

CREST NICHOLSON BIOREGIONAL QUINTAIN LLP

Registered in England: number OC317320

Annual Report and Financial Statements

31st October 2016



CREST NICHOLSON BIOREGIONAL QUINTAIN LLP MEMBERS' REPORT

The Members have pleasure in submitting their report together with the audited financial statements for the year ended 31st October 2016.

Principal Activities and Business Review

The principal activity of Crest Nicholson BioRegional Quintain Limited Liability Partnership (the 'LLP' or the 'partnership') is the development of freehold land at the former Brighton Station goods yard, New England Street, Brighton. The development was completed during 2011, with the partnership currently being used for remedial works and final accounting on the scheme.

Key performance indicators

Key financial statistics are given below:

	2016	2015
	£000	£000
Gross (loss)/profit	(20)	34
(Loss)/profit for the financial year	(14)	127

Results and Financial Position

The partnership had no revenue in the year (2015: £nil). Loss for the financial year was £14,000 (2015: profit £127,000). The partnership had net assets at 31st October 2016 of £127,000 (2015: £341,000).

All activities are conducted within the UK.

Risk management

The main risk to the partnership is financial loss due to under recovery of the other financial assets. The valuation of other financial assets is discussed within note 5 of these financial statements. The Members do not forecast any material costs to arise from this risk.

Members

The Members during the year and up to the date of signing the financial statements 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

No profits of the LLP 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, such additional funding shall (unless otherwise agreed between the Parties) be provided by the Members.

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.

CREST NICHOLSON BIOREGIONAL QUINTAIN LLP
MEMBERS' REPORT (continued)

Statement of Members' Responsibilities

The Members are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the Members to prepare financial statements for each financial year in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. Under company law as applied to limited liability partnerships the Members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the partnership and of the profit or loss of the partnership for that period. In preparing these financial statements, the Members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union 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 partnership will continue in business.

The Members are responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Regulations. They are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

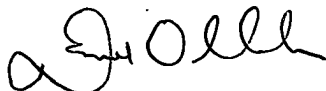
Disclosure of information to auditors

The Members who held office at the date of approval of this Members' Report confirm that, so far as they are each aware, there is no relevant audit information of which the partnership's auditors are unaware; and each Member has taken all the steps that he ought to have taken as a Member to make himself aware of any relevant audit information and to establish that the partnership's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Approved by the Members and signed on their behalf.



D Clark
 Executive Secretary

Crest House
 Pyrcroft Road
 Chertsey
 Surrey KT16 9GN

3rd February 2017

CREST NICHOLSON BIOREGIONAL QUINTAIN LLP
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CREST NICHOLSON
BIOREGIONAL QUINTAIN LLP

Report on the financial statements

Our opinion

In our opinion, Crest Nicholson BioRegional Quintain LLP's financial statements (the "financial statements"):

- give a true and fair view of the state of the limited liability partnership's affairs as at 31st October 2016 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; 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.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of financial position as at 31st October 2016;
- the Income statement for the year then ended;
- the Statement of cash flows for the year then ended;
- the Statement of changes in members interest for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law.

In applying the financial reporting framework, the Members have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Members

As explained more fully in the Statement of Members' Responsibilities set out on page 2, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the Members of the partnership as a body in accordance with 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 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

CREST NICHOLSON BIOREGIONAL QUINTAIN LLP
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CREST NICHOLSON
BIOREGIONAL QUINTAIN LLP (continued)

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 Members; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Members' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual 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.



Sonia Copeland (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
3rd February 2017

CREST NICHOLSON BIOREGIONAL QUINTAIN LLP
INCOME STATEMENT
For year ended 31st October 2016

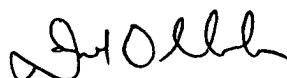
	Note	2016 £000	2015 £000
Revenue		-	-
Cost of sales		(20)	34
Gross (loss)/profit		(20)	34
Administrative expenses		-	-
Operating (loss)/profit		(20)	34
Finance income	2	6	93
(Loss)/profit for the year before Members' remuneration and profit share	3	(14)	127
Members' remuneration charged as an expense	4	-	-
(Loss)/profit for the year available for discretionary division among Members		(14)	127

The (loss)/profit for the financial year arose solely from continuing activities.
There are no other recognised gains or losses during the current or previous year.
The notes on pages 7 to 10 form part of these financial statements.

