SO300803

BDL Investments LLP

Report and Financial Statements

31 March 2011

Partners
E Campbell
S Campbell
S J McCaffer
R Morrow
S Terry
D G Thompson
L P Woodcock

Auditors
Ernst & Young LLP
G1
5 George Square
Glasgow G2 1DY

Bankers
Royal Bank of Scotland
Kirkstane House
139 St Vincent Street
Glasgow G2 5JF

Solicitors
McGrigors
Pacific House
70 Wellington Street
Glasgow G2 6SB

Registered Office
40 Brand Street
Glasgow G51 1DG

Members' report

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

Results and dividends

The profit for the year amounted to £130,534 (2010 – profit of £125,600). There has been a distribution to the members of £100,000 in the year (2010 - £nil) leaving a contribution to reserves of £30,534 (2010 – £125,600).

Principal activities and review of the business

The principal activity of the partnership is the letting of a retail unit. Gross profit for the year was £147,031 (2010 - £144,582).

Members and their interests

The members shall take all steps necessary to ensure that in respect of each financial period, the partnership distributes all profits (after amounts deemed necessary to be retained for working capital requirements) of the partnership that are available for distribution. Such profits shall be distributed to the members in accordance with their percentage shares unless the members agree otherwise. No member shall be entitled to remuneration by the partnership when acting in the business or the management of the partnership.

Auditors

A resolution to re-appoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

Special provisions for small entities

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption under section 415A of the Companies Act 2006.

On behalf of the members

Stuart McCaffer

1 August 2011

Statement of members' responsibilities

The Limited Liability Partnerships (Financial statements and Audit) (Application of Companies Act 2006) Regulations 2008 and applicable accounting standards require the members to prepare financial statements for each financial year, which give a true and fair view of the state of affairs and of the profit or loss of the LLP for that year.

In preparing those 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The designated members are responsible for keeping proper accounting records, which 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 Limited Liability Partnerships (Financial statements and Audit) (Application of Companies Act 2006) Regulations 2008. 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 auditors' report

to the members of BDL Investments LLP

We have audited the financial statements of BDL Investments LLP for the year ended 31 March 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 10. 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 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 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 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 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 report and financial statements to identify material inconsistencies with the audited financial statements. 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 limited liability partnership's affairs as at 31 March 2011 and of its profit 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 auditors' report

to the members of BDL Investments LLP

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
- the members were not entitled to prepare financial statements in accordance with the small limited liability partnerships' regime

Ernst & Young LLP

Mark Harvey (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Glasgow

1 August 2011

Profit and loss account

for the year ended 31 March 2011

	Notes	2011 £	2010 £
Turnover	2	149,853	151,041
Cost of sales		(2,822)	(6,459)
Gross profit		147,031	144,582
Administrative expenses		-	-
Operating profit	3	147,031	144,582
Interest receivable		3	8
Interest payable on loans – excluding on members' loans		(16,500)	(18,990)
Profit for the financial year before members' remuneration		130,534	125,600
Retained profit for the year available for discretionary division amongst members		130,534	125,600

Statement of total recognised gains and losses

for the year ended 31 March 2011

There are no recognised gains or losses in the year other than the profit available to members of the partnership of £130,534 (2010 – profit of £125,600).

Balance sheet

at 31 March 2011

	Notes	2011 £	2010 £
Fixed assets			
Tangible assets	4	2,200,000	2,200,000
Current assets			
Debtors	5	92,201	92,715
Cash at bank and in hand		77,187	46,249
		169,388	138,964
Creditors: amounts falling due within one year	6	(1,147,805)	(50,042)
Net current (liabilities)/assets		(978,417)	88,922
Total assets less current liabilities		1,221,583	2,288,922
Creditors: amounts falling due after more than one year	7	-	(1,097,873)
Net assets		1,221,583	1,191,049
Represented by:			
Loans and other debts due to members			
Members' capital classified as a liability	9	-	-
Members' interests			
Revaluation reserve	9	995,420	995,420
Other reserves	9	226,163	195,629
		1,221,583	1,191,049

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities.

S J McCaffer
Partner

1 August 2011

Notes to the financial statements

at 31 March 2011

1. Accounting policies

Accounting convention

The financial statements of BDL Investments LLP were approved for issue by the members on 1 August 2011.

