

Ladhar Developments LLP

Members' Report and Financial Statements

31 October 2012

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COMPANIES HOUSE

Members

B S Ladhar

A S Ladhar

B K Ladhar

Secretary

B S Ladhar

Solicitors

Mincoffs

5 Osborne Terrace

Newcastle upon Tyne

NE2 1SQ

Registered Office

15-16 Stockholm Close

Tyne Tunnel Trading Estate

North Shields

Tyne and Wear

NE29 7SF

Members' report

The members submit their report together with the financial statements for the year ended 31 October 2012

Principal activities

The principal activity of the partnership is the construction and sale of care homes

Members

The members during the year were as follows

B S Ladhar
A S Ladhar
B K Ladhar

Going concern

The members have considered the LLP's current and future prospects and its availability of financing, and are satisfied that the LLP can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. For this reason the members continue to adopt the going concern basis of preparation for these financial statements

Transactions with members

The members participate fully in the profits and share the risks of the business. All members subscribe to the firm's capital

An individual member's capital requirement is linked to their membership status and the financing requirements of the partnership. There is no opportunity for appreciation of the capital subscribed. Just as incoming members introduce their capital at 'par', so retiring members are repaid their capital at 'par'.

The drawings policy is to allow a member to draw a proportion of their profit share during the year with the balance of their profits being paid once the annual financial statements for that year have been formally adopted by the members.

All payments are made subject to the cash requirements of the business

Members' report

Statement of members' responsibilities

The Limited Liability Partnerships (LLP) Regulations 2008 made under the Limited Liability Partnerships Act require the members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the LLP and of the profit or loss for that period. In preparing the financial statements the members are required to

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

Under the LLP Regulations, the members are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the LLP and which enable them to ensure that the financial statements will comply with those regulations. The members have a 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Members



B S Ladhar
Member

5th July 2013

Profit and loss account

for the period ended 31 October 2012

		31 October 2012	31 October 2011
	Notes	£	£
Turnover	1	-	1,559,741
Cost of sales		-	(1,429,641)
Gross profit		-	130,100
Administrative expenses		(8,796)	(57,546)
Operating (loss)/profit	2	(8,796)	72,554
Interest payable	3	(171,712)	(170,726)
Loss for the financial year before members' remuneration and profit shares		(180,508)	(98,172)
Members' remuneration charged as an expense		-	-
Retained loss for the financial year available for discretionary division amongst members	7	(180,508)	(98,172)

All activities of the LLP are continuing

The LLP has no recognised gains or losses other than those disclosed in the profit and loss account above

Balance sheet

at 31 October 2012

	Notes	2012 £	2012 £	2011 £	2011 £
Current assets					
Debtors	4	1,835,904		2,358,114	
Development work in progress		5,953,382		3,784,855	
Cash		-		-	
		<u>7,789,286</u>		<u>6,142,969</u>	
Current liabilities					
Creditors	5	(8,353,719)		(6,526,894)	
Net current assets					(383,925)
Total assets less current liabilities			(564,433)		(383,925)
Creditors amounts falling due after more than one year	6		-		-
Net liabilities attributable to members			<u>(564,433)</u>		<u>(383,925)</u>
Represented by amounts due from members	7		<u>(564 433)</u>		<u>(383,925)</u>

For the year ended 31/10/2012 the Limited Liability Partnership was entitled to exemption under section 477 of the Companies Act 2006 (as applied by Limited Liability Partnerships (Accounts and Audit)(Application of Company Act 2006) Regulations 2008) relating to small LLPs

The members acknowledge their responsibility for complying with the requirements of the Companies Act 2006 (as applied to limited liability partnerships) with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs regime

Approved for and on behalf of the Members



B S Ladhar
Member

5TH JULY. 2013

Statement of cash flows

at 31 October 2012

	Notes	31 October 2012 £	31 October 2011 £
Net cash (outflow)/inflow from operating activities	9	(884 705)	397,318
Returns on investments and servicing of finance			
Interest paid		(171,712)	(170,726)
Net cash outflow from returns on investments and servicing of finance		(171,712)	(170,726)
Financing			
Net movement in loans		1,069,789	(241,557)
Net cash inflow/(outflow) from financing		1 069 789	(241,557)
Increase / (Decrease) in cash		13,372	(14,965)

Reconciliation of net cash flow to movement in net debt

	2012 £	2011 £
Increase in cash	13,372	(14,965)
Cash flow from net movement in loans	(1 069,789)	241 557
Movement in net debt	(1 056,417)	226,592
Net debt at 1 November	(3 173 190)	(3,399 782)
Net debt at 31 October	(4 229,607)	(3,173,190)

Analysis of changes in net debt

	At 31 October 2011 £	Cash flows £	At 31 October 2012 £
Bank overdraft/cash in hand	(14,747)	13,372	(1,375)
Bank loans	(3,158,443)	(1,069,789)	(4,228,232)
	(3,173,190)	(1,056 417)	(4,229,607)

Notes to the financial statements

at 31 October 2012

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the requirements of the Statement of Recommended Practice, "Accounting by Limited Liability Partnerships"

Fundamental accounting concept

The members have prepared the financial statements on the going concern basis despite the excess of total liabilities over total assets of £564,433 (2011 £383,925). The members have noted the continuing support of the LLP's related party funders and bankers, which gives them the confidence that the LLP will continue to meet its liabilities as they fall due.

