

CCURV LLP

**MEMBERS' REPORT
AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2012**

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COMPANIES HOUSE

Limited Liability Partnership Registration No OC341025

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

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DESIGNATED MEMBERS AND ADVISORS

Designated Members

John Laing Projects & Developments (Croydon) Limited
The Mayor & Burgesses of The London Borough of Croydon

Partnership Board Representatives

M Baybutt

J Heath (appointed 18 January 2013)

J Kerr (resigned 18 January 2013)

L A McCance

J Rouse (resigned 1 March 2013)

R M Simpson

S D Yeatman

Registered office

1 Kingsway

London

WC2B 6AN

Auditor

Deloitte LLP

Chartered Accountants

London

Principal bankers

The Royal Bank of Scotland

PO Box 39952

2 1/2 Devonshire Square

London

EC2M 4XJ

MEMBERS' REPORT

The Members submit their Annual Report on the affairs of the Group, together with the financial statements and auditor's report, for the year ended 31 December 2012

GROUP STRUCTURE

CCURV LLP (the 'LLP') is incorporated as a Limited Liability Partnership under the Limited Liability Partnerships Act 2000

These financial statements are the accounts of CCURV LLP and reflect the results for the year to 31 December 2012. The financial statements consolidate the accounts of CCURV LLP and all its subsidiary undertakings (the 'Group'), drawn up to 31 December each year.

REVIEW OF DEVELOPMENTS

The Limited Liability Partnership (LLP) between London Borough of Croydon and John Laing Projects & Developments (Croydon) Limited continued to take forward developments in Croydon

Waddon

Construction of Phase 1 of the Waddon scheme reached practical completion in December 2012. Phase 1 comprises a new district leisure centre operated by Croydon Council and 119 affordable residences provided by the Hyde Group. The residences are being occupied, while the leisure centre opened in January 2013.

Other elements of the scheme are private residential but the timing of the construction of these elements is still to be determined.

Taberner House

Significant progress has been made on the Taberner House development in 2012 with an outline scheme being worked up, and the mid-Croydon masterplan being formally adopted by Croydon Council. The delivery strategy for Taberner House is proposed as two phases, with phase 1 being Private Rented Sector (PRS) residential stock and phase 2 private residential for sale.

College Green

The Masterplan has been recommenced, working with a project board of stakeholders including Croydon College, to assemble the site to deliver a viable mixed-use scheme.

Lion Green Road, Coulsdon

Substantial progress has been made on completing the masterplan for Coulsdon and working up proposals for this site. A 50,000 sq ft gross foodstore has been identified for the site, as well as a 9,000 sq ft health centre. Planning will take place in parallel with the masterplan with a targeted submission in July 2013 following public consultation.

Other Sites

CCURV (Croydon Council Urban Regeneration Vehicle) is looking at numerous other Council owned sites across the borough such as Rees House and Homefield House in order to establish what values and regenerative benefits can be achieved through their delivery.

Davis House LLP

The LLP has continued to manage an office building in central Croydon. Davis House LLP rents out the building to various tenants for which it receives quarterly rental income. It is the strategy of the members to consider how best to maximise the development potential and sales value of the property once the property market in Croydon has improved. In the meantime the aim is to fully let the building, thereby enhancing the current value of the asset.

The commercial rental market in Croydon for secondary office assets has weakened and as a result yields have softened reducing asset values. Rental income has fallen due to lease expiries, administrations and bad debts. At the year-end the Davis House asset value was impaired by £6,397,516 (2011 - £4,330,056) to reflect net realisable value.

In 2013 refinancing of the Davis House asset will need to take place. The new facility has existing credit committee sign off for an agreed term sheet between RBS and Davis House LLP. The first draft of the new facility agreement has been received. The Members have committed to maintain the Partnership as a going concern. It is expected that an injection of £1,400,000 will be required from each Member as part of the refinance.

