

124 St Vincent Street (Glasgow) LLP

Members report and financial statements

For the year to 31 October 2013

Registered number S0301584

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COMPANIES HOUSE

124 St Vincent Street (Glasgow) LLP

Members

S Wilson
AWG Property Limited

Registered Office

47 Melville Street
Edinburgh
EH3 7HL

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants & Statutory Auditor
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Legal Advisors

HBJ Gateley
Exchange Tower
19 Canning Street
Edinburgh
EH3 8EH

Bankers

The Co-operative Bank plc
1 Balloon Street
Manchester
M60 4EP

**124 St Vincent Street (Glasgow) LLP
Members' Report
For the year to 31 October 2013**

The Members submit their annual report and the audited financial statements for the year to 31 October 2013.

Principal Activities and business review

The principal activity of the LLP during the year was the ownership of property at St Vincent Street, Glasgow. A comprehensive refurbishment of the property was undertaken during the year and this was substantially completed at the year end date. A valuation was carried out, at the request of the Co-operative Bank, in October 2013, reflecting the refurbishment activity and this has resulted in an increase in the carrying value of the asset from £5.040m to £6.250m, as per note 4.

The profit and loss account is set out on page 5.

Profit and loss

The loss for the year available for distribution to members was £96,050 (2012: £37,502 loss).

Members

The Members of the LLP who held office during the year and up to the date of this report are set out on the previous page. All of the Members held office for the duration of the year and up to the date of the financial statements unless otherwise stated.

In accordance with the LLP's Partnership Agreement, none of the Members are required to retire.

Policy with Respect to Members Drawings and Subscription and Repayment of Members Capital

The capital contributions of the LLP are limited to the initial capital contributions.

Income profits and losses (provided that losses shall not exceed an amount equal to the respect capital contribution of the Members) of the LLP are divided between the Members in proportion to their subscriptions and credited or debited to the Members current accounts.

Small LLP Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2008).

124 St Vincent Street (Glasgow) LLP
Members' Report (continued)
For the year to 31 October 2013

Statement of members' responsibilities in respect of the financial statements

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

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial year. Under that law the members have prepared the partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law as applied to limited liability partnerships 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 partnership and of the profit or loss of the partnership for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Regulations. 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 And Disclosure Of Information To Auditors

Each of the Members at the date of approval of this report confirms that:

1. So far as the Member is aware there is no relevant audit information of which the LLP's auditors are unaware, and
2. The Member has taken all the steps that he/she ought to have taken as a Member to make himself/herself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

Independent Auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the next Members meeting.

Small LLP Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2008).

Signed on behalf of the Members



Designated Member
AWG Property Limited

Registered in Scotland No SO301584
Registered Office: 47 Melville Street, Edinburgh. EH3 7HL

16th April 2014

Independent auditors' report to the members of 124 St Vincent Street (Glasgow) LLP

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 October 2013 and of its 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 by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by 124 St Vincent Street (Glasgow) LLP, comprise:

- the balance sheet as at 31 October 2013;
- the profit and loss account and statement of total recognised gains and losses for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the members have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 Members' report and financial statements (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.

Independent auditors' report to the members of 124 St Vincent Street (Glasgow) LLP (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion, the members were not entitled to prepare financial statements in accordance with the small limited liability partnerships' regime. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the members

As explained more fully in the Statement of Members' Responsibilities set out on page 2, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the members of the partnership as a body in accordance with 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 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Martin Cowie (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
16 April 2014

124 St Vincent Street (Glasgow) LLP
Profit And Loss Account
Year to 31 October 2013

	Notes	<u>31 October</u> <u>2013</u>	<u>31 October</u> <u>2012</u>
		£	£
Turnover		-	-
Other operating income		463	4,257
Administrative expenses		(96,513)	(41,759)
Operating loss	3	(96,050)	(37,502)
Loss for the financial year before members remuneration and profit shares		(96,050)	(37,502)
Members remuneration charged as an expense		-	-
Loss for the financial year available for discretionary division among members		(96,050)	(37,502)

All activities of the LLP are continuing operations.

There are no material differences between the profit and loss on ordinary activities for the year stated above and its historic cost equivalent.

