

**Registered Number: OC312050**

**Hensol Properties LLP**  
**Annual report**  
**for the year ended 30 April 2010**

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# **Hensol Properties LLP**

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# **Hensol Properties LLP**

## **Designated members and advisors**

### **Designated members**

L J Davies  
N B Roberts  
G E Williams (retired 19 March 2010)

### **Registered Office**

Redcliffe House  
Hazell Drive  
Celtic Springs  
Newport  
NP10 8FY

### **Registered auditors**

PricewaterhouseCoopers LLP  
One Kingsway  
Cardiff  
CF10 3PW

# **Hensol Properties LLP**

## **Members' report for the period ended 30 April 2010**

The members present their report and the audited financial statements of the Limited Liability Partnership ("LLP") for the period ended 30 April 2010

### **Principal activities**

The principal activity of the LLP during the period was property investment

### **Review of business and future developments**

The results for the year and the financial position at the end of the year are shown in the attached financial statements. The LLP agreed a rental lease during the period for half of the building's floor space and is confident the remaining unoccupied floor space will be rented out in the near future.

The LLP's investment property has been valued on a current utilisation basis by the members. There are currently no plans to acquire any further investment properties.

### **Designated members**

The designated members (as defined in the Limited Liability Partnerships Act 2000) who served during the period are listed on page 1. On 19 March 2010, G E Williams retired from the partnership.

### **Policy with respect to members' drawings and subscription and repayment of members' capital**

Members are remunerated only out of the profits of the LLP. Profits are divided between the members in equal proportions. The allocation of profits to individual members is made once the annual financial statements are approved.

Unless agreed by all the members no drawings or distribution of profits will be made until the repayment has been made of the LLP's bank loan.

Capital is subscribed and repaid as required by the designated members.

### **Statement of disclosure of information to auditors**

Each member has taken all the steps that he ought to have taken as a member in order to make himself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

So far as each member is aware, there is no relevant audit information of which the LLP's auditors are unaware.

A resolution to reappoint PricewaterhouseCoopers LLP as auditors will be proposed at the next members' meeting.

### **Basis of preparation**

The members' report has been prepared under the small companies regime of the Companies Act 2006 as modified for LLPs.

# **Hensol Properties LLP**

## **Statement of members' responsibilities**

The members are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law, as applied to LLPs, requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law)

Under company law, as applied to LLPs, 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 period.

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

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the entity's transactions and 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. 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.

Approved by the members on 28 January 2011 and signed on their behalf by



**L J Davies**  
**Designated Member**

# **Independent auditors' report to the members of Hensol Properties LLP**

We have audited the financial statements of Hensol Properties LLP for the year ended 30 April 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

## **Respective responsibilities of members and auditors**

The members' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Members' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the members of the partnership 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 (the "Regulations") 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.

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and are prepared in accordance with the Companies Act 2006, as applied to limited liability partnerships. We also report to you if, in our opinion, the limited liability partnership has not kept adequate accounting records, or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Members' Report and all of the other information listed on the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

## **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 judgments made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the limited liability partnership'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.

## Opinion

In our opinion the financial statements

- give a true and fair view of the state of the partnership's affairs as at 30 April 2010 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 Companies Act 2006, as applied to limited liability partnerships by the Regulations

A handwritten signature in black ink, appearing to read 'J Clarke', with a stylized flourish at the end.

**Jason Clarke (senior statutory auditor)**  
**for and on behalf of PricewaterhouseCoopers LLP**  
**Chartered Accountants and Statutory Auditors**  
**Cardiff**  
**28 January 2011**

## Hensol Properties LLP

### Profit and loss account for the period ended 30 April 2010

	Note	2010 £	2009 £
Turnover – continuing operations	2	353,267	178,103
Administrative expenses		(20,210)	(40,867)
<b>Operating profit – continuing operations</b>	3	<b>333,057</b>	<b>137,236</b>
Interest payable and similar charges	4	(100,315)	(243,021)
<b>Profit/(loss) for the financial period available for discretionary division among members</b>	10	<b>232,742</b>	<b>(105,785)</b>

All items dealt with in arriving at operating profit above relate to continuing operations

There is no difference between the profit for the financial period and the historical cost equivalent

