

**Buccleuch Grant Limited**  
Financial statements  
For the year ended 31 March 2009

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**Company No. SC284756**

## Officers and professional advisers

<b>Company registration number</b>	SC284756
<b>Registered office</b>	14 Coates Crescent EDINBURGH EH3 7AF
<b>Directors</b>	P C Grant D H Peck N A G Waugh
<b>Secretary</b>	J A K Macleod
<b>Bankers</b>	The Royal Bank of Scotland plc 36 St Andrew Square EDINBURGH EH2 2YB
<b>Auditor</b>	Grant Thornton UK LLP Chartered Accountants Registered Auditors 1-4 Atholl Crescent EDINBURGH EH3 8LQ

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## Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 March 2009.

### **Principal activities**

The principal activity of the company is managing, in its capacity as a general partner, the activities of Buccleuch and Grant Residential Property Partnership.

The company has not traded in the year, and there has been no income or expenditure. The directors do not recommend the payment of a dividend.

### **Directors and directors interests**

The directors who served the company during the year were as follows:

P C Grant  
D H Peck  
N A G Waugh

None of the directors hold a beneficial interest in the shares of the company.

### **Directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Report of the directors (continued)

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### **Auditor**

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

### **Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

BY ORDER OF THE BOARD



J A K Macleod  
Secretary

9 October 2009



## Report of the independent auditor to the members of Buccleuch Grant Limited

We have audited the financial statements of Buccleuch Grant Limited for the year ended 31 March 2009 on pages 8 to 10. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007), under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on page 7.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

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 whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company 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 directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

## Report of the independent auditor to the members of Buccleuch Grant Limited (continued)

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 United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2009;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.



GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

**Edinburgh**

16/10/09.

## Accounting policies

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

### **Investments**

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the results from ordinary activities.

### **Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

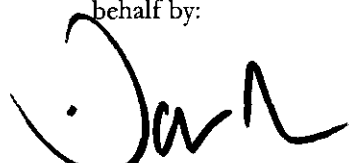


## Balance sheet

	Note	2009 £	2008 £
<b>Fixed assets</b>			
Investments	3	100	100
<b>Current assets</b>			
Debtors	4	100	100
<b>Creditors: amounts falling due within one year</b>	5	(100)	(100)
<b>Net current assets</b>		-	-
<b>Total assets less current liabilities</b>		100	100
<b>Capital and reserves</b>			
Called-up equity share capital	8	100	100
<b>Shareholders' funds</b>		100	100

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These financial statements were approved by the directors on 9 October 2009 and are signed on their behalf by:



D H Peck  
Director



P C Grant  
Director

## Notes to the financial statements

### 1 Profit and loss account

The company did not trade during the year and has made neither a profit nor a loss. No profit and loss account has therefore been prepared.

### 2 Particulars of employees

The company has no employees and neither the directors nor the secretary received any remuneration from the company in the year.

### 3 Investments

	£
Cost	
At 1 April 2008 and 31 March 2009	<u>100</u>
Net book value	
At 31 March 2009	<u>100</u>
At 31 March 2008	<u>100</u>

The company has an investment amounting to 50% of the capital contributed to Buccleuch and Grant Residential Property Partnership, a Scottish Limited Partnership.

Buccleuch and Grant Residential Property Partnership made a loss of £79,890 in the year ended 31 March 2009 (2008: loss of £171,958) and has net liabilities of £543,039 as at 31 March 2009 (2008: £3,301). A copy of the latest accounts of this undertaking has been appended to these Buccleuch Grant Limited statutory accounts for the year ended 31 March 2009, as sent to the Registrar.

### 4 Debtors

	2009	2008
	£	£
Called up share capital	<u>100</u>	<u>100</u>

### 5 Creditors: amounts falling due within one year

	2009	2008
	£	£
Amount owed to undertakings in which the company has a participating interest	<u>100</u>	<u>100</u>

## Notes to the financial statements (continued)

### 6 Contingent liabilities

The company had no contingent liabilities at 31 March 2009 or 31 March 2008.

### 7 Related party transactions

The following related party transactions require to be disclosed under Financial Reporting Standard 8:

Held within creditors at the year end, is an amount of £100 due in relation to the capital contribution from Bucleuch Grant Limited to Bucleuch and Grant Residential Property Partnership.