CREST NICHOLSON BIOREGIONAL QUINTAIN LLP
STATEMENT OF FINANCIAL POSITION
As at 31st October 2016

	Notes	2016 £000	2015 £000
ASSETS			
Non-current assets			
Other financial assets	5	63	57
		63	57
Current assets			
Trade and other receivables	6	-	18
Cash and cash equivalents		65	272
		65	290
Total assets		128	347
LIABILITIES			
Current liabilities			
Trade and other payables	7	(1)	(6)
Total liabilities		(1)	(6)
NET ASSETS ATTRIBUTABLE TO MEMBERS		127	341
REPRESENTED BY:			
Loans and other debts due to Members within one year			
Loans and other debts due to Members		127	341
TOTAL MEMBERS' INTERESTS		127	341

The financial statements on pages 5 to 10 were approved by the Members on 3rd February 2017 and signed on its behalf by:



D Clark
Executive Secretary

CREST NICHOLSON BIOREGIONAL QUINTAIN LLP
STATEMENT OF CASH FLOWS
For year ended 31st October 2016

	Note	2016 £000	2015 £000
Cash flows from operating activities			
(Loss)/profit for the year		(14)	127
Adjustments for:			
Finance income	2	(6)	(93)
		<hr/>	<hr/>
Operating (loss)/profit before changes in working capital and provisions		(20)	34
Decrease in trade and other receivables		18	30
Decrease in trade and other payables		(5)	(54)
		<hr/>	<hr/>
Cash (used by)/generated from operations		(7)	10
Decrease in other financial assets		-	172
Net cash inflow from investing activities		<hr/>	<hr/>
		-	172
Cash flows from financing activities			
Capital withdrawn by Members		(200)	-
Net cash outflow from financing activities		<hr/>	<hr/>
		(200)	-
		<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents		(207)	182
Cash and cash equivalents at the beginning of the year		272	90
		<hr/>	<hr/>
Cash and cash equivalents at end of the year		65	272

CREST NICHOLSON BIOREGIONAL QUINTAIN LLP
STATEMENT OF CHANGES IN MEMBERS INTEREST
For year ended 31st October 2016

	Members capital and other amounts classified as debt £000	Total Members' interest £000
Members' interests at 1 st November 2014	214	214
Profit for the financial year available for discretionary division among Members	127	127
	<hr/>	<hr/>
Members' interests at 31 st October 2015	341	341
Loss for the financial year available for discretionary division among Members	(14)	(14)
Capital withdrawn by Members	(200)	(200)
	<hr/>	<hr/>
Members' interests at 31 st October 2016	127	127

CREST NICHOLSON BIOREGIONAL QUINTAIN LLP

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Basis of preparation

Crest Nicholson Bioregional Quintain LLP (the "partnership") is a partnership incorporated in the UK. The address of the registered office is Crest House, Pycroft Road, Chertsey, Surrey KT16 9GN. The financial statements have been prepared and approved by the Members in accordance with International Financial Reporting Standards ("IFRSs") and interpretations issued by the IFRS Interpretations Committee ("IFRS IC") as adopted by the European Union (together "EU IFRS"), and with those parts of the Companies Act 2006 applicable to partnerships reporting under EU IFRS, and have been prepared on the historical cost basis except for other financial assets, which are stated at their fair value, as well as in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (LLP SORP). The partnership has adopted IFRSs in the year, with the effective transition date being 1st November 2014. The adoption of IFRSs had no impact on the financial statements and no restatement was required.

The preparation of financial statements in conformity with IFRSs requires management to make assumptions and judgements that affect the application of policies and reported amounts within the financial statements. Assumptions and judgements are based on experience and other factors that management consider reasonable under the circumstances. Actual results may differ from these estimates.

The financial statements are presented in pounds sterling and amounts stated are denominated in thousands (£000). The accounting policies have been applied consistently in dealing with items which are considered material. Assets and liabilities are stated at amortised cost, which equals their fair value.

