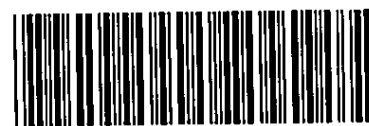

PICCADILLY LICENSED PROPERTIES LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

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PICCADILLY LICENSED PROPERTIES LLP

INFORMATION

Designated Members R D Whitton
 J Elton
 M L Tagliaferri
 S LeGassick
 Uberior Ventures Limited

LLP registered number OC327995

Registered office Updown Court
 Chertsey Road
 Windlesham
 Surrey
 GU20 6HY

Auditors Barnes Roffe LLP
 Chartered Accountants
 Registered Auditors
 Leytonstone House
 Leytonstone
 London
 E11 1GA

PICCADILLY LICENSED PROPERTIES LLP

MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

The members present their annual report together with the audited financial statements of Piccadilly Licensed Properties LLP (the LLP) for the year ended 31 December 2008.

PRINCIPAL ACTIVITY

The principal object of the LLP during the period under review was that of holding investments.

DESIGNATED MEMBERS

R D Whitton and J Elton were designated members of the LLP throughout the period.

MEMBERS' CAPITAL AND INTERESTS

Each member's subscription to the capital of the LLP is determined by the LLP agreement. Members are required to contribute capital and subscribe loan notes under that agreement.

Details of changes in members' capital in the year ended 31 December 2008 are set out in the financial statements.

The profits of the LLP are allocated and divided between the members after finalisation of the financial statements. No member may withdraw funds from the LLP without the prior written consent of Ueberior Ventures Limited or until an exit is achieved.

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 LLPs, 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 LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping proper accounting records that 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 Companies Act 1985. 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.

PICCADILLY LICENSED PROPERTIES LLP

**MEMBERS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008**

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are members at the time when this Members' Report is approved has confirmed that:

- i) so far as that member is aware, there is no relevant audit information of which the LLP's auditors are unaware, and
- ii) each member has taken all steps that ought to have been taken as a member in order to be aware of any information needed by the LLP's auditors in connection with preparing their report and to establish that the LLP's auditors are aware of that information.

SMALL COMPANY EXEMPTIONS

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985, as applied to LLPs by the Limited Liability Partnership Regulations 2001, applicable to small entities, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

AUDITORS

The auditors, Barnes Roffe LLP, have indicated their willingness to continue in office. The Designated members will propose a motion re-appointing the auditors at a meeting of the members.

This report was approved by the members on **14th October 2009** and signed on their behalf, by:



J Elton
Designated member

PICCADILLY LICENSED PROPERTIES LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PICCADILLY LICENSED PROPERTIES LLP

We have audited the financial statements of Piccadilly Licensed Properties LLP for the year ended 31 December 2008, set out on pages 6 to 13. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the LLP's members in accordance with Section 235 of the Companies Act 1985, as modified for limited liability partnerships by the Limited Liability Partnerships Regulations 2001. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF 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 modified for limited liability partnerships by the Limited Liability Partnerships Regulations 2001.

In addition we report to you if, in our opinion, the LLP 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 judgments made by the members 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.

PICCADILLY LICENSED PROPERTIES LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PICCADILLY LICENSED PROPERTIES LLP

OPINION

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the LLP's affairs as at 31 December 2008 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985, as modified for limited liability partnerships by the Limited Liability Partnerships Regulations 2001.

EMPHASIS OF MATTER - GOING CONCERN

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy in Note 1 to the financial statements concerning the LLP's ability to continue as a going concern. The LLP has impaired its investment in Piccadilly Licensed Properties Limited due to a decline in the property market and cash flow difficulties that are affecting its obligations under a bank loan agreement. This position, set out in Note 1, indicates the existence of material uncertainties which may cast significant doubt about the LLP's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the LLP were unable to continue as a going concern.