The Members are not aware, at the date of this report, of any major changes in the Partnership's activities in the next year.

MEMBERS' REPORT (continued)

GOING CONCERN

The LLP and Group has net liabilities as at 31 December 2012 and has a letter of support from its members. The Partnership Board Representatives have considered the use of the going concern basis in the preparation of the financial statements in light of current market conditions and concluded that, with a future pipeline of identified new properties to be developed for the London Borough of Croydon, that the LLP and Group will remain a going concern for the foreseeable future. In reaching this conclusion, the Partnership Board Representatives have specifically considered the LLP's relationship with its members. More information is provided in note 1 of the Financial Statements.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a Partnership Board Representative at the date of approval of this report confirm that

- as far as the Partnership Board Representatives are aware, there is no relevant audit information of which the Partnership's auditors are unaware, and
- the Partnership Board Representative has taken all the steps that ought to be taken as a member in order to be aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of section 418 of the Companies Act 2006.

PARTNERSHIP BOARD REPRESENTATIVES AND DESIGNATED MEMBERS

The designated members and Partnership Board Representatives, who served during the year are set out on page 1.

AUDITOR

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in accordance with the LLP agreement.

MEMBERS' DRAWINGS AND CAPITAL POLICY

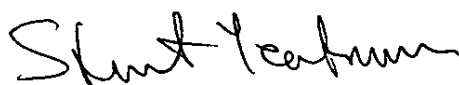
The Members' drawings and capital policy is outlined under clause 8 of the Limited Partnership Agreement signed on 28 November 2008.

Members are entitled but not obliged to make additional capital contributions.

No interest shall be paid or is payable by the LLP upon any capital contribution.

No member may make an additional capital contribution unless the other member makes a capital contribution at the same time such that the Members' respective capital contributions bear the same proportions to one another both before and after such contributions are made.

Approved and signed on behalf of the members



S Yeatman
Partnership Board Representative
London, United Kingdom
17 July 2013

MEMBERS' RESPONSIBILITIES STATEMENT

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

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require 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 Group and of the profit or loss of the Group 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 firm will continue in business,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

The Members are responsible for keeping adequate 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 2006, as applicable to limited liability partnerships. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CCURV LLP

We have audited the financial statements of CCURV LLP for the year ended 31 December 2012 which comprise the Consolidated Profit and Loss Account, the Consolidated and Limited Liability Partnership Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 17. 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 Limited Liability Partnership's 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 Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership's 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 limited liability partnership and the limited liability partnership's 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, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the limited liability partnership's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the designated members, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent limited liability partnership's affairs as at 31 December 2012 and of the group's 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.

In our opinion the information given in the Members' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 by the parent limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent limited liability partnership 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.



Ross Howard (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

17 July 2013

CONSOLIDATED PROFIT AND LOSS ACCOUNT**FOR THE YEAR ENDED 31 DECEMBER 2012**

	Notes	2012 £'000	2011 £'000
Turnover	2	18,105	16,829
Cost of sales		<u>(18,210)</u>	<u>(17,220)</u>
Gross loss		(105)	(391)
Operating Income		1,862	1,969
Administrative & operating expenses		<u>(1,321)</u>	<u>(821)</u>
Operating profit	3	436	757
Stock Impairment	7	<u>(6,398)</u>	<u>(4,330)</u>
Loss on ordinary activities before interest		(5,962)	(3,573)
Net interest payable	5	<u>(1,538)</u>	<u>(1,637)</u>
Loss for the financial year before members' remuneration		(7,500)	(5,210)
Loss for the financial year available for discretionary division among members	11	(7,500)	(5,210)

A reconciliation of movements in members' Interests is given in note 12

All items in the profit and loss account relate to continuing operations

There is no material difference between the results stated in the consolidated profit and loss account and their historical cost equivalents

All gains and losses are recognised in the profit and loss account in both the current and preceding year, and therefore no separate statement of total recognised gains and losses has been presented

