

THE BOURNEMOUTH DEVELOPMENT COMPANY LLP
ANNUAL REPORT OF THE MEMBERS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

FRIDAY



A5GMQ8EH

A40

30/09/2016

#138

COMPANIES HOUSE

THE BOURNEMOUTH DEVELOPMENT COMPANY LLP

CONTENTS OF THE FINANCIAL STATEMENTS

	Page
LLP Information	1
Members' Report	2 - 4
Independent Auditor's Report	5 - 6
Consolidated Statement of Comprehensive Income	7
Consolidated Statement of Financial Position	8
Consolidated Statement of Cash Flows	9
Consolidated Reconciliation of Members' Interest	10
Statement of Comprehensive Income	11
Statement of Financial Position	12
Statement of Cash Flows	13
Reconciliation of Members' Interest	14
Principal Accounting Policies	15 - 16
Notes to the Financial Statements	17 - 21

THE BOURNEMOUTH DEVELOPMENT COMPANY LLP

LLP INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2015

Designated Members	Community Solutions for Regeneration (Bournemouth) Ltd The Council of the Borough of Bournemouth
Head Office	8 Old Jewry 6 th Floor London EC2R 8DN
Registered Office	Kent House 14–17 Market Place London W1W 8AJ
Independent Auditor	PKF Francis Clark Chartered Accountants and statutory auditor Towngate House, 2-8 Parkstone Road, Poole, BH15 2PW

THE BOURNEMOUTH DEVELOPMENT COMPANY LLP

MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The designated members present their annual report and the audited financial statements for the year ended 31 December 2015.

Principal activities

The principal activities of the Group are property development on land in the Bournemouth Town Centre.

The results for the year are included on page 7.

Fair Review

The results for the year were as follows:

	For the year ended 31 December 2015	For the year ended 31 December 2014
	£000	£000
Turnover	14,965	10,875
Profit/(Loss) for the year	2,811	3,006
Net assets	3,746	6,517
Cash at bank	3,132	3,347

The Group is working closely with its partners to deliver first-class residential and mixed-use development in Bournemouth secured through an Options Agreement entered into between The Council of the Borough of Bournemouth and BDC.

The total value of the projects over the 20 year strategic partnership could be in the order of up to £500m.

Subsidiaries

The LLP has 100% control over the following companies:

Leyton Mount Development LLP
BDC HoldCo Limited

BDC HoldCo Limited is omitted from the consolidation under s.405(2) of the Companies Act 2006 as it is dormant and holds no material assets or liabilities, and therefore its inclusion is not material for the purpose of giving a true and fair view.

Going concern

The members have a reasonable expectation that the LLP and the Group of which it is part have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements. Further details can be found in the principal accounting policies in the financial statements.

Financial position and liquidity

The financial position of the Group is presented in the consolidated balance sheet. The total funds attributable to the members was £2.6m. The Group had net assets attributable to members of £3.7m (2014: £6.5m).

The members have a reasonable expectation that the LLP and the Group of which it is part, have adequate resources to continue in operational existence for the foreseeable future.

THE BOURNEMOUTH DEVELOPMENT COMPANY LLP

MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

Principal risks and uncertainties

The management of the business and the execution of the LLP and Group strategy are subject to a number of risks. The members believe the principal risks facing the Group to be those relating to development management services, cash flow risk due to sales value or timing not meeting forecast and the risk of senior debt funding being withdrawn or cancelled. The LLP has a long-term partnership with Bournemouth Borough Council from which it expects to receive sufficient funds to manage these risks.

Designated members

The designated members who served during the year are shown on page 1.

Members' drawings and capital policy

The members' policy on drawings is dependent upon the working capital requirements of the LLP. A conservative level of drawings is in accordance with updated specific site drawdown.

Debt or equity is injected in to the LLP in accordance with the funding requirements of the project.

Capital is repaid to members on resignation from the LLP, or at such other time as is determined by the Management Board.

Auditors

PKF Francis Clark were appointed in office, during the period, as auditors and a resolution to re-appoint PKF Francis Clark as the Group's auditors will be proposed at the next Members' Meeting.

