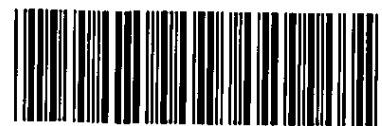


**Dencora Mason Road LLP**  
Report and Financial Statements  
For the Period Ended  
31 December 2008

**Registered Number: OC319548**

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COMPANIES HOUSE

## **DENCORA MASON ROAD LLP**

### **Designated members and officers**

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#### **Designated members**

C H Bradley-Watson  
O B Chipperfield

#### **Members**

R C Youngs  
S Jones  
Dencora 2000 Limited  
R C Finch (as Trustee joint member)  
D J G Ingram (as Trustee joint member)  
M Jay (as Trustee joint member)

#### **Secretary**

O B Chipperfield

#### **Registered office**

Dencora Court  
2 Meridian Way  
Norwich  
NR7 0TA

#### **Auditors**

Lovewell Blake  
Registered Auditor  
Chartered Accountants  
102 Prince of Wales Road  
Norwich  
NR1 1NY

#### **Bankers**

National Westminster Bank plc  
Conqueror House  
Vision Park, Chivers Way  
Histon, Cambridge  
CB24 9NL

#### **Solicitors**

Mills & Reeve  
1 St James Court  
Whitefriars  
Norwich  
NR3 1RU

## DENCORA MASON ROAD LLP

### Designated members' report

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The designated members submit their report and the financial statements of Dencora Mason Road LLP for the year ended 31 December 2008.

#### Business review and principal activities

The principal activity of the limited liability partnership is that of property investment within the United Kingdom. The results and key performance indicators for the period are as follows:-

	2008	2007
	£	£
Rental income	177,549	168,288
Operating profit	138,486	138,115
Investment properties	2,465,000	2,725,000
Net (debt)/cash	(1,971,353)	(1,966,325)
Valuation reserve	(101,781)	158,219

#### Future outlook

We believe the next nine months will see the bottom of the economic recession. Since the year end we have been pleased with the level of tenant enquiries and the number of new lettings achieved together with the added benefit of reduced void costs. The yield on prime property has hardened over the last few months which bodes well for the whole property market once the economy starts to gain momentum. Several challenges still lie ahead to preserve asset value but we are now more optimistic that good opportunities will arise once the markets have stabilised.

#### Principal risks and uncertainties

The management of the business and the execution of the partnership's strategy are subject to a number of risks. The key business risks affecting the partnership are considered to relate to tenant demand and bankruptcies.

#### Key performance indicators ("KPIs")

Given the straight forward nature of the business, the management board are of the opinion that further analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

#### Members

The following designated members and other members have held office throughout the year :-

C H Bradley-Watson (Designated member)  
O B Chipperfield (Designated member)  
Dencora 2000 Limited  
R C Youngs  
S Jones  
R C Finch (as Trustee joint member)  
D J G Ingram (as Trustee joint member)  
M Jay (as Trustee joint member)

#### Members drawings

Income profits are solely for the benefit of Dencora 2000 Limited, none of the other members have any entitlement to income profits. Capital profits are attributable to all members in accordance with the partnership agreement subject to making good any revenue account deficit first. Capital profits will be repaid to the members on the sale of property subject to cash flow or credited to their current account. If the LLP requires additional permanent working capital this shall be contributed by the members pro-rata to the initial capital contribution except for Mr Jones who will also contribute by way of additional loan.

#### Parent company

The LLP is consolidated into the group accounts of Dencora 2000 Limited.

#### Valuation of Property

The investment properties were valued at 31 December 2008 by the members, based upon professional advice, on a market value basis.

## DENCORA MASON ROAD LLP

### Designated members' report

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#### Designated members' responsibilities in the preparation of financial statements

The designated 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 regulation 3 of the Limited Liability Partnerships Regulations 2001) requires the designated members to prepare financial statements for each financial year. Under that law the designated members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the limited liability partnership and of the profit or loss of the limited liability partnership for that period. In preparing those financial statements the designated 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 limited liability partnership will continue in business.