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2012

	Notes	2012 £'000	2011 £'000
Current assets			
Stock	7	9,000	15,398
Debtors - due within one year	8	1,220	569
Cash at bank and in hand		<u>4,270</u>	<u>3,884</u>
		14,490	19,851
Current liabilities			
Creditors amounts falling due within one year	9	(12,004)	(7,992)
Net current assets		<u>2,486</u>	<u>11,859</u>
Total assets less current liabilities		2,486	11,859
Creditors amounts falling due after more than one year	9	(19,672)	(21,545)
Net liabilities attributable to members		<u>(17,186)</u>	<u>(9,686)</u>
Represented by			
Members' other interests			
Members' capital account	11	1	1
Members' current account	11	(17,187)	(9,687)
Total Members' Interests	12	<u>(17,186)</u>	<u>(9,686)</u>

The financial statements of CCURV LLP, Limited Liability Partnership Registration No OC341025, were approved by the Partnership Board Representatives and authorised for issue on 17 July 2013. They were signed on its behalf by




S Yeatman
Partnership Board Representative
London, United Kingdom
17 July 2013

LIMITED LIABILITY PARTNERSHIP BALANCE SHEET AS AT 31 DECEMBER 2012

	Notes	2012 £'000	2011 £'000
Fixed assets			
Investments	6	-	-
Current assets			
Debtors - due within one year	8	1,098	271
Cash at bank and in hand		<u>2,345</u>	<u>3,512</u>
		3,443	3,783
Current liabilities			
Creditors amounts falling due within one year	9	(948)	(6,541)
Net current assets / (liabilities)		<u>2,495</u>	<u>(2,758)</u>
Total assets less current liabilities		2,495	(2,758)
Creditors amounts falling due after more than one year	9	(7,895)	(1,914)
Net liabilities attributable to members		<u>(5,400)</u>	<u>(4,672)</u>
Represented by:			
Members' other interests			
Members' capital account	11	1	1
Members' current account		(5,401)	(4,673)
Total Members' Interests	12	<u>(5,400)</u>	<u>(4,672)</u>

The financial statements of CCURV LLP, Limited Liability Partnership Registration No OC341025, were approved by the Partnership Board Representatives and authorised for issue on 17 July 2013. They were signed on its behalf by



S Yeatman
Partnership Board Representative
London, United Kingdom
17 July 2013

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £'000	2011 £'000
Net cash (outflow) / inflow from operating activities	14	(1,546)	2,564
Financing			
Interest received		2	2
Interest and other financing costs paid		(465)	(605)
Net cash outflow from financing		<u>(463)</u>	<u>(603)</u>
Financing			
Increase in loan from members		2,995	450
Repayment of bank loan	9	(600)	(600)
Net cash inflow / (outflow) from financing		<u>2,395</u>	<u>(150)</u>
Increase in cash in the year		<u>386</u>	<u>1,811</u>
Cash at bank and in hand			
Balance as at 1 January 2012		3,884	2,073
Balance as at 31 December 2012		<u>4,270</u>	<u>3,884</u>

Notes to the financial statements for the year ended 31 December 2012

1 ACCOUNTING POLICIES

a) Basis of preparation of accounts

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships'. The particular accounting policies adopted by the Members are described below

Basis of consolidation

The Group financial statements consolidate the financial statements of the LLP and its subsidiary undertakings drawn up to 31 December each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

Limited Liability Partnership

The LLP hold investments in subsidiaries, in the event of default of any subsidiary exposure is limited to the extent of the investment made by the LLP. Having reviewed the LLP's investment portfolio including the associated future cash requirements and forecast receipts, the Members are satisfied that they have a reasonable expectation that the LLP will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Group

The current economic conditions create some uncertainty, including with respect to

- (a) the ability of key sub-contractors to continue to meet contractual commitments,
- (b) the ability of the debt provider to continue to meet its contractual commitments,
- (c) the ability of the SWAP provider to continue to meet their commitments, and
- (d) the members have also considered the ability of Croydon Council to continue to meet its contractual obligations due to the LLP and do not constitute this to be a material risk.

