
AAIM TURBO LLP

UNAUDITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2012

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AAIM TURBO LLP

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AAIM TURBO LLP

**MEMBERS' REPORT
FOR THE YEAR ENDED 31 MAY 2012**

The members present their annual report together with the financial statements of AAIM Turbo LLP (the LLP) for the year ended 31 May 2012

PRINCIPAL ACTIVITY

The principal activity of the LLP during the year under review was that of holding investments

DESIGNATED MEMBERS

M L Tagliaferri, S LeGassick, J Elton and DPK Property Holdings Limited were designated members of the LLP throughout the period

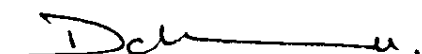
MEMBERS' CAPITAL AND INTERESTS

Each member's subscription to the capital of the LLP is determined by the LLP agreement. The members have contributed £100 of capital and £25,223,249 by way of loan notes. Interest has been charged on the loan notes at 7% per annum.

Details of changes in members' capital in the year ended 31 May 2012 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 the majority member or until an exit is achieved.

This report was approved by the members on 27 / 2 / 13 and signed on their behalf by



**D Maxwell on behalf of
DPK Property Holdings Limited
Designated member**

AAIM TURBO LLP

INFORMATION

Designated Members DPK Property Holdings Limited
 M L Tagliaferri
 S LeGassick
 J Elton

LLP registered number OC328330

Registered office Leytonstone House
 3 Hanbury Drive
 Leytonstone
 London
 E11 1GA

Accountants Barnes Roffe LLP
 Chartered Accountants
 Leytonstone House
 3 Hanbury Drive
 Leytonstone
 London
 E11 1GA

AAIM TURBO LLP

**CHARTERED ACCOUNTANTS' REPORT TO THE MEMBERS ON THE PREPARATION OF THE
UNAUDITED STATUTORY FINANCIAL STATEMENTS OF AAIM TURBO LLP
FOR THE YEAR ENDED 31 MAY 2012**

In order to assist you to fulfil your duties under the Companies Act 2006, as applied to LLPs, we have prepared for your approval the financial statements of AAIM Turbo LLP for the year ended 31 May 2012 which comprise the profit and loss account, the balance sheet and the related notes from the entity's accounting records and from information and explanations you have given to us

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at icaew.com/regulations

This report is made solely to the members in accordance with the terms of our engagement letter dated [date]

Our work has been undertaken solely to prepare for your approval the financial statements of AAIM Turbo LLP and state those matters that we have agreed to state to them in this report in accordance with AAF 2/10 as detailed at icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than AAIM Turbo LLP and its members for our work or for this report

It is your duty to ensure that AAIM Turbo LLP has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the entity's assets, liabilities, financial position and loss. You consider that AAIM Turbo LLP is exempt from the statutory audit requirement for the year

We have not been instructed to carry out an audit or review of the financial statements of AAIM Turbo LLP. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements

Barnes Roffe LLP

Barnes Roffe LLP
Chartered Accountants
Leytonstone House
3 Hanbury Drive
Leytonstone
London
E11 1GA

Date *1 March 2013*

AAIM TURBO LLP

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2012**

	2012 £	2011 £
Interest payable and similar charges	<u>(2,338,007)</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES	<u>(2,338,007)</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES	(2,338,007)	-
Members' remuneration charged as an expense	<u>(23,034)</u>	<u>(2,233,515)</u>
LOSS FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS	<u>(2,361,041)</u>	<u>(2,233,515)</u>