The designated members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001). They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Financial risk management objectives

In common with every other business, the LLP aims to minimise financial risk. The measures used by the Members to minimise this risk include the preparation of profit and cash flow forecasts and regular monitoring of actual performance against forecasts. Debtors are closely monitored and where possible insured to keep the risk of bad debts to a minimum.

#### Auditors

Lovewell Blake were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985, a resolution proposing that they be reappointed will be put to the members at the annual general meeting.

#### On behalf of the Board



OB Chipperfield  
Designated Member  
15/19/2009

## DENCORA MASON ROAD LLP

### Independent auditors' report to the members of Dencora Mason Road LLP

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We have audited the financial statements of Dencora Mason Road LLP for the year ended 31 December 2008 on pages 5 to 13. These financial statements have been prepared in accordance with 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 limited liability partnership's members, as a body, in accordance with Section 235 of the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001). Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of members and auditors

The members' responsibilities for preparing 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).

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 Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001). We also report to you if, in our opinion, the limited liability partnership 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 Members' Report 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the limited liability partnership's affairs as at 31 December 2008 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001).

*Lovewell Blake*  
LOVEWELL BLAKE  
Chartered Accountants  
& Registered Auditor  
102 Prince of Wales Road  
Norwich  
Norfolk  
NR1 1NY

23 September

2009

## DENCORA MASON ROAD LLP

### Profit and loss account for the year ended 31 December 2008

	Notes	2008 £	2007 £
<b>Turnover</b>	<b>1</b>	<b>177,549</b>	<b>168,288</b>
Cost of sales		<u>36,793</u>	<u>27,729</u>
Gross profit		<b>140,756</b>	<b>140,559</b>
Administration expenses		<u>2,270</u>	<u>2,444</u>
<b>Operating profit</b>	<b>2</b>	<b>138,486</b>	<b>138,115</b>
Interest payable net of interest received		<u>133,451</u>	<u>150,225</u>
<b>Profit/(loss) for the financial year before members remuneration/(deficit)</b>	<b>8</b>	<b>5,035</b>	<b>(12,110)</b>
<b>Members (remuneration)/deficit (debited)/credited</b>		<u><b>(5,035)</b></u>	<u><b>12,110</b></u>
<b>Result for the year available for discretionary division amongst members</b>		<u><b>-</b></u>	<u><b>-</b></u>

The profit for the year arises from the partnership's continuing operations. There was no material difference between the historical cost loss before taxation and the loss on ordinary activities after taxation in 2008.

## DENCORA MASON ROAD LLP

### Statement of total recognised gains and losses for the year ended 31 December 2008

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	Note	2008 £	2007 £
<b>Statement of total recognised gains and losses</b>			
Profit/(loss) for the year		<b>5,035</b>	(12,110)
Unrealised (deficit)/surplus on revaluation of properties	4	<b>(260,000)</b>	(375,000)
<b>Total recognised gains and losses for the year</b>		<b><u>(254,965)</u></b>	<b><u>(387,110)</u></b>

# DENCORA MASON ROAD LLP

Balance sheet at 31 December 2008

	Notes	2008 £	2007 £
<b>Fixed assets</b>			
Tangible assets	4	2,465,000	2,725,000
<b>Current assets</b>			
Debtors due within one year	5	66,035	55,487
Cash at bank and in hand		53,647	58,675
		119,682	114,162
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	6	(89,287)	(88,802)
<b>Net current assets</b>		30,395	25,360
<b>Total assets less current liabilities</b>		2,495,395	2,750,360
<b>Creditors amounts falling due after more than one year</b>	7	2,025,000	2,025,000
<b>Net assets attributable to members</b>		470,395	725,360
<b>Represented by:</b>			
<b>Loans and other debts due to members within year</b>			
Members' capital classified as a liability under FRS25		440,000	440,000
Revaluation Reserve		(101,781)	158,219
Members Loans		120,833	120,833
Members' current account		11,343	6,308
	8	470,395	725,360
<b>TOTAL MEMBERS' INTERESTS</b>			
Amounts due from members		(50,000)	(50,000)
Loans and other debts due to members	11 (a)	132,176	127,259
Members' other interests	11 (b)	338,219	598,219
		420,395	675,478

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001) relating to small limited liability partnerships and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These financial statements were approved and authorised for issue by the Members on 15/9/2009

On behalf of the Members,

*O. B. Chipperfield*

O B Chipperfield



## DENCORA MASON ROAD LLP

### Accounting policies for the year ended 31 December 2008

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#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention (as modified by the revaluation of land and buildings and investment properties) and in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" published in 2006 and the Financial Reporting Standard for Smaller Entities (effective January 2007).

