

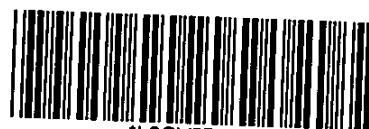
Limited Liability Partnership Registration No. OC309178 (England and Wales)

**LINNELL (SOUTH WALES BLACKWOOD) LLP
(FORMERLY DEVELICA (SOUTH WALES BLACKWOOD) LLP)**

MEMBERS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

TUESDAY



LD2

L2GV5ZUW

06/12/2011

41

LINNELL (SOUTH WALES BLACKWOOD) LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members Linnell Investments S A
Ascan Energy Limited

Limited liability partnership number OC309178

Registered office 7 Queen Street
London
W1J 5PB

Auditors BDO LLP
55 Baker Street
London
W1U 7EU

Business address 7 Queen Street
London
W1J 5PB

LINNELL (SOUTH WALES BLACKWOOD) LLP

CONTENTS

	Page
Members' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 10

LINNELL (SOUTH WALES BLACKWOOD) LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 31 MARCH 2011

The members present their report and financial statements for the year ended 31 March 2011

Principal activities

The principal activity of the limited liability partnership was that of property investment. On 8 August 2011 the limited liability partnership changed its name from Develica (South Wales Blackwood) LLP to Linnell (South Wales Blackwood) LLP.

Designated Members

The following designated members have held office since 1 April 2010

Develica 1 LLP	(Retired 27 May 2011)
Develica Management Limited - General Partner	(Retired 26 October 2011)
Linnell Investments S A	(Appointed 27 May 2011)
Ascani Energy Limited	(Appointed 11 October 2011)

Policy on members' drawings

Allocation of profits and drawings

Proceeds from the sale of the investment property are allocated to Linnell Investments S A, as a Designated Member, and dealt with as described in the accounts of that company.

Capital

Linnell Investments S A, as a Designated Member, introduces funds to the partnership as and when required, and is repaid on completion of the project.

Statement of members' responsibilities

The members are responsible for preparing the members' report and financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under these regulations the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under these regulations the members 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 limited liability partnership and of the profit or loss of the limited liability partnership for that year.

In preparing those financial statements, the members 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 limited liability partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions, disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LINNELL (SOUTH WALES BLACKWOOD) LLP

MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

Statement of disclosures to auditor

So far as the members are aware, there is no relevant audit information of which the limited liability partnership's auditors are unaware. Additionally, the members have taken all the necessary steps that they ought to have taken as members in order to make themselves aware of all relevant audit information and to establish that the limited liability partnership's auditors are aware of that information.

Auditors

BDO LLP are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006 (as applied to limited liability partnerships).

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small limited liability partnerships.

On behalf of the members

LINNELL INVESTMENTS S.A
JOHN CASELEY, DIRECTOR



ASCARI ENERGY LIMITED
LINNANE HALEY, DIRECTOR



LINNELL (SOUTH WALES BLACKWOOD) LLP

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LINNELL (SOUTH WALES BLACKWOOD) LLP

We have audited the financial statements of Linnell (South Wales Blackwood) LLP for the year ended 31 March 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

This report is made solely to the limited liability partnership's members, as a body, in accordance with the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the members and auditors

As explained more fully in the statement of members' responsibilities, the members 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2011 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the limited liability partnership's ability to continue as a going concern. The limited liability partnership is reliant on the continuing support of its bankers with which it has a loan which is repayable on demand due to a breach of covenant. The bank is aware of the breach and has extended the facility to 31 March 2012. The members are currently in discussions with the bank and although the members expect to be able to renegotiate the terms of the bank facility and renew the facility on similar terms beyond 31 March 2012 they have no binding agreement from the bank involved. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the limited liability partnership's ability to continue as a going concern. The financial statements do not include adjustments that would result if the limited liability partnership was unable to continue as a going concern.

