

**Registered number OC332753**

**Coastal Land (Sussex) LLP**

**Annual report and financial statements**

**for the year ended 31 March 2010**



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## **Coastal Land (Sussex) LLP**

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## **Coastal Land (Sussex) LLP**

### **Information**

#### **Designated Members**

Hastings & Bexhill Renaissance Limited  
The Land Group (Coastal) LLP

#### **LLP registered number**

OC332753

#### **Registered office**

One Priory Square  
Priory Street  
Hastings  
East Sussex  
TN34 1EA

#### **Auditors**

Reeves & Co LLP  
Statutory Auditor  
Chartered Accountants  
37 St Margaret's Street  
Canterbury  
Kent  
CT1 2TU

#### **Bankers**

AIB Group (UK) plc  
9/10 Angel Court  
London  
EC2R 7AB

## **Coastal Land (Sussex) LLP**

### **Members' report for the year ended 31 March 2010**

The members present their annual report together with the audited financial statements of Coastal Land (Sussex) LLP (the LLP) for the period ended 31 March 2010

#### **Principal activities**

The LLP was incorporated on 15 November 2007 and commenced trading on that date. The figures shown for the period ended 31 March 2009 are therefore for a 17 month period.

The principal activity of the LLP is to develop Lacuna Place and One Priory Square, Priory Quarter, Hastings.

#### **Designated Members**

Hastings & Bexhill Renaissance Limited and The Land Group (Coastal) LLP were designated members of the LLP throughout the period.

#### **Members' capital and interests**

Each member's subscription to the capital of the LLP is determined by their share of the profit and is repayable following retirement from the LLP.

Details of changes in members' capital in the period ended 31 March 2010 are set out in the financial statements.

#### **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 the 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 judgments and estimates that are reasonable and prudent,
- 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.

**Coastal Land (Sussex) LLP**

**Members' report (continued)  
for the year ended 31 March 2010**

**Auditors**

The auditors, Reeves & Co LLP, have indicated their willingness to continue in office. The Designated members will propose a motion re-appointing the auditors at a meeting of the members.

This report was approved by the members on 16 February 2011 and signed on their behalf, by

A handwritten signature in black ink, appearing to read 'A Doyle', with a long horizontal stroke extending to the right.

**A Doyle  
For and on behalf of  
The Land Group (Coastal) LLP**

**Designated member**

## **Coastal Land (Sussex) LLP**

### **Independent auditors' report to the members of Coastal Land (Sussex) LLP**

We have audited the financial statements of Coastal Land (Sussex) LLP for the year ended 31 March 2010, set out on pages 6 to 16. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the LLP's members, as a body, in accordance with the Companies Act 2006, as applied by Part 12 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 Auditors' 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 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) and for being satisfied that the financial statements give a true and fair view 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 have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, have been prepared in accordance with the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, and give a true and fair view.

In addition we report to you if, in our opinion, the LLP 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 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 judgments made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the LLP'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.

**Coastal Land (Sussex) LLP**

**Independent auditors' report to the members of Coastal Land (Sussex) LLP**

**Opinion**

In our opinion the financial statements

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities,
- have been prepared in accordance with the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, and
- give a true and fair view of the state of the LLP's affairs as at 31 March 2010 and of its loss for the year then ended

*Reeves & Co LLP*

Peter Manser FCA DChA  
Senior Statutory Auditor  
for and on behalf of  
**Reeves & Co LLP**  
Statutory Auditor  
Chartered Accountants  
Canterbury

17 February 2011

**Coastal Land (Sussex) LLP**

**Profit and loss account  
for the year ended 31 March 2010**

		<b>31 March 2010 £000</b>	<b>17 months ended 31 March 2009 £000</b>
	<b>Note</b>		
<b>Turnover</b>	<b>1</b>	<b>263</b>	<b>21</b>
Administrative expenses		<u>(400)</u>	<u>(1,288)</u>
<b>Operating loss</b>	<b>2</b>	<b>(137)</b>	<b>(1,267)</b>
<b>Exceptional items</b>			
Write down of stock to anticipated disposal value	<b>4</b>	<u>(2,000)</u>	<u>-</u>
<b>Loss on ordinary activities before interest</b>		<b>(2,137)</b>	<b>(1,267)</b>
Interest receivable		<b>3</b>	<b>148</b>
Interest payable		<u>(680)</u>	<u>-</u>
<b>Loss for the financial year before members' remuneration and profit shares available for discretionary division among members</b>		<u><b>(2,814)</b></u>	<u><b>(1,119)</b></u>