The LLP has net liabilities as at 31 December 2012 and is reliant on support from its members to be able to meet its liabilities as they fall due.

The LLP's Group forecasts and projections, taking account of reasonably possible changes in counterparty performance, show that the LLP expects to be able to continue to operate.

After making enquiries, the members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. This is evidenced by a letter of support from its members, which states their intent to provide the necessary financial support to ensure that the LLP is a going concern for at least twelve months from the date of signing of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

b) Turnover

Income represents income receivable in the ordinary course of business for services provided and excludes value added tax. Income is entirely derived in the United Kingdom. Pass-through revenue is recognised as costs are incurred.

c) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

d) Taxation

As a partnership, taxable income and chargeable gains and losses are borne by the individual partners and not reflected in the financial statements.

e) Bid Costs

Bid costs are charged to the profit and loss account.

The recovery of bid costs from project companies is recognised in the period of financial close.

f) Bank Borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Notes to the financial statements for the year ended 31 December 2012 (continued)

2 TURNOVER

	Group 2012 £'000	Group 2011 £'000
Turnover in the year is analysed as follows		
Pass-through revenue	<u>18,105</u>	<u>16,829</u>
	<u>18,105</u>	<u>16,829</u>

3 OPERATING PROFIT

	Group 2012 £'000	Group 2011 £'000
Operating profit is stated after charging		
Fees payable to the LLP's auditors for the audit of the LLP's annual accounts	5	5
Fees payable to the LLP's auditors for the audit of Davis House LLP's annual accounts	5	5
Fees payable to the LLP's auditors for the audit of CCURV (Nominee) Ltd annual accounts	<u>3</u>	<u>3</u>
	<u>13</u>	<u>13</u>

For the year ended 31 December 2012, the LLP reported a loss available for discretionary distribution among members of £727,970 (2011 - loss of £756,630)

4 STAFF NUMBERS

The Group had no employees during the current year (2011 - nil)

5 NET INTEREST PAYABLE

	Group 2012 £'000	Group 2011 £'000
Other interest receivable	2	2
Interest payable and similar charges	<u>(1,540)</u>	<u>(1,639)</u>
Net interest payable	<u>(1,538)</u>	<u>(1,637)</u>

6 INVESTMENTS

	LLP Investment in subsidiary £'000
Cost and net book value	
At 1 January 2012	-
At 31 December 2012	-
Net book value	
At 31 December 2012	-
At 31 December 2011	-

The LLP has a 99.99% interest in Davis House LLP for a consideration of £99.99, which is incorporated in Great Britain and registered in England and Wales and its principal activity is the development of property in the London Borough of Croydon and a 100% interest in CCURV (Nominees) Limited for a consideration of £1.00, a company incorporated in Great Britain and registered in England and Wales which is a holding company with a 0.01% interest in Davis House LLP

In the opinion of the members the value of the investment in participating interest is not less than the amount stated in the balance sheet

Notes to the financial statements for the year ended 31 December 2012 (continued)

7 STOCK

	Group 2012 £'000
Cost	
At 1 January 2012	19,728
At 31 December	19,728
Impairment	
At 1 January 2012	(4,330)
Charged to the profit and loss account	(6,398)
At 31 December	(10,728)
Net book value	
At 31 December 2012	9,000
At 31 December 2011	15,398

The property, Davis House, has been classified as inventory since it is the intention of the members to dispose of the property when market conditions improve. The asset has been impaired to reflect net realisable value.

