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Limited Liability Partnership Registration No. OC324376 (England and Wales)

KILMORIE INVESTMENTS LLP
MEMBERS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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KILMORIE INVESTMENTS LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members	Kilmorie Properties Limited GHL (Kilmorie) Limited
Limited liability partnership number	OC324376
Registered office	3rd Floor Sterling House Langston Road Loughton Essex IG10 3TS
Auditors	BDO LLP 55 Baker Street London United Kingdom W1U 7EU
Business address	PO Box 206 Loughton Essex IG10 1PL
Solicitors	Howard Kennedy LLP 19 Cavendish Square London W1A 2AW

KILMORIE INVESTMENTS LLP

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KILMORIE INVESTMENTS LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The members present their report and financial statements for the year ended 31 December 2016.

Principal activities

The principal activity of the limited liability partnership continued to be that of property development.

Designated Members

The following designated members have held office since 1 January 2016:

Kilmorie Properties Limited	
GHL (Kilmorie) Limited	(Appointed 18 October 2017)
Galliard Developments Limited	(Resigned 18 October 2017)

Policy on members' drawings

The Partnership Agreement governs policies for members' drawings, subscription and repayment of members' capital.

No drawings or other payments can be made to or on behalf of any members, other than by distribution of profits, without the consent of the members. The partnership will reserve, out of profits before distribution, sufficient fund to provide for the working capital requirements of the business.

Statement of members' responsibilities

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

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 requires the members to prepare financial statements for each financial year. Under these regulations the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards). Under these regulations 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 limited liability partnership and of the profit or loss of the limited liability partnership for that year. In preparing those financial statements, the members are required to:

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

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and to enable them to ensure that the financial statements comply with the The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Charitable donations	2016	2015
	£	£

During the year the limited liability partnership made the following payments:

Charitable donations	18,750	-
	<u> </u>	<u> </u>

KILMORIE INVESTMENTS LLP

MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Statement of disclosure to auditor

So far as the members are aware, there is no relevant audit information of which the limited liability partnership's auditors are unaware. Additionally, the members have taken all the necessary steps that they ought to have taken as members in order to make themselves aware of all relevant audit information and to establish that the limited liability partnership's auditors are aware of that information.

Auditors

This report has been prepared in accordance with the special provisions and part 15 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 relating to small limited liability partnerships.

In accordance with the limited liability partnerships's articles, a resolution proposing that BDO LLP be reappointed as auditors of the limited liability partnership will be put at a General Meeting.

On behalf of the members

GHL (Kilmorie) Limited
Designated Member

4 December 2017

KILMORIE INVESTMENTS LLP

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KILMORIE INVESTMENTS LLP

We have audited the financial statements of Kilmore Investments LLP for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Members Interests and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the limited liability partnership's members, as a body, in accordance with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability 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 the members and auditors

As explained more fully in the statement of members' responsibilities, the limited liability partnership's 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). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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.

KILMORIE INVESTMENTS LLP

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF KILMORIE INVESTMENTS LLP

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships requires us 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
- we have not received all the information and explanations we require for our audit.
- the members were not entitled to prepare the financial statements and the members' report in accordance with the small limited liability partnerships' regime.

BDO LLP

**Christopher Young (Senior Statutory Auditor)
For and on behalf of BDO LLP
Statutory Auditor**

**London
United Kingdom
Date**

4 December 2017

BDO LLP is a limited liability partnership registered in England and Wales
(with registered number OC305127).

KILMORIE INVESTMENTS LLP

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

		Year ended 31 December 2016	Period from 1 April 2015 to 31 December 2015
	Notes	£	£
Turnover		34,271,445	-
Cost of sales		(17,323,126)	(134,861)
Gross profit/(loss)		16,948,319	(134,861)
Administrative expenses		(220,877)	(613)
Other operating income	2	821,643	408,000
Operating profit	2	17,549,085	272,526
Finance income	3	14,776	25
Finance charges	4	-	(1,576)
Retained profit for the financial year available for discretionary division among members and total comprehensive income	9	17,563,861	270,975

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations

KILMORIE INVESTMENTS LLP

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

Registration No. OC324376

		2016		2015	
	Notes	£	£	£	£
Current assets					
Stocks	5	10,354,801		21,800,476	
Debtors	6	2,583,314		9,117,561	
Cash at bank and in hand		1,020,486		298,066	
		<u>13,958,601</u>		<u>31,216,103</u>	
Creditors: amounts falling due within one year	7	<u>(365,666)</u>		<u>(24,657,029)</u>	
Total assets less current liabilities		<u>13,592,935</u>		<u>6,559,074</u>	
REPRESENTED BY:					
Loans and other debts due to members within one year					
Other amounts	9	470,000		11,000,000	
		<u>470,000</u>		<u>11,000,000</u>	
Members' other interests:					
Other reserves classified as equity	9	13,122,835		(4,441,026)	
Members capital	9	100		100	
		<u>13,592,935</u>		<u>6,559,074</u>	
TOTAL MEMBERS' INTERESTS					
Loans and other debts due to members	9	470,000		11,000,000	
Members' other interests	9	13,122,935		(4,440,926)	
		<u>13,592,935</u>		<u>6,559,074</u>	

The financial statements were approved by the Members and authorised for issue on 4 December 2017

GHL (Kilmorie) Limited
Designated Member

The notes on pages 8 to 12 form part of these financial statements

KILMORIE INVESTMENTS LLP

STATEMENT OF CHANGES IN MEMBERS INTERESTS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital £	Shareholder loans £	Retained earnings £	Total £
Balance at 1 April 2015	100	11,000,000	(4,712,001)	6,288,099
Total comprehensive income for the year	-	-	270,975	270,975
Balance at 31 December 2015	100	11,000,000	(4,441,026)	6,559,074
Total comprehensive income for the period	-	-	17,563,861	17,563,861
Loan repayments	-	(10,530,000)	-	(10,530,000)
Balance at 31 December 2016	100	470,000	13,122,835	13,592,935

KILMORIE INVESTMENTS LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Kilmorie Investment LLP is a limited liability partnership incorporated in England and Wales. The registered address and principal activities are stated in the members report.