Statement of members' responsibilities

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

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require 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). The financial statements are required by law to 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:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgments and estimates that are reasonable and prudent;
- (c) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

THE BOURNEMOUTH DEVELOPMENT COMPANY LLP

MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

Statement of members' responsibilities (continued)

The members are responsible for keeping adequate accounting records that 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, as applicable to limited liability partnerships. 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.

Independent auditor and disclosure of information to the independent auditor

In the case of each member of the LLP at the date when this report was approved:

- so far as each member is aware, there is no relevant audit information (that is, information needed by the LLP's auditor in connection with preparing its report) of which the LLP's auditor is unaware; and
- each member has taken all the steps that he/she ought to have taken as a member in order to make himself aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

This report has been prepared in accordance with the requirements of the Companies Act 2006 as applied to LLP's by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

For and on behalf of:



Community Solutions for Regeneration (Bournemouth) Ltd
Designated member

6 September 2016

THE BOURNEMOUTH DEVELOPMENT COMPANY LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOURNEMOUTH DEVELOPMENT COMPANY LLP FOR THE YEAR ENDED 31 DECEMBER 2015

Independent Auditor's Report to the Members of The Bournemouth Development Company LLP

We have audited the financial statements of The Bournemouth Development Company LLP for the year ended 31 December 2015 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Reconciliation of Members' Interest, the LLP Statement of Comprehensive Income, the LLP Statement of Financial Position, the LLP Statement of Cash Flows, the LLP Reconciliation of Members' Interests the Principal Accounting Policies, and the related notes. 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 LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to LLPs 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 LLP'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 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 auditor

As explained more fully in the Statement of Members' Responsibilities set out on pages 3-4, 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

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 limited liability partnership'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 Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

THE BOURNEMOUTH DEVELOPMENT COMPANY LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOURNEMOUTH DEVELOPMENT COMPANY LLP FOR THE YEAR ENDED 31 DECEMBER 2015

Independent Auditor's Report to the Members of The Bournemouth Development Company LLP (continued)

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent LLP's affairs as at 31 December 2015, 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.

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.

Mark Johns

Mark Johns ACA FCCA
Senior Statutory Auditor
for and on behalf of
PKF Francis Clark, Statutory Auditor

PKF Francis Clark
Towngate House
2-8 Parkstone Road
Poole
Dorset
BH15 2PW

Date: 22/9/2016

THE BOURNEMOUTH DEVELOPMENT COMPANY LLP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	1	14,964,484	10,874,758
Cost of sales		(11,979,404)	(7,646,691)
Gross profit		2,985,080	3,228,067
Administrative expenses		(157,609)	(192,112)
Operating profit	2	2,827,471	3,035,955
Interest payable	4	(16,599)	(30,089)
Profit / (loss) for the financial year before members' remuneration		2,810,872	3,005,866
Member's remuneration charged as an expense		(3,500,000)	-
Profit / (loss) for the year available for discretionary division among members		(689,128)	3,005,866

Continuing operations

The results for the current and previous financial years derive from continuing operations.

The Group has no recognised gains or losses for the year other than the results above.

THE BOURNEMOUTH DEVELOPMENT COMPANY LLP

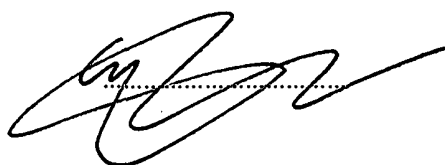
CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	31 December 2015 £	31 December 2014 £
Current assets			
Asset in construction	6	-	10,602,250
Works in progress	7	965,720	41,457
Debtors due within one year	8	72,220	701,398
Cash in hand and at bank		3,131,801	3,347,148
		<u>4,169,741</u>	<u>14,692,253</u>
Creditors			
Amounts falling due within one year	9	(423,248)	(8,175,091)
Net assets attributable to members		<u>3,746,493</u>	<u>6,517,162</u>
Loans and other debts due to members			
Members' capital classified as a liability		-	-
Other amounts		2,624,599	4,706,140
		<u>2,624,599</u>	<u>4,706,140</u>
Members' other interests			
- Members' capital classified as equity		2	2
- Other reserves		1,121,892	1,811,020
		<u>3,746,493</u>	<u>6,517,162</u>
Total members' interests			
Loans and other debts due to members		2,624,599	4,706,140
Members' other interests		1,121,894	1,811,022
		<u>3,746,493</u>	<u>6,517,162</u>