### 8 Share capital

Authorised share capital:

	2009	2008
	£	£
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted and called up

	2009		2008	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

The amounts of paid up share capital for the following categories of shares differed from the called up share capital stated above due to unpaid calls and were as follows:

	2009	2008
	£	£
Ordinary shares	<u>100</u>	<u>100</u>

### 9 Reserves

	Share capital	Total
	£	£
As at 31 March 2009 and 31 March 2008	<u>100</u>	<u>100</u>

**Buccleuch and Grant Residential Property Partnership**  
Financial statements  
For the year ended 31 March 2009

## Officers and professional advisers

<b>Partnership registration number</b>	SL005554
<b>Registered office</b>	14 Coates Crescent EDINBURGH EH3 7AF
<b>General Partner</b>	Buccleuch Grant Limited
<b>Limited Partner</b>	Buccleuch and Grant Residential Unit Trust
<b>Bankers</b>	The Royal Bank of Scotland plc 36 St Andrew Square EDINBURGH EH2 2YB
<b>Auditor</b>	Grant Thornton UK LLP Chartered Accountants Registered Auditors 1-4 Atholl Crescent EDINBURGH EH3 8LQ

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## Report of the general partner

The general partner presents its report and the financial statements of the partnership for the year ended 31 March 2009.

### **Principal activities**

The principal activity of the partnership during the year was residential property investment.

### **Responsibilities of the general partner**

The general partner is responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law and the Partnerships and Unlimited Companies (Accounts) Regulations 1993 requires the general partner to prepare financial statements for each financial year. The financial statements are required by law to 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 year. In preparing these financial statements, the general partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in business.

The general partner is responsible for keeping proper accounting records that 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 1985 via the Partnerships and Unlimited Companies (Accounts) Regulations 1993. The general partner is 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.

In so far as the general partner is aware:

- there is no relevant audit information of which the partnership auditors are unaware; and
- the general partner has taken all steps that the general partner ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

## Report of the general partner (continued)

### **Auditor**

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985 via the Partnerships and Unlimited Companies (Accounts) Regulations 1993.

### **Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 via the Partnerships and Unlimited Companies (Accounts) Regulations 1993.

ON BEHALF OF THE GENERAL PARTNER



D H Peck, for and on behalf of  
Bucleuch Grant Limited, as general  
partner of Bucleuch and Grant Residential  
Property Partnership

9 October 2009





## Report of the independent auditor to the members of Buccleuch and Grant Residential Property Partnership

We have audited the financial statements of Buccleuch and Grant Residential Property Partnership for the year ended 31 March 2009 on pages 9 to 15. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007), under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 7 to 8.

This report is made solely to the partnership's members, as a body, in accordance with Section 235 of the Companies Act 1985 via the Partnerships and Unlimited Companies (Accounts) Regulations 1993. Our audit work has been undertaken so that we might state to the partnership'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 partnership and the partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of general partner and auditor**

The general partner's responsibilities for preparing the Report of the general partner and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of general partners' responsibilities.

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 via the Partnerships and Unlimited Companies (Accounts) Regulations 1993. We also report to you whether in our opinion the information given in the Report of the General Partner is consistent with the financial statements.

In addition we report to you if, in our opinion, the partnership 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 general partners' remuneration and other transactions is not disclosed.

We read the report of the general partner and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of 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 judgements made by the general partner in the preparation of the financial statements, and of whether the accounting policies are appropriate to the partnership's circumstances, consistently applied and adequately disclosed.

## Report of the independent auditor to the members of Buccleuch and Grant Residential Property Partnership (continued)

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 of the state of the partnership's affairs as at 31 March 2009 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985 via the Partnerships and Unlimited Companies (Accounts) Regulations 1993; and
- the information given in the Report of the General Partner is consistent with the financial statements.



GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

Edinburgh

16/10/09

## Accounting policies

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

### **Turnover**

The turnover shown in the profit and loss account represents amounts earned during the year.

### **Fixed assets**

All fixed assets are initially recorded at cost.

### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset.