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Standards and Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, fair value measurements, capital management, presentation of comparative information as otherwise required by EU endorsed IFRS, presentation of a cash-flow statement, standards not yet effective, and related party transactions.

As required for the financial instrument and fair value disclosure exemptions, equivalent disclosures are given in the group accounts of GDL Holdco Limited. The group accounts of GDL Holdco Limited are available to the public and can be obtained as set out in note 8.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Limited Liability Partnership Statement of Recommended Practice, which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover comprises amounts receivable from the sale of developed units being amounts received on legal completion.

1.4 Stock

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

1.5 Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

1.6 Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities. The company has not classified any financial liabilities as FVTPL.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

KILMORIE INVESTMENTS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.7 Critical accounting estimates and judgements

The company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The area where assumptions and estimates are significant to the financial statements is:

Critical judgements

Carrying value of inventories

In applying the company's accounting policy for the valuation of inventories the Directors are required to assess the expected selling price and costs to sell each of the units that constitute the company's work in progress. Cost includes the cost of acquisition of sites, the cost of infrastructure and construction works, and legal and professional fees incurred during development prior to sale. Estimation of the selling price is subject to significant inherent uncertainties, in particular the prediction of future trends in the market value of property.

Whilst the Directors exercise due care and attention to make reasonable estimates, taking into account all available information in estimating the future selling price, the estimates will, in all likelihood, differ from the actual selling prices achieved in future periods and these differences may, in certain circumstances, be very significant.

	Year ended 31 December 2016 £	Period from 1 April 2015 to 31 December 2015 £
2 Operating profit		
Operating profit is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	2,000	-
Auditors' remuneration in respect of non-auditing fees	2,000	2,000
	<u>2,000</u>	<u>2,000</u>
3 Investment income		
	Year ended 31 December 2016 £	Period from 1 April 2015 to 31 December 2015 £
Bank interest	14,776	25
	<u>14,776</u>	<u>25</u>

KILMORIE INVESTMENTS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

4	Finance charges	Year ended	Period from 1
		31 December	April 2015 to
		2016	31 December
		£	2015
			£
	Interest on other loans	800,530	649,972
	Less amounts capitalised	(800,530)	(648,396)
		<u>-</u>	<u>1,576</u>
5	Stocks	2016	2015
		£	£
	Work in progress	10,354,801	21,800,476
		<u>10,354,801</u>	<u>21,800,476</u>
	Included in the work in progress are borrowing costs of £558,541 (2015 - £648,396)		
6	Trade and other receivables	2016	2015
		£	£
	Trade debtors	102,351	165,358
	Amounts owed by parent company	1,000,289	2,108,204
	Other debtors	35,938	5,913,492
	Prepayments and accrued income	1,444,736	930,507
		<u>2,583,314</u>	<u>9,117,561</u>
	All amounts fall due for payment within one year.		
7	Trade and other payables	2016	2015
		£	£
	Bank loans and overdrafts (secured)	-	17,376,418
	Trade creditors	128,092	87,207
	Taxes and social security costs	11,229	-
	Other creditors	47,762	6,843,233
	Accruals and deferred income	178,583	350,171
		<u>365,666</u>	<u>24,657,029</u>

KILMORIE INVESTMENTS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

8 Control

The members are GHL (Kilmorie) Limited and Kilmorie Properties Limited who are wholly owned by Galliard Group Limited whose principal place of business is London, United Kingdom.

Copies of the group financial statements of Galliard Group Limited are available from 3rd Floor Sterling House, Langston Road, Loughton, IG10 3TS.

The directors are of the opinion that there is no ultimate controlling party.

9 Members' interests

	Members' other interests		Loans and other debts due to/(from) members	Total	2015
	Members' capital (classified as equity)	Other reserves (classified as equity)			
	£	£	£	£	£
Amount due to members			11,000,000		
Members' interests at 1 January 2016	100	(4,441,026)	11,000,000	6,559,074	6,288,099
Profit for the financial year available for discretionary division among members	-	17,563,861	-	17,563,861	270,975
Loans repaid during the year	-	-	(10,530,000)	(10,530,000)	-
Members' interests after profit for the year	100	13,122,835	470,000	13,592,935	6,559,074
Members' interests at 31 December 2016	100	13,122,835	470,000	13,592,935	6,559,074

10 Loans and other debts due to members

	2016 £	2015 £
Amounts owed to members in respect of profits	470,000	11,000,000

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors.

KILMORIE INVESTMENTS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

11 Information in relation to members

	2016 Number	2015 Number
The average number of members during the year was:	<u>2</u>	<u>2</u>