Opinion on other matters

In our opinion the information given in the members' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

LINNELL (SOUTH WALES BLACKWOOD) LLP

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF LINNELL (SOUTH WALES BLACKWOOD) LLP

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 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit, or
- the members were not entitled to prepare the financial statements in accordance with the small limited liability partnerships' regime



Solomon Benaim (Senior Statutory Auditor)
for and on behalf of BDO LLP, statutory auditor

55 Baker Street

London

W1U 7EU

United Kingdom

21/11/2011

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

LINNELL (SOUTH WALES BLACKWOOD) LLP

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2011

	Notes	2011 £	2010 £
Turnover		473,310	473,307
Administrative expenses		(163,487)	(182,874)
Operating profit	2	309,823	290,433
Other interest receivable and similar income	3	5,923	-
(Provision)/write back of provision for permanent diminution in value of investment property		(3,750,000)	247,964
Interest payable and similar charges		(370,945)	(334,942)
(Loss)/profit for the financial year before members' remuneration and profit shares		<u>(3,805,199)</u>	<u>203,455</u>

LINNELL (SOUTH WALES BLACKWOOD) LLP

BALANCE SHEET

AS AT 31 MARCH 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	4	2,000,000		5,750,000	
Current assets					
Debtors	5	3,875		6,705	
Cash at bank and in hand		153,625		148,405	
		<u>157,500</u>		<u>155,110</u>	
Creditors: amounts falling due within one year	6	<u>(10,085,566)</u>		<u>(10,057,512)</u>	
Net current liabilities			<u>(9,928,066)</u>		<u>(9,902,402)</u>
Total assets less current liabilities			<u>(7,928,066)</u>		<u>(4,152,402)</u>
Represented by:					
Loans and other debts due to members after more than one year					
Other amounts	7	5,082,814		5,053,279	
		<u>5,082,814</u>		<u>5,053,279</u>	
Members' other interests:					
Other reserves classified as equity	7	(13,010,880)		(9,205,681)	
		<u>(7,928,066)</u>		<u>(4,152,402)</u>	
Total members' interests					
Loans and other debts due to members	7	5,082,814		5,053,279	
Members' other interests	7	(13,010,880)		(9,205,681)	
		<u>(7,928,066)</u>		<u>(4,152,402)</u>	

These financial statements have been prepared in accordance with the provisions applicable to limited liability partnerships subject to the small limited liability partnerships' regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Members for issue on 21/11/2011
 LINNELL INVESTMENT S.A, JOHN CASELEY
 ASCADY ENERGY LIMITED, LINNANE KALEY
 Limited Liability Partnership Registration No. OC309178

John Caseley
Linnane Kaley

LINNELL (SOUTH WALES BLACKWOOD) LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Limited Liability Partnership Statement of Recommended Practice, which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents rental income net of VAT and trade discounts

1.4 Tangible fixed assets and depreciation

Investment properties in the process of being developed are included in the balance sheet at cost. On completion of development, investment properties are revalued to open market value. No depreciation has been provided.

Although this accounting policy is in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), it is a departure from the general requirement of the Companies Act 2006 (as applied to limited liability partnerships) for all tangible assets to be depreciated. In the opinion of the members compliance with the standard is necessary for the financial statements to give a true and fair view. The effect of this departure has not been quantified because it is impracticable and, in the opinion of the members, would be misleading.

1.5 Allocation of profits and drawings

Proceeds from the sale of the investment property are allocated to Linnell Investments S A, as a Designated Member, and dealt with as described in the accounts of that company.

1.6 Taxation

The taxation payable on the LLP's profits is a personal liability of the members during the year.