The financial statements of The Bournemouth Development Company LLP, registration number OC361929, were approved by the Members and were signed on its behalf on *6 September* 2016 by:



Community Solutions for Regeneration (Bournemouth) Limited
Designated Member



The Council of the Borough of Bournemouth
Designated Member

THE BOURNEMOUTH DEVELOPMENT COMPANY LLP

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

		2015	2014
	Note	£	£
Cash flow from operating activities	11	5,366,194	2,945,968
Cash flows from financing activities			
Capital introduced by members		124,599	312,090
Repayment of capital or debt to members		(5,706,140)	-
Net cash from financing activities		(5,581,541)	312,090
Net increase / decrease in cash and cash equivalents		(215,347)	3,258,058
Cash and cash equivalents at 1 January 2015		3,347,148	89,090
Cash and cash equivalents at 31 December 2015		3,131,801	3,347,148

THE BOURNEMOUTH DEVELOPMENT COMPANY LLP

CONSOLIDATED RECONCILIATION OF MEMBERS' INTERESTS FOR THE YEAR ENDED 31 DECEMBER 2015

	Equity			Debt		Total members' interests
	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors		
	Members' Capital	Other Reserves	Total	Other Amounts	Total	
At 1 January 2014	2	(1,194,846)	(1,194,844)	4,394,050	4,394,050	3,199,206
Profit / (loss) for the year available for discretionary division among members	-	3,005,866	3,005,866	-	-	3,005,866
Introduced by members	-	-	-	312,090	312,090	312,090
Amounts due to members	2	1,811,020	1,811,022	4,706,140	4,706,140	6,517,162
Amounts due from members	-	-	-	-	-	-
At 31 December 2014 and 1 January 2015	2	1,811,020	1,811,022	4,706,140	4,706,140	6,517,162
Members' remuneration charged as an expense	-	-	-	3,500,000	3,500,000	3,500,000
Profit / (loss) for the year available for discretionary division among members	-	(689,128)	(689,128)	-	-	(689,128)
Members' interests after profit / (loss) for the year	2	1,121,892	1,121,894	8,206,140	8,206,140	9,328,034
Introduced by members	-	-	-	124,599	124,599	124,599
Repayment of capital	-	-	-	-	-	-
Repayment of debt (including members' capital classified as a liability)	-	-	-	(5,706,140)	(5,706,140)	(5,706,140)
Other movements	-	-	-	-	-	-
Amounts due to members	2	1,121,892	1,121,894	2,624,599	2,624,599	3,746,493
Amounts due from members	-	-	-	-	-	-
At 31 December 2015	2	1,121,892	1,121,894	2,624,599	2,624,599	3,746,493

THE BOURNEMOUTH DEVELOPMENT COMPANY LLP

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	1	52,891	10,874,758
Cost of sales		(60,339)	(7,646,691)
Gross profit		(7,448)	3,228,067
Administrative expenses		(77,720)	(192,024)
Operating profit / (loss)	2	(85,168)	3,036,043
Income from fixed asset investments		2,900,000	-
Interest payable	4	(16,599)	(30,089)
Profit / (loss) for the financial year before members' remuneration		2,798,233	3,005,954
Member's remuneration charged as an expense		(3,500,000)	-
Profit / (loss) for the year available for discretionary division among members		(701,767)	3,005,954

The LLP has no recognised gains or losses for the year other than the results above.

Continuing operations

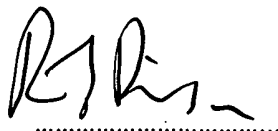
The results for the current and previous financial years derive from continuing operations.