Barnes Roffe LLP

BARNES ROFFE LLP
Chartered Accountants
Registered Auditors
Leytonstone House
Leytonstone
London
E11 1GA

Date: *20 OCTOBER 2009*

PICCADILLY LICENSED PROPERTIES LLP

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	Year ended 31 December 2008 £	Period ended 31 December 2007 £
Administrative expenses	1	(202,001)	(2,480,911)
OPERATING LOSS	2	(202,001)	(2,480,911)
Interest receivable and similar income	4	202,001	123,624
LOSS FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		-	(2,357,287)
LOSS FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		-	(2,357,287)
Members' remuneration charged as an expense		(175,656)	(106,844)
LOSS FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		(175,656)	(2,464,131)

The notes on pages 8 to 13 form part of these financial statements.

PICCADILLY LICENSED PROPERTIES LLP

**BALANCE SHEET
AS AT 31 DECEMBER 2008**

	Note	£	2008 £	£	2007 £
FIXED ASSETS					
Investments	5		-		-
CURRENT ASSETS					
Debtors	6		2,464,131		-
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,464,131</u>		<u>-</u>
MEMBERS' FUNDS					
Loans and other debts due to members over one year	7				
Members' capital classified as a liability under FRS 25		1,000		1,000	
Other amounts		<u>2,638,787</u>		<u>2,463,131</u>	
			2,639,787		2,464,131
Equity					
Other reserves			(175,656)		(2,464,131)
			<u>2,464,131</u>		<u>-</u>
TOTAL MEMBERS' INTERESTS	8				
Amounts due from members (included in debtors)			(2,464,131)		-
Loans and other debts due to members			2,639,787		2,464,131
Members' other interests			(175,656)		(2,464,131)
			<u>-</u>		<u>-</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985, as applied to LLPs by the Limited Liability Partnership Regulations 2001, applicable to small entities, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 14th October 2009.


J Elton
Designated member

The notes on pages 8 to 13 form part of these financial statements.

PICCADILLY LICENSED PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The LLP is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the LLP as an individual undertaking and not about its group.

In determining the basis of preparation of the financial statements, the members have considered whether the LLP can continue in operational existence for the foreseeable future.

The subsidiary of the LLP, Piccadilly Licensed Properties Limited, owns a portfolio of public houses which it leases to third parties. As a result of the difficult trading conditions in the pub industry, the company has experienced cash flow difficulties, and in particular has found it difficult to meet its obligations under a bank loan agreement. The company is currently in negotiations with the bank to restructure its debt and cash flow.

The LLP has fully impaired its investment in Piccadilly Licensed Properties Limited due to the cash flow difficulties, a decline in the property market and the on-going negotiations with the bank.

As a result of this, the members of Piccadilly Licensed Properties LLP consider there exist uncertainties which may cast doubt over the ability of the LLP to continue as a going concern.

1.2 Cash flow

The financial statements do not include a cash flow statement because the LLP, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2007).

1.3 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Loan notes acquired from the subsidiary undertaking, Piccadilly Licensed Properties Limited, are shown at their recoverable amount. Interest is accrued at 8% per annum and calculated every three months and added to the principal loan in accordance with the loan note agreement.

1.4 Members' Capital

Capital contributions by the members are repayable on the member leaving the LLP and as such fall to be treated as debt rather than equity.

1.5 Loan notes

Loan notes issued to members are shown as debt, interest is accrued at 7% per annum and calculated every three months and added to the principal loan in accordance with the loan note agreement.

PICCADILLY LICENSED PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

2. OPERATING LOSS

During the year, no member received any emoluments (2007 - £Nil).

Audit remuneration for the year ended 31 December 2008 has been agreed at £5,000 (2007 - £4,000). The audit remuneration will be settled by a subsidiary company and therefore has not been accrued into these financial statements.

