

Abbeymeads LLP
Limited Partnership Number OC313469
Report and Accounts
For the year ended 25 March 2010



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ACTIVITIES, REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Abbeymeads LLP ("the Partnership") was incorporated on 1 June 2005 as a UK limited liability partnership under the Limited Liability Partnerships Act 2000 and in accordance with a Members Agreement dated 27 May 2005 ("the Partnership Agreement")

The Partnership carries on the business of investing and trading in property. It holds a vacant greenfield site in Swindon, which it plans to redevelop and is in the process of negotiating an outline planning application for a mixed use development in order to maximise the value of the investment.

PARTNERS AND DESIGNATED MEMBERS

The Partners and Designated Members are

- I State Street Custodial Services (Ireland) Limited ("SSCSIL"), as Trustee of the RREEF UK Property Ventures Fund No. 2 ("the Fund") and,
- II Thistle Land (Swindon) Limited ("Thistle Land")

The Partners and Designated Members were appointed on 27 May 2005.

RESULTS AND DISTRIBUTIONS

Profits and losses of the Partnership are allocated to the Partners in the proportion to which a Partners' capital contribution bears to the total capital contributions of both Partners, until a priority return has been reached, and thereafter to each Partner on a 50/50 basis. The priority return equates to the aggregate of that Partner's capital contribution and notional interest on such capital contribution from the date it was paid, calculated at an annual rate of 15% compounded annually on 25 March each year.

The results of the Partnership for the year ended 25 March 2010 are set out on page 6.

There were no distributions nor repayments of capital declared, or paid during the year ended 25 March 2010 (2009: £nil).

MANAGEMENT BOARD

The business of the Partnership is managed by a Management Board, which consists of three members. Two Members of the Board were appointed by SSCSIL, and one by Thistle Land.

The representatives on the Board for the year were

SSCSIL

James William Petit
Nigel Alexander Ody Bennett

Thistle Land

Eric Richard Petrie

Nigel Alexander Ody Bennett resigned from the Board on 13 October 2010, and Stephen Wicks was appointed to the Board on 13 October 2010.

Each Board Member has one vote and all actions of the Management Board require approval of the majority of Board Members.

SIGNIFICANT EVENTS DURING THE YEAR

The recent credit crunch and recession have proved extremely challenging to the capital, credit and real estate markets. However during the second half of the year there has been a marked improvement in the economic prospects of the UK, an improvement in the availability of debt financing and a significant improvement in the volume and pricing of real estate transactions. Nevertheless the nascent economic, credit and real estate recovery remains fragile, and is prone to both future economic shocks and political uncertainty which could in the future increase the Partnership's exposure to the principal risks of valuation and liquidity.

The Partnership continues to hold a vacant greenfield site in Swindon, the most recent valuation of which at 25 September 2010 was £6.5 million, and is continuing with its plan to redevelop and is in the process of negotiating an outline planning application for a mixed use development.

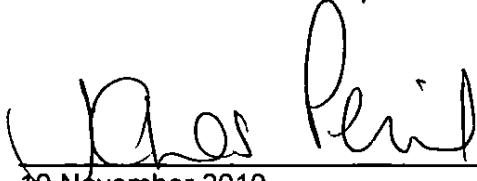
SIGNIFICANT EVENTS AFTER THE YEAR END

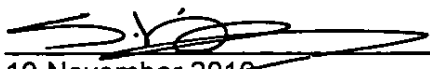
There have been no significant events since the year end.

AUDITOR

In accordance with Section 495 of the Companies Act 2006, KPMG, Chartered Accountants, have expressed their willingness to continue in office.

