

Limited Liability Partnership Registration No. OC312497 (England and Wales)

ABANAR LLP

MEMBERS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2009

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ABANAR LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members	HM Developments Limited Lesing Eight Limited
Limited liability partnership number	OC312497
Registered office	77 South Audley Street Mayfair London W1K 1JG
Auditors	Freeman & Partners Chartered Accountants 30 St James's Street London SW1A 1HB
Business address	77 South Audley Street Mayfair London W1K 1JG
Bankers	Habib Bank AG Zurich 2 Baker Street London W1U 3DS Delbruck Bethmann Maffei AG, ABN Amro Bethmannstraße 7-9, 60311 Frankfurt am Main Germany

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MEMBERS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2009

The members present their report and financial statements for the year ended 31 August 2009

Principal activities and review of the business

The principal activity of the partnership continued to be that of holding interest in property ventures and providing property related services

The results for the year and the financial position at the year end were considered satisfactory by the members who expect continued growth in the foreseeable future

Designated Members

The following designated members have held office since 1 September 2008

HM Developments Limited

Lesing Eight Limited

Policy on members' drawings

The members' drawing policy allows each member to draw a proportion of their profit share, subject to the cash requirements of the business

Except by special resolution to the contrary, no member shall be entitled to a withdrawal or distribution of capital

Statement of members' responsibilities

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

Company law (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001) requires the members to prepare financial statements for each financial year. Under that law 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). The financial statements are required by law to 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 proper accounting records which 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 Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001). 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

Statement of disclosure 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

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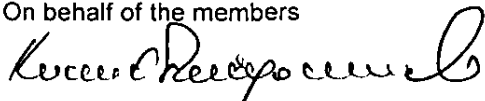
MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2009

Auditors

In accordance with the limited liability partnerships's articles, a resolution proposing that Freeman & Partners be reappointed as auditors of the limited liability partnership will be put at a General Meeting

On behalf of the members



HM Developments Limited

Designated Member

8 June 2010

ABANAR LLP

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ABANAR LLP

We have audited the financial statements of Abanar LLP for the year ended 31 August 2009 set out on pages 5 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the limited liability partnership's members, as a body, in accordance with section 235 of the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001). 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

The members' responsibilities for preparing the 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 Members' 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 are properly prepared in accordance with the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001).

In addition, we report to you if, in our opinion, the limited liability partnership has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the members' report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 judgements made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the limited liability partnership's circumstances, consistently applied and adequately disclosed.

We planned and performed 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.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF ABANAR LLP

Opinion

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 August 2009 and of its loss for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001)



Freeman & Partners

**Chartered Accountants
Registered Auditor**
30 St James's Street
London
SW1A 1HB

8 June 2010

ABANAR LLP

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2009

	Notes	2009 £	2008 £
Administrative expenses		(860,055)	(529,838)
Operating loss	2	(860,055)	(529,838)
Interest payable and similar charges	3	(25,493)	(64,250)
Loss on ordinary activities before taxation		(885,548)	(594,088)
Tax on loss on ordinary activities		-	-
Loss for the financial year before members' remuneration and profit shares		(885,548)	(594,088)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

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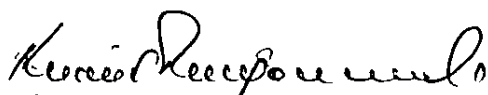
BALANCE SHEET

AS AT 31 AUGUST 2009

	Notes	2009 £	£	2008 £	£
Fixed assets					
Investments	4	52,620,941		40,650,103	
Current assets					
Debtors	5	2,813,449		512,689	
Cash at bank and in hand		574,391		-	
		<u>3,387,840</u>		<u>512,689</u>	
Creditors amounts falling due within one year	6	<u>(2,903,764)</u>		<u>(682,752)</u>	
Net current assets/(liabilities)		<u>484,076</u>		<u>(170,063)</u>	
Total assets less current liabilities		<u>53,105,017</u>		<u>40,480,040</u>	
REPRESENTED BY.					
Loans and other debts due to members within one year					
Other amounts	7	58,082,500		44,571,975	
		<u>58,082,500</u>		<u>44,571,975</u>	
Members' other interests					
Other reserves classified as equity under FRS 25	7	(4,977,486)		(4,091,938)	
Members capital	7	3		3	
		<u>53,105,017</u>		<u>40,480,040</u>	
TOTAL MEMBERS' INTERESTS					
Loans and other debts due to members	7	58,082,500		44,571,975	
Members' other interests	7	(4,977,483)		(4,091,935)	
		<u>53,105,017</u>		<u>40,480,040</u>	

