

ALBEMARLE RETAIL PROPERTIES LLP

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2015

**Limited Liability Partnership Registration No. OC352041
(England and Wales)**

SHELLEY STOCK HUTTER LLP
Chartered Accountants
1st Floor
7 - 10 Chandos Street
London
W1G 9DQ

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ALBEMARLE RETAIL PROPERTIES LLP

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ALBEMARLE RETAIL PROPERTIES LLP

INFORMATION

Designated Members

G R Egan (resigned 12 May 2015)
M A Parsons
S M Wallis
Quintain (Manchester) Limited

LLP registered number

OC352041

Registered office

Egan Property Asset Management, 66 Grosvenor Street, London, W1K 3JL

Independent auditors

Shelley Stock Hutter LLP, 1st Floor, 7-10 Chandos Street, London, W1G 9DQ

MEMBERS' REPORT**FOR THE YEAR ENDED 31 MARCH 2015**

The members present their annual report together with the audited financial statements of Albemarle Retail Properties LLP (the LLP and the group) for the year ended 31 March 2015.

DESIGNATED MEMBERS

G R Egan, M A Parsons, S M Wallis and Quintain (Manchester) Limited were designated members of the LLP and the group throughout the period. G R Egan resigned on 12 May 2015.

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 year ended 31 March 2015 are set out in the financial statements.

Members are remunerated from the profits of the LLP and are required to make their own provision for pensions and other benefits. Profits are allocated and divided between members after finalisation of the financial statements. Members draw a proportion of their profit shares monthly during the year in which it is made, with the balance of profits being distributed after the year, subject to the cash requirements of the business.

MEMBERS' RESPONSIBILITIES STATEMENT

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 the group and of the profit or loss of the group 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP and the group's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

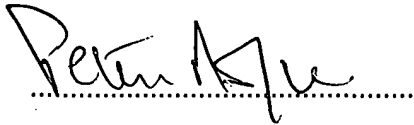
AUDITORS

The auditors, Shelley Stock Hutter LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008).

This report was approved by the members on 11/12/2015 and signed on their behalf by:

ALBEMARLE RETAIL PROPERTIES LLP

MEMBERS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2015



Quintain (Manchester) Limited
Designated member

ALBEMARLE RETAIL PROPERTIES LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALBEMARLE RETAIL PROPERTIES LLP

We have audited the financial statements of Albemarle Retail Properties LLP for the year ended 31 March 2015, set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the LLP's members 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 for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF MEMBERS AND AUDITORS

As explained more fully in the Members' responsibilities statement, 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 Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent LLP's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the designated members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Members' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent LLP's affairs as at 31 March 2015 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures in note 1.1 to the financial statements regarding the net liabilities of the group totalling £25,021,487 (2014: £25,088,794), going concern status of the group and note 3 to the financial statements concerning the valuation of the investment property. The current economic conditions give rise to the existence of a material uncertainty with regard to the valuation of the property in the accounts. These financial statements do not include any adjustments that would result if the group was unable to continue as a going concern as the group currently has the continued support of its principal creditors.

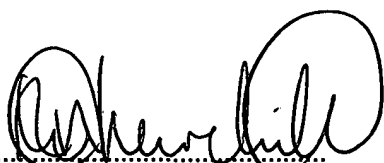
ALBEMARLE RETAIL PROPERTIES LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALBEMARLE RETAIL PROPERTIES LLP

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 by the parent LLP, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent LLP 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.



Richard Churchill (Senior statutory auditor)
for and on behalf of Shelley Stock Hutter LLP
Chartered Accountants
Statutory Auditor
1st Floor
7-10 Chandos Street
London
W1G 9DQ

1/12/2015
Date

ALBEMARLE RETAIL PROPERTIES LLP

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 £	2014 £
TURNOVER	1	2,344,550	4,248,234
Administrative expenses		(457,221)	(805,302)
		<hr/>	<hr/>
OPERATING PROFIT	2	1,887,329	3,442,932
Loss on disposal of investments		(386,412)	(83,426)
Amounts written back/(off) investments		987,527	(7,439,672)
Interest payable and similar charges	3	(3,207,784)	(4,278,055)
		<hr/>	<hr/>
LOSS FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		<hr/> <hr/> (719,340)	<hr/> <hr/> (8,358,221)

The notes on pages 12 to 18 form part of these financial statements.

