

RHEA CARBON LLP
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2014

LLP Number OC317358



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05/01/2015
COMPANIES HOUSE

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MEMBERS' REPORT FOR THE PERIOD ENDED 5 APRIL 2014

PRINCIPAL ACTIVITIES

The principal activity of the Partnership during the period was the pursuit of claims against certain third parties in respect of various contractual breaches.

DESIGNATED MEMBERS

The following designated members have held office during the year:

- Carbon Trading Investors 1 Ltd
- Carbon Trading Investors 2 Ltd.

MEMBERS' DRAWINGS AND CAPITAL

All trading profits will be distributed in the accounting period to the members pro rata to their respective subscriptions. Such distributions will be made after allowing for the ongoing requirements of the business shown in the annual budget and after the settlement of any and all historic liabilities previously disclosed as contingent.

MEMBERS' RESPONSIBILITIES

Company law requires the members to prepare financial statements for each financial year which gives 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 partnership is 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 a going concern basis unless it is inappropriate to presume that the firm 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 the firm to ensure that the financial statements comply with the Companies Act 2006. The members 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.

CHANGE OF ADMINISTRATION

The Partnership is one of a total of 38 LLPs that were previously managed by Carbon Capital Limited (collectively "the Partnerships"). During December 2009 the administration of all the Partnerships changed with new entities taking over operation of the Partnerships from Carbon Capital Limited. The new administrative arrangements comprise of three entities, all of which are wholly owned equally by the Partnership and the other 37 Partnerships. These are Carbon Trading Investors 1 Ltd and Carbon Trading Investors 2 Ltd which act as designated members for each of the Partnerships and CT Service Procurement Ltd which acts as a procurement company for all external services that are required in the administration of the Partnerships.

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MEMBERS' REPORT FOR THE PERIOD ENDED 5 APRIL 2014 (continued)

As part of the transition described above, Members advanced a loan to the Partnership of £27,562 to fund future expenditure, of which £3,323 remains unspent.

CRIMINAL ENQUIRY

Certain individuals related to the setting up and running of the scheme prior to CT Service Procurement Limited taking over have now been formally charged. The case is unlikely to be heard until January 2016. Until the case has been determined and all related facts are made public we reserve our right to review the appropriate accounting treatment of transactions contained within prior periods.

VAT

Included in other debtors is an amount of £24,355 (2013 £24,120) in respect of VAT due from HMRC. HMRC have informed the Partnership that they wish to investigate the VAT status of the Partnership, in particular its entitlement to recover VAT charged on the expenses incurred in the management of the Partnership's affairs by Carbon Capital Limited and CT Service Procurement Limited. This investigation will occur on the completion of the criminal proceedings referred to above. The 38 Partnerships have obtained two separate legal opinions supporting the validity of their VAT registered status and on this basis the amounts shown due from HMRC are included in the financial statements. However, were an adverse outcome to arise, the Partnership would have to fund any write down of VAT due to it.

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 Partnership Regulations 2008) relating to small limited liability partnerships.

On behalf of the members



Carbon Trading Investors 1 Ltd

Registered office:

Suite 8
80 High Street
Winchester
SO23 9AT

Approved by the members on 5 January 2015.

RHEA CARBON LLP**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 5 APRIL 2014**

		2014	2013
	Note	£	£
TURNOVER	2	1,234	2,384
Cost of sales		-	-
GROSS PROFIT		1,234	2,384
Administration expenses		(1,234)	(2,384)
OPERATING PROFIT (LOSS)		-	-
Exceptional items:			
Net income from sale of assets		-	-
Provision for loss on disposal of fixed asset investment		-	-
PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST		-	-
Interest receivable		-	-
PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Tax on profit (loss) on ordinary activities		-	-
PROFIT (LOSS) FOR THE FINANCIAL PERIOD BEFORE MEMBERS' REMUNERATION CHARGED AS AN EXPENSE		-	-
Members' share of profits (losses) charged as an expense	7	-	-
PROFIT (LOSS) FOR THE FINANCIAL PERIOD AVAILABLE FOR DISCRETIONARY DIVISION AMONGST MEMBERS		-	-

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 7 to 11 form part of these financial statements.