3. INFORMATION IN RELATION TO MEMBERS

	Year ended 31 December 2008 Number	Period ended 31 December 2007 Number
The average number of members during the year was	<u>5</u>	<u>5</u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 December 2008 £	Period ended 31 December 2007 £
Interest receivable from group companies	<u>202,001</u>	<u>123,624</u>

PICCADILLY LICENSED PROPERTIES LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

5. INVESTMENTS

	Shares in group undertakings £	Loan notes £	Total £
Cost			
At 1 January 2008	7,500	2,473,411	2,480,911
Additions	-	202,001	202,001
At 31 December 2008	<u>7,500</u>	<u>2,675,412</u>	<u>2,682,912</u>
Impairment			
At 1 January 2008	7,500	2,473,411	2,480,911
Charge for the year	-	202,001	202,001
At 31 December 2008	<u>7,500</u>	<u>2,675,412</u>	<u>2,682,912</u>
Net book value			
At 31 December 2008	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2007	<u>-</u>	<u>-</u>	<u>-</u>

Subsidiary undertakings

The following was a subsidiary undertaking of the company during the year:

Name	Class of shares	Holding
Piccadilly Licensed Properties Limited	Ordinary shares	75%

The principal activity of the subsidiary undertaking was that of managing and leasing of public houses. Piccadilly Licensed Properties Limited is a company incorporated in Jersey.

Piccadilly Licensed Properties LLP has provided for the impairment of its investments in Piccadilly Licensed Properties Limited because of the uncertainties in the trading conditions of that company.

The aggregate of the share capital and reserves as at 31 December 2008 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Piccadilly Licensed Properties Limited	<u>9,761,000</u>	<u>(1,534,000)</u>

The above figures were extracted from the management accounts for the year ended 31 December 2008.

PICCADILLY LICENSED PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

6. DEBTORS

	2008 £	2007 £
Amounts due from members	2,464,131	-

7. LOANS AND OTHER DEBTS DUE TO MEMBERS

	2008 £	2007 £
Members' capital treated as debt	1,000	1,000
Loan notes	2,638,787	2,463,131
	2,639,787	2,464,131

The loan notes issued to members are unsecured with interest accruing at 7% per annum. The loan notes are expected to mature in 2032.

PICCADILLY LICENSED PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

8. RECONCILIATION OF MEMBERS' INTERESTS

	Other reserves £	Loans and debts due to members less any amounts due from members in debtors £	Total £
Loss for the year available for division among members	(2,464,131)	-	(2,464,131)
Members' interests after loss for the year	(2,464,131)	-	(2,464,131)
Members' loan notes and interest	-	2,464,131	2,464,131
Members' interests: balance at 1 January 2008	(2,464,131)	2,464,131	-
Loss for the year available for discretionary division among members	(175,656)	-	(175,656)
Members' interests after loss for the year	(2,639,787)	2,464,131	(175,656)
Allocated loss for period	2,464,131	(2,464,131)	-
Interest on capital	-	175,656	175,656
Members' interests at 31 December 2008	(175,656)	175,656	-
	2008 £	2007 £	
Amounts due to members	2,639,787	2,464,131	
Amounts due from members	(2,464,131)	-	
Net amount due to members	175,656	2,464,131	

PICCADILLY LICENSED PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

9. RELATED PARTY TRANSACTIONS

During the prior period Piccadilly Licensed Properties LLP subscribed for loan notes in its subsidiary undertaking, Piccadilly Licensed Properties Limited. The loan notes are unsecured and accrue interest at 8% per annum.

At the balance sheet date the amount due from Piccadilly Licensed Properties Limited was £2,675,412 (2007 - £2,473,411). Interest of £202,001 (2007 - £123,624) was charged on the loan notes during the year. The loan notes and accrued interest were fully provided for during the year.

During the prior period Piccadilly Licensed Properties LLP issued loan notes to its members. The loan notes are unsecured and accrue interest at 7% per annum. Interest of £175,656 (2007 - £106,884) was charged on the loan notes during the year.

At the balance sheet date the amounts due to/(from) the members were as follows:

	Year ended 31 December 2008 £	31 December 2007 £
R D Whitton	(76,428)	256,286
M L Tagliaferri	(76,428)	256,286
S LeGassick	(76,428)	256,286
J Elton	(81,144)	246,271
Uberior Ventures Limited	485,084	1,448,002