A cash flow statement has not been prepared as the members have elected to take advantage of the exemption available to subsidiary undertakings, as conferred by FRS1.

#### *Turnover*

Turnover represents rental income and management charges.

#### *Properties held as fixed assets*

Completed investment properties are valued annually by the members based upon professional valuations performed by chartered surveyors, to market value in accordance with the RICS Appraisal and Valuation Manual. Inspections of all properties are carried out every fourth year.

Investment properties under development are carried at the lower of cost and members' valuation. However, where the basic structure of the building is complete and at least 90% of the building let, or where the building in its existing state can be sold without the need to carry out further work, then the property is carried at market value less an estimate of the cost to complete.

The cost of properties includes direct costs, a proportion of applicable overheads and interest (less net income received) for a period until no later than six months after the certificate of practical completion of construction has been issued, less provision in the event of a permanent diminution in value.

Surpluses and subsequent deficits on revaluations are taken to a non-distributable revaluation reserve. If a property held as a fixed asset is sold, the difference between sales proceeds and balance sheet value is treated as a profit or loss in the current year's profit and loss account, and the previous revaluation surplus or deficit is reclassified under distributable reserves.

Depreciation on investment properties has been taken into consideration in the annual revaluations and therefore has not been charged in the profit and loss account. This complies with the Standard Statement of Accounting Practice (SSAP) 19 and although it is contrary to the Companies Act 1985 (as applicable to limited liability partnerships), the designated members consider the accounts show a true and fair view. The amount of depreciation has not been quantified as it is only one of many factors included in the valuation.

#### *Investments*

Fixed asset investments are stated at cost less provision for diminution in value.

#### *Acquisitions and disposals of properties*

Acquisitions and disposals of investment properties are considered to have taken place where (even if legal completion has not taken place) there is legally binding, unconditional and irrevocable contract, and provided that the properties being sold are substantially complete.

## **DENCORA MASON ROAD LLP**

### **Accounting policies for the year ended 31 December 2008 (*Continued*)**

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#### *Leasehold assets*

Ground rents due under headleases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives received to enter into operating lease agreements are released to the profit and loss account over the period to the date on which the rent is first expected to be adjusted to the prevailing market rate.

# DENCORA MASON ROAD LLP

Notes forming part of the financial statements for the year ended 31 December 2008 (Continued)

## 1 Turnover

The partnership's turnover is derived from its principal activity. All turnover is derived from the United Kingdom.

## 2 Operating profit

	2008 £	2007 £
Operating profit is stated after charging		
Auditors' remuneration	<u>1,800</u>	<u>1,750</u>

## 3 Members' remuneration

	2008 No	2007 No
Average number of members	<u>8</u>	<u>8</u>
	£	£
(Loss)/profit attributable to highest paid member	<u>5,085</u>	<u>(12,110)</u>

Profits are attributable to only one member.

## 4 Tangible fixed assets

	Freehold Property £	Total £
<i>Cost or valuation</i>		
At 1 January 2008	2,725,000	2,725,000
Deficit on revaluation	<u>(260,000)</u>	<u>(260,000)</u>
<b>At 31 December 2008</b>	<u><b>2,465,000</b></u>	<u><b>2,465,000</b></u>
<i>Net book value</i>		
<b>At 31 December 2008</b>	<u><b>2,465,000</b></u>	<u><b>2,465,000</b></u>
At 31 December 2007	<u>2,725,000</u>	<u>2,725,000</u>

### Historical cost

2008 and 2007  
£

The historical cost net book value of land and buildings is:  
Freehold investment properties

2,566,781

The properties were valued at members' valuation at market value. Land and buildings held as at 31 December 2008 as investment properties were valued at that date by the members, based upon professional advice, at their market value. The members are of the opinion that the deficit on valuation is a temporary diminution in value.

