

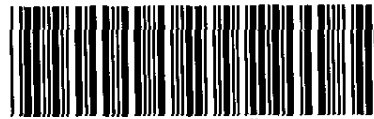
**Registered Number 02329977**

**RICHARD AITCH LIMITED**

**Dormant Accounts**

**5 April 2017**

WEDNESDAY



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**Balance Sheet as at 5 April 2017**

	2017 £	2016 £
Current assets		
Cash at bank and in hand	100	100
<b>Net assets</b>	<b>100</b>	<b>100</b>
Issued share capital		
100 Ordinary Shares of £1 each	100	100
<b>Total Shareholder funds</b>	<b>100</b>	<b>100</b>

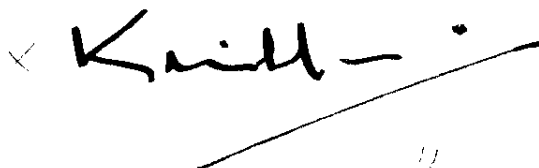
**STATEMENTS**

- For the year ending 5 April 2017 the company was entitled to exemption under section 480 of the Companies Act 2006 relating to dormant companies.
- The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- The directors 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 companies subject to the small companies regime.

Approved by the Board on 21 December 2017

And signed on their behalf by:

**Lord Graham Kirkham, Director**

A handwritten signature in black ink, appearing to read 'Kirkham', with a long horizontal line extending from the end of the signature.

† THESE PARTNERSHIP ACCOUNTS  
FORM PART OF THE  
ACCOUNTS OF COMPANY  
NO. 02329977

**BLACK DIAMOND INVESTMENTS  
LIMITED PARTNERSHIP  
PARTNERS' REPORT AND FINANCIAL  
STATEMENTS  
FOR THE YEAR ENDED  
5 APRIL 2017**

# **BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP**

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## **BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP**

### **LIMITED PARTNERSHIP INFORMATION**

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<b>Partners</b>	Richard Aitch Limited (General Partner) The Lord Graham Kirkham CVO (Limited Partner) Lady Pauline Kirkham (Limited Partner) Julie Cross (Limited Partner)
<b>Registered number</b>	LP013397
<b>Registered office</b>	8 Ebor Court Redhouse Interchange Adwick-le-Street Doncaster South Yorkshire DN6 7FE
<b>Independent auditors</b>	Lewis Golden LLP 40 Queen Anne Street London W1G 9EL

# BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP

## STRATEGIC REPORT FOR THE YEAR ENDED 5 APRIL 2017

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The General Partner presents their Strategic Report for the year ended 5 April 2017.

### Business review

The Limited Partnership has continued to hold a portfolio of investment properties in the retail sector. An additional investment property was purchased during the year at a cost of £35,046,505 and there was a disposal of an interest in an investment property which generated proceeds of £4,000,000. The net increase in value of the property portfolio is £19,762,972 which comprises the addition of the new investment property, the disposal of an interest in an investment property and a downward revaluation of the portfolio of £11,283,533 on a fair value basis (see note 10 to the financial statements). This downward revaluation is due to changing real estate and rental market conditions, interest rates, inflation and investment yield expectations.

### Analysis of performance

The Limited Partnership's key financial and other performance indicators during the year were as follows:

	2017 £	2016 £
Turnover	13,491,563	11,951,995
Investment property cost	251,559,766	220,513,261
Investment property value	249,549,631	229,786,659
Weighted average closing yield by property value	5.3%	5.9%

### Principal risks and uncertainties

The Limited Partnership's activities expose it to financial risks including price risk and liquidity risk. The risks and uncertainties affecting the Limited Partnership relate to fluctuations in the investment property market which may impact the valuation of the property portfolio and future rental income. The Limited Partnership has treasury and liquidity management procedures in place appropriate to the size and nature of the business.

### Position of the business at the year end

The business has continued to generate consistent trading profits (once the fair value movement in respect of investment properties is removed) as set out in the Profit and Loss Account on page 7 of the financial statements. As at the year end, the Limited Partnership remains in a strong position.

Approved by the General Partner and signed on its behalf by:



.....  
The Lord Graham Kirkham CVO  
On behalf of Richard Aitch Limited, the General Partner

Date: 21 December 2017

## **BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP**

### **GENERAL PARTNER'S REPORT FOR THE YEAR ENDED 5 APRIL 2017**

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Richard Aitch Limited (the 'General Partner') presents its report and the financial statements for the year ended 5 April 2017.