The notes on pages 7 to 12 form part of these financial statements

AAIM TURBO LLP
REGISTERED NUMBER OC328330

BALANCE SHEET
AS AT 31 MAY 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Investments	4		-		-
CREDITORS: amounts falling due within one year	5		<u>(101)</u>		<u>(101)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(101)</u>		<u>(101)</u>
CREDITORS amounts falling due after more than one year	6		<u>(35,158,747)</u>		<u>-</u>
NET LIABILITIES ATTRIBUTABLE TO MEMBERS			<u><u>(35,158,848)</u></u>		<u><u>(101)</u></u>
REPRESENTED BY					
Loans and other debts due to members greater than one year					
Members' capital classified as a liability under FRS 25		100		100	
Other amounts		<u>(32,797,907)</u>		<u>2,233,314</u>	
	7		<u>(32,797,807)</u>		<u>2,233,414</u>
Equity					
Other reserves			<u>(2,361,041)</u>		<u>(2,233,515)</u>
			<u><u>(35,158,848)</u></u>		<u><u>(101)</u></u>
TOTAL MEMBERS' INTERESTS					
Loans and other debts due to members	8		<u>(32,797,807)</u>		<u>2,233,414</u>
Members' other interests			<u>(2,361,041)</u>		<u>(2,233,515)</u>
	8		<u><u>(35,158,848)</u></u>		<u><u>(101)</u></u>

AAIM TURBO LLP

**BALANCE SHEET (continued)
AS AT 31 MAY 2012**

The members consider that the LLP is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 ("the Act")

The members acknowledge their responsibilities for complying with the requirements of the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the LLP as at 31 May 2012 and of its loss for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, relating to financial statements, so far as applicable to the LLP

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

The financial statements were approved and authorised for issue by the members and were signed on their behalf by



DPK Property Holdings Limited
Designated member

Date 27/2/13

The notes on pages 7 to 12 form part of these financial statements

AAIM TURBO LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2012

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 April 2008) and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships"

The LLP has not prepared group accounts on the basis that it does not exert control or dominant influence over PPH0 Limited, a company in which the LLP has a 29.4% beneficial holding. These accounts therefore present information about the LLP as an individual undertaking.

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.

During the year, loan notes issued to two members were transferred to a non-member and therefore fall to be classed as liabilities rather than members' interests, as a result of the transfer and the impairment of an investment of £24.97 million, the balance sheet reflects net liabilities of £35.16 million.

Under the terms of the loan note deed, the loan notes are not repayable until the earlier of a sale or disposal of the LLP or twenty-five years from the issue of the loan notes, being 26 June 2032.

At this stage there is no intention to sell or dispose of the LLP and, as a consequence of the LLP not trading, the members consider that the LLP has adequate financial resources to continue in operational existence and accordingly continue to adopt the going concern basis.

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 April 2008).

1.3 Investments

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

1.4 Loan notes

Loan notes issued to members are shown as members' interests, whilst loan notes held by non-members are classed as debt and included in creditors. Interest is accrued at 7% per annum and calculated every three months and added to the principal loan note outstanding in accordance with the loan note deed.

1.5 Capital contributions

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.

AAIM TURBO LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2012**

2. OPERATING PROFIT

There were no employees of the LLP during the year other than the members (2011 - £Nil)

Auditor's remuneration for the year ended 31 May 2012 has been agreed at £2,500. The auditor's remuneration will be settled by a member of the LLP and therefore has not been accrued into these financial statements.

3. INFORMATION IN RELATION TO MEMBERS

	2012	2011
The average number of members during the year was	<u>4</u>	<u>4</u>

Interest on loan notes granted to the members is treated as members' remuneration and treated as an expense.

AAIM TURBO LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2012**

4. INVESTMENTS

	Investments in associates £
Cost	
At 1 June 2011 and 31 May 2012	<u>24,970,877</u>
Impairment	
At 1 June 2011 and 31 May 2012	<u>24,970,877</u>
Net book value	
At 31 May 2012	<u>-</u>
At 31 May 2011	<u>-</u>

Participating interests

AAIM Turbo LLP controls 245 'B' ordinary shares in PPH0 Limited under a joint venture agreement with Pendragon Group Services Limited. This investment amounts to a 49% holding of the issued share capital of PPH0 Limited. Share warrants issued by PPH0 Limited during 2011 reduces the beneficial shareholding to 29.4%.

PPH0 Limited controls 100% of the issued ordinary share capital of PPH1 Limited which in turn controls 100% of the issued ordinary share capital of PPH2 Limited. PPH0 Limited, PPH1 Limited and PPH2 Limited are property investment companies.