8 DEBTORS

	Group		LLP	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Due within one year				
Trade debtors	244	244	-	-
Amounts owed by fellow member undertakings	963	46	1,098	42
Other taxation and social security	-	160	-	158
Prepayments and accrued income	13	119	-	71
	1,220	569	1,098	271

9 CREDITORS

	Group		LLP	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Amounts falling due within one year				
Amounts owed to fellow member undertakings	762	4,544	762	4,447
Trade creditors	453	2,050	69	1,936
Corporation tax	-	1	-	-
Other taxation and social security	68	90	3	-
Bank loan	10,200	600	-	-
Accruals and deferred income	521	707	114	158
	12,004	7,992	948	6,541
Amounts falling due after more than one year				
Amounts owed to fellow member undertakings	19,672	11,345	7,895	1,914
Bank loan	-	10,200	-	-
	19,672	21,545	7,895	1,914
Analysis of debt				
Debt can be analysed as falling due				
In one year or less, on demand	12,004	7,992	948	6,541
Between one and two years	-	12,115	-	1,914
Between two and five years	19,672	9,430	7,895	-
	31,676	29,537	8,843	8,455

Notes to the financial statements for the year ended 31 December 2012 (continued)

10 LOANS

The whole of the Council A Loan of £24,428,417 was deemed advanced at commercial close. The John Laing Projects and Developments (Croydon) Limited A loan is only drawn down in accordance with demands made by CCURV LLP as set out in the Members' Agreement unless agreed by both Members in writing. Interest is only payable on that portion of the Council A Loan that has not been matched by drawdown of the John Laing Projects and Developments (Croydon) Limited A Loan.

In 2012 John Laing Projects & Developments (Croydon) Limited (JLPDC) issued £1,400,000 A Loan notes to the partnership. Loan repayments of £7,990,074 paid in the current and preceding accounting periods leave an outstanding balance of £5,766,250 as at 31st December 2012.

Interest is charged on the JLPDC A Loan attributable to Barclay Road Annex at 0.05% per annum. Interest is charged on the remaining loan balance at 4.75% per annum. Council A Loan interest payable is accrued on a quarterly basis and the interest is credited to a separate account. At 31st December 2012 total accrued interest was £2,218,857.

Related party undertakings have given loans totalling £9.4 million, payable upon disposal of the freehold building which is not expected to occur in the next twelve months. Interest is charged at 6% per annum and compounded on a quarterly basis. At 31st December 2012 the total accrued interest on the loans was £2,244,142.

Royal Bank of Scotland provided a facility in order to finance the purchase of the freehold building, Davis House. The loan is repayable in instalments based on agreed amounts per annum until November 2013. The loan is secured by a charge over the freehold property. At 31st December 2012 the remaining facility is £10,200,000. The loan is being renegotiated as described in the Members' Report.

11 MEMBERS' INTERESTS

	Group		LLP	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Members' capital account	1	1	1	1
Members' current account	(17,187)	(9,687)	(5,401)	(4,673)
	<u>(17,186)</u>	<u>(9,686)</u>	<u>(5,400)</u>	<u>(4,672)</u>

12 RECONCILIATION OF MOVEMENTS IN TOTAL MEMBERS' INTERESTS

	Group		LLP	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Loss for the financial year available for discretionary division among members	(7,500)	(5,210)	(728)	(757)
Net reduction to total members' interests	<u>(7,500)</u>	<u>(5,210)</u>	<u>(728)</u>	<u>(757)</u>
Opening Total Members' Interests	(9,687)	(4,477)	(4,673)	(3,916)
Closing Total Members' Interests	<u>(17,187)</u>	<u>(9,687)</u>	<u>(5,401)</u>	<u>(4,673)</u>

Notes to the financial statements for the year ended 31 December 2012 (continued)

13 TRANSACTIONS WITH RELATED PARTIES

There were related party transactions between the LLP and the following parties

	2012 £'000	2011 £'000
Payments		
John Laing Projects and Developments Ltd	943	1,051
Laing Investment Management Services Ltd	14	4
John Laing plc	22	32
The Mayor & Burgesses of The London Borough of Croydon	46	482
	<u>1,025</u>	<u>1,569</u>
Receipts		
John Laing Projects and Developments Ltd	23	55
Davis House LLP	-	45
The Mayor & Burgesses of The London Borough of Croydon	9,307	8,673
	<u>9,330</u>	<u>8,773</u>