#### **Partners**

The Partners who served during the year were:

Richard Aitch Limited (General Partner)  
The Lord Graham Kirkham CVO (Limited Partner)  
Lady Pauline Kirkham (Limited Partner)  
Julie Cross (Limited Partner)

#### **Principal activity**

The principal activity of the Limited Partnership is investment in commercial property.

#### **Future developments**

The Limited Partnership continually reviews opportunities to enhance its property portfolio. The Limited Partnership will continue to operate its existing portfolio and has purchased an additional investment property post year end.

#### **Financial instruments**

Please refer to the Strategic Report (as set out on page 2) for the assessment of the risks associated with the Limited Partnership's business.

The Limited Partnership has not entered into any hedging or derivative products, during the current or prior year. All of the Limited Partnership's financial instruments are basic - see note 2 to the financial statements for the Limited Partnership's financial instruments accounting policy. See note 13 for the composition of financial instruments included in the financial statements and the carrying amounts at the year end.

The Limited Partnership has no exposure to foreign exchange risk and has not entered into any foreign currency hedging arrangements.

#### **Disclosure of information to auditors**

The General Partner confirms that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the the Limited Partnership's auditors are unaware. They have taken all the steps that they ought to have taken as General Partner in order to make themselves aware of any relevant audit information and to establish that the Limited Partnership's auditors are aware of that information.

This report was approved by the General Partner and signed on its behalf by:



**The Lord Graham Kirkham CVO**  
On behalf of Richard Aitch Limited, the General Partner

Date: 21 December 2017

## **BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP**

### **GENERAL PARTNER'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 5 APRIL 2017**

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The General Partner is responsible for preparing the Strategic Report, the General Partner's report and the financial statements in accordance with applicable law and regulations.

Company law requires the General Partner to prepare financial statements for each financial year. Under that law the General Partner has elected to prepare 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'. Under Company law the General Partner 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 Partnership and of the profit or loss of the Limited Partnership for that period.

In preparing these financial statements, the General Partner is required to:

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

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

The General Partner confirms that so far as it is aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the company's auditors are unaware. It has taken all steps that it ought to have taken as *General Partner in order to make itself aware of any relevant audit information and to establish the the company's* auditors are aware of that information.

## **BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP**

### **INDEPENDENT AUDITORS' REPORT TO THE GENERAL PARTNER OF BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP FOR THE YEAR ENDED 5 APRIL 2017**

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We have audited the financial statements of Black Diamond Investments Limited Partnership for the year ended 5 April 2017, set out on pages 7 to 20. The relevant financial reporting framework that has been applied in their preparation is applicable law, the Companies Act 2006 as applied by qualifying partnerships, 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 Limited Partnership's General Partner, 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 Limited Partnership's General Partner 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 Limited Partnership and the Limited Partnership's General Partner, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the General Partner and Auditor**

As explained more fully in the General Partner's responsibilities statement on page 4, the General Partner is 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 Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Limited Partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the General Partner; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the General Partner's Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Limited Partnership's affairs as at 5 April 2017 and of its loss for the year 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the General Partner's Report for the financial year for which the financial statements are prepared is consistent with those financial statements and have been prepared in accordance with applicable legal requirements.

**BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP**

**INDEPENDENT AUDITORS' REPORT TO THE GENERAL PARTNER OF BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP FOR THE YEAR ENDED 5 APRIL 2017 (CONTINUED)**

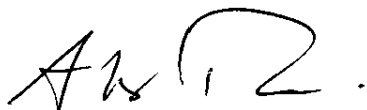
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**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Limited Partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Partners' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 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
- certain disclosures of Partners' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Alexander Parker (Senior Statutory Auditor)**  
for and on behalf of Lewis Golden LLP

**Chartered Accountants and Statutory Auditors**

40 Queen Anne Street  
London W1G 9EL

Date: 21 December 2017.

**BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 5 APRIL 2017**

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	Note	2017 £	2016 £
Turnover	4	13,491,563	11,951,995
Cost of sales		(319,371)	(293,211)
<b>Gross profit</b>		<u>13,172,192</u>	<u>11,658,784</u>
Administrative expenses		(2,593,241)	(2,706,266)
Fair value movements in relation to investment properties	10	(11,283,533)	7,571,204
<b>Operating (loss)/profit</b>	6	<u>(704,582)</u>	<u>16,523,722</u>
Other interest receivable and similar income		45,696	855
<b>(Loss)/profit for the financial year</b>		<u><u>(658,886)</u></u>	<u><u>16,524,577</u></u>

## BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP

BALANCE SHEET  
AS AT 5 APRIL 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	8	53,816	75,842
Investments	9	54,567	42,867
Investment properties	10	249,549,631	229,786,659
		<u>249,658,014</u>	<u>229,905,368</u>
<b>Current assets</b>			
Debtors	11	23,023,234	15,619,391
Cash at bank and in hand		3,515,072	2,104,508
		<u>26,538,306</u>	<u>17,723,899</u>
<b>Creditors: amounts falling due within one year</b>	12	(267,574,308)	(229,394,996)
<b>Net current liabilities</b>		<u>(241,036,002)</u>	<u>(211,671,097)</u>
<b>Total assets less current liabilities</b>		<u>8,622,012</u>	<u>18,234,271</u>
<b>Net assets</b>		<u><u>8,622,012</u></u>	<u><u>18,234,271</u></u>
<b>Represented by Partners' accounts classified as equity</b>			
Capital accounts	14	7,500	7,500
Unallocated profit	14	10,624,647	8,953,373
Non-distributable reserve	14	(2,010,135)	9,273,398
		<u>8,622,012</u>	<u>18,234,271</u>

The financial statements were approved and authorised for issue by the General Partner and were signed on its behalf by:

  
 .....  
 The Lord Graham Kirkham CVO  
 On behalf of Richard Aitch Limited, the General Partner

Date: 21 December 2017

The notes on pages 11 to 20 form part of these financial statements.

**BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 5 APRIL 2017**

	<b>Non- distributable reserve</b>	<b>Capital accounts</b>	<b>Unallocated profit</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 6 April 2016	9,273,398	7,500	8,953,373	18,234,271
Loss for the year	-	-	(658,886)	(658,886)
Profits allocated during the year	-	-	(8,953,373)	(8,953,373)
Transfer net loss on revaluation of investment properties	(11,283,533)	-	11,283,533	-
<b>At 5 April 2017</b>	<b>(2,010,135)</b>	<b>7,500</b>	<b>10,624,647</b>	<b>8,622,012</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 5 APRIL 2016**

	<b>Non- distributable reserve</b>	<b>Capital accounts</b>	<b>Unallocated profit</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 6 April 2015	1,702,194	7,500	9,847,883	11,557,577
Profit for the year	-	-	16,524,577	16,524,577
Profits allocated during the year	-	-	(9,847,883)	(9,847,883)
Transfer net gain on revaluation of investment properties	7,571,204	-	(7,571,204)	-
<b>At 5 April 2016</b>	<b>9,273,398</b>	<b>7,500</b>	<b>8,953,373</b>	<b>18,234,271</b>

**BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 5 APRIL 2017**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(658,886)	16,524,577
<b>Adjustments for:</b>		
Depreciation of tangible assets	25,561	32,011
Interest received	(45,696)	(855)
Increase in debtors	(1,262)	(248,213)
Increase in creditors	281,073	815,062
Fair value gain / (loss) on investment property	11,283,533	(7,571,204)
<b>Net cash generated from operating activities</b>	<u>10,884,323</u>	<u>9,551,378</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(3,535)	(4,395)
Purchase of investment properties	(35,046,505)	(39,020,455)
Sale of interest in investment property	4,000,000	-
Purchase of unlisted and other investments	(11,700)	-
Interest received	45,696	855
<b>Net cash outflow from investing activities</b>	<u>(31,016,044)</u>	<u>(39,023,995)</u>
<b>Cash flows from financing activities</b>		
Partner loans advanced	34,917,815	39,000,744
Distribution paid to members	(13,375,530)	(9,050,464)
<b>Net cash generated from financing activities</b>	<u>21,542,285</u>	<u>29,950,280</u>
<b>Net increase in cash and cash equivalents</b>	<u>1,410,564</u>	<u>477,663</u>
Cash and cash equivalents at beginning of year	<u>2,104,508</u>	<u>1,626,845</u>
<b>Cash and cash equivalents at the end of year</b>	<u><u>3,515,072</u></u>	<u><u>2,104,508</u></u>