On behalf of the Partnership


10 November 2010
JAMES WILLIAM PETIT ON
BEHALF OF STATE STREET
CUSTODIAL SERVICES
(IRELAND) LIMITED


10 November 2010
ERIC PETRIE ON BEHALF
OF THISTLE LAND SWINDON
LIMITED.

Abbeymeads LLP

Statement of Partners' Responsibilities in Respect of the Partners' Report and the Financial Statements

For the year ended 25 March 2010

The Partners are responsible for preparing the Partners' Report and the financial statements in accordance with applicable law and regulations

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the Partners to prepare LLP financial statements for each financial year. Under that law the Partners have elected to prepare the LLP financial statements in accordance with UK Accounting Standards and UK Generally Accepted Accounting Practice.

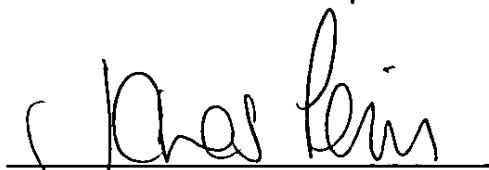
Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the Partners must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period.

In preparing the LLP financial statements, the Partners are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 LLP will continue in business.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the Partners are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities.

On behalf of the Partnership



10 November 2010

JAMES WILLIAM PETIT ON
BEHALF OF STATE STREET
CUSTODIAL SERVICES
(IRELAND) LIMITED



10 November 2010

ERIC PETRIE ON BEHALF
OF THISTLE LAND SWOON
LIMITED

Abbeymeads LLP

Independent Auditor's Report to the Partners of Abbeymeads LLP

We have audited the financial statements of Abbeymeads LLP ("the LLP") for the year ended 25 March 2010 set out on pages 6 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Partners of the limited liability partnership (LLP), as a body, in accordance with Section 495 of the Companies Act 2006 as required by Regulation 39 of 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 LLP's Partners 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 LLP and the LLP's Partners, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Partners and auditors

The Partners' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Partners' Responsibilities on page 3.

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, have been properly prepared in accordance with UK Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006.

We also report to you if, in our opinion, the LLP has not kept adequate accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of Partners' remuneration specified by law are not made.

We read the Partners' Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of 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 judgments made by the Partners in the preparation of the financial statements, and of whether the accounting policies are appropriate to the LLP'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.

Abbeymeads LLP

Independent Auditor's Report to the Partners of Abbeymeads LLP (continued)

Opinion

In our opinion the financial statements

- give a true and fair view of the state of affairs of the LLP as at 25 March 2010 and of the loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practices, and
- have been prepared in accordance with the Companies Act 2006



Jonathan Lew (Senior Statutory Auditor)
For and on behalf of KPMG, Statutory Auditor
Chartered Accountants
1-2 Harbourmaster Place
International Financial Services Centre
Dublin 1
Ireland

10 November 2010

Abbeymeads LLP
Income Statement
For the year ended 25 March 2010

	Note	2010 £	2009 £
Turnover		-	-
Operating expenses	2	(25,892)	(4,025)
Operating loss		(25,892)	(4,025)
Other expenses	3	(23,906)	(17,741)
Loss on ordinary activities before interest		(49,798)	(21,766)
Interest payable	1(f)	(10)	(1)
Loss for the year available for distribution amongst Partners		(49,808)	(21,767)
Loss realised from previous years		(101,511)	(79,744)
Unallocated loss		(151,319)	(101,511)

The results stated above arise from continuing operations

The notes on pages 10 to 13 form part of the financial statements

Abbeymeads LLP
Statement of Total Recognised Gains and Losses
For the year ended 25 March 2010

	Note	2010 £	2009 £
Loss for the year available for distribution amongst members		(49,808)	(21,767)
Unrealised gain/(loss) on revaluation for the year	4	2,227,039	(6,595,543)
Total recognised gains/(losses) relating to the year		2,177,231	(6,617,310)

The results stated above arise from continuing operations

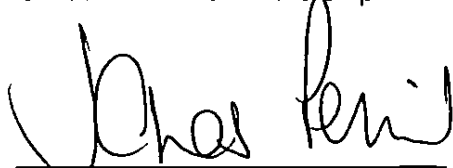
The notes on pages 10 to 13 form part of the financial statements

