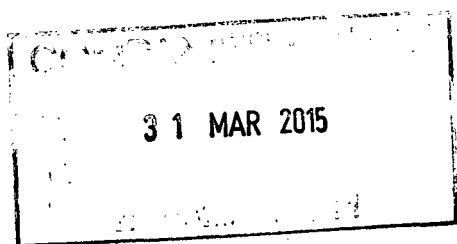


Cove NHT 2011 LLP

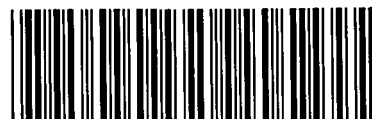
Members' report and financial
statements

Registered number SO303433

30 June 2014



TUESDAY



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COMPANIES HOUSE

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Members' report

The members present their Members' report and financial statements for the year ended 30 June 2014.

Principal activities

The principal activity of the firm is property investment.

Business review

The LLP was formed as part of the National Housing Trust initiative, which is a collaborative agreement between The Scottish Futures Trust and participating Local Authorities to deliver housing at mid-market rent levels.

The LLP has experienced near 100% occupancy levels on the 25 properties owned and fully expects to continue at these levels into the foreseeable future given the substantial need for such properties in the local area.

Results

The loss for the financial year amounted to £4,209 (2013: result of £nil).

Policy regarding members' drawings and the subscription and repayment of Members' capital

The developer, Stewart Milne Group Limited, was contracted to build 25 properties on behalf of the LLP. At practical completion these properties were purchased by the LLP, this purchase being funded; 70% via a loan from Aberdeen City Council, 5% via a loan note from the developer and 25% in the form of an equity contribution from the developer.

The ranking of the LLP funding, interest pertaining to this funding (where applicable) and the subsequent repayment is prioritised as follows:

- 70% Aberdeen City Council Loan
- 5% Developer Loan Note
- 25% Developer equity capital contribution

Any annual surpluses generated by the LLP will be allocated to members at the discretion of the members of the LLP.

Designated members

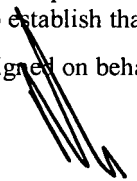
The designated members who held office during the year and up to the date of this report were as follows:

The Scottish Futures Trust Investments Limited
Aberdeen City Council
Stewart Milne Group Limited

Disclosure of information to auditor

The members who held office at the date of approval of this Members' report confirm that, so far as they are each aware, there is no relevant audit information of which the firm's auditor is unaware; and each member has taken all the steps that he/ she ought to have taken as a member to make himself aware of any relevant audit information and to establish that the firm's auditor is aware of that information.

Signed on behalf of the members


Nicholas Gray
Designated member

Peregrine House
Mosscroft Avenue
Westhill Business Park
Westhill
Aberdeen
AB32 6JQ

27 March 2015

Statement of members' responsibilities in respect of the Members' report and the financial statements

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

The Limited Liability Partnerships (Accounts and 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 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 LLP and of the profit or loss of the LLP for that year. In preparing these 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.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Cove NHT 2011 LLP

We have audited the financial statements of Cove NHT 2011 LLP for the year ended 30 June 2014 set out on pages 4 to 9. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the members of the limited liability partnership (LLP), as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of 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 LLP'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 LLP and the LLP'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 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 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, of the state of affairs of the LLP as at 30 June 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with UK 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.

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; or
- the members were not entitled to prepare financial statements in accordance with the small limited liabilities partnerships' regime.

Duncan MacAskil (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
37 Albyn Place
Aberdeen
AB10 1JB

31 March 2015

Profit and Loss Account
for the year ended 30 June 2014

	<i>Note</i>	2014 £	2013 £
Turnover		143,802	-
Cost of sales		(40,074)	-
Operating profit		103,728	-
Interest receivable	4	23	-
Profit for the financial year before members' remuneration and profit shares	9	103,751	-
Members' remuneration charged as an expense	5	(107,960)	-
Results for the financial year available for discretionary division among members		(4,209)	-

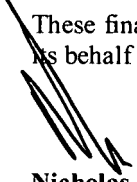
All results arose from continuing operations.

There have been no recognised gains and losses other than the loss for the year, accordingly no Statement of Total Recognised Gains and Losses is presented.

Balance Sheet
at 30 June 2014

	<i>Note</i>	2014		2013	
		£	£	£	£
Fixed assets					
Tangible fixed assets	6		4,154,420		-
Current assets					
Debtors	7	6,293		3	
Cash at bank and in hand		131,470		-	
		137,763		3	
Creditors: amounts falling due within one year	8	(19,164)		-	
Net current assets			118,599		3
Net assets attributable to members			4,273,019		3
Loans and other debts due to members					
Other amounts	9		3,235,289		-
Members' other interests					
Members' capital	9		1,041,939		3
Other reserves	9		(4,209)		-
			4,273,019		3
Total members' interests					
Loans and other debts due to members	9		3,235,289		-
Members' other interests	9		1,037,730		3
Amounts due from members (included within debtors)	9		(5,003)		(3)
			4,268,016		-

These financial statements were approved by the board of members **27** March 2015 and were signed on its behalf by:


Nicholas Gray
Designated member

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

Basis of preparation

The financial statements have been prepared in accordance with the CCAB Statement of Recommended Practice: 'Accounting by Limited Liability Partnerships' and applicable accounting standards with the historical cost accounting rules.