Fixtures & fittings - 3 years

### **Investment properties**

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with SSAP 19 which, unlike Schedule 4 to the Companies Act 1985, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the partnership and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

## Accounting policies (continued)

### **Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

## Profit and loss account

	Note	2009 £	2008 £
Turnover		331,000	289,491
Cost of sales		(83,714)	(59,212)
<b>Gross profit</b>		<u>247,286</u>	<u>230,279</u>
Other operating charges	1	(111,672)	(154,541)
<b>Operating profit</b>	2	<u>135,614</u>	<u>75,738</u>
Interest receivable and similar income		2,432	-
Interest payable and similar charges		(217,936)	(247,696)
<b>Loss for the financial year</b>		<u>(79,890)</u>	<u>(171,958)</u>

## Balance sheet

	Note	2009 £	2008 £
<b>Fixed assets</b>			
Tangible assets	3	<u>4,839,886</u>	<u>5,376,003</u>
<b>Current assets</b>			
Debtors	4	46,280	36,306
Cash at bank		70,591	76,284
		<u>116,871</u>	<u>112,590</u>
<b>Creditors: amounts falling due within one year</b>	5	<u>(22,146)</u>	<u>(14,244)</u>
<b>Net current assets</b>		<u>94,725</u>	<u>98,346</u>
<b>Total assets less current liabilities</b>		<u>4,934,611</u>	<u>5,474,349</u>
<b>Creditors: amounts falling due after more than one year</b>	6	<u>(5,477,650)</u>	<u>(5,477,650)</u>
<b>Net liabilities</b>		<u>(543,039)</u>	<u>(3,301)</u>
<b>Capital and revenue accounts</b>			
Capital account	9	200	200
Revaluation reserve	10	(165,570)	294,278
Profit and loss account	10	(377,669)	(297,779)
<b>Partners' deficit</b>		<u>(543,039)</u>	<u>(3,301)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 via the Partnerships and Unlimited Companies (Accounts) Regulations 1993.

These financial statements were approved by the general partner on 9 October 2009 and are signed on their behalf by:



D H Peck, for and on behalf of  
 Buccleuch Grant Limited, as general  
 partner of Buccleuch and Grant Residential  
 Property Partnership



P C Grant, for and on behalf of  
 Buccleuch Grant Limited, as general  
 partner of Buccleuch and Grant Residential  
 Property Partnership

## Other primary statements

### Statement of total recognised gains and losses

	2009	2008
	£	£
Loss for the financial year	(79,890)	(171,958)
Unrealised (loss)/gain on revaluation of certain fixed assets	(459,848)	223,783
<b>Total recognised (losses)/gains</b>	<b>(539,738)</b>	<b>51,825</b>

## Notes to the financial statements

### 1 Other operating charges

	2009 £	2008 £
Administrative expenses	<u>111,672</u>	<u>154,541</u>

### 2 Operating profit

The operating profit is stated after charging:

	2009 £	2008 £
Auditor's fees	5,500	5,250
Depreciation of owned fixed assets	<u>74,590</u>	<u>103,140</u>

### 3 Tangible fixed assets

	Investment property £	Fixtures & fittings £	Total £
<b>Cost or valuation</b>			
At 1 April 2008	5,274,000	239,357	5,513,357
Additions	-	-	-
Disposals	(1,152)	(527)	(1,679)
Revaluation	(459,848)	-	(459,848)
At 31 March 2009	<u>4,813,000</u>	<u>238,830</u>	<u>5,051,830</u>
<b>Depreciation</b>			
At 1 April 2008	-	(137,354)	(137,354)
Disposals	-	-	-
Charge for the year	-	(74,590)	(74,590)
At 31 March 2009	<u>-</u>	<u>211,944</u>	<u>211,944</u>
<b>Net book value</b>			
At 31 March 2009	<u>4,813,000</u>	<u>26,886</u>	<u>4,839,886</u>
At 31 March 2008	<u>5,274,000</u>	<u>102,003</u>	<u>5,376,003</u>

The company's investment properties were revalued by the following external valuers: Murray & Muir, D M Hall, Countrywide, Besley Hill, Rook Matthew Sayers, Shepherds and Allied, as at 31 March 2009.

The basis of the valuations was open market value, and the net revaluation deficit has been transferred to the revaluation reserve. No other assets have been revalued. The net book value of investment properties determined under the historical cost convention is £4,978,570 (2008:£4,979,721).



