

Registered Number 02329977

RICHARD AITCH LIMITED

Dormant Accounts

5 April 2020



Balance Sheet as at 5 April 2020

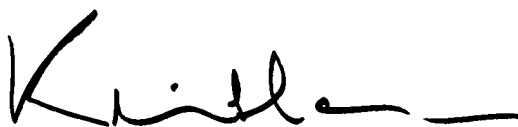
	2020	2019
	£	£
Current Assets		
Cash at bank and in hand	100	100
Net Assets	100	100
Issued share Capital		
100 Ordinary Shares of £1 each	100	100
Total Shareholder funds	100	100

STATEMENTS

- For the year ended 5 April 2020 the company was entitled to exemption from audit 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 financial statements.
- These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board on 28 January 2021.

And signed on their behalf by:



The Lord Graham Kirkham CVO, Director

Company Registration No. 02329977 (England and Wales)

RICHARD AITCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2020

1 General information

The company is a private company limited by shares and is incorporated in the United Kingdom. The address of the registered office is 8 Ebor Court, Redhouse Interchange, Adwick-Le-Street, Doncaster, South Yorkshire, DN6 7FE. The company is a dormant company, as conferred by section 480 of the Companies Act 2006, and therefore did not trade during the current or prior financial period. These financial statements are presented in pounds sterling.

2 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standards 102 "The Financial Reporting Standards Applicable to the UK and Republic of Ireland" (FRS102) and applicable legislation as set out in the Companies Act 2006.

The company has taken advantage of the transitional exemption permitted in FRS102 paragraph 35.10(m) which allows for the company, because it was dormant as at 6 April 2015 and for each subsequent financial year, to retain its accounting policies for reported assets, liabilities and equity at the date of transition until there is any change to those balances or the company undertakes new transactions.

The financial statements present information about the company as a single entity.

3 Activities and profit and loss account

The company has not traded during the year, nor made any profits or loss nor incurred any liabilities (2019: £nil). There were no recognised gains or losses relating to the year (2019: £nil).

The directors did not receive any emoluments for their services to the company during the year (2019: £nil).

Registered number: LP013397 (England & Wales)

These partnership accounts form
part of the accounts of Company
Number 02329977

**BLACK DIAMOND INVESTMENTS
LIMITED PARTNERSHIP
PARTNERS' REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
5 APRIL 2020**

BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP

CONTENTS

	Page
Limited Partnership Information	1
Strategic Report	2
General Partner's Report	3
General Partner's Responsibilities Statement	4
Independent Auditors' Report	5 - 7
Profit and Loss Account	8
Balance Sheet	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12 - 21

BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP

LIMITED PARTNERSHIP INFORMATION

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

BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP

STRATEGIC REPORT FOR THE YEAR ENDED 5 APRIL 2020

The General Partner presents their Strategic Report for the year ended 5 April 2020.

Business review

The Limited Partnership has continued to hold a portfolio of investment properties in the retail, leisure and hospitality sectors. During the year, there were additions of £327,362 and two investment properties were sold, generating a profit on disposal of £3,970,164, and reducing the carrying amount of the investment properties by £83,589,336. This disposal has also resulted in the decrease in the investment property base cost at the balance sheet date, and turnover for the year. The valuation of the remaining property portfolio held by the Limited Partnership has fallen by £30,869,779. The decrease in value of the property portfolio, which has led to an increase in the property yields, is due to the impact of the Covid-19 pandemic, and the resultant changes in real estate and rental market conditions, interest rates, inflation and investment yield expectations. Details of the valuations as at 5 April 2020 are disclosed in note 11 of these financial statements.

Analysis of performance

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

	2020 £	2019 £
Turnover	12,027,723	13,254,638
Investment property cost	166,503,664	251,613,311
Investment property value	112,831,824	226,963,577
Net cash generated from operating activities	5,374,156	8,665,065
Weighted average closing yield by property value	7.5%	5.6%

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 fluctuation in the investment property market which may impact the valuation of the property portfolio, and the recovery of future rental income. The Limited Partnership has treasury and liquidity management procedures in place, which are 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) and operating cash inflows. The Covid-19 pandemic has caused significant uncertainty in the retail, leisure and hospitality sectors, which could have an impact on the Limited Partnership's turnover and profitability. At this present time, the impact cannot be predicted or measured, however a long-term adverse impact to the Limited Partnership is not expected. The value of the investment properties has reduced in both the current and prior years creating an overdrawn non-distributable reserve. Notwithstanding the net liabilities position at the year end, the General Partner is content with the financial position, and the Limited Partnership continues to hold investment properties for long term cash flow generation and capital appreciation. The General Partner considers the Limited Partnership to be a going concern, for which further disclosure is included in accounting policy 2.2 of these financial statements.