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities and the Statement of Recommended Practice, Accounting by Limited Liability Partnerships, modified to include the revaluation of investment properties.

Leases

Rental income receivable under operating leases is charged to the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the shorter of the lease term and the date of the next rent review.

Assets held under finance lease, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the LLP are capitalised in the balance sheet.

Investment properties

Certain of the LLP's properties are held for long-term investment. Investment properties are accounted for in accordance with FRSSE, as follows:

(i) investment properties are revalued annually. The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year; and

(ii) no depreciation is provided in respect of leasehold investment properties where the lease has over 20 years to run.

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that the policy of not providing depreciation is necessary in order for the financial statements to give a true and fair view, since the current value of investment properties, and changes to that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been included cannot be separately identified or quantified.

Interest bearing loans and borrowings

All interest-bearing loans and borrowings are initially recorded at net proceeds. After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by payments made in respect of the debts of the period.

Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount.

2. Turnover

Turnover, which is stated net of value added tax, represents the invoiced amount of goods sold and services provided during the period.

Turnover and pre-tax loss is attributed to one continuing activity, rental of a retail unit beside a hotel in Milton Keynes. The turnover is wholly generated within the United Kingdom.

Notes to the financial statements

at 31 March 2011

3. Operating profit

(a) This is stated after charging:

	2011	2010
	£	£
Auditors' remuneration	1,100	1,200

4. Tangible fixed assets

	Long leasehold buildings
	£
Valuation:	
At 1 April 2010 and 31 March 2011	2,200,000

All fixed assets are held under a finance lease arrangement and are leased out under an operating lease arrangement. The historical cost of investment properties included at valuation is £1,204,580 (2010 - £1,204,580).

5. Debtors

	2011	2010
	£	£
Prepayments and accrued income	92,201	92,715

6. Creditors: amounts falling due within one year

	2011	2010
	£	£
Trade creditors	45,531	287
VAT payable	-	6,439
Other creditors	-	5,000
Accruals and deferred income	2,900	38,316
Bank loans (note 8)	1,099,374	-
	1,147,805	50,042

Notes to the financial statements

at 31 March 2011

7. Creditors: amounts falling due after more than one year

	2011	*2010*
	£	*£*
Bank loans (note 8)	-	1,097,873

Included in bank loans is £626 (2010 – £2,127) of unamortised deferred expenditure which relates to loan arrangement fees and associated costs. This is being amortised over the term of the loan.

Bank borrowings at 31 March 2011 related to a 5 year term loan and the loan was repayable in full in September 2011.

In June 2011 a new 5 year loan facility was signed. This loan is due to be repaid by fixed quarterly instalments with the remaining balance payable in full in June 2016. Interest is charged at LIBOR plus a margin of 2.75%.

Bank borrowings (including the bank overdraft) are supported by fixed and floating charges and a standard security over the company's assets.

8. Bank loans

Bank loans fall due as follows:

	2011	*2010*
	£	*£*
In one year or less or on demand	1,100,000	-
In more than one year but not more than two years	-	1,100,000
In more than two years but not more than five years	-	-
In more than five years	-	-
	1,100,000	1,100,000
Unamortised deferred expenditure	(626)	(2,127)
	1,099,374	1,097,873

Notes to the financial statements

at 31 March 2011

9. Reconciliation of members' interests and movements on reserves

	Members' capital £	*Revaluation reserve* £	*Other reserves* £	*Loans and other debts due to members* £	*Total* £
At 31 March 2009	-	995,420	70,029	-	1,065,449
Profit for period	-	-	125,600	-	125,600
At 1 April 2010	-	995,420	195,629	-	1,191,049
Profit for the year	-	-	130,534	-	130,534
Partners' distribution	-	-	(100,000)	-	(100,000)
At 31 March 2011	-	995,420	226,163	-	1,221,583

10. Related party transactions

The partnership received a short-term loan from BDL Milton Keynes Limited, a company with certain common directors and shareholders. At the year end, the outstanding balance was £nil (2010 – £5,000). The highest amount outstanding during the year was £5,000 (2010 – £5,000).