

SNOWFINCH LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JULY 2016



SNOWFINCH LLP

INFORMATION

Designated Members Red Lion Square Developments Limited
Red Lion Square Developments Nominee Limited

Members Beaubridge Red Lion LLP

LLP registered number OC381861

Registered office 26 Red Lion Square
London
WC1R 4AG

SNOWFINCH LLP

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SNOWFINCH LLP

MEMBERS' REPORT FOR THE PERIOD ENDED 31 JULY 2016

The members present their annual report together with the audited financial statements of Snowfinch LLP (the "LLP") for the period ended 31 July 2016.

The LLP changed its year end from 31 March 2016 to 31 July 2016 therefore reporting a 16 month period.

Designated Members

Red Lion Square Developments Limited and Red Lion Square Developments Nominee Limited were designated members of the LLP throughout the period.

Members

Beaubridge Red Lion LLP and Firefinch were members of the LLP throughout the period. Firefinch was dissolved on 31 August 2016.

Members' capital and interests

Each member's subscription to the capital of the LLP is determined by their share of the profit and is repayable following retirement from the LLP.

Details of changes in members' capital in the period ended 31 July 2016 are set out in the Reconciliation of Members' Interests.

Members' responsibilities statement

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

Company law, as applied to LLP's, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law, as applied to LLP's, 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 judgments and accounting 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 LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP'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 Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. 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.

SNOWFINCH LLP

**MEMBERS' REPORT (continued)
FOR THE PERIOD ENDED 31 JULY 2016**

Disclosure of information to auditors

Each of the persons who are members at the time when this Members' Report is approved has confirmed that:

- so far as that member is aware, there is no relevant audit information of which the LLP's auditors are unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

This report was approved by the members on 18 November 2016 and signed on their behalf by:



**James Sunley, For and on behalf of Red Lion
Square Developments Limited
Designated member**

SNOWFINCH LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SNOWFINCH LLP

We have audited the financial statements of Snowfinch LLP for the period ended 31 July 2016, set out on pages 5 to 14. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the LLP's members in accordance with the Companies Act 2006, as applied by Part 12 of *The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008*. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Members and Auditors

As explained more fully in the Members' Responsibilities Statement on, the 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 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 Financial Reporting Council'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 LLP's affairs as at 31 July 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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*.

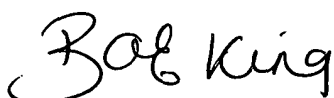
SNOWFINCH LLP

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

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.



Bernadette King (Senior Statutory Auditor)

for and on behalf of
haysmacintyre

Statutory Auditors

26 Red Lion Square
London
WC1R 4AG

18 November 2016

SNOWFINCH LLP

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 JULY 2016**

	Note	2016 £	2015 £
Turnover	4	13,390,424	2,950
Cost of sales		(9,040,431)	-
		<hr/>	<hr/>
Gross profit		4,349,993	2,950
Administrative expenses		(2,960)	(2,225)
		<hr/>	<hr/>
Operating profit	5	4,347,033	725
Interest payable and expenses		(3)	-
		<hr/>	<hr/>
Profit for the period before members' remuneration and profit shares available for discretionary division among members		4,347,030	725
		<hr/> <hr/>	<hr/> <hr/>
Profit for the period before members' remuneration and profit shares		4,347,030	725
		<hr/> <hr/>	<hr/> <hr/>

There were no other comprehensive income for 2016 (2015: £NIL).

The notes on pages 8 to 14 form part of these financial statements.

SNOWFINCH LLP
REGISTERED NUMBER: OC381861

STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2016

	Note	£	31 July 2016 £	31 March 2015 £
Current assets				
Stocks	9	848,742	4,560,014	
Debtors: amounts falling due within one year	10	10,027,359	914,869	
Cash at bank and in hand	11	1,877,148	38,408	
		<u>12,753,249</u>	<u>5,513,291</u>	
Creditors: amounts falling due within one year	12	(5,805,494)	(338,618)	
Net current assets			6,947,755	5,174,673
Creditors: amounts falling due after more than one year			-	(1,674,673)
Net assets attributable to members			6,947,755	3,500,000
Represented by:				
Loans and other debts due to members within one year				
Other amounts	16		3,447,755	-
Members' other interests				
Members' capital classified as equity		3,500,000	3,500,000	
		<u>3,500,000</u>	<u>3,500,000</u>	
Total members' interests			6,947,755	3,500,000
Amounts due from members (included in debtors)				
	10		-	(899,275)
Loans and other debtors due to members	16		3,447,755	-
Members' other interests			3,500,000	3,500,000
			<u>6,947,755</u>	<u>2,600,725</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 18 November 2016.


James Sunley, For and on behalf of Red Lion Square Developments Limited
Designated member

The notes on pages 8 to 14 form part of these financial statements.

SNOWFINCH LLP

**RECONCILIATION OF MEMBERS' INTERESTS
FOR THE PERIOD ENDED 31 JULY 2016**

	EQUITY			DEBT		Total members' interests
	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors		
	Members' capital (classified as equity)	Other reserves	Total	Other amounts	Total	Total
	£	£	£	£	£	£
Balance at 1 April 2014	3,500,000	-	3,500,000	(899,275)	(899,275)	2,600,725
Profit for the period available for discretionary division among members	-	725	725	-	-	725
Members' interests after profit for the period	3,500,000	725	3,500,725	(899,275)	(899,275)	2,601,450
Profit allocation	-	(725)	(725)	-	-	(725)
Amounts due from members	-	-	-	(899,275)	(899,275)	(899,275)
Balance at 31 March 2015	3,500,000	-	3,500,000	(899,275)	(899,275)	2,600,725
Profit for the period available for discretionary division among members	-	4,347,030	4,347,030	-	-	4,347,030
Members' interests after profit for the period	3,500,000	4,347,030	7,847,030	(899,275)	(899,275)	6,947,755
Profit allocation	-	(4,347,030)	(4,347,030)	4,347,030	4,347,030	-
Amounts due to members	-	-	-	3,447,755	3,447,755	3,447,755
Balance at 31 July 2016	3,500,000	-	3,500,000	3,447,755	3,447,755	6,947,755

SNOWFINCH LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2016

1. General information

Snowfinch LLP is a limited liability partnership incorporated in England and Wales.