Approved by the Members and authorised for issue on

8 June 2010



HM Developments Limited
Designated Member

Limited Liability Partnership Registration No. OC312497

ABANAR LLP

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2009

	Notes	£	2009 £	£	2008 £
Net cash outflow from operating activities			(3,552,280)		(5,317,605)
Returns on investments and servicing of finance					
Interest paid		(25,493)		(64,251)	
Net cash outflow for returns on investments and servicing of finance			(25,493)		(64,251)
Financial investment					
Payments to acquire investments		(11,970,838)		-	
Net cash outflow for capital expenditure			(11,970,838)		-
Contributions by members		13,510,525		5,129,000	
			13,510,525		5,129,000
Net cash outflow before management of liquid resources and financing			(2,038,086)		(252,856)
Financing					
Other new short term loans		2,858,495		-	
Net cash inflow/(outflow) from financing			2,858,495		-
Increase / (decrease) in cash in the year			820,409		(252,856)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2009**

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The controlling members have provided assurance of their continued support of the group of which this partnership is a member

On the basis of these assurances the members consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of the support outlined above

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 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.4 Group accounts

The financial statements present information about the limited liability partnership as an individual undertaking and not about its group. The limited liability partnership and its subsidiary undertakings comprise a medium-sized group. The limited liability partnership has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts

2 Operating loss	2009	2008
	£	£
Operating loss is stated after charging		
Auditors' remuneration (including expenses and benefits in kind)	4,000	4,750

3 Interest payable	2009	2008
	£	£
Other interest	25,493	64,250

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2009

4 Fixed asset investments

	Shares in group undertakings and participating interests £	Loans to group undertakings and participating interests £	Total £
Cost			
At 1 September 2008	7	40,650,096	40,650,103
Additions	102	11,970,736	11,970,838
At 31 August 2009	109	52,620,832	52,620,941

Ubrique Holdings Limited's shares, Abanar Holding Company 1 Limited's shares and Abanar Holding Company 2 Limited's shares are all held by trustees Praxis Secretaries Limited and Praxis Nominees Limited

There is no interest due on any of the loans in the Limited Liability Partnership's subsidiary undertakings

The Limited Liability Partnership has provided loans totalling £12,140,819 to subsidiary Ubrique Holdings Limited for the purpose of acquiring student housing property in Huddersfield, England

The Limited Liability Partnership also provided loans to Abanar Holding Company 1 Limited totalling £22,888,471 and £13,182,903 for the purpose of acquiring student housing property in Lincoln, England and Sheffield, England respectively

Ravenscourt House Limited has an outstanding loan balance to the Limited Liability Partnership of £4,408,639

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2009

4 Fixed asset investments**(Continued)****Holdings of more than 20%**

The limited liability partnership holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held	%
Ravenscourt House Limited	Jersey	Ordinary		100 00
Ubrique Holdings Limited	Guernsey	Ordinary		100 00
Ubrique Investments Limited	Guernsey	Ordinary		100 00
Ubrique Services Limited	England & Wales	Ordinary		100 00
Abanar Holding Company 1 Limited	Guernsey	Ordinary		100 00
Abanar Holding Company 2 Limited	Guernsey	Ordinary		100 00
Pavilions Unit Trust	Guernsey	Ordinary		100 00
Broad Street Unit Trust	Guernsey	Ordinary		100 00
Pavilions LP	England & Wales	Ordinary		100 00
Broad Street LP	England & Wales	Ordinary		100 00
Pavilions GP Limited	England & Wales	Ordinary		100 00
Pavilions GP Holdings Limited	England & Wales	Ordinary		100 00
Broad Street GP Limited	England & Wales	Ordinary		100 00
Broad Street GP Holdings Limited	England & Wales	Ordinary		100 00
Broad Street Retail Limited	England & Wales	Ordinary		100 00
Pavilions Nominee No 1 Limited	England & Wales	Ordinary		100 00
Pavilions Nominee No 2 Limited	England & Wales	Ordinary		100 00
Broad Street Nominee No 1 Limited	England & Wales	Ordinary		100 00
Broad Street Nominee No 2 Limited	England & Wales	Ordinary		100 00
South Street Investment Management Limited	England & Wales	Ordinary		100 00
South Street South Street (Operations) Limited	England & Wales	Ordinary		100 00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

Company	Principal activity	Capital and reserves 2009 £	Profit/(Loss) for the year 2009 £
Ravenscourt House Limited	Property Investment	(4,938,560)	(111,510)
Ubrique Holdings Limited	Holding Company	(324,041)	(108,885)
Ubrique Investments Limited	Property Investment	16,778,071	(156,338)
Ubrique Services Limited	Property Management	(266,517)	(329,407)
Abanar Holding Company 1 Limited	Holding Company	(189,831)	(19,435)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2009**

4 Fixed asset investments

(Continued)