### Statement of total recognised gains and losses for the period ended 30 April 2010

	Note	2010 £	2009 £
Profit/(loss) for the financial year	10	232,742	(105,785)
(Deficit)/surplus on revaluation of properties	10	(156,223)	2,187,370
<b>Total gains and losses recognised since the last annual report</b>	10	<b>76,519</b>	<b>2,081,585</b>



# Hensol Properties LLP

## Balance sheet as at 30 April 2010

	Note	2010 £	2009 £
<b>Fixed assets</b>			
Tangible assets	6	6,500,000	6,500,000
<b>Current assets</b>			
Debtors	7	132	-
Cash at bank and in hand		369,721	261,581
		369,853	261,581
<b>Creditors – amounts falling due within one year</b>	8	(5,250,628)	(88,707)
<b>Net current (liabilities)/ assets</b>		(4,880,775)	172,874
<b>Total assets less current liabilities</b>		1,619,225	6,672,874
<b>Creditors – amounts falling due after more than one year</b>	9	-	(4,930,168)
<b>Net assets/ (liabilities) attributable to members</b>		1,619,225	1,742,706

### Represented by:

#### Loans and other debts due to members within one year

Members' capital classified as a liability under FRS 25	10	50,000	75,000
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#### Equity

Members' other interests - other reserves classified as equity under FRS 25	10	(461,922)	(519,664)
Revaluation reserve	10	2,031,147	2,187,370
<b>Total members' interests</b>		1,619,225	1,742,706

The financial statements have been prepared in accordance with the special provisions relating to LLPs subject to the small LLPs regime within Part 15 of the Companies Act 2006, as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the members on 28 January 2011 and were signed on their behalf by



L J Davies  
Designated Member

Registered number: OC312050

# **Hensol Properties LLP**

## **Notes to the financial statements for the period ended 30 April 2010**

### **1 Accounting policies**

The financial statements have been prepared on the going concern basis, under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with the Companies Act 2006, applicable accounting standards in the United Kingdom and the Statement of Recommended Practice – “Accounting by Limited Liability Partnerships”. However, compliance with SSAP19 “Accounting for Investment Properties”, requires departure from the requirements of the Companies Act 2006 relating to depreciation and an explanation of the departure is given in the note relating to fixed assets below. A summary of the more important accounting policies, is set out below.

#### **Cash flow**

The financial statements do not include a cash flow statement because the LLP, as a small reporting entity, is exempt from the requirement to prepare such a statement under FRS1.

#### **Fixed assets**

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition. In accordance with SSAP 19, (i) investment properties are re-valued annually and the aggregate surplus or deficit is transferred to a revaluation reserve, and (ii) no depreciation or amortisation is provided in respect of investment properties. The requirement of the Companies Act 2006 is to depreciate all properties, but that requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The members consider that, as these properties are not held for consumption but for investment, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view. If this departure from the Act had not been made the profit for the period would have been decreased by depreciation on re-valued property of £93,283 (2009: £93,283).

#### **Turnover**

Turnover represents the invoiced value of rents receivable in respect of the period, excluding value added tax, adjusted for operating lease incentives.

#### **Operating lease incentives**

All monetary and non-monetary incentives offered to tenants of the LLP’s properties for the agreement of renewed or new operating leases entered into have been recognised as an integral part of the payment agreed for the use of the relevant leased asset.

The incentives have effectively been recognised as an overall reduction of total rental income, allocated on a straight line basis over either the relevant lease term or a shorter period ending on a date from which it is expected that the prevailing market rental will be payable under the lease. Any accrued rent receivable arising on a similar asset is included in debtors.

# Hensol Properties LLP

## Notes to the financial statements for the period ended 30 April 2010 (continued)

### Borrowings

Borrowings are stated at the value of the consideration received after deduction of issue costs. Issue costs together with finance costs are charged to the profit and loss account over the term of the borrowings and represent a constant proportion of the balance of capital outstanding.

### Allocation of profits and drawings

Profits arising in the partnership are allocated on the basis set out in the partnership agreement. To the extent that profit allocations exceed drawings then the excess profit is included in the balance sheet under Loans and other debts due to members. The final allocation and distribution of profits is made once the annual financial statements are approved. Unallocated profits are included in Other reserves within Members' other interests.

### Taxation

Income tax payable on the LLP's profits is solely the personal liability of the individual members and is consequently not dealt with in these financial statements.

## 2 Turnover

All turnover arose in the UK.

