

Limited Liability Partnership  
Registration Number OC332526

# Railcare Property LLP

## REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2013



# Railcare Property LLP

## DESIGNATED MEMBERS AND ADVISORS

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### DESIGNATED MEMBERS

N Seward  
A R J Leach

### REGISTERED OFFICE

Blackhill Drive  
Wolverton Mill  
Milton Keynes  
Buckinghamshire  
MK12 5TS

### AUDITOR

Baker Tilly UK Audit LLP  
The Pinnacle  
170 Midsummer Boulevard  
Milton Keynes  
MK9 1BP

### BANKERS

National Westminster Bank PLC  
P O Box 666  
Waterloo Street  
Bolton  
BL1 8FH

# Railcare Property LLP

## MEMBERS' REPORT

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The members present their report and the financial statements of Railcare Property LLP for the year ended 31 March 2013

### PRINCIPAL ACTIVITY

The principal activity of the limited liability partnership is to hold property for rental to group undertakings

Whilst the property currently held by the limited liability partnership is rented to a group undertaking, it is unoccupied by that group undertaking and is being sub-let. As at the year end, the property is being held for sale

### RESULTS FOR THE YEAR AND ALLOCATION TO MEMBERS

The loss for the year for allocation to members was £64,000 (2012 £339,000)

### MEMBERS' DRAWINGS

The profits and losses of the limited liability partnership are allocated to members in the proportions set out in the Membership Agreement

No member can draw on account of their share of the profits unless agreed by the members in general meeting. Any amounts remaining undrawn or overdrawn are added to Loans and Other Debts due to members

### DESIGNATED MEMBERS

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

L J Seward (resigned 29 October 2012)  
A R J Leach  
N Seward (appointed 29 October 2012)

### AUDITOR

A resolution to reappoint Baker Tilly UK Audit LLP as auditor will be put to the members at the next members' meeting

By order of the board



A R J Leach  
Designated Member

25<sup>th</sup> March 2014

# Railcare Property LLP

## MEMBERS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) requires 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law)

Under the 2008 Regulations, 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 those financial statements, the members are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent, and
- c prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business

Under the 2008 Regulations 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 to enable them to ensure that the financial statements comply with the requirements of those 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

The members are responsible for the maintenance and integrity of the corporate and financial information included on the partnership's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

These responsibilities are exercised by the designated members on behalf of the members

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAILCARE PROPERTY LLP

We have audited the financial statements on pages 5 to 11. 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).

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 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. 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

As more fully explained in the Members' Responsibilities Statement set out on page 3, 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 (APB'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 [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx).

### Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 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.

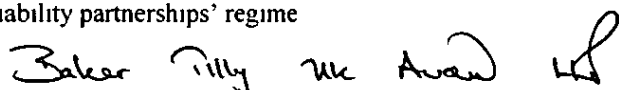
### Emphasis of matter – Basis of accounting and going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in the accounting policies on page 7 of the financial statements concerning the LLP's basis of accounting and going concern. As explained in the accounting policies, the members intend to cease the trading of the LLP following the disposal of its property and as a consequence of this intention the financial statements have been drawn up on a basis other than going concern.

### 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 the financial statements in accordance with the small limited liability partnerships' regime.



Andrew Monteith (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

The Pinnacle

170 Midsummer Boulevard

Milton Keynes

MK9 1BP

27<sup>th</sup> March 2014

# Railcare Property LLP

## PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2013

|   | <i>Notes</i> | 2013<br>£'000 | 2012<br>£'000 |
|---|--------------|---------------|---------------|
| TURNOVER  | <i>1</i>     | 41            | 41            |
| Administrative expenses   |              | (41)          | (49)          |
| OPERATING PROFIT/(LOSS)   | <i>2</i>     | -             | (8)           |
| Exceptional item  |              |               |               |
| Impairment of asset held for sale                                       | <i>5</i>     | (42)          | (319)         |
| Interest payable and similar charges                                    | <i>4</i>     | (22)          | (12)          |
| LOSS FOR THE YEAR AVAILABLE FOR DISCRETIONARY<br>DIVISION AMONG MEMBERS | <i>8</i>     | (64)          | (339)         |

The loss for the year arises from the partnership's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account

