

# **LENNOX INVESTMENT MANAGEMENT LLP**

**Registered Number: OC326770**

**UNAUDITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**



**LENNOX INVESTMENT MANAGEMENT LLP**  
**Financial statements for the year ended 31 March 2022**

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## **INFORMATION**

### **Designated Members**

W Gething  
G Watson

### **Members**

G Paterson  
V Mitchell  
D Shorthouse  
Lennox CM Limited  
R Bradstock

### **LLP Registered Number**

OC326770

### **Registered Office**

24 Ives Street, London, SW3 2ND

**MEMBERS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

The members present their annual report together with the unaudited financial statements of Lennox Investment Management LLP (the "LLP") for the year ended 31 March 2022. The members confirm that the Annual Report and Financial Statements of the LLP comply with current statutory requirements and the requirements of the LLP's governing document.

**PRINCIPAL ACTIVITY**

The principal activity of the LLP is to provide property investment management services.

**REVIEW OF BUSINESS**

During the year, the LLP provided services to two of its subsidiaries, Lennox GP Limited and Lennox GP II Limited, managing the Lennox Prime Central London Residential Property LP and Lennox Prime Central London Residential Fund II LP respectively. The nature of these services require the LLP to be registered with the Financial Conduct Authority ("FCA") and to bear the resulting increased administration costs associated with maintaining that registration. Additionally the LLP has provided project advisory services to a third party client, which is a non-regulated activity.

The turnover for the year was £912,893 (2021 980,546). The members maintain a tight control over the LLP's overheads, and the costs of the LLP during the year were £292,050 (2021: £299,691). The profit for the year was £620,843 (2021: £680,855).

The LLP's statement of financial position meets the FCA's solvency requirements and the members retain sufficient cash reserves to meet the LLP's overhead commitments. The LLP remains committed to meeting all of its regulatory requirements in the future.

The future of the LLP's activities remains linked to the provision of property investment management services, and the LLP is committed to providing an efficient and cost effective service for the investors in those funds.

**FINANCIAL RISK MANAGEMENT**

**Covid-19**

During the financial year there were some restrictions in place due to Covid 19. However, following the successful vaccine programme, and building up of immunity in the population, the UK Government announced an end to restrictions in February 2022. The Members are of the view that the pandemic and these restrictions have not significantly affected financial position of the LLP, although continue to monitor the situation.

**Credit risk**

The LLP does not consider that it has significant exposure to credit risk as all the LLP's income is derived from management activities in long term funds, these activities being managed through its subsidiary undertakings.

**LENNOX INVESTMENT MANAGEMENT LLP**  
**Financial statements for the year ended 31 March 2022**

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**Liquidity risk**

The LLP has suitable financial processes to manage its liquidity position, with the objective of maintaining the FCA's solvency requirements and its financial obligations.

**Interest rate risk**

The LLP's operating activities are currently fully funded through existing income and cash resources. The members do not have any plans to change the funding of future operations.

**MEMBERS AND DESIGNATED MEMBERS**

Members during the year are stated on page 3.

The designated members serving during the year ended 31 March 2022 were as follows;

W Gething

G Watson

**MEMBERS' CAPITAL AND INTERESTS**

Each member's subscription to the capital of the LLP is determined by the LLP agreement, as amended.

Details of changes in members' capital in the year ended 31 March 2022 are set out in the reconciliation of members' interests.

Members are remunerated from the profits of the LLP and are required to make their own provision for pensions and other benefits. Profits are allocated and divided between members after finalisation of the financial statements. Members may draw a proportion of their profit shares monthly during the year in which it is made, with the balance of profits being distributed periodically, subject to the cash requirements of the business.

**STATEMENT OF MEMBERS' RESPONSIBILITIES**

The members are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Policies), including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102").

Company law, as applied to limited liability partnerships ("LLPs"), requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102. Under company law, as applied to LLPs, 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 LLP and of the profit or loss of the LLP 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the entity will continue in business.

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

**LENNOX INVESTMENT MANAGEMENT LLP**  
**Financial statements for the year ended 31 March 2022**

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In determining how amounts are presented within items in the income statement and statement of financial position, the members have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

The members are responsible for the maintenance and integrity of the corporate and financial information included on the LLP's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

**TAXATION**

In accordance with Section 10 of the Limited Liability Partnership Act 2000, any trade, profession or business carried on by the LLP is treated as though the business were carried on in the partnership by its members. Accordingly, any liability to taxation is that of the members themselves and not of the LLP. Thus there is no provision for taxation in these accounts.