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BALANCE SHEET AT 5 APRIL 2014

LLP Number OC317358

		2014		2013	
	Note	£	£	£	£
FIXED ASSET INVESTMENTS	3		3		3
CURRENT ASSETS					
Stock		-		-	
Debtors	4	24,357		24,122	
Cash at Bank		1,266		1,327	
		<u>25,623</u>		<u>25,449</u>	
CREDITORS: Amounts falling due within one year	5	4,906		4,732	
		<u></u>		<u></u>	
NET CURRENT ASSETS			20,717		20,717
			<u></u>		<u></u>
NET ASSETS ATTRIBUTABLE TO MEMBERS			20,720		20,720
			<u></u>		<u></u>
REPRESENTED BY:					
Equity					
Members' capital			1,723,026		1,723,026
Other reserves			(1,702,306)		(1,702,306)
			<u></u>		<u></u>
TOTAL EQUITY			20,720		20,720
			<u></u>		<u></u>
TOTAL MEMBERS' INTERESTS					
Members' other interests			20,720		20,720
Net amounts due to (from) Members			3,322		4,556
			<u></u>		<u></u>
TOTAL MEMBERS' INTERESTS	8		24,042		25,276
			<u></u>		<u></u>

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BALANCE SHEET AT 5 APRIL 2014 (continued)

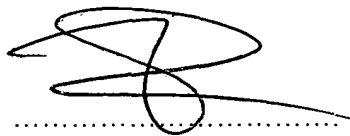
The members are satisfied that the LLP is entitled to exemption from the provisions of the Companies Act 2006 as modified by the Limited Liability Partnerships Regulations 2008 (the Act) relating to the audit of the accounts for the year by virtue of section 477.

The members acknowledge their responsibilities for:

- i). ensuring that the LLP keeps adequate accounting records which comply with section 386 of the Companies Act 2006 as modified by the Limited Liability Partnerships Regulations 2008; and
- ii). preparing accounts which give a true and fair view of the state of affairs of the LLP as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Companies Act 2006 as modified by the Limited Liability Partnerships Regulations 2008 relating to accounts, so far as applicable to the LLP.

These accounts 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 LLPs and with the Financial Reporting Standard for Smaller Entities (effective August 2008).

These financial statements were approved by the members and authorised for issue on 5 January 2015, and are signed on their behalf by:



.....
Carbon Trading Investors 1 Ltd
Designated Member
LLP Number OC317358

The notes on pages 7 to 11 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2014**

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have been consistently applied within the same accounts.

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and in accordance with the Financial Reporting Standard for Smaller Entities (effective August 2008), and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' issued in March 2006 (SORP 2006).

(b) Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

(c) Impairments

The carrying amounts of the partnership's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

(d) Other reserves

To the extent that the partnership has generated trading losses which are not recoverable from members these are carried forward as a debit balance on other reserves. Future profits will be credited against these losses.

(e) Foreign exchange

Transactions in foreign currencies are translated at the rate ruling on the date of the transaction.

(f) Members' participation rights

Members' participation rights are the rights of a member against the partnership that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Members' participation rights in the earnings or assets of the partnership are analysed between those that are, from the partnership's perspective, either a financial liability or equity, in accordance with FRS 25 (IAS 32) Financial Instruments: Disclosure and Presentation and UITF abstract 39 Members' shares in co-operative entities and similar instruments. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the partnership.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2014 (continued)

Amounts subscribed or otherwise contributed by members, for example members' capital, are classed as equity if the partnership has an unconditional right to refuse payment to members. If the partnership does not have such an unconditional right, such amounts are classified as liabilities.

