

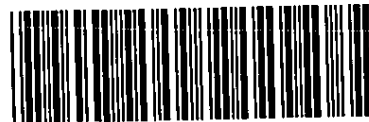
**Company Registration No. 2892663**

**C-Side Limited**

**Annual Report and Financial Statements**

**30 June 2009**

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# **C-Side Limited**

## **Annual report and financial statements 2009**

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# **C-Side Limited**

## **Annual report and financial statements 2009**

### **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 auditors**

Deloitte LLP  
Chartered Accountants  
Crawley

## **C-Side Limited**

### **Directors' report (continued)**

The directors present their annual report and the audited financial statements for the year ended to 30 June 2009.

#### **Principal activity and transfer of business**

For the year ended 30 June 2009, the company's principal activity was lessor of leisure clubs and public houses to InnBrighton Limited, having transferred its trade, assets and liabilities to its ultimate parent, InnBrighton Limited at book value.

#### **Business review and dividends**

The position of the company at the balance sheet date is shown on page 8.

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

#### **Risk management objectives and policies**

As a result of the transfer of trade and assets to InnBrighton Limited liquidity risk is the main financial 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 auditors and statement of provision of information to the independent auditors**

On 1 December 2008, Deloitte & Touche LLP changed its name to Deloitte LLP.

Deloitte LLP have expressed their willingness to continue in office as auditors 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 auditors are 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 auditors are 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 of Directors  
and signed on behalf of the Board



M Swindon  
Director

| October 2009

## **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, 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 auditors' report to the members of C-Side Limited**

We have audited the financial statements of C-Side Limited for the year ended 30 June 2009 which comprise the profit and loss account, the note of historical cost profits and losses, the balance sheet and the related notes 1 to 12. 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 sections 495 and 496 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 auditors' 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 Directors' Responsibilities Statement, 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 30 June 2009 and of its loss 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.

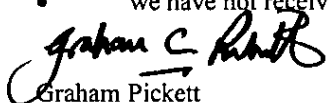
### **Opinion on other matter prescribed by the Companies Act 2006**

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 Pickett

(Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditors

Crawley, United Kingdom

1<sup>st</sup> October 2009

## C-Side Limited

### Profit and loss account Year ended 30 June 2009

	Note	2009 £	2008 £
Turnover	1,2	755,641	5,517,716
Cost of sales		-	(1,239,922)
<b>Gross profit</b>		<b>755,641</b>	<b>4,277,794</b>
Administrative expenses		(719,658)	(4,371,747)
<b>Operating profit/(loss)</b>	<b>4</b>	<b>35,983</b>	<b>(93,953)</b>
Profit on sale of tangible fixed assets		-	2,000
Interest payable and similar charges		-	(35,786)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>35,983</b>	<b>(127,739)</b>
Tax (charge)/credit on profit /(loss) on ordinary activities	5	(150,160)	31,332
<b>Loss on for the financial year</b>	<b>10</b>	<b>(114,177)</b>	<b>(96,407)</b>

Results for 2009 are derived from the continuing operations of the company. The results for 2008 are derived from its previous operations prior to the transfer of trade to InnBrighton Limited.

There are no further gains and losses for the current or preceding financial year other than as stated in the profit and loss account; accordingly no statement of total recognised gains and losses is presented.

## C-Side Limited

### Note of historical cost profits and losses Year ended 30 June 2009

	Note	2009 £	2008 £
Reported profit/(loss) on ordinary activities before taxation		35,983	(127,739)
Realisation of property valuation gains		-	34,068
Difference between an historical cost depreciation charge and the actual depreciation charge for the year	10	440,110	373,335
<b>Historical cost profit on ordinary activities before taxation</b>		<u>476,093</u>	<u>279,664</u>
Historical cost profit for the year after taxation		<u>325,933</u>	<u>310,996</u>