ALBEMARLE RETAIL PROPERTIES LLP

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 £	2014 £
LOSS FOR THE FINANCIAL YEAR		(719,340)	(8,358,221)
Unrealised surplus/(deficit) on revaluation of investment properties		428,797	(1,220,328)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		<u>(290,543)</u>	<u>(9,578,549)</u>

The notes on pages 12 to 18 form part of these financial statements.

ALBEMARLE RETAIL PROPERTIES LLP

REGISTERED NUMBER: OC352041

**CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2015**

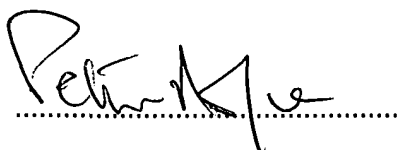
	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Investment property	4		25,610,000		49,830,000
CURRENT ASSETS					
Debtors	6	523,690		719,250	
Cash at bank		945,069		1,208,523	
		<u>1,468,759</u>		<u>1,927,773</u>	
CREDITORS: amounts falling due within one year	7	<u>(6,704,247)</u>		<u>(45,767,317)</u>	
NET CURRENT LIABILITIES			(5,235,488)		(43,839,544)
TOTAL ASSETS LESS CURRENT LIABILITIES			20,374,512		5,990,456
CREDITORS: amounts falling due after more than one year	8		<u>(45,395,999)</u>		<u>(31,079,250)</u>
NET LIABILITIES ATTRIBUTABLE TO MEMBERS			<u>(25,021,487)</u>		<u>(25,088,794)</u>
REPRESENTED BY:					
Loans and other debts due to members within one year					
Other amounts	9		3,068,324		2,710,474
Members' other interests					
Members' capital classified as equity		3,490		3,490	
Revaluation reserve		428,797		668,229	
Other reserves classified as equity		<u>(28,522,098)</u>		<u>(28,470,987)</u>	
			(28,089,811)		(27,799,268)
			<u>(25,021,487)</u>		<u>(25,088,794)</u>
TOTAL MEMBERS' INTERESTS					
Loans and other debts due to members			3,068,324		2,710,474
Members' other interests			<u>(28,089,811)</u>		<u>(27,799,268)</u>
	10		<u>(25,021,487)</u>		<u>(25,088,794)</u>

The financial statements have been prepared in accordance with the provisions applicable to small LLPs 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).

ALBEMARLE RETAIL PROPERTIES LLP

CONSOLIDATED BALANCE SHEET (continued) AS AT 31 MARCH 2015

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



Quintain (Manchester) Limited
Designated member

Date: 1/12/2015

The notes on pages 12 to 18 form part of these financial statements.

ALBEMARLE RETAIL PROPERTIES LLP
REGISTERED NUMBER: OC352041

LLP BALANCE SHEET
AS AT 31 MARCH 2015

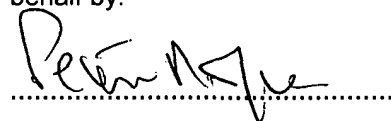
	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Investments	5		(6,721,677)		10,549,593
CURRENT ASSETS					
Debtors	6	4,389,263		3,551,610	
Cash at bank		236,005		41,200	
		<u>4,625,268</u>		<u>3,592,810</u>	
CREDITORS: amounts falling due within one year	7	<u>(5,709,793)</u>		<u>(3,925,905)</u>	
NET CURRENT LIABILITIES			<u>(1,084,525)</u>		<u>(333,095)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(7,806,202)</u>		<u>10,216,498</u>
CREDITORS: amounts falling due after more than one year	8		<u>(10,699,000)</u>		<u>(10,699,000)</u>
NET LIABILITIES ATTRIBUTABLE TO MEMBERS			<u><u>(18,505,202)</u></u>		<u><u>(482,502)</u></u>
REPRESENTED BY:					
Loans and other debts due to members within one year					
Other amounts	9		3,068,324		2,710,474
Members' other interests					
Members' capital classified as equity		3,490		3,490	
Other reserves classified as equity		<u>(21,577,016)</u>		<u>(3,196,466)</u>	
			<u>(21,573,526)</u>		<u>(3,192,976)</u>
			<u><u>(18,505,202)</u></u>		<u><u>(482,502)</u></u>
TOTAL MEMBERS' INTERESTS					
Loans and other debts due to members			3,068,324		2,710,474
Members' other interests			<u>(21,573,526)</u>		<u>(3,192,976)</u>
	10		<u><u>(18,505,202)</u></u>		<u><u>(482,502)</u></u>