Details of payments made to John Laing plc and subsidiaries are as follows

John Laing Projects and Developments Ltd - Management and secondment fees	943	1,051
Laing Investment Management Services Ltd - Management and secondment fees	-	4
Laing Investment Management Services Ltd - Recruitment Advertising Fees & Consultancy	14	-
John Laing plc - Loan Guarantee Fees	22	32
	<u>979</u>	<u>1,087</u>

Details of payments made to The Mayor & Burgesses of The London Borough of Croydon are as follows

Pass-through costs - ESco Capital Contribution	-	450
Licences	-	5
Rates	44	27
Planning Advice	2	-
	<u>46</u>	<u>482</u>

Details of receipts from John Laing plc and subsidiaries are as follows

John Laing Projects and Developments Ltd - Pass-through costs recovered	23	-
John Laing Projects and Developments Ltd - Management and secondment fees	-	55
	<u>23</u>	<u>55</u>

Details of receipts from The Mayor & Burgesses of the London Borough of Croydon are as follows

Pass-through costs recovered	8,064	5,960
Rental Income	590	1,316
Development Management Fees	486	940
Service Charges	167	457
	<u>9,307</u>	<u>8,673</u>

Loan receipts from John Laing Projects and Developments (Croydon) Ltd	<u>5,766</u>	<u>4,366</u>
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Balance payable at 31 December

John Laing Projects and Developments (Croydon) Ltd	7,985	4,367
John Laing Project & Developments (Holdings) Limited	5,844	4,715
John Laing plc - Loan Guarantee Fees	17	8
John Laing Project & Developments Limited	745	80
The Mayor & Burgesses of The London Borough of Croydon	5,844	6,719
	<u>20,434</u>	<u>15,889</u>

Balance receivable at 31 December

John Laing Projects and Developments Ltd	5	-
The Mayor & Burgesses of The London Borough of Croydon	958	42
	<u>963</u>	<u>42</u>

Notes to the financial statements for the year ended 31 December 2012 (continued)

14 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012	2011
	£'000	£'000
Operating profit	436	757
(Increase) / decrease in debtors	(986)	554
(Decrease) / increase in creditors	(866)	1,253
Other non cash movements	(130)	-
Net cash (outflow) / inflow from operating activities	<u>(1,546)</u>	<u>2,564</u>

15 RECONCILIATION OF MOVEMENT IN NET DEBT

	At 1 January 2012 £'000	Cash flow £'000	At 31 December 2012 £'000
Increase in cash in hand and at bank	3,884	386	4,270
Debt due within one year	(7,992)	(4,012)	(12,004)
Debt due after one year	(21,545)	1,873	(19,672)
Net debt	<u>(25,653)</u>	<u>(1,753)</u>	<u>(27,406)</u>

16 CASH FLOW TO NET DEBT

	2012 £'000
Increase in cash in hand and at bank	386
Cash inflow from increase in debt	<u>(2,139)</u>
Increase in net debt	<u>(1,753)</u>
Net debt at 1 January 2012	<u>(25,653)</u>
Net debt at 31 December 2012	<u>(27,406)</u>

17 ULTIMATE MEMBER UNDERTAKING

In accordance with the Project Development & Management Agreement, the partnership is managed by John Laing Projects & Developments Limited. The LLP's members are John Laing Projects & Developments (Croydon) Limited (50%), a company incorporated in Great Britain and The Mayor & Burgesses of The London Borough of Croydon (50%), a local authority in Great Britain. Copies of John Laing Projects & Developments (Croydon) Limited's accounts are available from Companies House, Crown Way, Cardiff, CF14 3UZ.