# C-Side Limited

## Balance sheet 30 June 2009

	Note	£	2009 £	£	2008 £
<b>Fixed assets</b>					
Tangible assets	6		6,979,128		7,447,226
<b>Current assets</b>					
Debtors amounts - owed by group undertakings		1,084,412		328,770	
<b>Creditors: amounts falling due within one year</b>	7	<u>(1,526,873)</u>		<u>(1,152,534)</u>	
<b>Net current liabilities</b>			<u>(442,461)</u>		<u>(823,764)</u>
<b>Total assets less current liabilities</b>			6,536,667		6,623,462
<b>Provisions for liabilities</b>	8		<u>(120,825)</u>		<u>(93,443)</u>
			<u>6,415,842</u>		<u>6,530,019</u>
<b>Capital and reserves</b>					
Called up share capital	9,10		232		232
Revaluation reserve	10		3,661,751		4,101,861
Profit and loss account	10		<u>2,753,859</u>		<u>2,427,926</u>
<b>Total shareholders' funds</b>	10		<u>6,415,842</u>		<u>6,530,019</u>

These financial statements were approved by the Director on

October 2009.



M Swindon  
Director

# C-Side Limited

## Notes to the accounts For the year ended 30 June 2009

### 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 group for the 12 months from the date of the signing of these accounts in order to assess the group's funding requirements and its 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.

#### Exemption from preparing consolidated accounts and a cash flow statement

The company has taken advantage of the exemption from preparing consolidated accounts afforded by section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of InnBrighton Limited which prepares consolidated accounts which are publicly available. The company is also, on this basis, exempt from the requirement of FRS1 to present a cash flow statement.

#### Turnover

Turnover represents the amounts receivable for goods and services net of VAT and trade discounts. Revenue is recognised on the basis of when the provision is provided to the customer for the financial year ended 30 June 2008. In respect of the financial year ended 30 June 2009, 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

## **C-Side Limited**

### **Notes to the accounts For the year ended 30 June 2009**

#### **1. Accounting policies (continued)**

##### **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.

##### **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.

## C-Side Limited

### Notes to the accounts

#### For the year ended 30 June 2009

#### 3. Information regarding directors and employees

	2009 £	2008 £
<b>Directors' remuneration</b>		
Fees	-	212,936

The aggregate emoluments of the highest paid director during the year was £nil (2008 – £133,400). The company made no pension contributions on his behalf during either the current or preceding financial year.

	No.	No.
<b>Average number of persons employed (including directors)</b>		
Management and administration	-	4
Sales	-	40
	-	44

	£	£
<b>Staff costs during the year, including directors comprises:</b>		
Wages and salaries	-	1,197,140
Social security costs	-	58,381
	-	1,255,521

#### 4. Operating profit/(loss)

	2009 £	2008 £
<b>Operating profit/(loss) is stated after charging:</b>		
Management charge	(755,641)	-
Depreciation of tangible assets	719,658	655,693
Rentals under operating leases - plant and machinery	-	130,892
- other	-	562,607
Auditors' remuneration - audit fees	-	12,000

The audit fee of £3,750 for 2009 has been borne by InnBrighton Limited.

## C-Side Limited

### Notes to the accounts For the year ended 30 June 2009

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

##### (a) Tax charge/(credit) on profit/(loss) on ordinary activities

	2009 £	2008 £
<b>Current tax</b>		
United Kingdom corporation tax at 28% (2008 – 20.25%) based on the profit/(loss) for the year	122,778	15,186
Adjustments in respect of prior periods	-	(133)
Total current tax charge	122,778	15,053
<b>Deferred tax</b>		
Change in rate of tax		(3,712)
Origination and reversal of timing differences	4,003	41,481
Adjustment in respect of prior periods	23,379	(84,154)
Total deferred tax charge/(credit) (note 8)	27,382	(46,385)
Total tax charge/(credit)	150,160	(31,332)