ALBEMARLE RETAIL PROPERTIES LLP

LLP BALANCE SHEET (continued) AS AT 31 MARCH 2015

The financial statements have been prepared in accordance with the provisions applicable to small LLPs 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 by:


.....

Quintain (Manchester) Limited
Designated member

Date: 11/12/2015

The notes on pages 12 to 18 form part of these financial statements.

ALBEMARLE RETAIL PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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 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".

As at the balance sheet date, the group has net liabilities of £25,021,487 (2014: £25,088,794). The financial statements have been prepared on a going concern basis as the group has the continued support of its principal creditors.

1.2 Basis of consolidation

The financial statements consolidate the accounts of Albemarle Retail Properties LLP and all of its subsidiary undertakings ('subsidiaries').

The LLP has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Profit and loss account.

The profit and loss account for the year dealt with in the accounts of the LLP was £18,380,550 (2014 - £311,227).

1.3 Turnover

Turnover represents rent receivable from investment properties.

1.4 Investments

- (i) **Subsidiary undertakings**
Investments in subsidiaries are valued at cost less provision for impairment.
- (ii) **Other investments**
Investments held as fixed assets are shown at cost less provision for impairment.

1.5 Investment properties

Investment properties are included in the Balance sheet at their open market value in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and are not depreciated. This treatment is contrary to the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, which states that fixed assets should be depreciated but is, in the opinion of the members, necessary in order to give a true and fair view of the financial position of the LLP and the group.

1.6 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Rental receivable under operating leases are credited to income on a straight line basis over the lease term.

ALBEMARLE RETAIL PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

2. OPERATING PROFIT

The operating profit is stated after charging:

	2015 £	2014 £
Auditors' remuneration	27,497	28,500

3. INTEREST PAYABLE

	2015 £	2014 £
On bank loans and overdrafts	658,882	1,296,269
On other loans	2,548,902	2,981,786
	3,207,784	4,278,055

4. INVESTMENT PROPERTY

Group	Freehold investment property £	Long term leasehold investment property £	Total £
Valuation			
At 1 April 2014	4,335,000	45,495,000	49,830,000
Additions at cost	-	63,676	63,676
Impairment charge (P&L)	-	(343,195)	(343,195)
Reversal of impairment charge	-	1,330,722	1,330,722
Disposals	(4,335,000)	(21,365,000)	(25,700,000)
Surplus on revaluation	-	428,797	428,797
At 31 March 2015	-	25,610,000	25,610,000

The 2015 valuations were made by Lambert Smith Hampton, Chartered Surveyors, on an open market value for existing use basis.

The historical cost of the LLP's investment properties is £32,126,290 (2014: £32,062,614).

ALBEMARLE RETAIL PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

5. FIXED ASSET INVESTMENTS

LLP	Investments in subsidiary companies £	Loans to subsidiaries £	Total £
Cost or valuation			
At 1 April 2014	4	10,549,589	10,549,593
Disposals	-	(597,588)	(597,588)
Amounts written off	-	(16,673,682)	(16,673,682)
At 31 March 2015	4	(6,721,681)	(6,721,677)
Net book value			
At 31 March 2015	4	(6,721,681)	(6,721,677)
At 31 March 2014	4	10,549,589	10,549,593

Details of the principal subsidiaries can be found under note number 14.

6. DEBTORS

	Group		LLP	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	253,775	252,393	-	-
Amounts owed by group undertakings	-	-	4,385,623	3,551,610
Other debtors	269,915	466,857	3,640	-
	523,690	719,250	4,389,263	3,551,610

7. CREDITORS: Amounts falling due within one year

	Group		LLP	
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts	-	40,433,591	-	-
Trade creditors	174,862	125,647	2,000	113,000
Other taxation and social security	117,190	225,695	-	-
Other creditors	6,412,195	4,982,384	5,707,793	3,812,905
	6,704,247	45,767,317	5,709,793	3,925,905

Bank loans and overdrafts totalling £nil (2014: £40,433,591) are secured on the investment properties.