The financial statements have been prepared on a going concern basis, which assumes that the partnership will continue in operational existence and be able to meet its liabilities as they fall due for at least 12 months from the date of signing of these financial statements.

The principal accounting policies adopted are set out below.

Other financial assets

Other financial assets (which comprise shared equity receivables) are classified as being available for sale and initially recognised at fair value. Changes in fair value relating to the expected recoverable amount are recognised in the income statement; changes in fair value arising from a change of discount factor are recognised in other comprehensive income and accumulated in equity, until the asset is divested. On disposal of these assets, the difference between the carrying value and the consideration received plus cumulative fair value movements previously recognised in equity is recognised in the income statement.

Cash and cash equivalents

Cash and cash equivalents are cash balances in hand and in the bank.

Trade and other payables

Trade payables are generally not interest bearing and are stated at their nominal amount which is considered to be their fair value. Trade payables on deferred terms are initially recorded at their fair value, with the discount to nominal value being charged to the income statement as interest over the duration of the deferred payment.

Accounting estimates and judgements

The preparation of the financial statements requires Members to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

Management considers the key estimates and judgements made in the financial statements to be related to the other financial assets. The fair value of future anticipated cash receipts takes into account the Directors' view of an appropriate discount rate, future house price movements, receipt timings and default rates. Directors review the assumptions at each period end. See note 5 for additional details.

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.

Taxation

Taxation on all partnership profits is solely the 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 FINANCIAL STATEMENTS (continued)
1 Accounting policies (continued)

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. Members receive monthly drawings on account of their share of profits earned. Profits may be allocated at any time, but at the latest immediately after the financial statements have been approved by the Members.

Standards and interpretations effective for the first time

The partnership has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1st November 2015, none of which has had a significant effect on the partnership's financial statements:

- Amendment to IAS 19 Employee Benefits. Effective for the period beginning on 1st November 2015.
- Annual improvements 2012. Effective for the period beginning on 1st November 2015.

Standards and interpretations in issue but not yet effective, or yet to be endorsed by the European Union

The below standards and amendments have not been applied in these financial statements:

- IFRS 2 Share-based payments. Effective for the period beginning 1st November 2018.
- IFRS 9 Financial instruments and the amendment on general hedge accounting. Effective for the period beginning 1st November 2018.
- IFRS 14 Regulatory deferral accounts. Effective for the period beginning 1st November 2016.
- IFRS 15 Revenue from Contracts with Customers and the amendment. Effective for the period beginning 1st November 2018.
- IFRS 16 Leases. Effective for the period beginning 1st November 2019.
- Amendment to IFRS 10 Consolidated Financial Statements. Effective for the period beginning 1st November 2016.
- Amendment to IFRS 11 Joint Arrangements. Effective for the period beginning 1st November 2016.
- Amendment to IAS 1 Presentation of Financial Statements. Effective for the period beginning on 1st November 2016.
- Amendment to IAS 7 Statement of Cash Flows. Effective for the period beginning on 1st November 2017.
- Amendment to IAS 12 Income Taxes. Effective for the period beginning on 1st November 2017.
- Amendment to IAS 16 Property, Plant and Equipment. Effective for the period beginning on 1st November 2016.
- Amendment to IAS 27 Separate Financial Statements. Effective for the period beginning on 1st November 2016.
- Amendment to IAS 28 Investments in Associates and Joint Ventures. Effective for the period beginning on 1st November 2016.
- Amendment to IAS 38 Intangible Assets. Effective for the period beginning on 1st November 2016.
- Annual improvements 2014. Effective for the period beginning on 1st November 2016.
- Annual improvements 2015-16. Effective for the period beginning on 1st November 2017 and 1st November 2018.

The above standards and the amendments will be adopted in the financial statements in the year they become effective and have not been early adopted.

The above standards and the amendments will be adopted in the financial statements in the year they become effective and their adoption is not expected to have a significant effect on the partnership's financial statements.

2 Finance income

	2016	2015
	£000	£000
Imputed interest on other financial assets (note 5)	<u>6</u>	<u>93</u>
	6	93

3 (Loss)/profit for the year before Members' remuneration and profit share

Auditors' remuneration of £3,000 (2015: £3,000) was borne by Crest Nicholson plc. The partnership had no employees during the year (2015: nil).