THE BOURNEMOUTH DEVELOPMENT COMPANY LLP

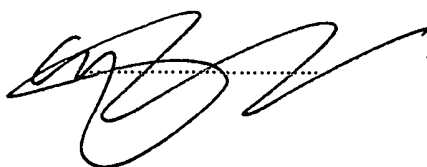
STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	31 December 2015 £	31 December 2014 £
Fixed Assets			
Investments	5	-	3,151,000
		-	3,151,000
Current assets			
Works in progress	7	965,720	41,457
Debtors due within one year	8	2,959,167	542,965
Cash in hand and at bank		6,078	2,872,462
		3,930,965	3,456,884
Creditors			
Amounts falling due within one year	9	(197,014)	(90,625)
Net assets attributable to members		3,733,951	6,517,259
Loans and other debts due to members			
Members' capital classified as a liability		-	-
Other amounts		2,624,599	4,706,140
		2,624,599	4,706,140
Members' other interests			
- Members' capital classified as equity		2	2
- Other reserves		1,109,350	1,811,117
		3,733,951	6,517,259
Total members' interests			
Loans and other debts due to members		2,624,599	4,706,140
Members' other interests		1,109,352	1,811,119
		3,733,951	6,517,259

The financial statements of The Bournemouth Development Company LLP, registration number OC361929, were approved by the Members and were signed on its behalf on 6 September 2016 by:



Community Solutions for Regeneration (Bournemouth) Limited
Designated Member



The Council of the Borough of Bournemouth
Designated Member

THE BOURNEMOUTH DEVELOPMENT COMPANY LLP

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

		2015	2014
	Note	£	£
Cash flow from operating activities	11	(435,843)	2,543,555
Cash flows from investing activities			
Capital introduced by members		124,599	312,090
Repayments of investment from subsidiary		3,151,000	-
Repayment of capital or debt to members		(5,706,140)	-
Net cash from financing activities		(2,305,942)	312,090
Net increase / decrease in cash and cash equivalents		(2,866,384)	2,855,645
Cash and cash equivalents at 1 January 2015		2,872,462	16,817
Cash and cash equivalents at 31 December 2015		6,078	2,872,462

THE BOURNEMOUTH DEVELOPMENT COMPANY LLP

RECONCILIATION OF MEMBERS' INTERESTS FOR THE YEAR ENDED 31 DECEMBER 2015

	Equity			Debt		Total members' interests
	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors		
	Members' Capital	Other Reserves	Total	Other Amounts	Total	
At 1 January 2014	2	(1,194,837)	(1,194,835)	4,394,050	4,394,050	3,199,215
Profit / (loss) for the year available for discretionary division among members	-	3,005,954	3,005,954	-	-	3,005,954
Introduced by members	-	-	-	312,090	312,090	312,090
Amounts due to members	2	1,811,117	1,811,119	4,706,140	4,706,140	6,517,259
Amounts due from members	-	-	-	-	-	-
At 31 December 2014 and 1 January 2015	2	1,811,117	1,811,119	4,706,140	4,706,140	6,517,259
Members' remuneration charged as an expense	-	-	-	3,500,000	3,500,000	3,500,000
Profit / (loss) for the year available for discretionary division among members	-	(701,767)	(701,767)	-	-	(701,767)
Members' interests after profit / (loss) for the year	2	1,109,350	1,109,352	8,206,140	8,206,140	9,315,492
Introduced by members	-	-	-	124,599	124,599	124,599
Repayment of capital	-	-	-	-	-	-
Repayment of debt (including members' capital classified as a liability)	-	-	-	(5,706,140)	(5,706,140)	(5,706,140)
Other movements	-	-	-	-	-	-
Amounts due to members	2	1,109,350	1,109,352	2,624,599	2,624,599	3,733,951
Amounts due from members	-	-	-	-	-	-
At 31 December 2015	2	1,109,350	1,109,352	2,624,599	2,624,599	3,733,951

THE BOURNEMOUTH DEVELOPMENT COMPANY LLP

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2015

General information

The Bournemouth Development Company LLP (the 'LLP') is incorporated in England and Wales. The registered office is Kent House, 14-17 Market Place, London, W1W 8AJ.

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS102), the Statement of Recommended Practice; Accounting by Limited Liability Partnerships published in 2014 and the Companies Act 2006 (as applied to LLPs). The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the LLP and rounded the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated. The LLP adopted FRS 102 in the current year and an explanation of how transition to FRS 102 has affected the reported financial position and performance is given in note 14.