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: 29-01-21

BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP

GENERAL PARTNER'S REPORT FOR THE YEAR ENDED 5 APRIL 2020

Richard Aitch Limited (the 'General Partner') presents its report and the financial statements for the year ended 5 April 2020.

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 (a qualifying 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. Further details are included in the Strategic Report on page 2 of these financial statements.

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 14 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), as applied to qualifying partnerships, of which 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 Partners and signed on its behalf by:



The Lord Graham Kirkham CVO

On behalf of Richard Aitch Limited, the General Partner

Date: 29.01.21

BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP

GENERAL PARTNER'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 5 APRIL 2020

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, as applied to qualifying partnerships. 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.

BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP

INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP FOR THE YEAR ENDED 5 APRIL 2020

Opinion

We have audited the financial statements of Black Diamond Investments Limited Partnership (the 'qualifying partnership') for the year ended 5 April 2020, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 5 April 2020 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, as applied to qualifying partnerships.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the qualifying partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Partners' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Partners have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the qualifying partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Emphasis of matter

We draw your attention to note 11 of the financial statements which describes the uncertainty of the valuation of the Limited Partnership's investment property portfolio. Our opinion is not modified in respect of this matter.

BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP

INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP FOR THE YEAR ENDED 5 APRIL 2020 (CONTINUED)

Other information

The Partners are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006, as applied to qualifying partnerships

In our opinion, based on the work undertaken in the course of the audit:

- 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 the financial statements; and
- the Strategic Report and the General Partner's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the qualifying partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the General Partner's Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, as applied to qualifying 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
- 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.

Responsibilities of Partners

As explained more fully in the General Partner's Responsibilities Statement on page 4, the Partners are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Partners determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Partners are responsible for assessing the qualifying partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Partners either intend to liquidate the qualifying partnership or to cease operations, or have no realistic alternative but to do so.

BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP

INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP FOR THE YEAR ENDED 5 APRIL 2020 (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the qualifying partnership's Partners, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied to qualifying partnerships. Our audit work has been undertaken so that we might state to the qualifying partnership's Partners those matters we are required to state to them in the 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 qualifying partnership and the qualifying partnership's Partners, as a body, for our audit work, for this report, or for the opinions we have formed.



**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: 16 February 2021

BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 5 APRIL 2020**

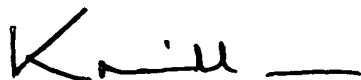
	Note	2020 £	2019 £
Turnover	4	12,027,723	13,254,638
Cost of sales		(189,492)	(373,748)
Gross profit		<u>11,838,231</u>	<u>12,880,890</u>
Administrative expenses		(3,378,238)	(3,328,543)
Profit on sale of investment properties		3,970,164	-
Fair value movements in relation to investment properties	11	(30,869,779)	(10,544,872)
Operating loss	7	<u>(18,439,622)</u>	<u>(992,525)</u>
Other interest receivable and similar income		229,767	2,879
Loss for the financial year		<u><u>(18,209,855)</u></u>	<u><u>(989,646)</u></u>

BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP

BALANCE SHEET
AS AT 5 APRIL 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible fixed assets	9	43,663	54,233
Fixed asset investments	10	307,348	295,358
Investment properties	11	112,831,824	226,963,577
		<u>113,182,835</u>	<u>227,313,168</u>
Current assets			
Debtors	12	4,190,737	27,232,538
Cash at bank and in hand		88,815,172	4,684,664
		<u>93,005,909</u>	<u>31,917,202</u>
Creditors: amounts falling due within one year	13	<u>(249,040,833)</u>	<u>(274,317,378)</u>
Net current liabilities		<u>(156,034,924)</u>	<u>(242,400,176)</u>
Total assets less current liabilities		<u>(42,852,089)</u>	<u>(15,087,008)</u>
Net liabilities		<u>(42,852,089)</u>	<u>(15,087,008)</u>
Capital and reserves			
Capital accounts	15	7,500	7,500
Unallocated profit	15	10,812,251	9,555,226
Non-distributable reserve	15	<u>(53,671,840)</u>	<u>(24,649,734)</u>
		<u>(42,852,089)</u>	<u>(15,087,008)</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: 29-01-21