ALBEMARLE RETAIL PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

8. CREDITORS: Amounts falling due after more than one year

	<u>Group</u>		<u>LLP</u>	
	2015 £	2014 £	2015 £	2014 £
Bank loans	14,316,749	-	-	-
Other loans	31,079,250	31,079,250	10,699,000	10,699,000
	<u>45,395,999</u>	<u>31,079,250</u>	<u>10,699,000</u>	<u>10,699,000</u>

Bank loans and overdrafts totalling £14,316,749 (2014: £nil) are secured on the investment properties.

9. LOANS AND OTHER DEBTS DUE TO MEMBERS

	<u>Group</u>		<u>LLP</u>	
	2015 £	2014 £	2015 £	2014 £
Amounts due to members	<u>3,068,324</u>	<u>2,710,474</u>	<u>3,068,324</u>	<u>2,710,474</u>

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

ALBEMARLE RETAIL PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

10. RECONCILIATION OF MEMBERS' INTERESTS

Group	Members' capital (classified as equity) £	Revaluation reserve £	Other reserves £	Loans and debts due to members less any amounts due from members in debtors £	Total 2015 £	Total 2014 £
Members' interests: balance at 1 April 2014	3,490	668,229	(28,470,987)	2,710,474	(25,088,794)	(19,085,369)
Loss for the year available for discretionary division among members	-	-	(719,340)	-	(719,340)	(8,358,221)
Members' interests after loss for the year	3,490	668,229	(29,190,327)	2,710,474	(25,808,134)	(27,443,590)
Movement in reserves	-	(239,432)	668,229	-	428,797	2,129,819
Amounts withdrawn by members	-	-	-	(42,110)	(42,110)	(174,983)
Interest on capital	-	-	-	399,960	399,960	399,960
Members' interests at 31 March 2015	3,490	428,797	(28,522,098)	3,068,324	(25,021,487)	(25,088,794)

ALBEMARLE RETAIL PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

10. RECONCILIATION OF MEMBERS' INTERESTS (continued)

LLP	Members' capital (classified as equity) £	Other reserves £	Loans and debts due to members less any amounts due from members in debtors £	Total 2015 £	Total 2014 £
Members' interests:					
balance at 1 April 2014	3,490	(3,196,466)	2,710,474	(482,502)	(1,018,706)
Loss for the year available for discretionary division among members	-	(18,380,550)	-	(18,380,550)	311,227
Members' interests after loss for the year	3,490	(21,577,016)	2,710,474	(18,863,052)	(707,479)
Amounts withdrawn by members	-	-	(42,110)	(42,110)	(174,983)
Interest on capital	-	-	399,960	399,960	399,960
Members' interest at 31 March 2015	3,490	(21,577,016)	3,068,324	(18,505,202)	(482,502)

11. RELATED PARTY TRANSACTIONS

During the year, Quintain Estates & Development plc, a company in the same group as Quintain (Manchester) Limited, charged Albemarle Retail Properties LLP loan interest of £2,140,000 (2014: £2,140,000). As at the balance sheet date, Quintain Services & Development plc was owed £16,399,795 (2014: £14,519,905) by Albemarle Retail Properties LLP.

12. POST BALANCE SHEET EVENTS

Part of the Group's investment property representing £7,419,600 of the total value as at 31 March 2015 was sold on 6 October 2015.

13. CONTROLLING PARTY

There was no controlling party in the current period or preceding period. Quintain (Manchester) Limited became the controlling party from 2 April 2015. Quintain (Manchester) Limited's immediate parent is Quintain Estates and Development PLC and its ultimate parent is Bailey Acquisitions Limited, an investment vehicle indirectly controlled by Lone Star Real Estate Fund IV.

ALBEMARLE RETAIL PROPERTIES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

14. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Albemarle Sussex LLP	England and Wales	100	Property investment
Albemarle Egham LLP	England and Wales	100	Property investment
Albemarle Property Opportunities LLP	England and Wales	100	Property investment
Albemarle Stafford A3 LLP	England and Wales	100	Property investment