## **BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017**

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#### **1. General information**

Black Diamond Investments Limited Partnership is a Limited Partnership incorporated in England and Wales, registered number LP013397. The registered address of the entity is 8 Ebor Court, Redhouse Interchange, Adwick-le-Street, Doncaster, South Yorkshire, DN6 7FE.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention with the exception of investment properties and fixed asset investments which are measured at fair value and in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

Under the Companies Act 2006, the Limited Partnership, as a qualifying partnership is required to prepare and have audited an annual report and financial statements under Part 15 and Chapter 1 of Part 16 of the Companies Act 2006 as if the Limited Partnership were a company formed and registered under the Companies Act 2006.

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

These financial statements cover the individual Limited Partnership only.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in applying the Limited Partnership's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

##### **2.2 Going concern**

The Limited Partnership is financed by capital introduced by the Partners and Partner loan finance. All Partners' drawings and loan repayments are made subject to the cash requirements of the business. The Partners consider that the Limited Partnership has adequate resources to continue in operational existence for the foreseeable future. As a result, the financial statements have been prepared on the going concern basis.

##### **2.3 Turnover**

###### **Rental income**

Rental income is measured at fair value of the consideration received or receivable, net of value added tax. Rental income comprises turnover derived from the leasing of commercial property to tenants under operating lease agreements, which is recognised in the Profit and Loss Account on a straight line basis over the lease term. Where rental income is structured to increase in line with expected general inflation, the rental agreements are amended on an annual basis and income is subsequently recognised in the Profit and Loss Account.

Rent incentives offered to tenants are recognised on a straight line basis over the lease term in the Profit and Loss Account.

###### **Rendering of services**

Turnover from the rendering of services comprises, service charge, insurance and other income generated in relation to the operation of the investment properties. Income is recognised to the extent the expenses are recoverable in the Profit and Loss Account.

## **BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017**

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#### **2. Accounting policies (continued)**

##### **2.4 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following bases:

Leasehold land and buildings	- straight line basis over the term of the lease of 10 years
Motor vehicles	- straight line basis at 25% per annum
Fixtures and fittings	- straight line basis at 25% per annum
Office equipment	- straight line basis at 25% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

##### **2.5 Investment properties**

Investment properties are initially recognised at cost.

Subsequently, investment properties are carried at fair value determined annually and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Profit and Loss Account.

##### **2.6 Fixed asset investments**

Fixed asset investments are held at fair value. Changes in fair value are recognised in the Profit and Loss Account.

##### **2.7 Cash at bank and in hand**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

## **BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017**

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#### **2. Accounting policies (continued)**

##### **2.8 Financial instruments**

###### **i) Financial assets**

Basic financial assets including trade and other debtors, Partners' current accounts and cash at bank and in hand balances are initially recognised at the transaction price.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting year, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Profit and Loss Account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Profit and Loss Account.

Financial assets are derecognised when:

- a) The contractual rights to the cash flows from the asset expire or are settled; or
- b) Substantially all the risks and rewards of ownership of the asset are transferred to another party; or
- c) Control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

###### **ii) Financial liabilities**

Basic financial liabilities, including trade and other creditors and Partner loan and current accounts, are classified as debt and initially recognised at the transaction price.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are initially recognised at the transaction price and subsequently measured at amortised cost using the effective interest method. Trade creditors are classified as current liabilities if payment is due within one year or less.

Financial liabilities are derecognised when the liability is extinguished; this is when the contractual obligation is discharged, cancelled or expires.

###### **iii) Offsetting**

Financial assets and liabilities are offset and the net amount presented in the financial statements when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

## **BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017**

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#### **2. Accounting policies (continued)**

##### **2.9 Taxation**

Taxation on all of the Limited Partnership's profits are solely the personal liabilities of the individual Partners. Consequently, neither taxation nor related deferred taxation arising in the Limited Partnership are accounted for in these financial statements. Any amounts retained for tax are treated in the same way as other profits of the Limited Partnership and are included in the Partners' current accounts.

##### **2.10 Operating leases**

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases.

Rentals payable under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Rent incentives are recognised on a straight line basis over the lease term in the Profit and Loss Account.