The notes on pages 10 to 16 form part of these financial statements



**Coastal Land (Sussex) LLP**

**Statement of total recognised gains and losses  
for the year ended 31 March 2010**

	<b>31 March 2010 £000</b>	<b>17 months ended 31 March 2009 £000</b>
<b>Loss for the financial year</b>	<b>(2,814)</b>	<b>(1,119)</b>
Unrealised surplus on revaluation of tangible fixed assets	<u><b>600</b></u>	<u><b>1,632</b></u>
<b>Total recognised gains and losses relating to the year</b>	<u><u><b>(2,214)</b></u></u>	<u><u><b>513</b></u></u>

The notes on pages 10 to 16 form part of these financial statements

**Coastal Land (Sussex) LLP**  
**Registered number: OC332753**

**Balance sheet**  
**as at 31 March 2010**


	<b>Note</b>	<b>£000</b>	<b>2010 £000</b>	<b>£000</b>	<b>2009 £000</b>
<b>Fixed assets</b>					
Tangible fixed assets	5		14		11,819
<b>Current assets</b>					
Stocks	6	10,773		-	
Debtors	7	101		410	
Cash at bank		359		1,172	
		<u>11,233</u>		<u>1,582</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(958)</u>		<u>(1,398)</u>	
<b>Net current assets</b>			<b>10,275</b>		<b>184</b>
<b>Total assets less current liabilities</b>			<b>10,289</b>		<b>12,003</b>
<b>Creditors amounts falling due after more than one year</b>	9		<b>(11,987)</b>		<b>(11,488)</b>
<b>Net (liabilities)/assets attributable to members</b>			<b>(1,698)</b>		<b>515</b>
<b>Represented by:</b>					
<b>Loans and other debts due to members within one year</b>					
Other amounts			3		2
<b>Equity</b>					
Revaluation reserve		5,587		1,632	
Other reserves		<u>(7,288)</u>		<u>(1,119)</u>	
			<b>(1,701)</b>		<b>513</b>
			<b>(1,698)</b>		<b>515</b>
<b>Total members' interests</b>					
Amounts due from members (included in debtors)			-		(372)
Loans and other debts due to members			3		2
Members' other interests			<u>(1,701)</u>		<u>513</u>
	11		<b>(1,698)</b>		<b>143</b>

**Coastal Land (Sussex) LLP**

**Balance sheet (continued)  
as at 31 March 2010**

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 and were signed on their behalf on 16 February 2011

A handwritten signature in black ink, appearing to read 'A Doyle', with a long horizontal stroke extending to the right.

**A Doyle  
For and on behalf of  
The Land Group (Coastal) LLP**

**Designated member**

The notes on pages 10 to 16 form part of these financial statements

## **Coastal Land (Sussex) LLP**

### **Notes to the financial statements for the year ended 31 March 2010**

#### **1. Accounting policies**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment and development properties, in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships"

##### **1.2 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 the Financial Reporting Standard for Smaller Entities (effective April 2008)

##### **1.3 Turnover**

Turnover represents rental income generated from the LLP's property during the period under review, exclusive of VAT

##### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Fixtures & fittings	-	20% straight line
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##### **1.5 Development properties**

As part of the LLP's principal activity, investment is made in properties requiring development. Costs attributable to bringing these properties into working condition, including finance costs directly attributable to the project are capitalised.

Development properties are carried in the financial statements at market values based on the latest professional valuation. A valuation was carried out by John Shaw (a director of Hastings & Bexhill Renaissance Limited) FRICS as at 31 March 2009. A valuation was carried out by Chris Hessel FRICS, of DTZ, as at 31 March 2010.

Freehold land is not depreciated.

On completion of construction work development properties are classified as either assets available for resale or as investment assets.

##### **1.6 Stocks**

Stocks comprise assets transferred from development assets that on practical completion are considered to be available for sale assets. They are therefore initially transferred in at their carrying value at the date of the transfer.

Stocks are carried at the lower of their transfer value, as above, and net realisable value. This is not in accordance with the Companies Act 2006 or Statement of Standard Accounting Practice 9 "Stocks and long term contracts" (SSAP 9), which requires stock to be shown at the lower of cost or net realisable value.

This departure from the requirements of the Act and SSAP 9 is, in the opinion of the members, necessary to give a true and fair view. The effect of this departure is that the carrying value of stock is £3,196,000 higher than it would otherwise have been (2009: £NIL).

## Coastal Land (Sussex) LLP

### Notes to the financial statements for the year ended 31 March 2010

#### 1. Accounting policies (continued)

##### 1.7 Grants

Grants received in respect of development properties have been deducted from the cost of those assets. This is not in accordance with the Companies Act 2006, which requires assets to be shown at their purchase price or production cost and hence grants and contributions to be presented as deferred income.

