

Connected Living London (Limmo) Limited
Financial statements
30 September 2020



Connected Living London (Limmo) Limited

Financial statements

Period from 30 April 2019 to 30 September 2020

Contents	Pages
Officers and professional advisers	1
Directors' report	2 to 3
Independent auditor's report to the members of Connected Living London (Limmo) Limited	4 to 6
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Notes to the financial statements	10 to 13

Connected Living London (Limmo) Limited

Officers and professional advisers

The board of directors

Helen C Gordon
Michael P Keaveney
Andrew P Saunderson
Kenneth J Youngman
Lester P Hampson
Benjamin J Tate

Registered office

Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

Auditor

KPMG LLP
15 Canada Square
Canary Wharf
London
E14 5GL

Bankers

Barclays Bank plc
5 St Ann's Street
Quayside
Newcastle upon Tyne
NE1 2BH

Connected Living London (Limmo) Limited

Directors' report

Period from 30 April 2019 to 30 September 2020

The directors present their report and the financial statements of the company for the period ended 30 September 2020.

Incorporation

The company was incorporated on 30 April 2019.

Principal activities

The principal activity of the company during the period was property development and investment. The directors do not recommend the payment of a dividend.

Directors

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

Helen C Gordon	(Appointed 30 April 2019)
Michael P Keaveney	(Appointed 30 April 2019)
Andrew P Saunderson	(Appointed 30 April 2019)
Kenneth J Youngman	(Appointed 25 September 2019)
Lester P Hampson	(Appointed 25 September 2019)
Benjamin J Tate	(Appointed 25 September 2019)

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and 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 applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities). Under company law the directors 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 company and 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 accounting estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Connected Living London (Limmo) Limited

Directors' report *(continued)*

Period from 30 April 2019 to 30 September 2020

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

KPMG LLP were appointed as auditor during the period, and are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 23 April 2021 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'KJ Youngman', with a long horizontal flourish extending to the right.

Kenneth J Youngman
Director

Independent auditor's report to the members of Connected Living London (Limmo) Limited

Opinion

We have audited the financial statements of Connected Living London (Limmo) Limited ("the company") for the period ended 30 September 2020 which comprise the Statement of comprehensive income, Statement of financial position, Statement of changes in equity and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 3 in the financial statements which indicates that there is uncertainty surrounding the availability of financial support, due to the existence of a material uncertainty relating to going concern in the latest annual report of one of the Partners. These events and conditions, along with the other matters explained in note 3, constitute a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Connected Living London (Limmo) Limited
(continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent auditor's report to the members of Connected Living London (Limmo) Limited
(continued)

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditors' 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.



Richard Kelly (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL
23 April 2021

Connected Living London (Limmo) Limited

Statement of comprehensive income

Period from 30 April 2019 to 30 September 2020

	Note	Period from 30 Apr 19 to 30 Sep 20 £
Administrative expenses		(285)
Operating loss		<u>(285)</u>
Loss before taxation		<u>(285)</u>
Tax on loss	4	-
Loss for the financial period and total comprehensive loss		<u><u>(285)</u></u>

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the period as set out above.

The notes on pages 10 to 13 form part of these financial statements.

Connected Living London (Limmo) Limited

Statement of financial position

30 September 2020

	Note	30 Sep 20 £
Fixed assets		
Investment property under construction	5	2,930,096
Current assets		
Debtors	6	38,119
Cash at bank and in hand		572,466
		<u>610,585</u>
Creditors: amounts falling due within one year	7	<u>(1,240,315)</u>
Net current liabilities		<u>(629,730)</u>
Total assets less current liabilities		<u>2,300,366</u>
Net assets		<u>2,300,366</u>
Capital and reserves		
Called up share capital		2,300,651
Profit and loss account		(285)
Shareholders' funds		<u>2,300,366</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 23 April 2021, and are signed on behalf of the board by:



Kenneth J Youngman
Director

Company registration number: 11971045

The notes on pages 10 to 13 form part of these financial statements.

Connected Living London (Limmo) Limited

Statement of changes in equity

Period from 30 April 2019 to 30 September 2020

	Called up share capital £	Profit and loss account £	Total £
At 30 April 2019	–	–	–
Loss for the period	–	(285)	(285)
Total comprehensive loss for the period	–	(285)	(285)
Issue of shares on incorporation	1	–	1
Further issue of shares in the period	2,300,650	–	2,300,650
Transactions with owners, recorded directly in equity	2,300,651	–	2,300,651
At 30 September 2020	<u>2,300,651</u>	<u>(285)</u>	<u>2,300,366</u>

The notes on pages 10 to 13 form part of these financial statements.

Connected Living London (Limmo) Limited

Notes to the financial statements

Period from 30 April 2019 to 30 September 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE.

2. Statement of compliance

The financial statements of Connected Living London (Limmo) Limited ("the company") for the period ended 30 September 2020 were authorised for issue by the board of directors on 23 April 2021 and the statement of financial position was signed on the board's behalf by Kenneth J Youngman.

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

The company's parent undertaking, Connected Living London (BTR) Limited, includes the company in its consolidated financial statements. The consolidated financial statements of Connected Living London (BTR) Limited are prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and are available to the public and may be obtained from Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE.

3. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards.

The financial statements are prepared on the going concern basis in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, which have been applied consistently throughout the period.

Connected Living London (Limmo) Limited

Notes to the financial statements *(continued)*

Period from 30 April 2019 to 30 September 2020

3. Accounting policies *(continued)*

Going concern

The financial statements have been prepared on a going concern basis as the directors do not intend to nor have they identified any circumstances which may lead to the company being liquidated or to cease operating. The company has net assets of £2,300,366 at 30 September 2020 and has generated a loss for the period then ended of £285.

The company is a subsidiary of Connected Living London (BTR) Limited. Connected Living London (BTR) Limited and its subsidiary undertakings (together, the 'Group') is a joint venture between Grainger plc ('Grainger') and Transport for London ('TfL') (together, the 'Partners') and is funded by bi-monthly equity injections from the Partners. These are provided based on a ten year forecast, updated on a monthly basis for actual and committed spend, and are sufficient to ensure the cash commitments of the Group for the subsequent three months can be met.

The forecasts prepared by the directors are dependent on the Partners continuing to provide this additional funding when required. As with any company placing reliance on another company for funding, the directors acknowledge that there can be no certainty that this will continue.

The Covid-19 pandemic has had a significant impact on the macro-economic conditions in which the Group and the Partners are operating. The latest Annual Report of Transport for London discloses a material uncertainty relating to going concern, which creates uncertainty for the Group given the reliance on funding from the Partners to continue to meet its liabilities.

Based on these indications the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, the directors consider these circumstances represent a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern, and therefore to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Income tax

The taxation charge for the period represents the sum of current tax and deferred tax. Tax is recognised in the statement of comprehensive income or directly in equity according to the accounting treatment of the related transaction.

Current tax is the amount of income tax payable/(recoverable) in respect of the taxable profit for the period or prior periods. Tax is calculated using tax rates and laws that have been enacted or substantively enacted at the period end.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted at the period end and that are expected to apply to the reversal of the timing difference.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same tax authority where there is an intention to settle the balances on a net basis.

Connected Living London (Limmo) Limited

Notes to the financial statements (continued)

Period from 30 April 2019 to 30 September 2020

3. Accounting policies (continued)

Investment property under construction

Investment property under construction is measured initially at its cost, including related transaction costs.

After initial recognition, investment property under construction is carried at fair value when construction is sufficiently progressed to be able to reliably measure its fair value. Fair value is based on active market prices, adjusted if necessary, for any difference in the nature, location or condition of the specified asset. If this information is not available, the company uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections.

Subsequent expenditure is included in the carrying amount of the property when it is probable that the future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of comprehensive income during the financial period in which they are incurred.

Gains or losses arising from changes in the fair value of the company's investment properties are included in the statement of comprehensive income of the period in which they arise.

4. Tax on loss

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 19%.

	Period from 30 April 2019 to 30 September 2020 £
Loss on ordinary activities before taxation	(285)
Loss on ordinary activities by rate of tax	(54)
Deferred tax not provided for	54
Tax on loss	-

The company has unrecognised deferred tax assets of £54 calculated at 19% in respect of tax losses.

Factors that may affect future tax expense

At the date of approval of these financial statements, the government has announced that it intends to increase the UK corporation tax rate from 19% to 25% (effective 1 April 2023), but has not yet legislated for this change. Any changes in corporation tax rates, once enacted, will impact the company's future current tax charge and any deferred tax balances accordingly. Deferred tax at 30 September 2020 has been measured at 19%.

Connected Living London (Limmo) Limited

Notes to the financial statements (continued)

Period from 30 April 2019 to 30 September 2020

5. Investment property under construction

	Assets under construction £	Total £
Cost		
Additions	2,930,096	2,930,096
At 30 September 2020	<u>2,930,096</u>	<u>2,930,096</u>
Carrying amount		
At 30 September 2020	<u>2,930,096</u>	<u>2,930,096</u>

6. Debtors

	30 Sep 20 £
Other debtors	<u>38,119</u>

7. Creditors: amounts falling due within one year

	30 Sep 20 £
Trade creditors	79,480
Amounts owed to group undertakings	440,000
Other creditors	720,835
	<u>1,240,315</u>

Amounts owed to group undertakings are unsecured, are repayable on demand, and do not bear interest.

8. Related party transactions

The company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the Connected Living London (BTR) Limited group.

There are no persons holding service contracts with the company. None of the directors received any remuneration from the company during the period in respect of their services to the company.

9. Ultimate parent undertaking and controlling party

Connected Living London (BTR) Limited is the company's immediate controlling party and parent company by virtue of its 100% shareholding in the company.

The called up share capital of Connected Living London (BTR) Limited is held by Connected Living London Limited (51% holding) and TTL Build to Rent Limited (49% holding). Connected Living London Limited is a wholly owned subsidiary of Grainger plc ('Grainger') and TTL Build to Rent Limited is a wholly owned subsidiary of Transport for London ('TfL'). Grainger and TfL have equal voting rights and equal board representation in respect of Connected Living London (BTR) Limited and therefore the directors consider there to be no ultimate parent undertaking and controlling party.