

ABD Developments LLP

Members' report and financial statements
for the year ended 30 April 2011

Registered number OC331537



ABD Developments LLP

Members' report and financial statements for the year ended 30 April 2011

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Members' report for the year ended 30 April 2011

The members present their report and audited financial statements of ABD Developments Limited Liability Partnership ("LLP") for the year ended 30 April 2011

Principal activities

The principal activity of the LLP is that of commercial and residential property development. These principal activities are not expected to change in the foreseeable future.

Review of the business

To date the LLP's principal activity has been the process of delivery of a 130 bed hotel in Stratford on Avon. A deal has been agreed for ABD Developments LLP to complete construction of the hotel on behalf of a fund. The hotel is pre-let to a major operator.

Construction work commenced in October 2010 and practical completion was achieved on 27 January 2012 and this event triggers completion of the pre sale. The LLP also owns an adjoining piece of land and is currently in discussions with the planning authority to obtain planning permission for a mixed use development.

It is considered that sufficient funds are in place to complete the development and that all expectations are that it will be profitable for the LLP.

Financial risk management

Due to the size of the LLP and the limited range and number of transactions, the members do not feel that financial risk management disclosures are relevant. The LLP operations do not expose it to any significant risks such as credit risk or liquidity risk. The LLP does not require a formal risk management programme and given the size of the LLP, the members have not delegated the responsibility of monitoring financial risk management to a sub-committee of the membership committee.

Designated members

The designated members of ABD Developments LLP are

Deeley Estates (Stratford) Limited
The Henley Estate Company Limited
The Bird Group of Companies Limited

Each member has chosen to appoint the following representatives in line with the LLP agreement, these are

P A W Deeley
D Austin
T Bird

Members profit shares and drawings

The profits and losses of the LLP, after allowing for interest payments, shall be shared equally between the members. There is no members capital (2010 £nil)

Members' report for the year ended 30 April 2011 (continued)

Members' responsibilities

The members are responsible for preparing the members' report and financial statements in accordance with applicable law and regulation

The Limited Liability Partnerships (*Accounts and Audit*) (*Application of the Companies Act 2006*) *Regulations 2008* require the members to prepare financial statements for each financial year. Under these regulations 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). Under these 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 of the Limited Liability Partnership and of the profit or loss of the Limited Liability Partnership 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,
- 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 Limited Liability Partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Limited Liability Partnership's transactions, 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 Limited Liability Partnerships (*Accounts and Audit*) (*Application of the Companies Act 2006*) *Regulations 2008*. 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.

Members' report for the year ended 30 April 2011 (continued)

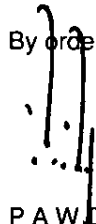
Statement of disclosure of information to auditors

All of the current members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The members are not aware of any relevant audit information of which the auditors are unaware.

Auditors

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the members



P A W Deeley
Representative of the membership committee

Date

31 JANUARY 2012

Independent auditors' report to the members of ABD Developments LLP

We have audited the financial statements of ABD Developments LLP for the year ended 30 April 2011 which comprise the profit and loss account, the balance sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Our report has been prepared pursuant to the requirements of the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Respective responsibilities of members and auditors

As described in the statement of members' responsibilities, the members of the limited liability partnership are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view.

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 have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, have been prepared in accordance with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008, give a true and fair view and whether the information given in the members' report is consistent with those financial statements. We also report to you if, in our opinion, the limited liability partnership has not kept adequate 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 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.

Independent auditors' report to the members of ABD Developments LLP (continued)

Opinion

In our opinion

- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008,
- the financial statements give a true and fair view of the state of the limited liability partnership's affairs as at 30 April 2011 and of its profit for the year then ended,
- the information given in the members' report is consistent with the financial statements

BDO LLP

*Mark Anslow (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham
United Kingdom*

Date 31 01 12

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

ABD Developments LLP

Profit and loss account for the year ended 30 April 2011

| | Notes | 2011 £ | 2010 £ |
|---|-------|--------------------|-----------|
| Turnover | 1 | 2,095,226 | 7,873 |
| Cost of sales | | (2,081,666) | - |
| Gross profit | | 13,560 | 7,873 |
| Administrative expenses | | (7,184) | (9,661) |
| Operating profit/(loss) | 2 | 6,376 | (1,788) |
| Interest payable and similar charges | 4 | (3,915) | (2,918) |
| Profit/(loss) on ordinary activities before taxation | | 2,461 | (4,706) |
| Profit/(loss) for the financial year before members' remuneration and profit shares and available for distribution among members | 10 | 2,461 | (4,706) |

No members received any salaries or remuneration

The results above are in respect of continuing operations

There is no material difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the year stated above and their historical cost equivalents