1.7 Going concern

The limited liability partnership is reliant on the continuing support of its bank with which it has a loan which is technically repayable on demand due to a breach of covenant. The bank is aware of this breach and has extended the facility to 31 March 2012. The ability of the limited liability partnership to continue as a going concern depends on the continued support of the bank and the negotiation of appropriate financing beyond 31 March 2012. The members are currently in discussions with the bank and although the members expect to be able to renegotiate the terms of the bank facility and renew the facility on similar terms beyond 31 March 2012 they have no binding agreement from the bank involved. These conditions indicate that there is a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern and, therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The members, in their consideration of going concern, have reviewed the limited liability partnership's future cash forecasts and revenue projections, which they believe are based on prudent market data and past experience and believe, based on those forecasts and projections, that it is appropriate to prepare the financial statements on the going concern basis. The financial statements do not include adjustments that would result if the limited liability partnership was unable to continue as a going concern.

LINNELL (SOUTH WALES BLACKWOOD) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

2	Operating profit	2011	2010
		£	£
	Operating profit is stated after charging		
	Auditors' remuneration	1,500	-
		<u> </u>	<u> </u>

3	Investment income	2011	2010
		£	£
	Bank interest	5,923	-
		<u> </u>	<u> </u>

4	Tangible fixed assets		Investment properties £
	Valuation		
	At 1 April 2010		5,750,000
	Revaluation		(3,750,000)
			<u> </u>
	At 31 March 2011		2,000,000
			<u> </u>

The investment properties were valued at £2,000,000 (2010 £5,750,000) on an open market basis by a firm of independent Chartered Surveyors at 31 March 2011

On an historical cost basis these would have been included at an original cost of £13,974,657 (2010 - £13,974,657)

5	Debtors	2011	2010
		£	£
	Trade debtors	900	-
	Other debtors	2,975	6,705
		<u> </u>	<u> </u>
		3,875	6,705
		<u> </u>	<u> </u>

LINNELL (SOUTH WALES BLACKWOOD) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

6 Creditors amounts falling due within one year	2011	2010
	£	£
Bank loans and overdrafts	10,000,000	10,000,000
Trade creditors	18,469	20,104
Taxation and social security	7,814	4,878
Other creditors	59,283	32,530
	<u>10,085,566</u>	<u>10,057,512</u>

The bank loan is secured by a charge over the assets of the limited liability partnership

7 Members' interests	Members' other interests Other reserves	Loans and other debts due to/(from) members	Total	2010
	£	£	£	£
Members' interests at 1 April 2010	(9,205,681)	5,053,279	(4,152,402)	(4,461,021)
(Loss)/profit for the financial year available for discretionary division among members	(3,805,199)	-	(3,805,199)	203,455
Members' interests after (loss)/profit for the year	(13,010,880)	5,053,279	(7,957,601)	(4,257,566)
Introduced by members	-	29,535	29,535	105,164
Members' interests at 31 March 2011	<u>(13,010,880)</u>	<u>5,082,814</u>	<u>(7,928,066)</u>	<u>(4,152,402)</u>

Linnell (South Wales Blackwood) LLP's profits are allocated retrospectively to the Designated Member, Linnell Investments S A Accordingly, there is no automatic division of profits or losses among the members and only certain fixed shares of profit are allocated at the balance sheet date As a result, the balance of profits available for division among the members at the balance sheet date is included in members' other interests, and drawings by members on account of profits for the year are classified as amounts due from members

Members' other interests rank after unsecured creditors, and loans and other debts due to members rank par passu with unsecured creditors in the event of a winding up The amount of capital Linnell Investments S A is required to subscribe is determined by the requirements of the project of the partnership and will only be withdrawn on completion of the project

LINNELL (SOUTH WALES BLACKWOOD) LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

8 Information in relation to members	2011 Number	2010 Number
The average number of members during the year was	<u>2</u>	<u>2</u>

9 Related party transactions

During the year the partnership was charged £90,000 (2010 - £63,571) by way of management services by Develica 1 LLP, a Designated Member of the partnership until 27 May 2011. At 31 March 2011 Develica 1 LLP had provided interest free loans amounting to £5,082,814 (2010 - £5,053,279). Subsequent to the year end the interest free loans were re-assigned to Linnell Investments S A.