This departure from the requirements of the Act is, in the opinion of the members, necessary to give a true and fair view as these assets do not have determinable finite lives and therefore no basis exists on which to recognise grants and contributions as deferred income. The effect of this departure is that the carrying value of development properties is £NIL lower than it would otherwise have been (2009 £2,391,000) but the valuation of those assets is unchanged.

##### 1.8 Members' entitlements

The members of the LLP are entitled to a management fee and reimbursement of any costs incurred on behalf of the LLP as disclosed in the Transactions with Members note. The members are not entitled to any profit distribution, whether capital or revenue, until all monies otherwise owed to the members are repaid in full. Undistributed surplus profits or losses are carried forward within other reserves. Distributed profits are allocated in accordance with the membership deed, whilst losses are carried forward as an other equity reserve until such time as they are eliminated by future profits.

##### 1.9 Going concern

The LLP has £359,000 included in cash at the bank. The LLP meets its day to day working capital requirements through its bank facilities and grant draw downs and is therefore reliant on the continuing support of its members and bankers by their continued provision of bank facilities.

The members have confirmed that they will not withdraw monies from the LLP. The members have recently finished negotiations with the LLP's bankers in relation to the bank facilities. Having reviewed the LLP's cashflow forecasts, the bankers have concluded that they will continue to support the LLP and expect to do so over the next 12 months.

After making enquiries, the members believe that the LLP is well placed to manage its business risks successfully. The members have a reasonable expectation that the LLP has adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

#### 2 Operating loss

The operating loss is stated after charging

	31 March 2010 £000	17 months ended 31 March 2009 £000
Depreciation of tangible fixed assets - owned by the LLP	4	4
Auditors' remuneration	8	8
	<u>12</u>	<u>12</u>

During the year, no member received any emoluments (2009 - £NIL)

## Coastal Land (Sussex) LLP

### Notes to the financial statements for the year ended 31 March 2010

#### 3. Information in relation to members

	31 March 2010 Number	17 months ended 31 March 2009 Number
The average number of members during the period was	<u>2</u>	<u>2</u>

#### 4. Exceptional items

	31 March 2010 £000	17 months ended 31 March 2009 £000
Write down of stock to anticipated disposal value	<u>2,000</u>	<u>-</u>

Following the year end the LLP has reached an agreement for the sale of one of the LLP's properties held in stock. The agreed sale price of £5,500,000 was less than the carrying value of the stock on transfer from development properties of £7,500,000, and therefore a write down of £2,000,000 has been charged to the profit and loss account.

#### 5 Tangible fixed assets

	Development properties £000	Fixtures and fittings £000	Total £000
<b>Cost or valuation</b>			
At 1 April 2009	11,801	22	11,823
Additions	372	-	372
Transfer to stock	(12,773)	-	(12,773)
Revaluation surplus/(deficit)	600	-	600
At 31 March 2010	<u>-</u>	<u>22</u>	<u>22</u>
<b>Depreciation</b>			
At 1 April 2009	-	4	4
Charge for the year	-	4	4
At 31 March 2010	<u>-</u>	<u>8</u>	<u>8</u>
<b>Net book value</b>			
At 31 March 2010	<u>-</u>	<u>14</u>	<u>14</u>
At 31 March 2009	<u>11,801</u>	<u>18</u>	<u>11,819</u>

## Coastal Land (Sussex) LLP

### Notes to the financial statements for the year ended 31 March 2010

#### 5. Tangible fixed assets (continued)

Interest on the loan used to fund the work undertaken in the period on the development property, in the sum of £54,000 (2009 £561,000), has been capitalised as part of the cost of that development property. The total interest capitalised to date is £615,000 (2009 £561,000).

Development properties were carried in the financial statements at market values based on the latest professional valuation. A valuation was carried out by J Shaw (a director of Hastings and Bexhill Renaissance Limited) as at 31 March 2009. A valuation was carried out by Chris Hessel FRICS, of DTZ, as at 31 March 2010. This valued the property at an open market value of £13,280,000 less costs to completion which the directors estimate to be £507,000 giving a value of £12,773,000.

#### 6. Stocks

	2010 £000	2009 £000
Development properties for resale	10,773	-

As disclosed in accounting policy 1.6, stocks are carried at the lower of their transfer value and net realisable value; this policy is a departure from the Companies Act 2006 and SSAP 9 which require stock to be valued at the lower of cost and net realisable value. Details of cost and grants received are as follows:

	2010 £000	2009 £000
Cost	12,932	-
Grants received	(2,391)	-
Revaluations	2,232	-
Impairment	(2,000)	-
	10,773	-

Had the properties been valued on the basis of the stock being fully let, but otherwise on the same assumptions as above, under these "special assumptions" Chris Hessel FRICS, of DTZ, valued the properties at £16,700,000.