4 Members' remuneration

No Members remuneration was paid in the year (2015: £nil).

CREST NICHOLSON BIOREGIONAL QUINTAIN LLP
NOTES TO THE FINANCIAL STATEMENTS (continued)

5 Other financial assets

	2016 £000	2015 £000
At beginning of the year	57	136
Disposals	-	(172)
Imputed interest	6	93
At end of the year	63	57
Of which:		
Non-current assets	-	-
Current assets	63	57
	63	57

Other financial assets carried at fair value are categorised as level 3 (inputs not based on observable market data).

Other financial assets comprise shared equity loans secured by way of a second charge on the property. The loans can be repaid at any time within the loan agreement, the amount of which is dependent on the market value of the asset at the date of repayment. The assets are recorded at fair value, being the estimated amount receivable by the Company, discounted to present day values.

The fair value of future anticipated cash receipts takes into account Members' views of an appropriate discount rate (incorporating purchaser default rate), future house price movements and the expected timing of receipts. These assumptions are given below and are reviewed at each year end.

	2016	2015
Assumptions		
Discount rate, incorporating default rate	10.5%	10.5%
House price inflation for the next three years	3.0%	3.0%
Timing of receipt	13 to 15 years	13 to 15 years

Sensitivity – effect on value of other financial assets (less)/more

	2016 Increase assumptions by 1 % / 1 year £000's	2016 Decrease assumptions by 1 % / 1 year £000's
Discount rate, incorporating default rate	(3)	3
House price inflation for the next three years	1	(1)
Timing of receipt	(4)	4

The difference between the anticipated future receipt and the initial fair value is charged over the estimated deferred term to financing, with the financial asset increasing to its full expected cash settlement value on the anticipated receipt date. The imputed interest credited to financing for the year ended 31st October 2016 was £6,000 (2015: £93,000).

At initial recognition, the fair values of the assets are calculated using a discount rate, appropriate to the class of assets, which reflects market conditions at the date of entering into the transaction. The Members consider at the end of each reporting period whether the initial market discount rate still reflects up to date market conditions. If a revision is required, the fair values of the assets are re-measured at the present value of the revised future cash flows using this revised discount rate. The difference between these values and the carrying values of the assets are recorded against the carrying value of the assets and recognised directly in the statement of comprehensive income.

6 Trade and other receivables

	2016 £000	2015 £000
Trade receivables	-	18
	-	18

Trade receivables are stated after provision for doubtful debts of £18,000 (2015: £nil), which was provided during the year and written off in cost of sales.

CREST NICHOLSON BIOREGIONAL QUINTAIN LLP
NOTES TO THE FINANCIAL STATEMENTS (continued)

7 Trade and other payables

	2016	2015
	£000	£000
Amounts owed to associated undertakings	-	6
Accruals and deferred income	1	-
	<u>1</u>	<u>6</u>

Amounts owed to associated undertakings are unsecured, repayable on demand and carry no interest.

8 Risk management

The partnership's financial instruments comprise trade and other payables. The main objective of the partnership's policy towards financial instruments is to maximise returns on the partnership's cash balances, manage the partnership's working capital requirements and finance the partnership's ongoing operations.

Capital management

The partnership's policies seek to match long-term assets with long-term finance and ensure that there is sufficient working capital to meet the partnership's commitments as they fall due and continue to sustain trading.

Financial risk

The main risks associated with the partnership's financial instruments are liquidity risk and market risk.

Liquidity risk

Liquidity risk is the risk that the partnership will not be able to meet its financial obligations as they fall due. Cash flow forecasts are produced to monitor the expected cash flow requirements of the partnership against the available facilities.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the partnership's income or the value of its holdings of financial instruments.

9 Related party transactions

At 31st October 2016 £nil is due to Crest Nicholson Operations Limited (2015: £6,000).

10 Controlling Party and Ultimate Controlling Party

Crest Nicholson BioRegional Quintain LLP is jointly controlled by Crest Nicholson (South East) Limited and BQL Brighton Limited.

No one Member has overall control.