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BDL Investments LLP

Report and Financial Statements

31 March 2009

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COMPANIES HOUSE

BDL Investments LLP

Registered No: SO300803

Partners

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

Auditors

Ernst & Young LLP
George House
50 George Square
Glasgow
G2 1RR

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 2009.

Results

The profit for the year amounted to £76,358 (2008 - £47,972). There has been no distribution to the members leaving a contribution to reserves of £76,358 (2008 - £47,972).

Principal activity and review of business

The principal activity of the partnership is the letting of a retail unit.

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.

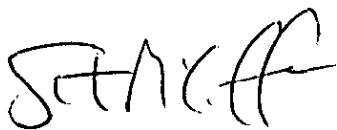
Auditors

A resolution to reappoint 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 special provisions of Part VII of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective January 2007).

On behalf of the members



Stuart McCaffer

21 December 2009

Statement of members' responsibilities in respect of the financial statements

Limited liability partnership law requires the members to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the partnership and of the profit or loss of the partnership for that period. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in business.

The members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the partnership and to enable them to ensure that the financial statements comply with the Limited Liability Partnerships Act 2000. They are also responsible for safeguarding the assets of the partnership 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 Limited Liability Partnership's financial statements for the year ended 31 March 2009 which comprise Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses and the related notes 1 to 10. These financial statements have been prepared on the basis of 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 members, as a body, in accordance with the Limited Liability Partnerships Regulations 2001 made under the Limited Liability Partnerships Act 2000. 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditors

As described in the Statement of Members Responsibilities the members are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

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 Limited Liability Partnerships Regulations 2001 made under the Limited Liability Partnerships Act 2000. We also 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 other information presented with the financial statements 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 judgements 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.

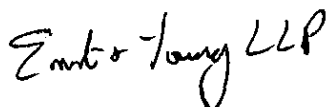
Independent auditors' report (continued)

to the members of BDL Investments 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 affairs of the LLP as at 31 March 2009 and of its profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Limited Liability Partnerships Regulations 2001.



Ernst & Young LLP
Registered Auditor
Glasgow

21 December 2009

Profit and Loss Account

for year ended 31 March 2009

		2009	2008
	Notes	£	£
Turnover	2	146,102	140,654
Cost of sales		(7,970)	(9,340)
Gross profit		138,132	131,314
Administrative expenses		-	-
Operating profit	3	138,132	131,314
Interest receivable		786	2,155
Interest payable on loans – excluding on members' loans		(62,560)	(85,497)
Profit for the financial year before members' remuneration		76,358	47,972
Retained profit for the period available for discretionary division amongst members		76,358	47,972

Statement of total recognised gains and losses

for the year ended 31 March 2009

There are no recognised gains or losses in the year other than the profit available to members of the partnership of £76,358 (2008 - £47,972).

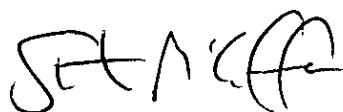
Balance sheet

as at 31 March 2009

	Notes	2009 £	2008 £
Fixed assets			
Tangible assets	4	2,200,000	2,350,000
Current assets			
Debtors	5	97,769	144,234
Cash at bank and in hand		110,285	-
		<u>208,054</u>	<u>144,234</u>
Creditors: amounts falling due in one year	6	(46,233)	(60,272)
Net current assets		<u>161,821</u>	<u>83,962</u>
Total assets less current liabilities		<u>2,361,821</u>	<u>2,433,962</u>
Creditors: amounts falling due after more than one year	7	(1,296,372)	(1,294,871)
Net assets		<u><u>1,065,449</u></u>	<u><u>1,139,091</u></u>
Represented by:			
Members' interests			
Revaluation reserve	9	995,420	1,145,420
Other reserves	9	70,029	(6,329)
		<u>1,065,449</u>	<u>1,139,091</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

On behalf of the members



Stuart McCaffer

21 December 2009

Notes to the financial statements

as at 31 March 2009

1. Accounting policies

Accounting convention and basis of preparation

The financial statements of BDL Investments LLP were approved for issue by the members on 21 December 2009. The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective 1 January 2007) 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

as at 31 March 2009

3. Operating profit

Operating profit is stated after charging:

	2009 £	2008 £
Auditors' remuneration	1,000	3,000
	<u>1,000</u>	<u>3,000</u>

4. Tangible fixed assets

	<i>Long leasehold buildings</i> £
Cost:	
At 1 April 2008	2,350,000
Deficit on revaluation	(150,000)
At 31 March 2009	<u>2,200,000</u>

All fixed assets are held under a finance lease arrangement and are leased out under an operating lease arrangement. The long leasehold investment property was valued at £2.2m by Colliers CRE as at 18 November 2009, on the basis of value in use. The Directors consider that as the conditions which resulted in the reduction in valuation were present at 31 March 2009, full provision for the impairment should be recognised within the financial statements for this period. The historical cost of investment properties included at valuation is £1,204,580 (2008 - £1,204,580).

5. Debtors

	2009 £	2008 £
Trade debtors	708	42,827
Prepayments and accrued income	97,061	101,407
	<u>97,769</u>	<u>144,234</u>

Notes to the financial statements

as at 31 March 2009

6. Creditors: amounts falling due within one year

	2009	2008
	£	£
Trade creditors	3,195	-
VAT payable	5,625	6,378
Other creditors	-	9,019
Accruals and deferred income	37,413	37,975
Bank overdraft	-	6,900
	<u>46,233</u>	<u>60,272</u>

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

	2009	2008
	£	£
Bank loans	<u>1,296,372</u>	<u>1,294,871</u>

Included in bank loans is £3,628 (2008 - £5,129) 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 are a 5 year term loan on which capital repayments are made fully at the end of the term. Interest is charged at the Royal Bank of Scotland base rate plus a margin of 1%.

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:

	2009	2008
	£	£
In one year or less or on demand	-	-
In more than one year but not more than two years	-	-
In more than two years but not more than five years	1,300,000	1,300,000
In more than five years	-	-
	<u>1,300,000</u>	<u>1,300,000</u>
Unamortised deferred expenditure	(3,628)	(5,129)
	<u>1,296,372</u>	<u>1,294,871</u>

Notes to the financial statements

as at 31 March 2009

9. Reconciliation of members' interests and movements on reserves

	<i>Members' capital</i> £	<i>Revaluation reserve</i> £	<i>Other reserves</i> £	<i>Total</i> £
At 1 April 2007	-	1,145,420	(54,301)	1,091,119
Profit for period	-	-	47,972	47,972
At 31 March 2008	-	1,145,420	(6,329)	1,139,091
Profit for period	-	-	76,358	76,358
Revaluation	-	(150,000)	-	(150,000)
At 31 March 2009	-	995,420	70,029	1,065,449

10. Related party transactions

During the year 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 (2008 - £5,000). The highest amount outstanding during the year was £5,000 (2008 - £5,000).