# Railcare Property LLP

## BALANCE SHEET

31 March 2013

Company Registration No OC332526

|   | Notes | 2013<br>£'000 | 2012<br>£'000 |
|---|-------|---------------|---------------|
| <b>FIXED ASSETS</b>   |       |               |               |
| Tangible assets   | 5     | 590           | 656           |
|   |       | <hr/>         | <hr/>         |
| <b>CURRENT ASSETS</b>   |       |               |               |
| Cash at bank and in hand                                      |       | -             | 2             |
|   |       | <hr/>         | <hr/>         |
|   |       | -             | 2             |
| <b>CREDITORS</b> Amounts falling due within one year          | 6     | (201)         | (168)         |
|   |       | <hr/>         | <hr/>         |
| <b>NET CURRENT LIABILITIES</b>                                |       | (201)         | (166)         |
|   |       | <hr/>         | <hr/>         |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                  |       | 389           | 490           |
| <b>CREDITORS</b> Amounts falling due after more than one year | 7     | (552)         | (588)         |
|   |       | <hr/>         | <hr/>         |
| <b>NET LIABILITIES ATTRIBUTABLE TO MEMBERS</b>                |       | (163)         | (98)          |
|   |       | <hr/>         | <hr/>         |
| <b>REPRESENTED BY:</b>  |       |               |               |
| <b>LOANS AND OTHER DEBTS DUE TO MEMBERS WITHIN ONE YEAR</b>   |       |               |               |
| Members' capital classified as a liability                    | 8     | 320           | 321           |
| Other amounts   |       | (320)         | (80)          |
|   |       | <hr/>         | <hr/>         |
|   |       | -             | 241           |
| <b>MEMBERS OTHER INTERESTS</b>                                |       |               |               |
| Other reserves  |       | (163)         | (339)         |
|   |       | <hr/>         | <hr/>         |
|   | 8     | (163)         | (98)          |
|   |       | <hr/>         | <hr/>         |
| <b>TOTAL MEMBERS' INTERESTS</b>                               |       |               |               |
| Loans and other debts due to members                          |       | -             | 241           |
| Members' other interests                                      |       | (163)         | (339)         |
|   |       | <hr/>         | <hr/>         |
|   | 8     | (163)         | (98)          |
|   |       | <hr/>         | <hr/>         |

These financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 (as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008) applicable to LLPs subject to the small LLPs regime

The financial statements on pages 5 to 11 were approved by the members and authorised for issue on 25 March 2014 and are signed on their behalf by

A R J Leach  
Designated Member



# Railcare Property LLP

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" March 2010

The limited liability partnership has taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from the requirement to produce a cashflow statement on the grounds that it is a small LLP and a subsidiary undertaking

### GOING CONCERN

The financial statements have not been prepared on a going concern basis. The limited liability partnership has one asset, a property held for rental to a fellow group undertaking, which is currently being marketed for sale. The members expect that the property will be disposed of by the end of April 2014. The proceeds from the sale are expected to be sufficient to discharge the limited liability partnership's bank loan in full but other liabilities are unlikely to be settled. Once the property is sold the limited liability partnership will cease to trade and hence the financial statements have been prepared on a break up basis.

### FIXED ASSETS

All fixed assets are initially recorded at cost

### DEPRECIATION

Depreciation is provided on all tangible assets, other than freehold land, at rates calculated to write off the cost less estimated residual value of each asset over its useful economic life as follows

|                    |   |                  |
|--------------------|---|------------------|
| Freehold buildings | - | 2% straight line |
|--------------------|---|------------------|

The carrying values of tangible fixed assets are reviewed for impairment in years if events or changes in circumstances indicate the carrying value may not be recoverable

### TAXATION

The taxation payable on the partnership profits is the personal liability of the members and therefore neither partnership taxation nor related deferred taxation are accounted for in the financial statements

### INTEREST BEARING LOANS AND BORROWINGS

All interest bearing loans and borrowings are initially recorded at net proceeds. After initial recognition, debt is increased by the finance cost in respect of the reporting year and reduced by payments made in respect of the debt in the year.

Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount

### TURNOVER AND REVENUE RECOGNITION

Revenue is recognised to the extent that the limited liability partnership obtains the right to consideration in exchange for its performance. Revenue, which consists of rents receivable, is measured at the fair value of the consideration received, excluding discounts, rebates and value added tax, and is recognised on a straight line basis over the lease term.



# Railcare Property LLP

## ACCOUNTING POLICIES

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### MEMBERS' PARTICIPATION RIGHTS

Members' participation rights are the rights of a member against the limited liability 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 limited liability partnership are analysed between those that are, from the limited liability 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 limited liability partnership.

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

Where profits are automatically divided as they arise, so the limited liability 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 year end, they are shown as liabilities in the Balance Sheet.

Conversely, where profits are divided only after a decision by the limited liability partnership or its representative, so that the limited liability 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 limited liability 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'.

Any losses allocated to a Member may not, in aggregate, exceed an amount equal to his total capital contribution; excess losses are carried forward as other reserves.