Where profits are automatically divided as they arise, so the partnership does not have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the Profit and Loss Account in the relevant year. To the extent that they remain unpaid at the period end, they are shown as liabilities in the Balance Sheet.

Conversely, where profits are divided only after a decision by the partnership or its representative, so that the partnership has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the Profit and Loss Account and are equity appropriations in the Balance Sheet.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the partnership has, in each case, an unconditional right to refuse payment.

All amounts due to members that are classified as liabilities are presented in the Balance Sheet within 'Loans and other debts due to members' and are charged to the Profit and Loss Account within 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the Balance Sheet within 'Members' other interests'.

(g) Going concern

The members have prepared the partnership's accounts on a going concern basis, which they believe to be appropriate as they consider that the partnership will be able to meet its liabilities as they fall due at least for the next year.

2. TURNOVER

The limited liability partnership's turnover represents a release of the Members' Loan to income in order fund the administrative costs and interest incurred in running the partnership.

All turnover arose in the United Kingdom.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2014 (continued)

3. FIXED ASSET INVESTMENTS

Other investments other than loans

	2014 £	2013 £
Balance brought forward	3	3
Investments made during the period	-	-
Less impairment of investment	-	-
Balance carried forward	<u>3</u>	<u>3</u>

4. DEBTORS

	2014 £	2013 £
Trade debtors	-	-
Other debtors	24,357	24,122
	<u>24,357</u>	<u>24,122</u>

Other debtors include the following amounts due from members:

Balance of initial investment	<u>2</u>	<u>2</u>
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Included in other debtors is an amount of £24,355 (2013 £24,120) in respect of VAT due from HMRC.

5. CREDITORS: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	-	-
Other creditors	4,906	4,732
Accruals	-	-
	<u>4,906</u>	<u>4,732</u>

Other creditors include the following amounts due to members:

Balance of financing not expended on running costs (see note 6 below)	<u>3,323</u>	<u>4,558</u>
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2014 (continued)

6. CONTINGENT LIABILITIES

The partnership has reached an agreement with Curzon Capital whereby certain balances due from the partnership have been made contingent on the partnership receiving sufficient surplus cash out of future income streams and/or VAT recoverable from prior periods to cover those liabilities. The timing and certainty of those cash flows are accepted by all parties to be unknown. At 5th April 2014 the total such contingent liability was £29,003 (2013 £29,003).

Members have agreed that the repayment of any part of the loans made by them to the Partnership already expended on the Partnership's behalf by CT Service Procurement Ltd will also be made contingent on the partnership receiving sufficient surplus cash out of future income streams, Member contributions and/or VAT recoverable from prior periods to cover those liabilities. At 5th April 2014 the total such contingent liability was £24,238 (2013 £23,004).

7. MEMBERS' SHARE OF PROFITS (LOSSES) CHARGED AS AN EXPENSE

Members' share of profits charged as an expense for the year ended 5th April 2014 was £0 (£0 for the year ended 5th April 2013).

There was an average of 33 Members in the year ending 5th April 2014 (33 in the year ending 5th April 2013).

The average Members' share of profits per Member was, therefore, £0 in the year ending 5th April 2014 (£0 in the year ending 5th April 2013).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2014 (continued)

8. MEMBERS' INTERESTS

	Members' other interests			Net	
	Members' capital	Members' other reserves	Total members' other interests	Amounts due to Members	Total
	£	£	£	£	£
Balance at 6.4.13	1,723,026	(1,702,306)	20,720	4,556	25,276
Net financing from Members	-	-	-	(1,234)	(1,234)
Balance at 5.4.14 before losses	1,723,026	(1,702,306)	20,720	3,322	24,042
Profit for the year	-	-	-	-	-
Balance at 5.4.14	<u>1,723,026</u>	<u>(1,702,306)</u>	<u>20,720</u>	<u>3,322</u>	<u>24,042</u>

9. ULTIMATE CONTROLLING PARTY

No individual Member has overall control of the LLP.