Abbeymeads LLP
Balance Sheet
As at 25 March 2010

	Note	2010 £	2009 £
Fixed assets			
Properties at market value	1(c),4	6,500,000	4,200,000
Current assets			
Cash		4,836	5,525
Debtors	5	7,834	764
		12,670	6,289
Creditors: amounts falling due within one year			
Creditors and accrued expenses	6	(439,074)	(309,924)
Net current liabilities		(426,404)	(303,635)
Total assets less current liabilities		6,073,596	3,896,365
Net assets		6,073,596	3,896,365
Partners' interests			
Partners' capital	7,8	9,507,770	9,507,770
Revaluation reserve	8	(3,282,855)	(5,509,894)
Other reserves	8	(151,319)	(101,511)
Partners' interests		6,073,596	3,896,365
Total Partners' and other interests			
Partners' capital	7,8	9,507,770	9,507,770
Revaluation reserve	8	(3,282,855)	(5,509,894)
Other reserves	8	(151,319)	(101,511)
Total Partners' and other interests		6,073,596	3,896,365

The notes on pages 10 to 13 form part of the financial statements

On behalf of the Partnership



10 November 2010
JAMES WILLIAM PETIT ON
BEHALF OF STATE STREET
CUSTODIAL SERVICES (IRELAND)
LIMITED



10 November 2010
ERIC PETRIE ON
BEHALF OF THISTLE
LAND SWINDON LIMITED.

Abbeymeads LLP
Cash Flow Statement
For the year ended 25 March 2010

	2010	2009
	£	£
Net cash inflow from operating activities	72,282	66,043
Return on investment and servicing of finance		
Interest paid	(10)	(1)
Net cash outflow from return on investment and servicing of finance	(10)	(1)
Capital expenditure		
Purchase of property and development expenditure	(72,961)	(95,543)
Net cash outflow from capital expenditure	(72,961)	(95,543)
Net decrease in cash	(689)	(29,501)
Cash at the beginning of the year	5,525	35,026
Cash at the end of the year	4,836	5,525
Reconciliation of operating profit to net cash inflow from operating activities		
Net loss before interest	(49,798)	(21,766)
Decrease/(increase) in operating debtors	(7,070)	17,557
Increase in operating creditors	129,150	70,252
Net cash inflow from operating activities	72,282	66,043
Analysis of changes in net debt		
Cash at the beginning of the year	5,525	35,026
Movement in cash and bank balances during the year	(689)	(29,501)
Net cash at the end of the year	4,836	5,525
Cash at the end of the year	4,836	5,525
Net cash at the end of the year	4,836	5,525

The notes on pages 10 to 13 form part of the financial statements

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. The particular accounting policies are described below.

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the inclusion of properties and land at valuation, and with reference to the Statement of Recommended Practice for the Financial Statements of Authorised Funds issued by the Investment Management Association in the United Kingdom in November 2008.

(b) Use of estimates and judgments

The preparation of the financial statements requires the Partners to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates. The key estimates and assumptions relate to the valuation of properties in the Balance Sheet, where an external valuation is obtained on a six monthly basis.

(c) Investment property

The valuation of property has been prepared on an open market value basis as per Statement of Standard Accounting Practice 19. Open market value is defined in Financial Reporting Standard 15 as having the same meaning as that in the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors. Open market value is defined as an opinion of the best price at which the sale of an interest in property would have completed unconditionally, for cash consideration, on the date of valuation, assuming

- i) a willing seller,
- ii) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of price and terms, and for the completion of the sale,
- iii) that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation,
- iv) that no account is taken of any additional bid by a prospective purchaser with a special interest, and
- v) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.

(d) Rental income

Rental income is accounted for on an accruals basis.

(e) Interest receivable

Interest receivable is accounted for on an effective interest rate basis.

(f) Interest payable

Interest payable is accounted for on an effective interest rate basis.