There are no recognised gains or losses other than as stated in the profit and loss account, therefore no separate statement of recognised gains and losses has been presented

The notes on page 8 to 12 form an integral part of these accounts

ABD Developments LLP

Balance sheet as at 30 April 2011

| | Notes | 2011 £ | 2010 £ |
|--|-------|--------------------|--------------------|
| Current assets | | | |
| Stock | 7 | 1,239,831 | 1,486,855 |
| Debtors | 8 | 414,044 | 28,222 |
| Cash at bank | | 124,644 | - |
| | | 1,778,519 | 1,515,077 |
| Creditors: amounts falling due within one year | 9 | (1,790,302) | (1,529,321) |
| Net current liabilities | | (11,783) | (14,244) |
| Net liabilities | | (11,783) | (14,244) |
| Members' interests | | | |
| Members' capital | | - | - |
| Other reserves | 10 | (11,783) | (14,244) |
| Total members' deficits | 10 | (11,783) | (14,244) |
| Total members' interests | | | |
| Members' capital | | - | - |
| Other reserves | 10 | (11,783) | (14,244) |
| Loans and other debts due to members (included in current liabilities) | 10 | 1,478,422 | 352,727 |
| Total members interests | 10 | 1,466,639 | 338,483 |

The financial statements on pages 6 to 12 were signed on behalf of the members of ABD Developments LLP by

P A W Deeley
Representative of Deeley Estates (Stratford) Limited

Date 31 JANUARY 2012

D Austin
Representative of The Henley Estate
Company Limited

Date 31 JANUARY 2012

Registered Number OC331537

ABD Developments LLP

Notes to the financial statements for the year ended 30 April 2011

1 Principal accounting policies

The financial statements are prepared in accordance with United Kingdom Companies Act 2006 applicable to Limited Liability Partnerships, in accordance with applicable United Kingdom accounting standards and the Statement of Recommended Practice, Accounting by Limited Liability Partnerships. They have been prepared on the historical cost basis of accounting. The particular applicable accounting policies adopted have been applied consistently in dealing with items which are considered material in relation to the financial statements and are described below.

The basis of the Limited Liability Partnership's financing is set out in note 10 to the financial statements.

Going concern

The LLP recorded a profit of £2,461 for year ended 30 April 2011 and had net liabilities of £11,783 as at that date.

To date the LLP's principal activity has been the process of delivery of a 130 bed hotel in Stratford on Avon. A deal has been agreed for ABD Developments LLP to complete construction of the hotel on behalf of a fund. The hotel is pre-let to a major operator.

Construction work commenced in October 2010 and practical completion was achieved on 27 January 2012 and this event triggers completion of the pre sale. The LLP also owns an adjoining piece of land and is currently in discussions with the planning authority to obtain planning permission for a mixed use development.

It is considered that sufficient funds are in place to complete the development and that all expectations are that it will be profitable for the LLP.

On this basis the members consider it appropriate to prepare the accounts on a going concern basis.

Cash flow statement

The LLP has taken advantage of the exemption for small LLP's from preparing a cash flow statement under the Companies Act 2006.

Taxation

The activities of the LLP do not give rise to a taxation charge or credit in the LLP, since the taxation liability is reflected in the accounts of the members according to their membership share.

ABD Developments LLP

Notes to the financial statements for the year ended 30 April 2011 (continued)

1 Principal accounting policies (continued)

Turnover

Turnover consists of the value of goods and services supplied to third parties in the year (excluding VAT). All turnover arises in the United Kingdom from the principal activity of the LLP. In the case of property developments undertaken by the company, sales and profits are recognised at the date of legal completion.

Allocation of profits and drawings

The profits and losses of the LLP, after allowing for interest payments, shall be shared equally between the three members.

Land held for development

Land held for development is stated at the lower of cost and net realisable value. The cost of land held for development comprises materials, finance costs, direct labour and attributable overheads. Provision is made against properties where it is believed the cost cannot be fully recovered.

Interest on capital borrowed to finance land and development work in progress is capitalised in land held for development to the extent that it accrues in respect of the period of development.

2 Operating profit/(loss)

| | 2011 | 2010 |
|--|-------|-------|
| | £ | £ |
| <hr/> | | |
| Operating profit/(loss) is arrived at after charging: | | |
| Auditors' remuneration (inclusive of out of pocket expenses) | | |
| Audit services | 2,500 | 2,500 |

3 Members and employees

The LLP has no employees and its members do not draw any fees (2010: £nil).

There were no members' emoluments during the year (2010: £nil).