Going concern

The LLP has net assets attributable to members of £3,733,951 (2014: £6,517,259) as at 31 December 2015.

The members have reviewed the future liquidity requirements and have considered the cash flow forecasts of the LLP. Despite the current economic conditions, the members believe the LLP will be able to meet its liabilities as they fall due.

Having regard to the above and after making enquiries the members have a reasonable expectation that the LLP has adequate 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.

Fixed Asset Investment

Investments are held at costs less any provision in impairment in value.

Assets in construction

This is stated at the lower of cost and net realisable value. Asset in construction comprises pre-commencement works and all construction costs for the Leyton Mount development

THE BOURNEMOUTH DEVELOPMENT COMPANY LLP

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2015

Work in progress

Work in progress comprise of planning and design fees for the St Stephens and Winter Gardens projects adopted in 2015, and Durley Road and Berry Court sites which were adopted in 2014

Turnover

Turnover represents income received in the ordinary course of business for services provided and sale of developed properties and excludes value added tax.

Turnover is recognised over the period to which the service relates and the period the sales complete.

Allocation of profits

Unallocated profits are included within 'other reserves' until the point at which they are allocated, when they are transferred to 'loans and other debts due to members' within members' interests.

No profits or losses are allocated to members until the reserves of the LLP are in surplus.

Taxation

Members are personally liable for taxation on their share of the profits of the limited liability partnership. Consequently no reserve for taxation is made in the financial statements in respect of members' tax liabilities.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Critical accounting judgments and key sources of estimation uncertainty

In the application of the LLP's accounting policies the members are required to make judgements, estimates and assumptions about the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. Assumptions and estimates are reviewed on an ongoing basis and any revisions to them are recognised in the period in which they are revised.

THE BOURNEMOUTH DEVELOPMENT COMPANY LLP

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

1. Analysis of turnover and profit on ordinary activities before taxation

All turnover and profit on ordinary activities before taxation relates to one class of business, the Group's principal activity carried out in the UK.

2. Operating profit

	2015 £	2014 £
Operating profit is stated after charging:		
Fees payable to the LLP's auditor for the audit of the LLP's annual accounts	<u>5,625</u>	<u>4,950</u>
	<u>5,625</u>	<u>4,590</u>

This fee is borne by Morgan Sindall Investments Ltd as part of the services performed under the Development Management Agreement.

3. Staff costs

The LLP had no employees during the year or the previous year.

4. Interest payable

	2015 £	2014 £
Interest payable to member	<u>16,599</u>	<u>30,089</u>
Interest payable	<u>16,599</u>	<u>30,089</u>

5. Fixed asset investments - LLP

	£
	Investment in subsidiary
Balance as at 1 January 2015	3,151,000
Cost-Addition	-
Impairment	-
Repayment	<u>(3,151,000)</u>
Balance as at 31 December 2015	<u>-</u>

The investment relates to Leyton Mount Development LLP, a wholly owned subsidiary of the LLP.

THE BOURNEMOUTH DEVELOPMENT COMPANY LLP

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

6. Assets in construction

	Group 2015 £	Group 2014 £
Pre-commencement costs	-	940,083
Construction costs	-	9,662,167
	<u>-</u>	<u>10,602,250</u>

7. Work in progress

	Group 2015 £	Group 2014 £	LLP 2015 £	LLP 2014 £
Adopted site costs	<u>965,720</u>	<u>41,457</u>	<u>965,720</u>	<u>41,457</u>
	<u>965,720</u>	<u>41,457</u>	<u>965,720</u>	<u>41,457</u>

8. Debtors

	Group 2015 £	Group 2014 £	LLP 2015 £	LLP 2014 £
Due within one year				
VAT receivable	71,086	234,434	59,167	77,197
Trade debtors	-	456,018	-	456,018
Intercompany debtor	-	-	2,900,000	-
Prepayments and accrued income	<u>1,134</u>	<u>10,946</u>	<u>-</u>	<u>9,750</u>
	<u>72,220</u>	<u>701,398</u>	<u>2,959,167</u>	<u>542,965</u>

9. Trade and other payables

	Group 2015 £	Group 2014 £	LLP 2015 £	LLP 2014 £
Due within one year				
Trade creditors	255,872	43,382	188,189	19,316
Senior debt loan – HCA	-	5,239,164	-	-
Amounts owed to related undertakings	77,001	2,361,557	-	71,309
Accruals and deferred income	<u>90,375</u>	<u>530,988</u>	<u>8,825</u>	<u>-</u>
	<u>423,248</u>	<u>8,175,091</u>	<u>197,014</u>	<u>90,625</u>

The loan from the HCA was fully repaid in 2015.