Under FRS 1 the LLP is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

Going concern

The LLP meets its day to day working capital requirements through member loan facilities.

The LLP's forecasts and projections, taking account of possible changes in trading performances show that the LLP should be able to operate within the level of its facility including paying its current liabilities as they fall due.

The members, having made due and careful enquiry and preparing forecasts, are of the opinion that the LLP has adequate working capital to execute its operations over the next 12 months from the date of the financial statements. The members, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. As a result, the members have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

Housing properties

Housing properties are revalued annually at open market values. All surpluses and deficits arising on valuation are taken directly to the revaluation reserve except that any permanent diminution in the value of a housing property is taken to the profit and loss account for the year; and no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

This treatment, as regards certain of the LLP's housing properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the members consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Interest bearing borrowings

Immediately after issue, debt is stated at the fair value of the consideration received on the issue of the capital instrument after deduction of issue costs. The finance cost of the debt is allocated to periods over the term of the debt at a constant rate on the carrying amount.

2 Turnover

Turnover comprises rentals receivable from housing property and is recorded at the fair value of consideration receivable, net of VAT. Turnover for services provided is recognised straight line over the contract period unless a more systematic basis is appropriate.

3 Members and employees

During the year, no persons were employed by the LLP.

None of the members received remuneration in respect of their services to the LLP.

Notes *(continued)*

4 Interest receivable

	2014 £	2013 £
Bank interest	23	-
	<u>23</u>	<u>-</u>

5 Members' remuneration charged as an expense

	2014 £	2013 £
Interest payable on member loans	107,960	-
	<u>107,960</u>	<u>-</u>

6 Tangible fixed assets

	Housing properties £
<i>Cost or valuation</i>	
At beginning of year	-
Additions	4,154,420
	<u>4,154,420</u>
At end of year	<u>4,154,420</u>

The cost of housing properties comprises:

	2014 £	2013 £
At valuation	4,154,420	-
	<u>4,154,420</u>	<u>-</u>

The housing properties owned by Cove NHT 2011 LLP were valued at the year end by an internal valuer, John Low, Director, Stewart Milne Group Limited.

7 Debtors

	2014 £	2013 £
Other debtors	1,290	-
Amounts due from members	5,003	3
	<u>6,293</u>	<u>3</u>

Notes (continued)

8 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	10,990	-
Other creditors	8,174	-
	<u>19,164</u>	<u>-</u>

9 Total members interests

	Members' Capital (Classified as equity) £	Other reserve £	Total £	Loans and other debts due to members less amounts due from members in debtors £	2014 £	2013 £
Amounts due to members				-		
Amounts due from members				(3)		
Balance at start of year	3	-	3	(3)	-	-
Members' remuneration charged as an expense	-	-	-	107,960	107,960	-
Loss for the financial year for discretionary division among members	-	(4,209)	(4,209)	-	(4,209)	-
Members' interests after profit /(loss) for the year	3	(4,209)	(4,206)	107,957	103,751	-
Repayments of debt	-	-	-	(52,653)	(52,653)	-
Introduced by members	1,041,936	-	1,041,936	3,174,982	4,216,918	-
Amounts due to members				3,235,289		
Amounts due from members				(5,003)		
Balance at end of the year	1,041,939	(4,209)	1,037,730	3,230,286	4,268,016	-

Loans and other amounts due to members include £3,173,084 (2013: £0) in relation to loans from the members and £62,205 (2013: £0) in respect of trading balances at the year end.

Loans and other amounts due to members includes £1,830,334 (2013: £0) relating to loan 1 repayable on 12 January 2020 and £1,080,093 (2013: £0) relating to loan 2 repayable on 29 May 2020 both loans bear interest at 4% per annum. Loans and other amounts due to members includes £130,400 (2013: £0) relating to loan 1 repayable on 12 July 2023 and £76,950 (2013: £0) relating to loan 2 repayable on 2 December 2023 both loans bear interest at 7% per annum.

Members' remuneration charged as an expense includes interest payable on member loans of £107,960 (2013: £0).

The partnership agreement dated 15 September 2011 together with the subsequent agreed variations, sets out the rules for allocating profit between partners.

Notes *(continued)*

9 Total members interests *(continued)*

In the event of winding up, any surplus assets of the LLP, after payment of all monies due to the creditors, are split between members in proportion to their respective shares.

No legally enforceable protection on the event of winding up is afforded to creditors.

10 Information in relation to members

	2014 Number	2013 Number
Average number of members during the year	3	3

11 Related party transactions

Throughout the year the partnership was controlled by the members and there were no related party transactions during the year.

12 Ultimate controlling party

In the opinion of the members, there is no ultimate controlling party.