124 St Vincent Street (Glasgow) LLP
Statement of Total Recognised Gains and Losses
Year to 31 October 2013

	<u>31</u> <u>October</u> <u>2013</u>	<u>31</u> <u>October</u> <u>2012</u>
	£	£
Result for the financial year available for discretionary division among members	(96,050)	(37,502)
Unrealised loss on revaluation of certain fixed assets	(148,545)	(266,723)
Total gains and losses recognised since the last annual report	<u>(244,595)</u>	<u>(304,225)</u>

124 St Vincent Street (Glasgow) LLP
Balance Sheet
As At 31 October 2013

	<u>Notes</u>	<u>31 October</u> <u>2013</u> £	<u>31 October</u> <u>2012</u> £
Fixed Assets			
Tangible Assets	4	6,250,000	5,040,000
Current assets			
Debtors	5	35,408	30,910
Cash at bank and in hand		<u>133,194</u>	<u>33,048</u>
		168,602	63,958
Creditors: amounts falling due within one year	6	<u>(366,415)</u>	<u>(86,683)</u>
Net current liabilities		<u>(197,813)</u>	<u>(22,725)</u>
Total Assets less current liabilities		6,052,187	5,017,275
Creditors: amounts falling due after more than one year	7	<u>(10,560,594)</u>	<u>(9,281,087)</u>
Net Liabilities attributable to Members' of the LLP		<u>(4,508,407)</u>	<u>(4,263,812)</u>
Represented by :			
Equity			
Members other interests – revaluation reserve	10	(4,136,769)	(3,988,224)
Members other interests – other reserves	10	<u>(371,638)</u>	<u>(275,588)</u>
		<u>(4,508,407)</u>	<u>(4,263,812)</u>
Total members interests			
Members' other interests	10	<u>(4,508,407)</u>	<u>(4,263,812)</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 as modified by the Limited Liability Partnerships Regulations 2008 relating to small LLP's and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements on pages 5 to 12 were approved by the designated Members.


Designated Member
AWG Property Limited

16th April 2014

124 St Vincent Street (Glasgow) LLP
Notes To The Financial Statements
Year ended 31 October 2013

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the LLP's financial statements and in accordance with the special provisions of Part 15 of the Companies Act 2006 as modified by the Limited Liability Partnerships Regulations 2008 relating to small LLP's and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

a) Accounting Convention

The financial statements have been prepared on a going concern basis, under the historical cost basis of accounting and in accordance with applicable accounting standards in the United Kingdom, the requirement of the Statement of Recommended Practice "Accounting for Limited Liability Partnerships" March 2010, and the Companies Act 2006.

b) Going Concern

The Limited Liability Partnership's principal asset is an investment in office premises in Glasgow City Centre.

Presently, the Limited Liability Partnership has a balance sheet deficit of £4,508,407 and is in part dependant on ongoing support from Castlemilk Retail LLP, another entity in which the designated members are sole investors.

The Limited Liability Partnership has financed its investment with bank funding which is available to 31 March 2016 and the Members continue to believe this allows the LLP sufficient time to realise value from the property asset.

In line with this, the designated members have a strategy in place to allow the Limited Liability Partnership to continue to develop the underlying asset to ensure that it remains capable of meeting its obligations as they fall due and have prepared financial forecasts for a period in excess of twelve months which show that the Limited Liability Partnership will be able to remain as a going concern.

c) Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

d) Allocated Profit

The partnership agreement provides that income, profits and losses of the LLP are divided between the Members in proportion to their subscriptions and credited or debited to the Members current accounts.

e) Investment Assets

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, 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.

This is in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) which, unlike the Companies Act 2006, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the LLP and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

124 St Vincent Street (Glasgow) LLP
Notes To The Financial Statements (continued)
Year ended 31 October 2013

1. Accounting Policies (continued)

f) Taxation

The LLP is not subject to tax and no provision has been made for tax. Any tax on distributed income or capital is the responsibility of each individual Member.

g) Cash Flow Statement

The LLP has taken advantage of the exemption from preparing cash flow statement available under FRS 1 on the grounds that the partnership is small, and has elected not to produce a cash flow statement.