## DENCORA MASON ROAD LLP

Notes forming part of the financial statements for year ended 31 December 2008 (Continued)

### 5 Debtors due within one year

	2008	2007
	£	£
Trade debtors	13,667	5,487
Amounts owed by group undertakings	50,000	50,000
Sundry debtors	2,368	-
	<u>66,035</u>	<u>55,487</u>

### 6 Creditors: Amounts falling due within one year

	2008	2007
	£	£
Trade creditors	11,090	2,324
Amounts due to group undertakings	2,942	118
Accruals and deferred income	70,840	79,277
Other taxes and social security costs	4,415	7,083
	<u>89,287</u>	<u>88,802</u>

### 7 Creditors: Amounts falling due after more than one year

	2008	2007
	£	£
Bank loans (secured)	<u>2,025,000</u>	<u>2,025,000</u>
Loans are due:		
- in more than two years but less than five years	<u>2,025,000</u>	<u>2,025,000</u>

The bank loan is secured by a fixed charge over the property assets of the partnership. Interest is charged at 1.25% over LIBOR

# DENCORA MASON ROAD LLP

Notes forming part of the financial statements for year ended 31 December 2008 (Continued)

## 8 Loans and other debtors due to members

	Members' Capital	Members' other interests Revaluation Reserve	Members' current account	Total	Loans and other debts due to/(from) members	Total
	£	£	£	£	£	£
Amounts due to members	440,000	158,219	6,308	604,527	120,951	725,478
Amounts due from members	-	-	-	-	(50,000)	(50,000)
Members' interest as at 1 January 2008	440,000	158,219	6,308	604,527	70,951	675,478
Members remuneration credited as income	-	-	5,035	5,035	-	5,035
Members' interests after profit/(loss) for the period	440,000	158,219	11,343	609,562	70,951	680,513
Allocated profit/(losses):	-	-	-	-	-	-
Deficit arising on revaluation of fixed assets	-	(260,000)	-	(260,000)	-	(260,000)
Introduced by members:	-	-	-	-	-	-
Repayments of capital	-	-	-	-	-	-
Repayments of debt (including members' capital classified as a liability)	-	-	-	-	-	-
Drawings	-	-	-	-	-	-
Other movements	-	-	-	-	(118)	(118)
Amounts due to members	440,000	-	11,343	451,343	120,833	572,176
Amounts due from members	-	(101,781)	-	(101,781)	(50,000)	(151,781)
<b>Balance at 31 December 2008</b>	<b>440,000</b>	<b>(101,781)</b>	<b>11,343</b>	<b>349,562</b>	<b>70,833</b>	<b>420,395</b>

## **DENCORA MASON ROAD LLP**

**Notes forming part of the financial statements for the period ended 31 December 2008 (Continued)**

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### **9 Controlling party**

The results of this LLP are consolidated in Dencora 2000 Limited's accounts being the ultimate parent undertaking. Dencora 2000 Limited is a company registered in England and Wales and its group financial statements are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

### **10 Related Party Transactions**

The LLP entered into the following arrangement:

Loan notes of £120,833 (unsecured) due to Mr S Jones who is a member to assist with the acquisition of the property (the interest rate is fixed at 6% p.a.) were outstanding at the 31 December 2008. Interest of £7,250 was charged during the year of which £1,827.39 is unpaid.

The partnership has taken advantage of the exemptions conferred by Financial Reporting Standard No 8 from the requirement to make disclosures concerning group companies, on the basis that its results are consolidated in the financial statements of its parent company.

### **11 Total Members Interests**

Loans and other debts due to members balance sheet items 11 (a) and members other interests 11 (b) will, in the administration or winding up of the partnership, rank behind (and only be paid after full payment has been made in respect of) all amounts due to the unsecured creditors who are not members.