THE BOURNEMOUTH DEVELOPMENT COMPANY LLP

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

10. Loans and other debts due to members – Group

	2015	2014
	£	£
Loans	124,599	4,706,140
Undrawn profits	2,500,000	-
	<u>2,624,599</u>	<u>4,706,140</u>

Amounts owed to members consist of a loan note which is repayable on receipt of funds from subsidiaries on the sale of developments following Clause 26.4 of the members agreement.

Loans and other debts due to members are secured by way of a fixed and floating charge over all the assets of the LLP and would therefore rank in preference to other unsecured creditors in the event of a winding up.

11. Reconciliation of profit to cash flow from operating activities

Group

	Note	2015 £	2014 £
Profit/(loss) for the year		(689,128)	3,005,866
Members' remuneration charged as an expense		3,500,000	-
(Increase) / decrease in assets in construction and work in progress		9,677,987	(7,018,993)
(Increase) / decrease in debtors		629,178	(616,808)
Increase / (decrease) in creditors		(7,751,843)	7,575,903
Cash flow from operating activities		<u>5,366,194</u>	<u>2,945,968</u>

LLP

	Note	2015 £	2014 £
Profit/(loss) for the year		(701,767)	3,005,954
Members' remuneration charged as an expense		3,500,000	-
(Increase) / decrease in work in progress		(924,263)	(41,457)
(Increase) / decrease in debtors		(2,416,202)	(503,923)
Increase / (decrease) in creditors		106,389	82,981
Cash flow from operating activities		<u>(435,843)</u>	<u>2,543,555</u>

THE BOURNEMOUTH DEVELOPMENT COMPANY LLP

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

12. Related party transactions

In the ordinary course of business, the LLP has traded with Morgan Sindall Group plc and The Council of the Borough of Bournemouth together with its subsidiaries. The LLP has taken advantage of the exemption provided in FRS102 not to disclose transactions with companies within the group of which it is a member, where these transactions occur between entities which are 100% owned members of that group.

The LLP had transactions with the following associated companies:

Nature of transaction	Transaction amount 2015 £	Amount due (to)/from related party at 31 December 2015 £	Transaction amount 2014 £	Amount due (to)/from related party at 31 December 2014 £
Morgan Sindall Investments Limited				
Provision of services	(69,050)	-	(427,053)	-
Morgan Sindall plc				
Provision of services	(55,970)	-	(7,234,302)	-
The Council of the Borough of Bournemouth				
Provision of services	(72,698)	(12,000)	(2,400)	-
Turnover	52,891	-	10,874,758	456,018

THE BOURNEMOUTH DEVELOPMENT COMPANY LLP

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

The group had transactions with the following associated companies:

Nature of transaction	Transaction amount 2015 £	Amount due (to)/from related party at 31 December 2015 £	Transaction amount 2014 £	Amount due (to)/from related party at 31 December 2014 £
Morgan Sindall Investments Limited				
Provision of services	(156,747)	-	(728,734)	(361,293)
Morgan Sindall plc				
Provision of services	(638,902)	-	(13,429,971)	(2,004,090)
The Council of the Borough of Bournemouth				
Provision of services	(230,985)	(89,001)	(7,863)	(1,508)
Turnover	1,339,206	-	10,874,758	456,018

13. Ultimate parent company and ultimate controlling party

The immediate controlling members of the LLP are Community Solutions for Regeneration (Bournemouth) Limited and The Council of the Borough of Bournemouth.

The members consider that there is no ultimate parent undertaking and ultimate controlling party of this LLP.

14. First time adoption of FRS 102

There were no transitional adjustments to previously reported loss and equity.