The stock is secured by way of a legal mortgage against the grants being made by Hastings & Bexhill Renaissance Limited.

#### 7 Debtors

	2010 £000	2009 £000
Trade debtors	79	-
Other debtors	22	38
Amounts due from members	-	372
	101	410

## Coastal Land (Sussex) LLP

### Notes to the financial statements for the year ended 31 March 2010

#### 8. Creditors: Amounts falling due within one year

	2010 £000	2009 £000
Trade creditors	247	172
Other creditors	648	1,226
Accruals and deferred income	63	-
	<u>958</u>	<u>1,398</u>

#### 9 Creditors. Amounts falling due after more than one year

	2010 £000	2009 £000
Bank loans	<u>11,987</u>	<u>11,488</u>

Creditors include amounts not wholly repayable within 5 years as follows

	2010 £000	2009 £000
Repayable other than by installments	<u>11,987</u>	<u>11,488</u>

The majority of the bank loans are repayable over a period of ten years from practical completion of the development. The interest rate applied to these loans is 1.25% over LIBOR. The LLP has the option of making repayments of £250,000 when it has the funds available.

Other bank loans totalling £828,000 are repayable by 18 December 2011. The interest rate applied to these loans is 3% over LIBOR.

The bank loans are secured by legal mortgages and charges over the LLP's assets.

#### 10 Loans and other debts due to members

	2010 £000	2009 £000
Amounts due to members	<u>3</u>	<u>2</u>

Loans and other debts due to members rank equally with debts due to ordinary creditors in the event of a winding up.



# Coastal Land (Sussex) LLP

## Notes to the financial statements for the year ended 31 March 2010

### 11 Reconciliation of members' interests

	Revalu- ation reserve £000	Other reserves £000	Total members' other interests £000	Loans and debts due to members less any amounts due from members in debtors £000	Total £000
Loss for the year available for discretionary division among members	-	(1,119)	(1,119)	-	(1,119)
Members' interests after loss for the year	-	(1,119)	(1,119)	-	(1,119)
Movement in reserves	1,632	-	1,632	-	1,632
Net amount due from members at 1 April 2009	-	-	-	(370)	(370)
Members' interests balance at 1 April 2009	1,632	(1,119)	513	(370)	143
Loss for the year available for discretionary division among members	-	(2,814)	(2,814)	-	(2,814)
Members' interests after loss for the year	1,632	(3,933)	(2,301)	(370)	(2,671)
Movement in reserves	3,955	(3,355)	600	-	600
Movement in net amount due to / (from) members	-	-	-	373	373
Members' interests at 31 March 2010	5,587	(7,288)	(1,701)	3	(1,698)
				2010 £000	2009 £000
Amounts due to members				3	2
Amounts due from members				-	(372)
Net amount due to members				3	(370)

The property referred to in note 4 had previously been subject to a negative revaluation of £3,355,000 which was expected to be temporary and was therefore recorded as a reduction to the revaluation reserve. This negative revaluation has therefore been reversed through a reserve transfer during the year.

## Coastal Land (Sussex) LLP

### Notes to the financial statements for the year ended 31 March 2010

#### 12. Contingent liabilities

The LLP has received grants contingent on meeting certain performance criteria. The members are confident that the LLP will meet these performance criteria.

#### 13. Other commitments

At 31 March 2010 the LLP had other commitments relating to the completion of the assets transferred to stock during the year, as follows:

	2010 £000	2009 £000
Contracted for but not provided in these financial statements	507	619

In relation to the above contract, the LLP has withheld payment of amounts totalling £187,000. These costs are recognised in the accounts, however it is anticipated that these costs will be recovered in the future.

#### 14. Members' benefits: advances, credit and guarantees

During the period the LLP entered into transactions with members, all at market value. The transactions with and the balances due to the members at the period end were as follows:

2010 £000	2009 £000
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#### Hastings & Bexhill Renaissance Limited (HBRL)

Grant received	-	2,933
Rent received	52	-
Recharges from HBRL	-	(862)
Management charges paid	-	170
Recharges to HBRL	-	347
Balance owed to the LLP	-	372
Balance owed by the LLP	(3)	(2)

#### The Land Group (Coastal) LLP

Management charges paid	-	170
Balance owed by the LLP	-	-

#### 15. Controlling party

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

#### 16. Post balance sheet events

Since the year end the LLP has reached an agreement for the sale of one of the LLP's properties see note 4.