##### (b) Factors affecting current tax charge for the year

	2009 £	2008 £
Profit/(loss) on ordinary activities before taxation	35,983	(127,739)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 – 29.5%)	10,075	(37,683)
Effects of:		
Expenses not deductible for tax purposes	-	122,296
Permanent differences	117,719	-
Capital allowances in excess of depreciation	(4,003)	(29,997)
Effects of other tax rates/credits	(1,013)	11,684
Group relief claimed for nil consideration	-	(51,247)
Total actual amount of current tax	122,778	15,053

## C-Side Limited

### Notes to the accounts For the year ended 30 June 2009

#### 6. Tangible fixed assets

	Freehold land and buildings £	Short leasehold property £	Fixtures, fittings and equipment £	Total £
<b>Cost or valuation</b>				
At 1 July 2008	1,902,167	5,906,973	1,477,736	9,286,876
Additions	-	7,500	244,060	251,560
At 30 June 2009	<u>1,902,167</u>	<u>5,914,473</u>	<u>1,721,796</u>	<u>9,538,436</u>
<b>Accumulated depreciation</b>				
At 1 July 2008	38,043	1,378,998	422,609	1,839,650
Charge for the year	39,629	468,215	211,814	719,658
At 30 June 2009	<u>77,672</u>	<u>1,847,213</u>	<u>634,423</u>	<u>2,559,308</u>
<b>Net book value</b>				
At 30 June 2009	<u>1,824,495</u>	<u>4,067,260</u>	<u>1,087,373</u>	<u>6,979,128</u>
At 30 June 2008	<u>1,864,124</u>	<u>4,527,975</u>	<u>1,055,127</u>	<u>7,447,226</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 2007. The historic cost of revalued freehold land and buildings is £1,278,312 (2008 - £1,278,312) and the net book value on a historic basis is £1,142,496 (2008 - £1,168,106). For short leasehold property the net book value on a historic cost basis is £1,087,507 (2008 - £1,122,470). The adjustment on revaluations brings certain short leasehold properties down to their realisable net book value.

#### 7. Creditors: amounts falling due within one year

	2009 £	2008 £
Amounts owed to group undertakings	1,404,095	1,152,534
Corporation tax	122,778	-
	<u>1,526,873</u>	<u>1,152,534</u>

# C-Side Limited

## Notes to the accounts For the year ended 30 June 2009

### 8. Provisions for liabilities

	2009 £	2008 £
<b>Deferred taxation</b>		
Balance at beginning of the year	93,443	139,828
Charged/(released) to the profit and loss account (note 5)	27,382	(46,385)
Balance at the end of the year	<u>120,825</u>	<u>93,443</u>

The above deferred tax provision as at 30 June 2009 relates solely to capital allowances in excess of depreciation. There is no unprovided deferred tax at either financial year

### 9. Called up share capital

	2009 £	2008 £
<b>Authorised</b>		
100,000 (2008 - 100,000) Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<b>Called up, allotted and fully paid</b>		
232 (2008 - 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 £	2009 Total £	2008 Total £
Balance at the beginning of the period	232	4,101,861	2,427,926	6,530,019	6,592,358
Realised revaluation surplus	-	-	-	-	34,068
Depreciation on revaluation surplus	-	(440,110)	440,110	-	-
Loss for the financial year	-	-	(114,177)	(114,177)	(96,407)
Balance at the end of the period	<u>232</u>	<u>3,661,751</u>	<u>2,753,859</u>	<u>6,415,842</u>	<u>6,530,019</u>

### 11. Related party transactions

The company has taken advantage of FRS8 not to disclose related party transactions with other members of the group as a 100% own subsidiary. During the period, the company paid fees of £nil (2008 - £52,500) to MPS Associates, a company of which M Swindon is also a director. There are no amounts outstanding between the companies at the balance sheet date (2008 - £nil).

### 12. Intermediate and ultimate parent companies and controlling entity

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 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.