## Notes to the financial statements (continued)

### 4 Debtors

	2009	2008
	£	£
Amounts due from general partner	100	100
Amounts due from limited partner	31,820	25,171
Accrued income	1,978	199
Prepayments	3,462	1,648
Other debtors	8,920	9,188
	<u>46,280</u>	<u>36,306</u>

The amounts due from the general partner relate to the capital it has subscribed to the partnership.

### 5 Creditors: amounts falling due within one year

	2009	2008
	£	£
Trade creditors	-	2,143
Accruals and deferred income	20,409	8,500
Other creditors	1,737	3,601
	<u>22,146</u>	<u>14,244</u>

### 6 Creditors: amounts falling due after more than one year

	2009	2008
	£	£
Bank loan	3,606,750	3,606,750
Loan due to limited partner	1,870,900	1,870,900
	<u>5,477,650</u>	<u>5,477,650</u>

The bank loan facility is secured by legal mortgage charges over the company's freehold property.

The bank loan is due to be repaid on maturity, during the 2012/2013 financial year. Interest is charged at 0.85% above LIBOR.

### 7 Contingent liabilities

The partnership had no contingent liabilities at 31 March 2009 or 31 March 2008.

## Notes to the financial statements (continued)

### 8 Related party transactions

The following related party transactions require to be disclosed under Financial Reporting Standard 8:

The partnership entered into a transaction with its limited partner, Buccleuch and Grant Residential Unit Trust, in order to receive a loan. As at 31 March 2009 this loan balance was £1,870,900 (2008: £1,870,900). This loan is non interest bearing and the full amount is outstanding at the end of the year.

A management charge of £48,307 (2008: £41,804) was charged by Grant Management UK Limited, a 50% shareholder of Buccleuch Grant Limited (general partner) and a minority unit holder in Buccleuch and Grant Residential Unit Trust (limited partner).

### 9 Capital contribution

The partnership had capital contributions as set out below:

	2009	2008
	£	£
<b>Capital contributions</b>		
Capital contribution - general partner	100	100
Capital contribution - limited partner	100	100
	<u>200</u>	<u>200</u>

The rights and responsibilities of the general and limited partners are set out in the partnership agreement and are set out below:

The rights and responsibilities of the general partner are as follows:

- To manage the day to day business of the partnership
- To execute on behalf of the partnership all documents
- To execute the borrowing of money in the name of the partnership
- To receive an annual fixed profit share of 0.01% per annum of the value of investments
- To determine the amounts and timing of distribution of partnership profits

The rights and responsibilities of the limited partner are as follows:

- The limited partner shall not be liable for the debts and obligations of the partnership beyond its capital contribution and loan balance
- In the event of a loss the limited partner shall only be liable to the extent of its capital contribution and loan balance. The general partner would bear any excess loss
- The limited partner does not take part in the day to day business of the partnership
- The limited partner is entitled to all realised and distributed profits whether of capital or revenue nature

## Notes to the financial statements (continued)

### 10 Reserves

	Capital account £	Revaluation reserve £	Profit and loss account £	Total £
At 1 April 2008	200	294,278	(297,779)	(3,301)
Loss for the year	-	-	(79,890)	(79,890)
Revaluation of investment properties	-	(459,848)	-	(459,848)
At 31 March 2009	<u>200</u>	<u>(165,570)</u>	<u>(377,669)</u>	<u>(543,039)</u>

### 11 Reconciliation of movements in partners' funds

	2009 £	2008 £
Loss for the financial year	(79,890)	(171,958)
Other net recognised (losses)/gains	(459,848)	223,783
Net (decrease)/increase in partners' funds	(539,738)	51,825
Partners' deficit at 1 April	(3,301)	(55,126)
Partners' deficit at 31 March	<u>(543,039)</u>	<u>(3,301)</u>

Other net recognised losses in the year comprise an unrealised loss of £459,848 (2008: gain of £223,783) on revaluation of investment properties.

### 12 Derivatives

The following table sets out the fair value for those derivatives that have not been included in the financial statements at fair value.

#### Derivative financial instruments held to manage interest rates:

	2009 £	2008 £
Fair value of interest rate swaps	<u>(150,228)</u>	<u>(1,512)</u>

The partnership's interest rate swaps have been taken out to hedge interest rate risk on the bank loan. The partnership does not enter into derivatives for speculative purposes.

### 13 Capital commitments

The partnership had no capital commitments as at 31 March 2009 and 31 March 2008.