

COMPANY REGISTRATION NUMBER 04632931

**BRIGHTMAN LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2012**

MONDAY



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COMPANIES HOUSE

COHEN ARNOLD
Chartered Accountants & Statutory Auditor
New Burlington House
1075 Finchley Road
London
NW11 0PU

BRIGHTMAN LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

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BRIGHTMAN LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

THE DIRECTORS

Mr E Englander
Mr J S Englander

COMPANY SECRETARY

Mrs S Englander

REGISTERED OFFICE

New Burlington House
1075 Finchley Road
London
NW11 0PU

AUDITOR

Cohen Arnold
Chartered Accountants
& Statutory Auditor
New Burlington House
1075 Finchley Road
London
NW11 0PU

BRIGHTMAN LIMITED
THE REPORT OF THE DIRECTORS
YEAR ENDED 31 MARCH 2012

The Directors have pleasure in presenting their report and the financial statements of the Company for the year ended 31 March 2012

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company's principal activity is property investment which remained unchanged during the year and no change is envisaged in the immediate future

The financial results for the year ended 31 March 2012, are fully reflected in the attached Financial Statements together with the notes thereon

The Directors do not recommend the payment of a dividend for the year under review

DIRECTORS

The Directors who served the Company during the year were as follows

Mr E Englander

Mr J S Englander

The interests of the Directors in the Share Capital of the Parent Undertaking are shown in the Directors' report of that Company.

No Director has a Service Contract with the Company

LAND AND BUILDINGS

The Company's investment properties are included in the Balance Sheet at cost

The Directors are of the opinion that the current open market value of the Company's investment properties is £3.5m which is less than the amount at which they are included in the Financial Statements. They consider this is a temporary drop in value due to current market conditions and are confident that the properties will increase in value in the foreseeable future

RESPONSIBILITIES OF THE DIRECTORS

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 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 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

BRIGHTMAN LIMITED
THE REPORT OF THE DIRECTORS (*continued*)
YEAR ENDED 31 MARCH 2012

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.

In so far as the Directors are aware

- there is no relevant audit information of which the Company's auditor is unaware, and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

Cohen Arnold are deemed to be re-appointed under Section 487(2) of the Companies Act 2006

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Signed by order of the Directors



MRS S ENGLANDER
Company Secretary

Approved by the Directors on 21.12.12

BRIGHTMAN LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
BRIGHTMAN LIMITED
YEAR ENDED 31 MARCH 2012

We have audited the financial statements of Brightman Limited for the year ended 31 March 2012. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the Company's shareholders, 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 shareholders 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 shareholders 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 Directors' Responsibilities Statement set out on pages 2 to 3, 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 (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. 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.

BRIGHTMAN LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
BRIGHTMAN LIMITED (*continued*)
YEAR ENDED 31 MARCH 2012

BASIS FOR QUALIFIED OPINION ON FINANCIAL STATEMENTS

The Company's investment properties are included in the financial statements on the basis indicated in Note 1 on the accounting policies. This does not comply with the requirements of Financial Reporting Standard for Smaller Entities which requires such properties to be stated at their open market value.

QUALIFIED OPINION ON FINANCIAL STATEMENTS

In our opinion, except for non-compliance referred to in the Basis for Qualified Opinion paragraph, the effect of which we are unable to quantify, the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2012 and of its profit for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Emphasis of matter - Debtors

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 7 to the financial statements concerning the recoverability of amounts aggregating £601,425 due from a related Company, Better Properties Limited. Better Properties Limited's debtors include loans of some £62m to related Companies, recoverability of which is not certain. Those Companies are in the process of reorganising their activities, thereby improving the prospects of the debt recovery. Accordingly, in the opinion of the Directors full recoverability will be achieved.

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.

BRIGHTMAN LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
BRIGHTMAN LIMITED (*continued*)
YEAR ENDED 31 MARCH 2012

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
- the Directors were not entitled to prepare the financial statements in accordance with the Small Companies regime and take advantage of the Small Companies' exemption in preparing the Directors' report



ASHER STERNLICHT
(Senior Statutory Auditor)
For and on behalf of
COHEN ARNOLD
Chartered Accountants & Statutory Auditor
New Burlington House
1075 Finchley Road
London
NW11 0PU

21.12.12
.....

BRIGHTMAN LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2012

	Note	2012 £	2011 £
TURNOVER	2	296,340	297,065
Cost of sales		<u>(30,171)</u>	<u>(33,220)</u>
GROSS PROFIT		266,169	263,845
Administrative expenses		(7,859)	(9,609)
Other operating income	3	<u>11,645</u>	<u>8,454</u>
OPERATING PROFIT	4	269,955	262,690
Interest payable and similar charges		<u>(101,326)</u>	<u>(47,651)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		168,629	215,039
Tax on profit on ordinary activities		<u>(43,555)</u>	<u>(60,125)</u>
PROFIT FOR THE FINANCIAL YEAR		125,074	154,914
Balance brought forward		<u>1,287,159</u>	<u>1,132,245</u>
Balance carried forward		<u>1,412,233</u>	<u>1,287,159</u>

The notes on pages 9 to 13 form part of these financial statements.