# Railcare Property LLP

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 March 2013

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#### 1 TURNOVER

The partnership's turnover is derived from its principal activity and all arose in the United Kingdom

| 2 | OPERATING PROFIT/(LOSS)                          | 2013<br>£'000     | 2012<br>£'000     |
|---|--|-------------------|-------------------|
|   | Operating profit/(loss) is stated after charging |                   |                   |
|   | Depreciation – owned assets                      | 24                | -                 |
|   | Auditors' remuneration                           |                   |                   |
|   | - as auditor                                     | 5                 | 3                 |
|   | - tax and other services                         | 3                 | 1                 |
|   |  | <u>          </u> | <u>          </u> |

#### 3 EMPLOYEES AND MEMBERS' REMUNERATION

The limited liability partnership did not have any employees during the year

Members' drawings are detailed in note 8 The average number of members during the year was 11 (2012 13)

#### 4 INTEREST PAYABLE AND SIMILAR CHARGES

|                                    | 2013<br>£'000     | 2012<br>£'000     |
|------------------------------------|-------------------|-------------------|
| Interest payable on bank borrowing | 22                | 12                |
|                                    | <u>          </u> | <u>          </u> |

#### 5 TANGIBLE FIXED ASSETS

|                                   | Freehold land<br>and buildings<br>£'000 |
|-----------------------------------|---|
| Cost                              |   |
| At 1 April 2012 and 31 March 2013 | 1,188                                   |
| Depreciation                      |   |
| At 1 April 2012                   | 532                                     |
| Charge in year                    | 24                                      |
| Impairment charge in year         | 42                                      |
| At 31 March 2013                  | <u>598</u>                              |
| Net book value                    |   |
| At 31 March 2013                  | <u>590</u>                              |
| Net book value                    |   |
| At 31 March 2012                  | <u>656</u>                              |

The impairment charge recorded in the current and prior year reflects the members' assessment of the reduction in the net realisable value of the freehold land and buildings

# Railcare Property LLP

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

|   |  |               |               |
|---|--|---------------|---------------|
| 6 | CREDITORS Amounts falling due within one year          | 2013<br>£'000 | 2012<br>£'000 |
|   | Bank loan (note 7)                                     | 53            | 30            |
|   | Amounts due to group undertaking                       | 138           | 138           |
|   | Accruals and deferred income                           | 10            | -             |
|   |  | <u>201</u>    | <u>168</u>    |
| 7 | CREDITORS Amounts falling due after more than one year | 2013<br>£'000 | 2012<br>£'000 |
|   | Bank loan  | 552           | 588           |
|   | Bank loans are repayable by instalments as follows     |               |               |
|   | In less than one year                                  | 53            | 30            |
|   | In more than one year but not more than two years      | 54            | 54            |
|   | In more than two years but not more than five years    | 498           | 534           |
|   |  | <u>605</u>    | <u>618</u>    |
|   | Less amounts falling due within one year               | (53)          | (30)          |
|   |  | <u>552</u>    | <u>588</u>    |

The bank loan is secured by a fixed charge over the freehold property (note 5) and bears interest at 3% above the base rate. An interest rate cap was in place for this loan which had the effect of restricting the maximum interest rate payable on this loan to 7.6% until November 2012. This instrument wasn't renewed and interest at 3% above the base rate applies since November 2012.

|   |   |  |                           |                    |                            |                |
|---|---|--|---------------------------|--------------------|----------------------------|----------------|
| 8 | LOANS AND OTHER DEBTS DUE TO MEMBERS    |  |                           |                    |                            |                |
|   |   | Members'<br>capital<br>accounts<br>£'000 | Other<br>amounts<br>£'000 | Sub-total<br>£'000 | Other<br>reserves<br>£'000 | Total<br>£'000 |
|   | Amounts due to members at 1 April 2012  | 321                                      | (80)                      | 241                | (339)                      | (98)           |
|   | Repayments of capital                   | (1)                                      | -                         | (1)                | -                          | (1)            |
|   | Losses allocated to members             | -  | (240)                     | (240)              | 240                        | -              |
|   | Loss for the financial year             | -  | -                         | -                  | (64)                       | (64)           |
|   |   | <hr/>                                    | <hr/>                     | <hr/>              | <hr/>                      | <hr/>          |
|   | Amounts due to members at 31 March 2013 | 320                                      | (320)                     | -                  | (163)                      | (163)          |

# Railcare Property LLP

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 March 2013

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#### 9 RELATED PARTY TRANSACTIONS

During the year rent charges of £41,000 (2012 £41,000) were made to Railcare Limited, a fellow group undertaking. A balance of £nil (2012 £nil) was outstanding as at 31 March 2013. On 31 July 2013 Railcare Limited was placed in administration resulting in an amount of £1,500 due to Railcare Property LLP being written off in the year (2012 £nil).

Balance due to Seckloe 307 Limited, the parent undertaking, at 31 March 2013 was £138,000 (2012 £138,000) (note 6).

During the year a balance of £143 (2012 £nil) on R. Baxter's current account due to the LLP was written off. R. Baxter was a member in Railcare Property LLP and left during the year.

#### 10 PARENT UNDERTAKING AND CONTROLLING PARTY

The limited liability partnership's parent undertaking and controlling party is Seckloe 307 Limited, a company incorporated in the United Kingdom, now in liquidation.