Abanar Holding Company 2 Limited	Holding Company	(16,630,059)	(933,638)
Pavilions Unit Trust	Holding Unit Trust	(15,962,813)	(345,781)
Broad Street Unit Trust	Holding Unit Trust	(812,875)	(587,362)
Pavilions LP	Property Investment	(15,928,269)	(335,376)
Broad Street LP	Property Investment	(763,863)	(564,902)
Pavilions GP Limited	General Partner	(3,618)	(3,718)
Pavilions GP Holdings Limited	Holding Company	(749)	(750)
Broad Street GP Limited	General Partner	(3,993)	(4,093)
Broad Street GP Holdings Limited	Holding company	(749)	(750)
Broad Street Retail Limited	Retail	(40,399)	(40,400)
Pavilions Nominee No 1 Limited	Nominee Company	(2,474)	(2,475)
Pavilions Nominee No 2 Limited	Nominee Company	(2,474)	(2,475)
Broad Street Nominee No 1 Limited	Nominee Company	(2,519)	(2,520)
Broad Street Nominee No 2 Limited	Nominee Company	(2,519)	(2,520)
South Street Investment Management Limited	Property Management	(38,413)	(38,513)
South Street South Street (Operations) Limited	Property Management	813	812

5 Debtors

2009

2008

£

£

Amounts owed by subsidiary undertakings	2,771,420	512,196
Other debtors	8,175	493
Prepayments and accrued income	33,854	-
	<u>2,813,449</u>	<u>512,689</u>

6 Creditors amounts falling due within one year

2009

2008

£

£

Bank loans and overdrafts	2,858,495	246,018
Trade creditors	36,656	-
Amounts owed to parent and fellow subsidiary undertakings	1	-
Amounts owed to subsidiary undertakings	-	225,000
Other creditors	-	47,936
Accruals and deferred income	8,612	163,798
	<u>2,903,764</u>	<u>682,752</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2009

7 Members' interests

	Members' other interests		Total	Loans and other debts due to/(from) members	Total	2008
	Members' capital (classified as equity)	Other reserves				
	£	£	£	£	£	£
Amount due to members				44,571,975		
Members' interests at 1 September 2008	3	(4,091,938)	(4,091,935)	44,571,975	40,480,040	35,945,128
Loss for the financial year available for discretionary division among members	-	(885,548)	(885,548)	-	(885,548)	(594,088)
Members' interests after loss for the year	3	(4,977,486)	(4,977,483)	44,571,975	39,594,492	35,351,040
Introduced by members	-	-	-	13,510,525	13,510,525	5,129,000
Members' interests at 31 August 2009	3	(4,977,486)	(4,977,483)	58,082,500	53,105,017	40,480,040
Amounts due to members				58,082,500		

8 Loans and other debts due to members

	2009 £	2008 £
Loans introduced in the year	13,510,525	5,129,000
Loans from members bought forward from prior periods	44,571,975	39,442,975
Loans from members carried forward	58,082,500	44,571,975

9 Contingent liabilities

The limited liability partnership guarantees the obligations of its subsidiaries, Ravenscourt House Limited and Ubrique Holdings Limited, to the amount of £9,640,000 and £39,000,000 respectively. These guarantees, however, are limited to the value of the partnership's investments in the two chargor companies.

The limited liability partnership acts as guarantor on a bank loan provided by Deutsche bank to its subsidiary Ravenscourt House Limited. This loan is secured on the Ravenscourt House property.

At the time of approving these financial statements, £1.3m of Ravenscourt House Limited's loan had been called up and has been paid. None of the other, remaining loans had been called up at the time of approving these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2009**

10 Information in relation to members	2009 Number	2008 Number
The average number of members during the year was	<u>2</u>	<u>2</u>
	2009 £	2008 £
The average profit per member during the year was	<u>(295,183)</u>	<u>(198,029)</u>
	2009 £	2008 £
The share of profit to the member with the largest entitlement was	<u>(590,365)</u>	<u>(396,059)</u>

11 Employees

Number of employees

There were no employees during the year apart from the members

12 Control

There is no ultimate controlling party

13 Related party transactions

At the year end the partnership was owed £4,408,639 by subsidiary Ravenscourt House Limited, £11,200,000 by subsidiary Ubrique Holdings Limited, £940,819 by subsidiary Ubrique Investments Limited, £114,733 by subsidiary Ubrique Services Limited and £22,888,471 and £13,182,903 by subsidiary Abanar Holding Company 1 Limited for Lincoln Pavilions and Broad Street Sheffield respectively

During the year, the partnership incurred management and administrative fees of £203,124 recharged by subsidiary South Street Investment Management Limited. At the year end South Street Investment Management Limited was owed £72,786 by the partnership

During the year the partnership loaned South Street Investment Management Limited £160,000 for working capital, all of which was outstanding at the year end and was itself loaned £100 by South Street Investment Management Limited for working capital, which was also outstanding at the year end

Also during the year South Street Operations Limited, a wholly owned subsidiary of South Street Investment Management Limited, was loaned £35,000 for working capital by the partnership, all of which was outstanding at the year end