BRIGHTMAN LIMITED**BALANCE SHEET****31 MARCH 2012**

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	5	3,886,842	3,886,842
Investments	6	<u>223,117</u>	<u>223,117</u>
		4,109,959	4,109,959
CURRENT ASSETS			
Debtors	7	715,372	594,361
CREDITORS: Amounts falling due within one year	8	<u>(271,748)</u>	<u>(217,061)</u>
NET CURRENT ASSETS		<u>443,624</u>	<u>377,300</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,553,583	4,487,259
CREDITORS: Amounts falling due after more than one year	9	<u>(3,141,250)</u>	<u>(3,200,000)</u>
		<u>1,412,333</u>	<u>1,287,259</u>
CAPITAL AND RESERVES			
Called-up equity share capital	11	100	100
Profit and loss account		<u>1,412,233</u>	<u>1,287,159</u>
SHAREHOLDERS' FUNDS		<u>1,412,333</u>	<u>1,287,259</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the Directors and authorised for issue on 21.12.12, and are signed on their behalf by


MR E ENGLANDER
DIRECTOR

Company Registration Number. 04632931

The notes on pages 9 to 13 form part of these financial statements.

BRIGHTMAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), subject to the departures referred to below

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

In accordance with Statement of Financial Reporting Standard for Small Entities, no depreciation is provided in respect of freehold investment properties. This departure from the requirements of the Companies Act 2006, for all properties to be depreciated, is necessary, as the Directors consider that this Accounting Policy results in the Financial Statements giving a true and fair view

Investment properties

Investment properties are included in the balance sheet at historical cost, which is not in accordance with Statement of Financial Reporting Standard for Small Entities which requires such properties to be stated at their open market value.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Acquisitions and disposals of properties

Acquisitions and disposals are considered to have taken place at the date of legal completion and are included in the financial statements accordingly

BRIGHTMAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

2. TURNOVER

The turnover of the Company is represented by rents and charges receivable in respect of its investment properties

The net rental income is comprised as follows

	2012 £	2011 £
Rents and charges receivable	296,340	297,065
Property outgoings	<u>(30,171)</u>	<u>(33,220)</u>
Net Rental Income	<u>266,169</u>	<u>263,845</u>

3. OTHER OPERATING INCOME

	2012 £	2011 £
Commission receivable	<u>11,645</u>	<u>8,454</u>

4. OPERATING PROFIT

Operating profit is stated after charging

	2012 £	2011 £
Directors' remuneration	5,700	5,700
Auditor's fees	<u>2,000</u>	<u>3,750</u>

5. TANGIBLE FIXED ASSETS

	Freehold Properties £
COST	
At 1 April 2011 and 31 March 2012	<u>3,886,842</u>
NET BOOK VALUE	
At 31 March 2012	<u>3,886,842</u>
At 31 March 2011	<u>3,886,842</u>

In accordance with the Company's stated accounting policy (see Note 1) no depreciation has been provided in respect of the Freehold properties which are held for investment purposes

The Directors are of the opinion that the current open market value of the Company's investment properties is £3.5m. They consider this is a temporary drop in value due to current market conditions and are confident that the properties will increase in value in the foreseeable future.

BRIGHTMAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

6. INVESTMENTS

Investment in Subsidiary Undertaking

	£
COST	
At 1 April 2011 and 31 March 2012	<u>223,117</u>

NET BOOK VALUE	
At 31 March 2012 and 31 March 2011	<u>223,117</u>

The Company holds directly the whole of the issued share capital in Baldwin Street Properties Limited, which is incorporated in Great Britain and registered in England

The Capital and Reserves attributable to the Company of the Subsidiary Undertaking for which group accounts have not been prepared under the exemption conferred by Section 248(1) Companies Act as at 31 March 2011 are as follows

Aggregate capital and reserves	
Baldwin Street Properties Limited	147,466
Profit and (loss) for the year	
Baldwin Street Properties Limited	130,163

The accounts of the Subsidiary Undertaking for the year ended 31 March 2012 are not yet available

7. DEBTORS

	2012	2011
	£	£
Other debtors	<u>715,372</u>	<u>594,361</u>

Included in Other debtors are amounts aggregating £601,425 due from a related Company, Better Properties Limited, of which Mr E Englander a Director of this Company is also a Director. The loan is interest free and repayable after more than twelve months. Better Properties Limited has advanced monies to related Companies which are engaged in property investment and trading activities (the Directors of which also include Directors of this Company). Included within those advances are loans of some £62m recoverability of which is not certain. Those Companies are in the process of reorganising their activities, thereby improving the prospects of the debt recovery. Accordingly, in the opinion of the Directors full recoverability will be achieved.

Better Properties Limited is ultimately controlled by the Trustees of Settlements made by Mr E Englander and Mrs S Englander, the Directors of this Company.

BRIGHTMAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

8. CREDITORS: Amounts falling due within one year

	2012	2011
	£	£
Trade creditors	96,787	90,674
Corporation tax	43,850	63,563
Other taxation and social security	28,401	26,580
Other creditors	102,710	36,244
	<u>271,748</u>	<u>217,061</u>

9. CREDITORS: Amounts falling due after more than one year

	2012	2011
	£	£
Bank loans	<u>3,141,250</u>	<u>3,200,000</u>

The Bank loan is secured by a legal charge over the Company's investment properties

10. RELATED PARTY TRANSACTIONS

Multistates Limited has guaranteed this Company's indebtedness in respect of the Bank Loan detailed in Note 9

Mr E Englander, Mr J S Englander and Mrs B Englander have provided personal guarantees in respect of interest and costs due under the Bank Loan detailed in Note 9

Additional Related Party information is given in Note 7

11. SHARE CAPITAL

Authorised share capital:

	2012	2011
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

12. CONTINGENT LIABILITIES

The Company has guaranteed the borrowing of its Parent Undertaking which aggregated £3.59m at 31 March 2012. The Parent Undertaking has guaranteed the borrowings of this Company which aggregated £3.1m at 31 March 2012.

BRIGHTMAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

13 PARENT UNDERTAKING

The Parent Undertaking is Multistates Limited, a Company incorporated in England

14. CONTROL

The Company is a wholly owned subsidiary of Multistates Limited