Whilst inherently there can be no certainty that the LLP will be able to achieve its financial forecasts or maintain sufficient ongoing financial facilities, the members believe that, following discussions with the LLP's related party funders and bankers, the LLP will continue to be able to meet its liabilities as they fall due for the foreseeable future. Consequently the members believe that it is appropriate to prepare the financial statements on a going concern basis. However, should sufficient ongoing finance not be available, the going concern basis would be invalid and adjustments would have to be made to reduce the value of the assets to their recoverable amount, to provide for any further liabilities which might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

Stocks – development work in progress

Development work in progress is stated at the lower of cost and net realisable value. Cost is based upon the value of all directly attributable costs of construction of the care homes.

Turnover

Turnover comprises the value of any sales of care homes exclusive of VAT and is recognised on legal transfer of the care home.

2. Operating profit/(loss)

Operating profit/(loss) is stated after charging

	2012 £	2011 £
Audit fees – audit services	-	4,500

The LLP has no employees and no employment costs.

3. Interest payable

	2011 £	2010 £
Interest payable on bank loans	171,712	170,726

Notes to the financial statements

at 31 October 2012

4 Debtors

	2012	2011
	£	£
Other debtors	7,643	12,836
Amounts due from related parties (Note 8)	1,828,261	2 345 278
	<u>1,835 904</u>	<u>2,358,114</u>

5. Creditors: amounts falling due within one year

	2012	2011
	£	£
Trade creditors and accruals	326,577	113,691
Bank overdraft	1,375	14,747
Bank loans	4,228,232	3,158,443
Amounts due to related parties (note 8)	3,797,535	3,240,013
	<u>8,353,719</u>	<u>6,526,894</u>

6 Creditors: amounts falling due after more than one year

	2012	2011
	£	£
Bank loans	-	-
	<u>-</u>	<u>-</u>

The bank loans are repayable on 23 July 2013 and carry interest charged at 2.75% per annum plus LIBOR plus MCR

The bank loan is secured by first legal mortgages over the company's freehold and leasehold property interests, a joint and several guarantee from A S Ladhar, B S Ladhar and B K Ladhar, an unlimited inter-company guarantee between Flexible Support Options Holdings Limited, Flexible Support Options Limited, Flexible Support Options (UK North East) Limited, Ladhar Healthcare LLP and other related undertakings and first legal mortgages over certain properties owned by related undertakings

Notes to the financial statements

at 31 October 2012

7. Members' interests

	<i>Members' capital</i>	<i>Other amounts</i>	<i>Total loans and other debts due to members</i>	<i>Amounts due from members</i>	<i>Total</i>
	£	£	£	£	£
Members interests at 1 November 2011	-	-	-	(383,925)	(383,925)
Loss for the financial year available for discretionary division among members	-	-	-	(180,508)	(180,508)
Members interests after loss for the year	-	-	-	(564,433)	(564,433)
Distributions to members					
Current years drawings	-	-	-	-	-
Members interests at 31 October 2012	-	-	-	(564,433)	(564,433)

The profits are divided and allocated retrospectively by agreement amongst the members

Accordingly, there is no automatic allocation of profits amongst members at the balance sheet date. As a result, profits available for allocation amongst the designated members at the balance sheet date is included in members' other interests. Allocated profits in excess of members' drawings are classified as amounts due to members.

Members' other interests rank after unsecured creditors, and loans and other debts due to members rank pari passu with unsecured creditors in the event of a winding up. The amount of capital each member is required to subscribe is determined by the membership agreement. A member may only withdraw capital when they cease to be a member.

Notes to the financial statements

at 31 October 2012

8 Controlling party and related party transactions

In the opinion of the members, all three members have joint control of the limited liability partnership

At the financial year end £46,037 (2011 £15,118) was due to the Ladhar Partnership, a partnership in which two of the members are partners

The following additional amounts were due to entities in which at least one of the members has an interest

	2012	2011
	£	£
Easteye Limited	20,497	19,997
Flexible Support Options Limited	1,608,442	1,079,045
For Yours Eyes Only Limited	2,043,706	2,047,000
Movesun Limited	69,353	69,353
Rabbit Catering Limited	9,500	9,500

At the financial year end £688,585 (2011 £840,118) was due from the Ladhar Partnership. The following additional amounts were due from entities in which at least one of the members has an interest

	2012	2011
	£	£
Ladhar Healthcare (Yorkshire) LLP	28,057	34,324
Ladhar Healthcare (North East) LLP	435,509	227,803
Ladhar Healthcare LLP	676,110	1,243,033

Transactions between related parties relate to recharges of expenses incurred on behalf of the other party and cash advances. All related party transactions are undertaken at arm's length.

Interest is not charged on related party balances.

9 Notes to the statement of cash flows

Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities

	2012	2011
	£	£
Operating (loss)/profit	(8,796)	72,554
Decrease/(increase) in debtors	522,210	(22,497)
Increase/(decrease) in creditors	770,408	(632,991)
(Increase)/decrease in development work in progress	(2,168,527)	980,252
Net cash (outflow)/inflow from operating activities	(884,705)	397,318