



Financial statements

Profred Partners LLP

For the Year Ended 31 March 2011



Registered No. OC315167

Contents

Report of the members	3 - 4
Report of the independent auditor to the members	5 - 6
Accounting policies	7 - 8
Profit and loss account	9
Balance sheet	10
Notes to the financial statements	11 -14

Report of the members

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

Principal activities

The principal activity of the Limited Liability Partnership during the year was the provision of aircraft charter services

Results for the year and allocation to members

The loss for the year recoverable from members was \$10,219,937 (2010 loss \$691,173)

Designated members

The following were designated members during the year

Colorfull Holdings Limited
Blooming Holdings Limited

Policy with respect to members' drawings and subscription and repayments of amounts subscribed or otherwise contributed by members

The LLP has no capital. In future, the Managing Member (which is currently Colorfull Holdings Limited) may decide otherwise and, in this circumstance, the capital of the LLP shall be contributed by the members in the proportions in which they are entitled to share in the profits of the LLP.

Subject to the requirements of the LLP's business as determined by the Managing Member, each member is at liberty to draw out an amount equal to its accrued share of the profits as decided by the Managing Partner.

Members' responsibilities

The members are responsible for preparing the report to the members 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 (the 2008 Regulations) require the members to prepare financial statements for each financial year. Under the law the members have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under Part 5, Regulation 8 of the 2008 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 and profit or loss of the LLP and group for that period. In preparing these 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP and group will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and

Report of the members

explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the 2008 Regulations. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for the maintenance and integrity of the corporate and financial information included on the LLP's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

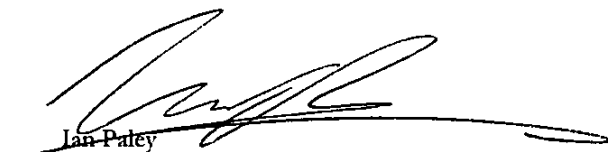
Auditor

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 489 of the Companies Act 2006 as modified by the Limited Liability Partnerships Regulations 2008.

Small LLP provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 (as applied to limited liability partnerships by The Small Limited Liability Partnerships (Accounts) Regulations 2008).

ON BEHALF OF THE BOARD


Jan Paley
Director, Colorfull Holdings Limited
Date 24 December 2011

Independent auditor's report to the members of Profred Partners LLP

We have audited the financial statements of Profred Partners LLP for the year ended 31 March 2011 which comprise profit and loss account, balance sheet and the related notes. 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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied to limited liability partnerships by the Limited Liability Partnership (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the members 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 partnership and members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement set out on page 3, 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

Independent auditor's report to the members of Profred Partners LLP (cont)

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

Grant Thornton UK LLP

Mark L Aldridge
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
BRISTOL

8 December 2011

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of financial instruments, and in accordance with applicable UK accounting standards and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' issued in March 2006 (SORP 2006)

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) (FRSSE)

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year for charter fees for the aircraft owned by the partnership, exclusive of Value Added Tax

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Aircraft - 3 years to 3 years 8 months straight line
Plant & Machinery - 5 years straight line

When an aircraft is purchased, the period over which the aircraft is intended to derive economic benefit for the partnership is set. This is frequently determined by a commitment or intention to purchase a new replacement aircraft at a point in the future. The difference between the cost and the estimated residual value is then depreciated on a straight line basis over this period. The current aeroplane is being depreciated over 3 years 8 months straight line, and the helicopter is being depreciated over 3 years straight line

No depreciation is charged during the period of construction

Stocks

Stocks comprise of aircraft spares. Stock is valued at the lower of cost and net realisable value

Members' participation rights

None of the members has a contract of employment with the LLP

On retirement, each member has a right to demand repayment of any capital it has subscribed and its share of the profits that has not been paid to it up to its retirement date (whether or not this profit has been divided by the Managing Partner previously) FRS 25 "Financial instruments: Disclosure and presentation" and UITF 39 "Members' shares in co-operative entities and similar instruments" state that under circumstances such as these, where the LLP has no unconditional right to avoid making repayments to members, members' participation rights should be accounted for as financial liabilities and as an expense within the profit and loss account, within 'members' remuneration charges as an expense'. The accounts have been prepared on this basis.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into US dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into US dollars at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

The functional currency is US dollars. This is the currency of the primary economic environment in which the LLP operates and generates net cash flow.

