year	10	10,972	(352,495)

Results for both the current and preceding financial years are derived from the continuing operations of the company

Statement of total recognised gains and losses Year ended 30 June 2011

	Note	2011 £	2010 £
Loss for the financial year		10,972	(352,495)
Adjustment to revaluation of tangible fixed assets	6, 10	(139,349)	(534,268)
Total recognised losses relating to the year		(128,377)	(886,763)

C-Side Limited

Note of historical cost profits and losses Year ended 30 June 2011

	Note	2011 £	2010 £
Reported profit/(loss) on ordinary activities before taxation		37,953	(237,737)
Difference between an historical cost depreciation charge and the actual depreciation charge for the year	10	<u>202,129</u>	<u>439,284</u>
Historical cost profit on ordinary activities before taxation		<u>240,082</u>	<u>201,547</u>
Historical cost profit for the year after taxation		<u><u>213,101</u></u>	<u><u>86,789</u></u>

C-Side Limited

Balance sheet 30 June 2011

	Note	£	2011 £	£	2010 £
Fixed assets					
Tangible assets	6		5,049,200		5,680,509
Current assets					
Debtors amounts - owed by group undertakings		2,436,906		1,879,429	
Creditors: amounts falling due within one year	7	<u>(1,972,155)</u>		<u>(1,893,831)</u>	
Net current assets/(liabilities)			<u>464,751</u>		<u>(14,402)</u>
Total assets less current liabilities			5,513,951		5,666,107
Provisions for liabilities	8		<u>(113,249)</u>		<u>(137,028)</u>
Net assets			<u>5,400,702</u>		<u>5,529,079</u>
Capital and reserves					
Called up share capital	9,10		232		232
Revaluation reserve	10		2,346,721		2,688,199
Profit and loss account	10		<u>3,053,749</u>		<u>2,840,648</u>
Total shareholders' funds	10		<u>5,400,702</u>		<u>5,529,079</u>

The financial statements of C-Side Limited, registered number 02892663, were approved by the board of directors and authorised for issue on 31 October 2011

Signed on behalf of the Board of Directors



M Swindon
Director

C-Side Limited

Notes to the accounts For the year ended 30 June 2011

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the current and preceding financial years.

Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets.

Going concern

The company is reliant on the support of its parent company, InnBrighton Limited.

In preparing these financial statements the directors have considered the appropriateness of the going concern basis. In forming their view, the Directors have conducted a detailed review of the trading prospects of the company and group for the 12 months from the date of the signing of these accounts in order to assess the company's and group's funding requirements and the group's ability to comply with the covenants attached to the lending received from the bank.

At the balance sheet date and to the date the balance sheet was approved by the board, the group has not breached any of its banking covenants and is not forecast to do so.

The directors believe that the group's banker and shareholders will continue to support the group and on this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

Turnover

Turnover represents the amounts receivable for goods and services net of VAT and trade discounts. Turnover represents a management charge based on a mark up against costs incurred.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation is provided on cost or valuation in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Freehold land	- no depreciation
Freehold buildings	- straight line over 50 years
Short leasehold properties	- over the life of the lease
Fixtures, fittings and equipment	- 20% reducing balance

Revaluation of properties

Individual freehold and short leasehold properties are revalued in accordance with FRS 15 with the surplus or deficit on book value being transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. A deficit which represents a clear consumption of economic benefits is charged to the profit and loss account regardless of any such previous surplus.

Where depreciation charges are increased following a revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss account as a movement on reserves. On the disposal or recognition of a provision for impairment of a revalued fixed asset, any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserves.

C-Side Limited

Notes to the accounts For the year ended 30 June 2011

1. Accounting policies (continued)

Taxation

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

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

2. Turnover

The total turnover of the company, all of which arises in the United Kingdom, is attributable to its principal activity and is stated net of value added tax.

3. Information regarding directors and employees

Other than the directors, the company had no employees in either the current or preceding financial year.

Directors' remuneration for both financial years has been borne by InnBrighton Limited, the company's ultimate parent undertaking.

4. Profit/(loss) on ordinary activities before taxation

	2011 £	2010 £
Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting):		
Management fees charged to group undertakings	(797,010)	(775,964)
Depreciation of tangible assets	530,931	739,013
Exceptional impairment of tangible fixed assets	201,456	235,375
Auditors' remuneration - audit fees	-	-

The audit fee of £3,750 for both the current and preceding financial years has been borne by InnBrighton Limited.