The notes on pages 12 to 21 form part of these financial statements

BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 5 APRIL 2020**

	Non-distributable reserve £	Capital accounts £	Unallocated profit £	Total equity £
At 6 April 2019	(24,649,734)	7,500	9,555,226	(15,087,008)
Loss for the year	-	-	(18,209,855)	(18,209,855)
Profits allocated during the year	-	-	(9,555,226)	(9,555,226)
Transfer net loss on revaluation of investment properties	(30,869,779)	-	30,869,779	-
Realisation of fair value adjustments	1,847,673	-	(1,847,673)	-
At 5 April 2020	(53,671,840)	7,500	10,812,251	(42,852,089)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 5 APRIL 2019**

	Non-distributable reserve £	Capital accounts £	Unallocated profit £	Total equity £
At 6 April 2018	(14,104,862)	7,500	10,239,715	(3,857,647)
Loss for the year	-	-	(989,646)	(989,646)
Profits allocated during the year	-	-	(10,239,715)	(10,239,715)
Transfer net loss on revaluation of investment properties	(10,544,872)	-	10,544,872	-
At 5 April 2019	(24,649,734)	7,500	9,555,226	(15,087,008)

BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 5 APRIL 2020**

	2020 £	2019 £
Cash flows from operating activities		
Loss for the financial year	(18,209,855)	(989,646)
Adjustments for:		
Depreciation of tangible assets	23,647	19,073
Profit on sale of investment property	(3,970,164)	-
Interest received	(229,767)	(2,879)
Increase in debtors	(2,061,666)	(85,402)
Decrease in creditors	(1,047,818)	(820,953)
Fair value loss on investment properties	30,869,779	10,544,872
Net cash generated from operating activities	<u>5,374,156</u>	<u>8,665,065</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(13,077)	(38,491)
Purchase of investment properties	(327,362)	(53,545)
Proceeds from the sale of investment properties	87,559,500	-
Purchase of fixed asset investments	(11,990)	-
Interest received	229,767	2,879
Net cash from investing activities	<u>87,436,838</u>	<u>(89,157)</u>
Cash flows from financing activities		
Amounts advanced to members	(8,680,486)	(7,172,922)
Net cash used in financing activities	<u>(8,680,486)</u>	<u>(7,172,922)</u>
Net increase in cash and cash equivalents	84,130,508	1,402,986
Cash and cash equivalents at beginning of year	4,684,664	3,281,678
Cash and cash equivalents at the end of year	<u><u>88,815,172</u></u>	<u><u>4,684,664</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u><u>88,815,172</u></u>	<u><u>4,684,664</u></u>

BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2020

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 functional and presentational currency is Pounds Sterling.

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 Covid-19 coronavirus pandemic has caused significant uncertainty in the retail, leisure and hospitality sectors, which could have an impact on the Limited Partnership's turnover and profitability. At this present time, the impact cannot be predicted or measured, however a long-term adverse impact to the Limited Partnership is not expected.

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.

BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2020

2. Accounting policies (continued)

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.

2.4 Tangible fixed assets

Tangible fixed assets, other than investment properties, 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.

BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2020

2. Accounting policies (continued)

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.

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.

BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2020

2. Accounting policies (continued)

2.8 Financial instruments (continued)

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.

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. The accumulation of losses in the non-distributable reserve does not affect the Limited Partnership's ability to allocate the trading profit of the business.

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 2020

2. Accounting policies (continued)

2.15 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Limited Partnership but are presented separately due to their size or incidence.

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 11 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 9 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 12 for the net carrying amount of debtors.

4. Turnover

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

	2020 £	2019 £
Rental income derived from operating leases	11,967,863	13,197,917
Turnover from the rendering of services	59,860	56,721
	<u>12,027,723</u>	<u>13,254,638</u>

All turnover arose within the United Kingdom.

BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2020****5. Operating lease arrangements as lessor**

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

	2020 £	2019 £
Not later than 1 year	8,026,064	12,129,691
Later than 1 year and not later than 5 years	29,030,571	44,953,537
Later than 5 years	37,717,027	105,128,229
	<u>74,773,662</u>	<u>162,211,457</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. Exceptional items

Profit on sale of investment properties presented separately in the Profit and Loss Account of £3,970,164 (2019 - £nil) relates to the profit on sale of two investment properties during the year.

7. Operating loss

The operating loss is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	23,647	19,073
Bad debt expense	-	502,395
Fees payable to the limited partnership's auditor and its associates for the audit of the limited partnership's annual financial statements	6,250	5,400
Operating leases expenditure	33,240	24,930
Defined contribution pension cost	9,714	8,419
	<u>72,851</u>	<u>549,217</u>

8. Employees

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	1,161,670	1,150,595
Social security costs	151,232	149,522
Pension costs	9,714	8,419
	<u>1,322,616</u>	<u>1,308,536</u>

During the year the average monthly number of (administrative) employees, including Partners was 11 (2019 - 11).

BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2020**

9. Tangible fixed assets

	Leasehold land and buildings £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 6 April 2019	107,265	219,032	113,561	57,221	497,079
Additions	-	-	-	13,077	13,077
At 5 April 2020	107,265	219,032	113,561	70,298	510,156
Depreciation					
At 6 April 2019	88,217	186,203	113,561	54,865	442,846
Charge for the year	10,727	9,564	-	3,356	23,647
At 5 April 2020	98,944	195,767	113,561	58,221	466,493
Net book value					
At 5 April 2020	8,321	23,265	-	12,077	43,663
At 5 April 2019	19,048	32,829	-	2,356	54,233

10. Fixed asset investments

	Other fixed asset investments £
Valuation	
At 6 April 2019	295,358
Additions	11,990
At 5 April 2020	307,348

The net book value as at 5 April 2020 was £307,348 (2019 - £295,358).

BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2020****11. Investment properties**

	Investment properties £
Valuation	
At 6 April 2019	226,963,577
Additions at cost	327,362
Disposals	(83,589,336)
Fair value adjustment	(30,869,779)
At 5 April 2020	112,831,824

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.

As at 5 April 2020, the Covid-19 coronavirus pandemic was impacting the real estate market and national lockdown restrictions had significantly affected the performance of the tenants that occupy the properties owned by the Limited Partnership. The Covid-19 coronavirus pandemic has caused significant uncertainty in the retail, leisure and hospitality sectors, which have an impact on the tenants' turnover, profitability and business models. Additionally, the commercial property market has been significantly disrupted by the pandemic. Lockdown restrictions mean that site visits and surveys have been postponed, and there has been a significant reduction in the number of commercial property transactions. This has subsequently resulted in the decline in the availability of accurate and reliable market data, and therefore at the present time, it is considered impractical to reliably measure the value of these investment properties.

12. Debtors

	2020 £	2019 £
Trade debtors	1,126,019	118,481
Partners' current account	-	25,103,467
Other debtors	492,388	314,191
Prepayments and accrued income	2,572,330	1,696,399
	4,190,737	27,232,538

Included within prepayments and accrued income is £1,705,262 (2019 - £906,085) which is receivable in more than one year.

BLACK DIAMOND INVESTMENTS LIMITED PARTNERSHIP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2020****13. Creditors: amounts falling due within one year**

	2020 £	2019 £
Trade creditors	785,881	891,784
Partners' loan accounts	162,305,809	247,742,818
Partners' current account	83,847,583	22,639,301
Taxation and social security	356,245	541,936
Other creditors	236,174	86,574
Accruals and deferred income	1,509,141	2,414,965
	<u>249,040,833</u>	<u>274,317,378</u>

14. 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 £3,583,460 (2019 - £26,650,604).

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 £247,022,592 (2019 - £271,350,429).

15. 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.

16. 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 £9,714 (2019 - £8,419).

Contributions totalling £2,204 (2019 - £869) 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 2020

17. Commitments under operating leases

At 5 April 2020 the Limited Partnership had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	8,310	33,240
Later than 1 year and not later than 5 years	-	8,310
	<u>8,310</u>	<u>41,550</u>

18. Related party transactions

During the year, the Limited Partners were advanced £8,680,486 (2019 - £7,172,921) and each received a profit share of £3,185,075 (2019 - £3,413,238). At the reporting date the total amount due to the Limited Partners amounted to £246,153,391 (2019 - £245,278,651).

During the year, the Limited Partnership incurred expenses amounting to £15,785 (2019 - £111,727) on behalf of, charged rent of £75,000 (2019 - £75,000) to, wrote off £nil (2019 - £437,183) and recharged management fees of £59,860 (2019 - £56,721) to entities under common control. At the reporting date the amount due from these entities amounted to £354,123 (2019 - £278,478).

During the year, the Limited Partnership paid a salary of £800,000 (2019 - £800,000) to a close family member of a partner. At the reporting date the amount due from the Limited Partnership was £nil (2019 - £nil).

During the year, the Limited Partnership incurred expenses amounting to £nil (2019 - £65,212), and wrote off £nil (2019 - £65,212) on behalf of an entity of which a partner is a director shareholder. At the reporting date the amount due from this entity was £nil (2019 - £nil).

19. 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.