Abbeymeads LLP
Notes to the Financial Statements
For the year ended 25 March 2010 (continued)

1. Accounting policies (continued)

(g) Taxation

The Partnership is not subject to income taxes as all income and expenses flow through to each Partner individually

2. Operating expenses

	2010	2009
	£	£
Valuer's fees	2,520	2,556
Insurance	3,175	1,469
Maintenance	6,900	-
Abortive sales costs	13,297	-
	<u>25,892</u>	<u>4,025</u>

3 Other expenses

	2010	2009
	£	£
Bank charges	46	36
Audit fees	6,000	6,000
Tax consultancy fees	3,750	6,250
Administration costs	14,110	5,455
	<u>23,906</u>	<u>17,741</u>

4. Properties at market value

	2010	2009
	£	£
Market value at the beginning of the year	4,200,000	10,700,000
Additions	72,961	95,543
Unrealised gain/(loss) on revaluation	2,227,039	(6,595,543)
Market value at the end of the year	<u>6,500,000</u>	<u>4,200,000</u>

All the properties were valued as at 25 March 2010 (as defined in Note 1(c)) by DTZ Debenham Tie Leung Limited, Chartered Surveyors

5. Debtors

	2010	2009
	£	£
VAT	7,232	764
Other debtors	602	-
	<u>7,834</u>	<u>764</u>

Abbeymeads LLP**Notes to the Financial Statements**

For the year ended 25 March 2010 (continued)

6. Creditors: amounts due within one year

	2010 £	2009 £
Balance with RREEF UK Property Ventures Fund No 2	412,020	283,448
Accruals	27,054	26,476
	439,074	309,924

7. Capital contributions and distributions

There were no contributions of capital from the Partners, nor distributions nor repayments of capital declared or paid during the year ended 25 March 2010, nor the year ended 25 March 2009

8. Partners' interests

	Partners' Capital £	Revaluation Reserve £	Other Reserves £	Total £
Opening Partners' interests	9,507,770	(5,509,894)	(101,511)	3,896,365
Loss for the year	-	-	(49,808)	(49,808)
Partners' interests after loss for the year	9,507,770	(5,509,894)	(151,319)	3,846,557
Gain on revaluation	-	2,227,039	-	2,227,039
	9,507,770	(3,282,855)	(151,319)	6,073,596

9. Related party transactions

SSCSIL is a Partner of the Partnership in its capacity as Trustee of the Fund. SSCSIL, has delegated to its associate, State Street Fund Administration Services (Ireland) Limited ("SSFASIL"), its administration functions in respect of the Fund. The Members' agreement allows SSFASIL to charge the Partnership an administration fee of €12,000 per annum, and charges totalling £10,968 were raised during the year (2009 £9,335). At the year end £2,997 (2009 £5,281) remained unpaid and is included in accrued expenses.

The Manager of the Fund, Deutsche International Corporate Services (Ireland) Limited, has delegated to its associate, RREEF Limited ("RREEF"), its asset management functions in respect of the Fund. The members' agreement allows RREEF to charge the Partnership an administration fee of £3,000 per annum, but no charge was raised during the year (2009 £nil).

The members' agreement allows Thistle Land to charge the Partnership property management fees on the completion of specific development objectives, but during the year no fees were raised (2009 £nil).

Related party transactions between the Partners and the Partnership are disclosed in Notes 3 and 6.

Abbeymeads LLP

Notes to the Financial Statements

For the year ended 25 March 2010 (continued)

10. Ultimate parent and controlling undertaking

The ultimate parent and controlling undertaking is the RREEF UK Property Ventures Fund No 2 ("the Fund"), a unit trust constituted pursuant to the Irish Unit Trusts Act 1990. The smallest and largest group for which group accounts are prepared of which the Partnership is a member, is the Fund.

11. Significant events after the year end

There have been no other significant events since the year end other than those already disclosed in the financial statements.

12. Approval of the financial statements

The financial statements were approved by the Management Board of the Partnership on 10 November 2010.