C-Side Limited

Notes to the accounts For the year ended 30 June 2011

5. Tax charge on profit/(loss) on ordinary activities

(a) Tax charge on loss on ordinary activities

	2011 £	2010 £
Current tax		
United Kingdom corporation tax at 28% (2010 – 28%) based on the taxable profit/(loss) for the year	81,696	117,608
Adjustments in respect of prior periods	(30,935)	(19,053)
Total current tax charge	50,761	98,555
Deferred tax		
Origination and reversal of timing differences	(15,068)	16,203
Effect of change in tax rate	(8,711)	-
Total deferred tax (credit)/charge (note 8)	(23,779)	16,203
Total tax charge	26,981	114,758

(b) Factors affecting current tax charge for the year

	2011 £	2010 £
Profit/(loss) on ordinary activities before taxation	37,953	(237,737)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2010 – 28%)	10,627	(66,566)
Effects of		
Expenses not deductible for tax purposes	138,195	182,598
Capital allowances different from depreciation charges	(57)	1,576
Adjustments in respect of prior periods	(30,935)	(19,053)
Group relief	(67,069)	-
Total actual amount of current tax	50,761	98,555

C-Side Limited

Notes to the accounts For the year ended 30 June 2011

6. Tangible fixed assets

	Freehold land and buildings £	Short leasehold property £	Fixtures, fittings and equipment £	Total £
Cost or valuation				
At 1 July 2010	1,902,167	6,228,424	1,912,502	10,043,093
Additions	-	5,288	281,383	286,671
Disposals	-	(257,225)	(147,358)	(404,583)
Impairment	-	(876,748)	-	(876,748)
At 30 June 2011	<u>1,902,167</u>	<u>5,099,739</u>	<u>2,046,527</u>	<u>9,048,433</u>
Accumulated depreciation				
At 1 July 2010	402,167	3,095,197	865,220	4,362,584
Charge for the year	33,298	266,433	231,200	530,931
Disposals	-	(121,266)	(97,723)	(218,989)
Impairment	-	(675,293)	-	(675,293)
At 30 June 2011	<u>435,465</u>	<u>2,565,071</u>	<u>998,697</u>	<u>3,999,233</u>
Net book value				
At 30 June 2011	<u>1,466,702</u>	<u>2,534,668</u>	<u>1,047,830</u>	<u>5,049,200</u>
At 30 June 2010	<u>1,500,000</u>	<u>3,133,227</u>	<u>1,047,282</u>	<u>5,680,509</u>

Freehold land and buildings and short leasehold property were professionally valued by AW Gore and Co, licensed property agents, valuers and surveyors, on a value in use basis at 30 June 2010. The historic cost of revalued freehold land and buildings is £1,278,312 (2010 - £1,278,312) and the net book value on an historic cost basis is £1,089,691 (2010 - £1,116,886). For short leasehold property the net book value on an historic cost basis is £564,957 (2010 - £828,141). The adjustment on revaluations brings certain short leasehold properties down to their realisable net book value. The company's properties act as security for banking facilities provided to the company's immediate parent by the Royal Bank of Scotland plc.

It was felt by the directors that the leasehold of one property should be written down to £nil, to reflect a more accurate valuation remaining in the freehold and fixtures and fittings of this site as at 30 June 2011. As a result an exceptional impairment charge was recorded amounting to £201,456 (2010 - £235,375).

7. Creditors amounts falling due within one year

	2011 £	2010 £
Amounts owed to group undertakings	1,890,459	1,776,223
Corporation tax	81,696	117,608
	<u>1,972,155</u>	<u>1,893,831</u>

C-Side Limited

Notes to the accounts For the year ended 30 June 2011

8. Provisions for liabilities

	2011 £	2010 £
Deferred taxation		
Balance at beginning of the year	137,028	120,825
(Credit)/charge to the profit and loss account (note 5)	(23,779)	16,203
Balance at the end of the year	<u>113,249</u>	<u>137,028</u>

The above deferred tax provision relates solely to capital allowances in excess of depreciation. There is no unprovided deferred tax at either financial year.

9. Called up share capital

	2011 £	2010 £
Called up, allotted and fully paid		
232 (2010 – 232) Ordinary shares of £1 each	<u>232</u>	<u>232</u>

10. Combined reconciliation of movements in shareholders' funds and statement of movements on reserves

	Issued share capital £	Revaluation reserve £	Profit and loss account £	2011 Total £	2010 Total £
Balance at the beginning of the period	232	2,688,199	2,840,648	5,529,079	6,415,842
Depreciation on revaluation	-	(202,129)	202,129	-	-
Adjustment to revaluation	-	(139,349)	-	(139,349)	(534,268)
Profit/(loss) for the financial year	-	-	10,972	10,972	(352,495)
Balance at the end of the period	<u>232</u>	<u>2,346,721</u>	<u>3,053,749</u>	<u>5,400,702</u>	<u>5,529,079</u>

11. Related parties, Intermediate and ultimate parent companies and controlling entity

The company has taken advantage of the exemption available under FRS8 not to disclose transactions with other members of the group as a 100% owned subsidiary.

The immediate parent undertaking is C-Side (Holdings) Limited, a company registered in England and Wales, whilst the ultimate parent company is InnBrighton Limited, a company also registered in England and Wales. The directors consider Graphite Capital to be the ultimate controlling party of the company.

Copies of the accounts of InnBrighton Limited, which consolidate the results of C-Side Limited, can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.