Profit and loss account


	Note	2011 \$	2010 \$
Turnover		4,186,677	4,486,392
Cost of sales		2,364,570	2,982,167
Gross profit		1,822,107	1,504,225
Other operating charges	2	(11,668,874)	(1,795,512)
Operating loss	3	(9,846,767)	(291,287)
Interest receivable		—	18
Interest payable and similar charges		(373,170)	(399,904)
Loss for the financial year before members' remuneration and profit shares		(10,219,937)	(691,173)
Loss recoverable from members	3	10,219,937	691,173
Profit for the financial year available for discretionary division among members		—	—

Balance sheet

	Note	2011 \$	2010 \$
Fixed assets			
Tangible assets	4	<u>100,341,914</u>	<u>83,643,872</u>
Current assets			
Stocks		128,855	128,855
Debtors	5	14,259,549	5,147,262
Cash at bank		<u>1,235,227</u>	<u>447,609</u>
		15,623,631	5,723,726
Creditors: amounts falling due within one year:			
Loans and other debts due to members		—	—
Other creditors due within one year	6	<u>(115,965,545)</u>	<u>(64,311,229)</u>
Net current liabilities		(100,341,914)	(58,587,503)
Total assets less current liabilities		<u>—</u>	<u>25,056,369</u>
Creditors: amounts falling due after more than one year	7	<u>—</u>	<u>(25,056,369)</u>
Net assets attributable to members		<u>—</u>	<u>—</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 as modified by the Small Limited Liability Partnerships (Accounts) Regulations 2008 relating to small LLPs and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the members on 8 December 2011, and are signed on their behalf by


 Ian Paley
 Director, Colerhill Holdings Limited

Notes to the financial statements

1 Turnover

The turnover and profit before tax are attributable to the one principal activity of the LLP all of which was carried out in the United Kingdom

2 Other operating charges

	2011 \$	2010 \$
Administrative expenses	<u>11,668,874</u>	<u>1,795,512</u>

3 Operating loss

Operating loss is stated after charging/(crediting)

	2011 \$	2010 \$
Staff pension contributions	41,339	59,513
Auditor's fees	9,000	7,800
Depreciation of owned fixed assets		
For the year	2,529,902	895,110
Exceptional charge arising from review of residual values	6,754,660	-
Net loss on foreign currency translation	<u>692,649</u>	<u>27,248</u>

4 Tangible fixed assets

	Aircraft \$	Plant & Machinery \$	Assets in the course of construction \$	Total \$
Cost				
At 1 April 2010	52,036,734	136,427	34,219,615	86,392,776
Additions	—	—	25,982,604	25,982,604
Transfers	47,040,124		(47,040,124)	—
At 31 March 2011	<u>99,076,858</u>	<u>136,427</u>	<u>13,162,095</u>	<u>112,375,380</u>
Depreciation				
At 1 April 2010	2,631,314	117,590	—	2,748,904
Charge for the year	2,511,065	18,837	—	2,529,902
Additional charge	6,754,660	—	—	6,754,660
At 31 March 2011	<u>11,897,039</u>	<u>136,427</u>	<u>—</u>	<u>12,033,466</u>
Net book value				
At 31 March 2011	<u>87,179,819</u>	<u>—</u>	<u>13,162,095</u>	<u>100,341,914</u>
At 31 March 2010	<u>49,405,420</u>	<u>18,837</u>	<u>34,219,615</u>	<u>83,643,872</u>

During the year the LLP reviewed and revised the expected residual value of its aircraft. The effect of this review and revision has been to increase the depreciation charge for the year by \$6,754,660.