The registered office is 26 Red Lion Square, London, WC1R 4AG.

The principal activity of the LLP is property development

The financial statements are presented in Sterling (£).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

Information on the impact of first-time adoption of FRS 102 is given in note 19.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the entity's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the LLP and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding value added tax. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the LLP has transferred the significant risks and rewards of ownership to the buyer;
- the LLP retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the LLP will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2016

2. Accounting policies (continued)

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.6 Financial instruments

The LLP only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates.

The members do not consider there to be critical estimates and judgements applicable to the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2016**

4. Turnover

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Sale of properties	13,390,424	2,950
	<u>13,390,424</u>	<u>2,950</u>

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual financial statements	2,800	1,650
	<u>2,800</u>	<u>1,650</u>

6. Auditors' remuneration

	2016 £	2015 £
Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual accounts	2,800	1,650
	<u>2,800</u>	<u>1,650</u>

7. Employees

The LLP has no employees (2015 - NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2016**

8. Information in relation to members

	31 July 2016 Number	<i>31 March 2015 Number</i>
The average number of members during the period was	<u>4</u>	<u>4</u>
	31 July 2016 £	<i>31 March 2015 £</i>
The amount of profit attributable to the member with the largest entitlement was	<u>2,110,666</u>	<u>544</u>

9. Stocks

	31 July 2016 £	<i>31 March 2015 £</i>
Properties for resale	<u>848,742</u>	<u>4,560,014</u>
	<u>848,742</u>	<u>4,560,014</u>

10. Debtors

	31 July 2016 £	<i>31 March 2015 £</i>
Trade debtors	<u>9,975,000</u>	<u>-</u>
Other debtors	<u>52,359</u>	<u>15,594</u>
Amounts due from members	<u>-</u>	<u>899,275</u>
	<u>10,027,359</u>	<u>914,869</u>

11. Cash and cash equivalents

	31 July 2016 £	<i>31 March 2015 £</i>
Cash at bank and in hand	<u>1,877,148</u>	<u>38,408</u>
	<u>1,877,148</u>	<u>38,408</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2016

12. Creditors: Amounts falling due within one year

	31 July 2016 £	31 March 2015 £
Bank loans	4,930,365	-
Trade creditors	39,973	22,334
Other creditors	128,537	167,289
Accruals and deferred income	706,619	148,995
	<u>5,805,494</u>	<u>338,618</u>

Secured loans

The bank loan is repayable on 30 November 2016. Interest is charged at 3.5% above base rate. The loan is secured on all assets of the LLP with the first legal charge over the property.

13. Creditors: Amounts falling due after more than one year

	31 July 2016 £	31 March 2015 £
Bank loans	-	1,674,673
	<u>-</u>	<u>1,674,673</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2016**

14. Loans

Analysis of the maturity of loans is given below:

	31 July 2016 £	31 March 2015 £
Amounts falling due within one year		
Bank loans	4,930,365	-
	<u>4,930,365</u>	<u>-</u>
Amounts falling due 1-2 years		
Bank loans	-	1,674,673
	<u>-</u>	<u>1,674,673</u>
	<u>4,930,365</u>	<u>1,674,673</u>

15. Financial instruments

	31 July 2016 £	31 March 2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	10,027,359	914,869
	<u>10,027,359</u>	<u>914,869</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(5,098,875)	(1,864,296)
	<u>(5,098,875)</u>	<u>(1,864,296)</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors and amounts due from members.

Financial Liabilities measured at amortised cost comprise trade creditors, other creditors and bank loans.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2016**

16. Loans and other debts due to members

	31 July 2016 £	31 March 2015 £
Amounts due to members	(3,447,755)	-
	<u>(3,447,755)</u>	<u>-</u>
	31 July 2016 £	31 March 2015 £
Falling due within one year	(3,447,755)	-
Falling due after more than one year	-	-
	<u>(3,447,755)</u>	<u>-</u>

Loans and other debts due to members rank equally with debts due to ordinary creditors in the event of a winding up.

17. Related party transactions

A director of Red Lion Square Developments Limited, a designated member of Snowfinch LLP, is also a director of Sunley Holdings Limited, Sunley Estates Limited and Bach Homes (Sunley) Limited.

During the period Snowfinch LLP was invoiced £86,509 (2015: £85,714) by Sunley Holdings Limited, and at the period end there was no balance outstanding (2015: £5,475) to Sunley Holdings Limited.

At the period end Snowfinch LLP owed £nil (2015: £41,000) to Bach Homes (Sunley) Limited and £nil (2015: £115,528) to Sunley Estates Limited in respect of working capital loans.

Beaubridge (UK) Limited manages the affairs of Beaubridge Red Lion LLP on behalf of its members. During the period Beaubridge (UK) Limited invoiced Snowfinch LLP £40,000 (2015: £40,000) and as at 31 July 2016 no amounts were outstanding (2015: £12,000).

18. Controlling party

The controlling party is Beaubridge Red Lion LLP.

19. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.