This report was approved by the members on 13<sup>th</sup> July 2022 and signed on their behalf, by:



**Giles Watson**  
**Designated Member**

**LENNOX INVESTMENT MANAGEMENT LLP**  
**Financial statements for the year ended 31 March 2022**

**UNAUDITED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
<b>TURNOVER</b>	1	912,893	980,546
Administrative expenses		<u>(292,050)</u>	<u>(299,691)</u>
<b>OPERATING PROFIT</b>	2	<b>620,843</b>	<b>680,855</b>
Finance costs		-	-
<b>PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARE AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS</b>		<u><b>620,843</b></u>	<u><b>680,855</b></u>

All amounts relate to continuing operations.

The accompanying notes on pages 13 to 19 form an integral part of these financial statements.

There are no items of other comprehensive income in the year other than the profit for the financial year. Accordingly, no statement of comprehensive income has been presented.

**LENNOX INVESTMENT MANAGEMENT LLP**  
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Registered Number: OC 326770

**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2022**

	Note	2022 £	2021 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	5	4,755	4,541
Fixed asset investments	6	1	1
		<u>4,756</u>	<u>4,542</u>
<b>CURRENT ASSETS</b>			
Debtors	7	535,246	575,060
Cash at bank		158,181	186,705
		<u>693,427</u>	<u>761,765</u>
<b>CREDITORS: amounts falling due within one year</b>	8	<u>(77,340)</u>	<u>(85,452)</u>
<b>NET CURRENT ASSETS</b>		<u>616,087</u>	<u>676,313</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>620,843</b></u>	<u><b>680,855</b></u>
<b>REPRESENTED BY:</b>			
<b>EQUITY</b>			
Members' capital classified as equity		-	-
Other amounts		620,843	680,855
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<u><b>620,843</b></u>	<u><b>680,855</b></u>
<b>TOTAL MEMBERS' INTERESTS</b>			
Loans and other debts due from Members		(501,071)	(542,888)
Members' other interests		620,843	680,855
		<u><b>119,772</b></u>	<u><b>137,967</b></u>

The members consider that the entity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006, as applied to LLPs by The Limited Liability Partnerships (Accounts and Audit) (Applications of Companies Act 2006) Regulations 2008 (the "Act") relating to small LLPs.

The members acknowledge their responsibilities for complying with the requirements of the Act 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.



**LENNOX INVESTMENT MANAGEMENT LLP**  
**Financial statements for the year ended 31 March 2022**

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Registered number: OC 326770

**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2022 (CONTINUED)**

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 13th July 2022, by:



**Giles Watson**  
Designated member

The accompanying notes on pages 13 to 19 form an integral part of these financial statements.

**LENNOX INVESTMENT MANAGEMENT LLP**  
**Financial statements for the year ended 31 March 2022**

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**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Net assets attributable to members at 1 April	680,855	778,269
Profit for the financial year	620,843	680,855
Profits allocated during the year	(680,855)	(778,269)
<b>Balance at 31 March</b>	<b><u>620,843</u></b>	<b><u>680,855</u></b>

The accompanying notes on pages 13 to 19 form an integral part of these financial statements.

**LENNOX INVESTMENT MANAGEMENT LLP**  
**Financial statements for the year ended 31 March 2022**

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**UNAUDITED RECONCILIATION OF MEMBERS' INTERESTS**

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	Other reserves £	Amounts due from members in debtors £	Total 31 March 2022	Total 31 March 2021 £
<b>Balance brought forward as at 1 April 2021</b>	680,855	(542,888)	137,967	181,149
Profit for the financial year available for discretionary division among members	620,843	-	620,843	680,855
Members' interests after profit for the year	1,301,698	(542,888)	758,810	862,004
Profits allocated during the year	(680,855)	680,855	-	-
Drawings in the year	-	(639,038)	(639,038)	(724,037)
<b>Balance carried forward as at 31 March 2022</b>	620,843	(501,071)	119,772	137,967