ABD Developments LLP

Notes to the financial statements for the year ended 30 April 2011 (continued)

4 Interest payable and similar charges

| | 2011 | 2010 |
|---------------------------|-------|-------|
| | £ | £ |
| Bank loans and overdrafts | 3,915 | 2,918 |
| | 3,915 | 2,918 |

5 Taxation on profit/(loss) on ordinary activities

The financial statements do not incorporate any charge or credit for taxation on the results of the LLP, as the relevant income tax is the responsibility of individual members

6 Members' profit shares

| | 2011 | 2010 |
|---------------------------|------|------|
| Average number of members | 3 | 3 |

The Statement of Recommended Practice, Accounting for Limited Liability Partnerships, requires that the average loss per member is calculated by dividing the loss for the financial year before members' remuneration and shares, by the average number of members

| | 2011 | 2010 |
|-----------------------------------|------|---------|
| | £ | £ |
| Average profit/(loss) per member | 821 | (1,569) |

The total members deficit in the business, represented by members' capital net of cumulative losses at 30 April 2011, divided by the number of members at that date, amounts to £3,927 (2010 £4,748)
The total investment in the business in respect of all members, at 30 April 2011, amounts to £741,639 (2010 £338,483) of which £249,495 (2010 £114,004) relates to Deeley Estates (Stratford) Limited, £246,072 (2010 £114,227) relates to The Henley Estate Company Limited and £246,072 (2010 £110,252) relates to The Bird Group of Companies Limited

7 Stock

| | 2011 | 2010 |
|---------------------------------------|-----------|-----------|
| | £ | £ |
| Land and development work in progress | 1,239,831 | 1,486,855 |

ABD Developments LLP

Notes to the financial statements for the year ended 30 April 2011 (continued)

8 Debtors

| | 2011 | 2010 |
|------------------------------------|---------|--------|
| | £ | £ |
| Trade Debtors | 292,718 | - |
| Other taxation and social security | - | 27,848 |
| Other debtors | 120,955 | - |
| Prepayments and accrued income | 371 | 374 |
| | 414,044 | 28,222 |

9 Creditors: amounts falling due within one year

| | 2011 | 2010 |
|------------------------------------|-----------|-----------|
| | £ | £ |
| Bank loans and overdraft | - | 1,059,669 |
| Amounts due to members | 1,478,422 | 352,727 |
| Other taxation and social security | 1,784 | - |
| Trade creditors | 291,442 | 105,246 |
| Accruals and deferred income | 18,654 | 11,679 |
| | 1,790,302 | 1,529,231 |

Amounts due to members are in respect of unsecured loans from Deeley Estates (Stratford) Limited, The Henley Estate Company Limited and The Bird Group of Companies Limited. These movements on these borrowings have been analysed within note 10.

Whilst the Joint Venture agreement provides for non compound interest to accrue at 2.5% per annum, the parties have subsequently clarified the interpretation of the agreement such that no liability shall crystallise until such time as sufficient profits are generated from the development and therefore, in view of the losses being incurred, no interest has been recognised in these financial statements. The substance of the transactions are considered to represent an adjustment to the basis of sharing profits and accordingly will be recognised as an appropriation when sufficient profits are generated. The unrecognised amounts accruing to Deeley Estates (Stratford) Limited, The Henley Estate Company Limited and The Bird Group of Companies Limited at 30 April 2011 are £11,224, £8,170 and £9,095 (2010: £5,406, £2,361 and £3,312) respectively.

ABD Developments LLP

Notes to the financial statements for the year ended 30 April 2011 (continued)

10 Members' interests

| | Members' capital | Other reserves | Loans and other debts due to members | Total |
|---|---------------------|-------------------|---|------------------|
| | £ | £ | £ | £ |
| At 1 May 2010 | - | (14,244) | 352,727 | 338,483 |
| Profit for the financial year available for division among members | - | 2,461 | - | 2,461 |
| Members' interests after loss for the year | - | (11,783) | 352,727 | 340,944 |
| Introduced by members | - | - | 1,125,695 | 1,125,695 |
| Members' interests at 30 April 2011 | - | (11,783) | 1,478,422 | 1,466,639 |

11 Contingent liabilities

As more fully explained in note 9, there is a contingent obligation to pay interest to the members totalling £28,489 (2010 £11,079)

12 Related party transactions

Deeley Estates (Stratford) Limited, The Henley Estate Company Limited and The Bird Group of Companies Limited have provided current account balances for working capital requirements amounting to £253,422, £250,000 and £975,000 (2010 £118,752, £118,975 and £115,000 respectively)

There were no other related party transactions

13 Parent undertakings

Deeley Estates (Stratford) Limited, The Henley Estate Company Limited and The Bird Group of Companies Limited are all equal members. All three of the companies are registered in England and Wales and copies of their financial statements are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