##### **2.11 Pensions**

The Limited Partnership contributes to a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Limited Partnership pays fixed contributions into a separate entity. Once the contributions have been paid the Limited Partnership has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Limited Partnership in independently administered funds.

##### **2.12 Partners' capital**

The capital requirements of the Limited Partnership are determined from time to time by the Partners. Interest is not paid on the capital accounts. On cessation of the Limited Partnership, Partners' capital will be repaid.

##### **2.13 Allocation of profits**

The allocation of profits to those who were Partners during the year occurs on the approval of the financial statements at their discretion. Unallocated profits are shown in unallocated profit on the Balance Sheet.

##### **2.14 Allocation of non-distributable reserve**

The allocation of any capital profit or loss to those who were Partners during the year occurs when a property is sold.

## BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017

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

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

The Limited Partnership makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the accounts next financial year are addressed below.

##### i) Fair value of investment properties

The fair value of investment properties are derived from valuation techniques and the estimation of future cash flows to be generated over a number of years. The estimation of the fair value reflects a combination of assumptions including rental values, the condition of the property, local property market conditions and the general economic climate. The General Partner considers whether investment properties are impaired. At each reporting date the properties are reviewed to determine whether there is any indication that those assets have suffered an impairment loss, taking into account the nature and condition of the properties. See note 2.8 for the accounting policy for the impairment of assets. See note 10 for the carrying amount of investment properties, and note 2.5 for the accounting policy.

##### ii) Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 8 for the carrying amount of the tangible fixed assets and note 2.4 for the useful economic lives for each class of asset.

##### iii) Impairment of debtors

The Limited Partnership makes an estimate of the recoverable values of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including credit ratings of debtors, the ageing profile of debtors and historical experience. See note 11 for the net carrying amount of debtors.

#### 4. Turnover

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

	2017 £	2016 £
Rental income derived from operating leases	13,427,866	11,897,696
Turnover from the rendering of services	63,697	54,299
	<u>13,491,563</u>	<u>11,951,995</u>

All turnover arose within the United Kingdom.

**BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 5 APRIL 2017****5. Operating lease arrangements**

Future minimum lease payments under non-cancellable operating leases as lessor:

	2017 £	2016 £
Not later than 1 year	13,337,927	12,787,150
Later than 1 year and not later than 5 years	41,440,669	43,618,759
Later than 5 years	104,231,412	112,491,328
	<u>159,010,008</u>	<u>168,897,237</u>

Operating leases relate to the investment properties owned by the Limited Partnership. The tenants do not have the option to purchase the properties once the leases expire.

**6. Operating profit**

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	25,561	32,011
Fees payable to the Limited Partnership's auditor for the audit of the Limited Partnership's annual financial statements	5,250	7,200
Operating leases expenditure	33,240	25,149
Defined contribution pension cost	8,650	7,775
	<u>72,701</u>	<u>72,135</u>

**7. Employees**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	1,172,209	1,117,632
Social security costs	151,784	149,155
Pension costs	8,650	7,775
	<u>1,332,643</u>	<u>1,274,562</u>

During the year the average monthly number of (administrative) employees, including Partners was 10 (2016 - 10).

**BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 5 APRIL 2017**

**8. Tangible fixed assets**

	<b>Leasehold land and buildings £</b>	<b>Motor vehicles £</b>	<b>Fixtures and fittings £</b>	<b>Office equipment £</b>	<b>Total £</b>
<b>Cost</b>					
At 6 April 2016	107,265	205,391	113,561	52,335	478,552
Additions	-	-	-	3,535	3,535
At 5 April 2017	107,265	205,391	113,561	55,870	482,087
<b>Depreciation</b>					
At 6 April 2016	56,037	190,654	110,019	46,000	402,710
Charge for the year	10,726	8,069	3,542	3,224	25,561
At 5 April 2017	66,763	198,723	113,561	49,224	428,271
<b>Net book value</b>					
At 5 April 2017	40,502	6,668	-	6,646	53,816
At 5 April 2016	51,228	14,737	3,542	6,335	75,842

**9. Fixed asset investments**

	<b>Other fixed asset investments £</b>
<b>Valuation</b>	
At 6 April 2016	42,867
Additions	11,700
At 5 April 2017	54,567
<b>Net book value</b>	
At 5 April 2017	54,567
At 5 April 2016	42,867

# BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017

### 10. Investment properties

	Investment properties £
<b>Valuation</b>	
At 6 April 2016	229,786,659
Additions at cost	35,046,505
Disposal of interest in investment property	(4,000,000)
Movement in fair value	(11,283,533)
<b>At 5 April 2017</b>	<b>249,549,631</b>

The investment properties were valued by the directors of Richard Aitch Limited, the General Partner, who are internal to the Limited Partnership, on a fair value basis. The fair values of the investment properties are derived from valuation techniques and the estimation of future cash flows to be generated over a number of years. The estimation technique requires a combination of assumptions including market rents, investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset.

The investment properties class of fixed assets was revalued on 5 April 2017. The basis of this valuation was fair value and this class has a current value of £249,539,800 (2016 - £229,786,659) and a carrying amount at historic cost of £251,559,766 (2016 - £220,513,261). The depreciation on this historical cost is £nil (2016 - £nil).

### 11. Debtors

	2017 £	2016 £
Trade debtors	81,807	54,995
Partners' current account	21,127,718	13,725,137
Other debtors	547,700	993,028
Prepayments and accrued income	1,266,009	846,231
	<u>23,023,234</u>	<u>15,619,391</u>

Included within debtors is £573,059 (2016 - £673,059) which is receivable in more than one year.

## BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017

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#### 12. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	628,855	184,978
Partners' loan accounts	247,742,818	212,825,003
Partners' current account	15,707,767	12,727,343
Taxation and social security	673,261	855,234
Other creditors	22,990	18,873
Accruals and deferred income	2,798,617	2,783,565
	<u>267,574,308</u>	<u>229,394,996</u>

#### 13. Financial instruments

Financial assets measured at amortised cost comprise trade debtors, Partners' current accounts and accrued income. The carrying amount at the year end was £22,456,601 (2016 - £15,557,010).

Financial liabilities measured at amortised cost comprise trade creditors, Partners' loan accounts, Partners' current accounts and accruals. The carrying amount at the year end was £264,093,017 (2016 - £225,773,947).

#### 14. Reserves

##### Non-distributable reserve

The non-distributable reserve comprises unrealised gains and losses in relation to the movements in fair value of investment properties and other fixed asset investments. Upon disposal of the investment properties the gains and losses are realised and become distributable.

##### Capital accounts

Capital accounts comprises Partners' capital which is repaid to the Partners on cessation of the Limited Partnership.

##### Unallocated profit

Unallocated profits comprise realised profits to be distributed to the Limited Partners at their discretion at the time of adoption of the financial statements.

#### 15. Pension schemes

The Limited Partnership operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Limited Partnership to the scheme and amounted to £8,650 (2016 - £7,775).

Contributions totalling £1,760 (2016 - £1,889) were payable to the scheme at the end of the year and are included in creditors.

## BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017

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#### 16. Commitments under operating leases

At 5 April 2017 the Limited Partnership had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	33,240	33,240
Later than 1 year and not later than 5 years	74,790	108,030
	<u>108,030</u>	<u>141,270</u>

#### 17. Related party transactions

During the year, the Limited Partners made total net advances of £21,542,282 (2016 - £29,950,282) and each received a profit share of £2,984,458 (2016 - £3,282,628). At the reporting date the total amount due to the Limited Partners amounted to £242,322,867 (2016 - £211,827,212).

During the year, the Limited Partnership incurred expenses amounting to £127,963 (2016 - £48,619) on behalf of, charged rent of £75,000 (2016 - £75,000) to and recharged management fees of £63,697 (2016 - £54,299) to entities under common control. At the reporting date the amount due from these entities amounted to £461,791 (2016 - £745,080).

During the year, the Limited Partnership paid a salary of £800,000 (2016 - £800,000) to a close family member of a partner. At the reporting date the amount due from the Limited Partnership was £nil (2016 - £nil).

During the year, the Limited Partnership incurred expenses amounting to £57,338 (2016 - £5,382) on behalf of an entity of which a partner is a director shareholder. At the reporting date the amount due from this entity was £62,720 (2016 - £5,382).

#### 18. Controlling party

During the current and prior year, the ultimate controlling party was The Lord Graham Kirkham CVO by virtue of his shareholding in the General Partner.