The aggregate of the share capital and reserves and profit or loss of PPH0 Limited and its subsidiaries based on accounts for the year ended 31 December 2011 were as follows:

	Net assets £'000	Profit £'000
PPH0 Limited	-	-
PPH1 Limited	5,425	1,410
PPH2 Limited	-	-
	<u>5,425</u>	<u>1,410</u>

5 CREDITORS

Amounts falling due within one year

	2012 £	2011 £
Other creditors	<u>101</u>	<u>101</u>

AAIM TURBO LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2012**

6. CREDITORS

Amounts falling due after more than one year

	2012 £	2011 £
Other creditors	35,158,747	-

Creditors include amounts not wholly repayable within 5 years as follows

	2012 £	2011 £
Repayable other than by instalments	35,158,747	-

Other creditors due after more than one year consist of loan notes which are due for repayment in 2032
The loan notes carry interest at 7% per annum and are unsecured

7. LOANS AND OTHER DEBTS DUE TO MEMBERS

	2012 £	2011 £
Member capital treated as debt	100	100
Amounts due from members	(32,797,907)	2,233,314
	(32,797,807)	2,233,414

AAIM TURBO LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2012**

8 RECONCILIATION OF MEMBERS' INTERESTS

	Other reserves £	Loans and debts due to members £	Total £
Amounts due to members b/fwd		2,233,414	
Amounts due from members b/fwd		-	
Members' interests balance at 1 June 2011	(2,233,515)	2,233,414	(101)
Loss for the year available for discretionary division among members	(2,361,041)	-	(2,361,041)
Members' interests after loss for the year	(4,594,556)	2,233,414	(2,361,142)
Allocated profit for period	2,233,515	(2,233,515)	-
Repayment of debt	-	(32,820,740)	(32,820,740)
Interest on loan notes	-	23,034	23,034
Members' interests at 31 May 2012	(2,361,041)	(32,797,807)	(35,158,848)
Amounts due from members		(32,797,807)	
Amounts due to members		-	
		(32,797,807)	

In the event of a winding up of the LLP, members' interests will rank behind secured and ordinary creditors

9. CONTINGENT LIABILITIES

The purchase of the shares in PPH0 Limited contained an element of deferred consideration. The deferred consideration is due on an exit event, being a sale of shares or distribution of funds by PPH0 Limited.

Under the share purchase agreement the deferred consideration is calculated as 25% of the exit event value less a target return, the target return being a function of the exit event value.

It is not possible to calculate the exit event value or the target return and therefore no provision for the deferred consideration can be made.

The vendor of the shares, NatWest Property Investments Limited, has a charge over the present and future assets of the LLP in relation to the deferred consideration.

AAIM TURBO LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2012**

10. RELATED PARTY TRANSACTIONS

During the year M L Tagliaferri transferred loan notes and accrued interest of £161,678 to D Maxwell. D Maxwell is a director of DPK Property Holdings Limited, a member of the LLP. Included within other creditors are loan notes and interest of £173,195 due to D Maxwell, interest of £11,517 was accrued on the loan notes during the year.

During the year DPK Property Holdings Limited transferred loan notes and accrued interest of £32,659,062 to DPK Real Estate LLP. DPK Real Estate LLP and DPK Property Holdings Limited are under the common control of D Maxwell. Included within other creditors are loan notes and interest of £34,985,552 due to DPK Real Estate LLP, interest of £2,326,490 was accrued on the loan notes during the year.

During the year interest of £23,034 (2011 - £2,233,515) was charged on the loan notes held by the members of the LLP. At the balance sheet date the loan notes due to the members were as follows:

	2012 £	2011 £
R D Whitton	173,195	162,514
M L Tagliaferri	-	162,514
S LeGassick	173,195	162,514
DPK Property Holdings Limited	-	32,659,062

Included within debtors are amounts due from AAIM Limited of £245,408, a company in which the members had a material interest. AAIM Limited was placed into administration on 4 December 2008 and therefore full provision has been made against this debt.

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At the balance sheet date AAIM Turbo LLP considers DPK Property Holdings Limited to be its parent entity and D Maxwell to be its ultimate controlling party.