2. Other operating income

	<u>31 October</u> <u>2013</u>	<u>31 October</u> <u>2012</u>
	£	£
Rent receivable	<u>463</u>	<u>4,257</u>

3. Operating loss

Operating profit for the financial year is stated after charging the following:

	<u>31 October</u> <u>2013</u>	<u>31 October</u> <u>2012</u>
	£	£
Auditors' remuneration	<u>2,000</u>	<u>2,400</u>

The LLP had no directly employed personnel, other than the Members who received no remuneration for their services to the LLP (2012: £nil).

124 St Vincent Street (Glasgow) LLP
Notes To The Financial Statements
31 October 2013 - Continued

4. Tangible fixed assets

	Investment Property £
Cost or Valuation	
At 1 November 2012	5,040,000
Additions	1,541,451
Revaluation	(331,451)
	<hr/>
At 31 October 2013	6,250,000
	<hr/>
Accumulated Depreciation	
At 1 November 2012 and 31 October 2013	-
	<hr/>
Net Book Value	
At 31 October 2013	6,250,000
	<hr/>
At 31 October 2012	5,040,000
	<hr/>

At the request of The Co-operative Bank, a valuation was carried out at November 2013. The result of this was a value of £6,250,000 and the designated members of the LLP have taken the view to maintain the investment property in the balance sheet at up to this amount.

5. Debtors

	<u>31 October</u> <u>2013</u>	<u>31 October</u> <u>2012</u>
	£	£
Trade debtors	-	277
Other debtors	35,408	30,633
	<hr/>	<hr/>
	35,408	30,910
	<hr/>	<hr/>

6. Creditors: Amounts Falling Due Within One Year

	<u>31 October</u> <u>2013</u>	<u>31 October</u> <u>2012</u>
	£	£
Trade creditors	145,351	24,204
Other creditors	221,064	62,479
	<hr/>	<hr/>
	366,415	86,683
	<hr/>	<hr/>

124 St Vincent Street (Glasgow) LLP
Notes To The Financial Statements
31 October 2013 - Continued

7. Creditors: Amounts Falling Due after more than one year

	<u>31 October</u> <u>2013</u>	<u>31 October</u> <u>2012</u>
	£	£
Bank loans and overdrafts	6,240,000	7,040,000
Other creditors	<u>4,320,594</u>	<u>2,241,087</u>
	<u>10,560,594</u>	<u>9,281,087</u>

The bank loan is repayable on or before 31 March 2016. Interest is payable on the loan at the annual rate which is the sum of the margin (5.25%) plus the base rate.

The loan is secured over the property known as Commercial House, 122-128 St Vincent Street, Glasgow. The bank also hold a fixed and floating charge over the assets of the LLP. In addition the bank hold an assignation of rents and a charge over the bank account of the LLP.

AWG Property Limited and S Wilson have granted interest shortfall guarantees each up to £935,000 in favour of the bank.

8. Contingencies

A cross guarantee has been granted by the LLP in respect of the loan made by the Co-operative Bank to Castlemilk Retail LLP. AWG Property Limited and S Wilson are the designated members of both 124 St Vincent Street (Glasgow) LLP and Castlemilk Retail LLP

9. Related Party Transactions

Included within "Other Creditors" referred to in note 7 are the following transactions:

As at 31 October 2013 AWG Property Limited and S Wilson, designated members, were owed £2,004,753 and £989,722 respectively (2012: £1,019,865 and £989,722) from 124 St Vincent Street (Glasgow) LLP.

Also, as at 31 October 2013 124 St Vincent Street (Glasgow) LLP owed Castlemilk Retail LLP £1,326,119 (2012: £231,500). The members in Castlemilk Retail LLP are also the members in 124 St Vincent Street (Glasgow) LLP.

124 St Vincent Street (Glasgow) LLP
Notes To The Financial Statements
31 October 2013 - Continued

10. Reconciliation of Members' interests

	Revaluation Reserve £	Other Reserves £	Total members' other interests £	Total £
Balance at 1 November 2012	(3,988,224)	(275,588)	(4,263,812)	(4,263,812)
Deficit on revaluation of fixed assets	(148,545)	-	(148,545)	(148,545)
Reclassifications	-	(96,050)	(96,050)	(96,050)
Balance at 31 October 2013	<u>(4,136,769)</u>	<u>(371,638)</u>	<u>(4,508,407)</u>	<u>(4,508,407)</u>