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**LENNOX INVESTMENT MANAGEMENT LLP**  
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**UNAUDITED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	<b>2022</b>		<b>2021</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cash flow from operating activities</b>				
Profit for the financial year	620,843		680,855	
<i>Adjustments for</i>				
Depreciation	2,829		3,079	
(Increase)/decrease in debtors	(2,003)		33,354	
(Decrease)/increase in creditors	(8,112)		16,764	
Net cash flows from operating activities		613,557		734,052
<b>Cash flows from investing activities</b>				
Capital expenditure	(3,043)		(4,165)	
Net cash flows used in investing activities		(3,043)		(4,165)
<b>Cash flows from financing activities</b>				
Amounts withdrawn by members	(639,038)		(724,037)	
Net cash flows used in financing activities		(639,038)		(724,037)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(28,524)		5,850
Cash and cash equivalents at beginning of year		186,705		180,855
<b>Cash at bank</b>		<b>158,181</b>		<b>186,705</b>
 Cash and cash equivalents at the end of the year comprise				
<b>Cash at bank</b>		<b>158,181</b>		<b>186,705</b>

The accompanying notes on pages 13 to 19 form an integral part of these financial statements.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**1. ACCOUNTING POLICIES AND STATUTORY INFORMATION**

**STATUTORY INFORMATION**

Lennox Investment Management LLP ("the LLP") provides property investment management services to two of its subsidiary undertakings.

The LLP is a limited liability partnership and is incorporated in England and Wales. The address of its registered office is 24 Ives Street, London, SW3 2ND.

**SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years presented, unless otherwise stated.

**STATEMENT OF COMPLIANCE**

The financial statements of the LLP have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ("FRS 102"), the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" published in 2018 and Companies Act 2006 (as applied to LLPs).

**1.1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the LLP have been prepared under the historical cost convention, as modified by the fair value of the financial instruments.

The LLP is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the LLP as an individual undertaking and not about its group.

**1.2. GOING CONCERN BASIS**

The members have reviewed the current and projected financial position of the LLP, making reasonable assumptions about future performance. After making enquiries, the members of the LLP have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**1.3. TURNOVER**

Turnover comprises revenue recognised by the LLP in respect of services supplied, exclusive of Value Added Tax. The LLP's turnover relates to investment management advice fees charged in the UK, and project advisory fees.

**1.4. EXPENSES**

All expenses are recognised in the Income Statement on an accruals basis.

**1.5. TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture, Fittings & equipment - 33.33% straight line  
Leasehold improvements – straight line over life of lease

**1.6. INVESTMENTS**

Investments in subsidiaries are valued at cost less provision for impairment.

**1.7. OPERATING LEASES**

Rentals under operating leases are charged on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**1.8. TAXATION**

In accordance with Section 10 of the Limited Liability Partnership Act 2000, any trade, profession or business carried on by the LLP is treated as though that business were carried on in partnership by its members. Accordingly, any liability to taxation is that of the members themselves and not of the LLP. Thus there is no provision for taxation in these accounts.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**1.9. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the LLP's financial statements requires the members to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. The estimates and associated assumptions are based on historical experience, expectations of future events and other factors that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected.

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 the revision and future years if the revision affects both current and future years.

**1.10. FINANCIAL INSTRUMENTS**

The Partnership has chosen to adopt sections 11 and 12 of FRS 102 in respect of Financial instruments. Financial assets and financial liabilities are recognised when the LLP becomes a party to the contractual provision of the instrument.

**Financial assets**

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

**Financial liabilities**

Basic financial liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through the Income statement, which are initially measured at fair value (which is normally the transaction price excluding transaction costs).

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**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**2. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the LLP	2,829	3,079
Operating lease rentals		
- plant and machinery	2,296	1,714
- other operating leases	<u>42,735</u>	<u>39,072</u>

During the year, no member received any emoluments. Key management of the LLP comprise the members only.