## 3 Operating profit

Operating profit is stated after charging

	2010 £	2009 £
Auditors remuneration	2,650	2,625
Other services provided by the auditors	1,900	2,200

## 4 Interest payable and similar charges

	2010 £	2009 £
On bank loans	100,315	242,969
On other amounts	-	52
	100,315	243,021

# Hensol Properties LLP

## Notes to the financial statements for the period ended 30 April 2010 (continued)

### 5 Members' profit shares

The basis on which profits are shared among the members is set out in note 1. The average monthly number of members during the period was 3 (2009: 3).

The average profit per member is calculated by dividing the profit for the financial period before members' remuneration and profit shares by the average number of members.

	2010 £	2009 £
Average profit/(loss) per member	77,581	(35,261)

### 6 Tangible assets

	Freehold investment properties £
<b>Cost or valuation</b>	
At 30 April 2009	6,500,000
Additions	156,223
Revaluation	(156,223)
<b>At 30 April 2010</b>	<b>6,500,000</b>
<b>Net book value</b>	
<b>At 30 April 2010</b>	<b>6,500,000</b>
At 30 April 2009	6,500,000

Investment properties are held for use as operating leases.

In accordance with SSAP 19, investment properties are held at their open market value as determined by the directors and the aggregate surplus or deficit is transferred to the revaluation reserve. The directors consider that this accounting policy results in the financial statements giving a true and fair view.

The cost of freehold investment properties was £4,468,853 (2009: £4,312,630).

# Hensol Properties LLP

## Notes to the financial statements for the period ended 30 April 2010 (continued)

### 7 Debtors

	2010 £	2009 £
Other debtors	132	-

### 8 Creditors – amounts falling due within one year

	2010 £	2009 £
Bank loans (Note 9)	4,989,703	-
Trade creditors	3,485	8,292
Other creditors	14,302	10,673
Accruals and deferred income	243,138	69,742
	5,250,628	88,707

### 9 Creditors – amounts falling due after more than one year

	2010 £	2009 £
Bank loans	-	4,930,168

Bank loans are secured by fixed and floating charges over the assets of the LLP and by a guarantee from a related party. As at the year end, the LLP's bank loan was due to mature within one year. However since the year end the facility has been renewed and is now due to mature in September 2013.

Bank loans are repayable as follows

	2010 £	2009 £
In one year or less or on demand	4,989,703	-
In more than one year but not more than two years	-	4,930,168
In more than two years but not more than five years	-	-
	4,989,703	4,930,168

# Hensol Properties LLP

## Notes to the financial statements for the period ended 30 April 2010 (continued)

### 10 Reconciliation of members' interests

	Members' capital classified as equity	Other reserves	Revaluation reserve	Total	Loans and other debts due to / (from) members'	Total
	£	£	£	£	£	£
<b>Members' interests at 1 May 2008</b>	-	(413,879)	-	<b>(413,879)</b>	75,000	<b>(338,879)</b>
Loss for the year available for discretionary division among members	-	(105,785)	-	<b>(105,785)</b>	-	<b>(105,785)</b>
Members' interests after loss for the year	-	(519,664)	-	<b>(519,664)</b>	75,000	<b>(444,664)</b>
Surplus arising from revaluation of fixed assets	-	-	2,187,370	<b>2,187,370</b>	-	<b>2,187,370</b>
<b>Members' interests at 30 April 2009</b>	-	<b>(519,664)</b>	<b>2,187,370</b>	<b>1,667,706</b>	<b>75,000</b>	<b>1,742,706</b>
Profit for the year available for division among members	-	232,742	-	<b>232,742</b>	-	<b>232,742</b>
<b>Members' interests after profit for the year</b>	-	(286,922)	2,187,370	<b>1,900,448</b>	75,000	<b>1,975,448</b>
Amounts withdrawn by members	-	(175,000)	-	<b>(175,000)</b>	(25,000)	<b>(200,000)</b>
Deficit arising from revaluation of fixed assets	-	-	(156,223)	<b>(156,223)</b>	-	<b>(156,223)</b>
<b>Members' interests at 30 April 2010</b>	-	<b>(461,922)</b>	<b>2,031,147</b>	<b>1,569,225</b>	<b>50,000</b>	<b>1,619,225</b>

All loans and other debts due to members are considered to be due within one year and rank pari passu with unsecured creditors in the event of a winding up