

CREST NICHOLSON BIOREGIONAL QUINTAIN LLP

REPORT AND ACCOUNTS

31st OCTOBER 2006



Registered No OC317320

CREST NICHOLSON BIOREGIONAL QUINTAIN LLP

MEMBERS REPORT

The Members have pleasure in submitting their report together with the audited accounts for the period ended 31st October 2006

Principal Activities and Business Review

Crest BioRegional Limited Liability Partnership was incorporated on 23rd January 2006 and has been formed for the purpose of developing freehold land at the former Brighton Station goods yard, New England Street, Brighton. On 5th May 2006 the name of the partnership was changed to Crest Nicholson BioRegional Quintain Limited Liability Partnership

All activities are conducted within the UK

Members

The members during the period were as follows

Crest Nicholson (South East) Limited ("Crest")
BQL Brighton Limited ("BioRegional")

Policy with regard to subscription of Capital, drawings and repayment of Capital

The members have provided interest-free loans in accordance with the requirements of the LLP agreement, to provide general working capital to the LLP in pursuit of its development objectives

No profits of the LLP available shall be drawn without the prior written agreement of both Members (except in circumstances where one Member has acquired a further share in the capital of the LLP, in which case the Additional Funder shall be entitled to withdraw an amount equal to its additional contributions without the consent of the Non-Funder subject to an appropriate adjustment to its Share)

No Member shall be entitled to withdraw funds in excess of the share of profits applicable to its Share for any accounting period. In the event that any such excess withdrawal is made, that Member shall repay the excess drawings to the LLP immediately together with interest on the excess at the Default Interest Rate

If the Members unanimously agree that further funding is required for the purposes of the Project or for the further working capital requirements of the LLP, such additional funding shall (unless otherwise agreed between the Parties) be provided firstly by the Members, such funds to be provided as to 50 per cent by Crest and 50 per cent by BioRegional and secondly (to the extent available) by borrowings from third Parties on the most favourable terms available

Detailed arrangements for repayment of capital exist to cover resignation by a member, where this results in the appointment of a replacement member, or in the winding up of the LLP

Auditors

During the period the members appointed KPMG Audit Plc to fill the vacancy of auditor arising. A resolution to re-appoint KPMG Audit Plc as auditors will be proposed at the next members' meeting

Approved by the members and signed on their behalf

Crest House
Pycroft Road
Chertsey
Surrey KT16 9GN

31st August 2007



S Banfield
Executive Secretary

CREST NICHOLSON BIOREGIONAL QUINTAIN LLP

**STATEMENT OF MEMBERS' RESPONSIBILITIES IN RESPECT OF THE MEMBERS REPORT
AND THE FINANCIAL STATEMENTS**

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

The law relating to limited liability partnerships (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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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

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

Under the Limited Liability Partnerships Regulations 2001, the members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities

Independent auditors' report to the members of Crest Nicholson BioRegional Quintain LLP

We have audited the financial statements of Crest Nicholson BioRegional Quintain LLP for the period ended 31 October 2006 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the members of the limited liability partnership (LLP), as a body, in accordance with section 235 of the Companies Act 1985, as required by Regulation 3 of the Limited Liability Partnerships Regulations 2001. 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 auditors

As described in the Statement of Members' Responsibilities on page 2, the members are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the LLP has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding members' remuneration and other transactions is not disclosed.

We read the Members' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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.

Opinion

In our opinion the financial statements

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of affairs of the LLP as at 31 October 2006 and of its loss for the period then ended, and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants, London
Registered Auditor
31st August 2007

CREST NICHOLSON BIOREGIONAL QUINTAIN LLP

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31st OCTOBER 2006

	<u>Notes</u>	<u>2006</u> £'000
Result for the period before taxation		-
Taxation		-
Result for the period before members remuneration and profit shares	2	-
Members' remuneration charged as an expense	3	(80)
Loss for the period available for discretionary division among members		(80)

BALANCE SHEET AT 31st OCTOBER 2006

	<u>Notes</u>	<u>2006</u> £'000
<u>Current assets</u>		
Inventories	4	1,152
Debtors	5	58
Cash and cash equivalents		172
		1,382
Creditors amounts falling due within one year	6	(82)
Net assets attributable to members		1,300

REPRESENTED BY

Loans and other debts due to members within one year

Members' capital classified as a liability under FRS25	7	1,300
Loans and other debts due to members	7	-

TOTAL MEMBERS' INTERESTS

1,300

The financial statements were approved by the members on 31st August 2007 and were signed on their behalf by


Crest Nicholson BioRegional Quintain LLP

NOTES TO THE ACCOUNTS

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the partnership's financial statements

Basis of preparation

These financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules and in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (LLP SORP)

The partnership is exempt by virtue of Section 228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the partnership as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 the partnership is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

Inventories

Inventories are valued at the lower of cost and net realisable value. Land includes land under development, undeveloped land and land option payments. Work in progress comprises direct materials, labour costs, site overheads, associated professional fees and other attributable overheads.

Land inventories and the associated land creditors are recognised in the Balance Sheet from the date of unconditional exchange of contracts. If land is purchased on deferred settlement terms then the land and the land creditor are discounted to their fair value. The land creditor is then increased to the settlement value over the period of the financing, with the financing element being charged as interest expense through the income statement.

Members' Capital

The capital requirements of the partnership are determined from time to time by the partnership. No interest is paid on capital. On leaving the partnership a member's capital is repaid, subject to a valuation formula agreed between the members. Members' capital is deemed to be a liability in accordance with FRS25.

Members' remuneration and drawings

Remuneration is paid to certain members under a contract for services or other contractual arrangements. Such remuneration together with related employment costs is included as an expense in the profit and loss account under the heading members' remuneration charged as an expense.

Allocation of profits and drawings

Profits and losses of the partnership are allocated to the members immediately after the financial statements have been approved by the members. Members receive quarterly drawings on account of their share of profits earned.

Taxation

Taxation on all partnership profits is solely the personal liability of individual members. Consequently neither taxation nor related deferred taxation arising in Crest Nicholson BioRegional Quintain LLP are accounted for in these financial statements. Amounts retained for tax are treated in the same way as other profits of the partnership and so are included in 'Members' interests' or in 'Loans and other debts due to members' depending on whether or not division of profits has occurred.

CREST NICHOLSON BIOREGIONAL QUINTAIN LLP

NOTES TO THE ACCOUNTS

2 Result for the period before members' remuneration and profit share

Auditors' remuneration of £2,500 was borne for by Crest Nicholson Plc

3. Members' remuneration

No allocations were made during the period. A management fee of £40,000 was charged by each of the members in the period in respect of their contributions in managing and advising on the project

4 Inventories

	2006 £'000
Work in progress	<u>1,152</u>

5. Debtors

	2006 £'000
VAT recoverable	<u>58</u>

6. Creditors - amounts falling due within one year

	2006 £'000
Trade payables	<u>82</u>

CREST NICHOLSON BIOREGIONAL QUINTAIN LLP

NOTES TO THE ACCOUNTS

7. Reconciliation of movements in total members' interests

	Members capital and other amounts classified as a liability under FRS 25 £'000	Loans and other debts due to members £'000	Total members' interest £'000
Members' remuneration charged as an expense	-	80	80
Loss for the period	-	(80)	(80)
Members' interests after loss for the period	-	-	-
Capital introduced by members	1,300	-	1,300
Members' interests at 31 October 2006	1,300	-	1,300

8. Related party transactions

£40,000 was charged by Crest Nicholson (South East) Limited and BQL Brighton Limited in respect of management charges