**3. STAFF COSTS**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	143,000	134,900
Social security costs	12,836	16,181
Pension contributions	3,445	3,443
Other	<u>6,788</u>	<u>6,017</u>
<b>Total Staff Costs</b>	<b><u>166,069</u></b>	<b><u>160,541</u></b>

The average monthly number of persons (excluding members) employed during the year was as follows:

	<b>2022</b>	<b>2021</b>
Administration	3	3

**4. INFORMATION IN RELATION TO MEMBERS**

	<b>2022</b>	<b>2021</b>
The average number of members during the year was	7	7



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**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**5. TANGIBLE FIXED ASSETS**

	Leasehold improvements	Furniture, fittings and equipment	Total
	£	£	£
<b>Cost</b>			
At 1 April 2021	38,664	36,130	74,794
Additions	-	3,043	3,043
Disposals	-	(6,670)	(6,670)
At 31 March 2022	<u>38,664</u>	<u>32,503</u>	<u>71,167</u>
<b>Depreciation</b>			
At 1 April 2021	37,321	32,932	70,253
Charge for the year	644	2,185	2,829
Disposals	-	(6,670)	(6,670)
At 31 March 2022	<u>37,965</u>	<u>28,447</u>	<u>66,412</u>
<b>Net Book Value</b>			
<b>At 31 March 2022</b>	<u>699</u>	<u>4,056</u>	<u>4,755</u>
At 31 March 2021	<u>1,343</u>	<u>3,198</u>	<u>4,541</u>

**6. FIXED ASSET INVESTMENTS**

The LLP owns 100% of the share capital of Lennox Holdco Limited (Company Number 08235302) with capital and reserves at 31 March 2022 of £1 (2021: £1) and a profit of £Nil for the period to 31 March 2022 (2021: profit of £Nil). Lennox Holdco Limited in turn owns 100% of the following entities:

Name	Company Number	Capital and reserves as at 31 March		Profit/(Loss) for the period ending 31 March	
		£	£	£	£
		2022	2021	2022	2021
Lennox GP Limited	06432033	(371,291)	(186,797)	(184,594)	(186,838)
Lennox GP II Limited	08411536	(7,066,339)	(6,333,478)	(732,961)	(783,322)
Lennox CM Limited	08237456	1	94	(45)	0
Lennox Scotland GP Limited	SC333263	1	755	(45)	0
Lennox Scotland GP II Limited	SC441872	1	1	0	0
Lennox Nominee Limited	06775625	1	1	0	0
Lennox Nominee II Limited	06786166	1	1	0	0
Tregunter GP Limited	08662418	1	1	0	0
Clarendon GP Limited	09125862	1	1	0	0
Victoria Road GP Limited	09411210	1	1	0	0
Albert Place GP Limited	10697203	1	1	0	0

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**7. DEBTORS**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Amounts due from members	501,071	542,888
Other debtors	-	612
Prepayments	34,175	31,560
	<u><b>535,246</b></u>	<u><b>575,060</b></u>

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Social security and other taxes	3,630	3,850
Trade creditors	22,997	32,568
Accruals	5,721	9,192
Deferred income	44,992	39,842
	<u><b>77,340</b></u>	<u><b>85,452</b></u>

**9. RELATED PARTY TRANSACTIONS**

In 2022 turnover of £182,083 (2021: £186,827) is receivable from Lennox GP Limited, a subsidiary undertaking and £730,810 (2021: £783,300) is receivable from Lennox GP II Limited, another subsidiary undertaking.

Included in note 8 is deferred income of £39,992 (2021: £39,842) received in advance from Lennox GP Limited in respect of fees for a future period.

The profit attributable to the member with the largest entitlement is £382,296 (2021: £424,620).

**10. CONTROLLING PARTY**

The members consider Willie Gething to hold a controlling interest.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**11. OPERATING LEASE COMMITMENTS**

At 31 March 2022 the LLP had total future minimum lease payments under non-cancellable operating leases as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Land and buildings</b>		
Not later than one year	42,735	42,735
Later than 1 year and not later than 5 years	3,561	46,296
Later than 5 years	-	-
	<u><b>46,296</b></u>	<u><b>89,031</b></u>
 <b>Office equipment</b>		
Not later than one year	2,160	1,714
Later than 1 year and not later than 5 years	180	428
Later than 5 years	-	-
	<u><b>2,340</b></u>	<u><b>2,142</b></u>

**12. FINANCIAL INSTRUMENTS**

The LLP has the following financial instruments

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Financial assets measured at amortised cost</b>		
Amounts due from members	501,071	542,888
Other debtors	-	612
	<u><b>501,071</b></u>	<u><b>543,500</b></u>
 <b>Financial liabilities measured at amortised cost</b>		
Trade creditors	22,997	32,568
Accruals	5,721	9,192
	<u><b>28,718</b></u>	<u><b>41,760</b></u>