5 Debtors

	2011 \$	2010 \$
Trade debtors	—	98,075
Other debtors	237,259	1,246,834
Amounts due from members (see note 9)	14,022,290	3,802,353
	<u>14,259,549</u>	<u>5,147,262</u>

6 Creditors: amounts falling due within one year

	2011 \$	2010 \$
Trade creditors	629,866	526,201
Bank loan	24,827,439	1,446,903
Other taxation and social security	21,029	39,692
Other creditors and accruals	90,487,211	62,298,433
	<u>115,965,545</u>	<u>64,311,229</u>

The bank loan is a loan in US dollars, from The Royal Bank of Scotland Plc, which is secured by a fixed charge over the aircraft to which it relates. Interest is charged on this loan at a rate of 1.15% over US Base rate. After the year end the loan was repaid in full on the sale of the aeroplane on which it was secured.

7 Creditors: amounts falling due after more than one year

	2011	2010
	\$	\$
Bank loan (see note 6)	<u>-</u>	<u>25,056,369</u>

8 Related party transactions

During the period, the LLP entered into transactions with its ultimate controlling related party, Sir James Dyson. Sir James Dyson provided additional loans totalling \$27,277,013 (2010- \$35,943,306) were Profred Partners LLP during the period. The LLP made sales to Sir James Dyson of \$2,406,360 (2010- \$1,798,579), relating to charter services provided. At 31 March 2011, Profred Partners LLP owed Sir James Dyson \$89,946,936 (2010 - \$61,969,260), which is included within other creditors. No interest is charged on amounts outstanding.

The LLP also entered into transactions with Dyson Limited, a company related by common control. Sales totalling \$1,760,929 (2010 - \$2,659,336) were made to this company. At 31 March 2011 there was no balance outstanding in respect of these sales (2010 \$92,698).

White Rainbow Limited, a company related by common control, charged management fees totalling \$71,311 (2010 - \$63,240). Nil (2010 \$10,888) was outstanding at the year end.

9 Loans and other debts due to members

	2011	2010
	\$	\$
Amounts owed by members in respect of losses	<u>(14,022,290)</u>	<u>(3,802,353)</u>

"Loans and other debts due to members" comprise the losses or profits automatically recoverable or distributable in the year and prior periods.

10 Members' interests

	Members' Capital	Other reserves	Total	Loans and other debts due to / from members	Total
	\$	\$	\$	\$	\$
Members' interests at 1 April 2010	—	—	—	(3,802,353)	(3,802,353)
Loss for the financial year	—	—	—	(10,219,937)	(10,219,937)
Members' interests after loss for the year	—	—	—	(14,022,290)	(14,022,290)
Allocated profits	—	—	—	—	—
Introduced by members	—	—	—	—	—
Members' interests at 31 March 2011	—	—	—	(14,022,290)	(14,022,290)

11 Leasing commitments

At 31 March 2011 the company had aggregate annual commitments under non-cancellable operating leases as set out below

	2011	2010
	\$	\$
Operating leases which expire		
Within 1 year	25,000	—
Within 2 to 5 years	—	75,000
	<u>25,000</u>	<u>75,000</u>

12 Capital commitments

The partnership had capital commitments, determined by contracts, totalling \$63,910,300 at 31 March 2011 (2010 - \$71,250,000)

13 Ultimate controlling related party

As controlling shareholder of the LLP's two designated members, Sir James Dyson is the entity's ultimate controlling related party

14 Post balance sheet event

On 7 April 2011, Profred Partners LLP sold the Bombardier Global Express XRS aircraft which had been acquired during the year ended 31 March 2007 for US\$35,700,000. The proceeds from the sale were used to settle in full the outstanding bank loan with The Royal Bank of Scotland Plc.