

GL (Leatherhead) LLP

**Annual report and consolidated financial
statements**

For the period from 7 June 2022 to 31 December 2022

Partnership No. OC442566



GL (Leatherhead) LLP

Annual report and consolidated financial statements for the period from 7 June 2022 to 31 December 2022

Contents

Page

2	Partnership Information
3	Designated Members' Report
5	Statement of Designated Members' Responsibilities
6	Independent Auditor's Report
9	Group Income Statement
10	Group Statement of Financial Position
11	LLP Statement of Financial Position
12	Group and LLP Statement of Changes in Equity
13	Notes to the financial statements

GL (Leatherhead) LLP

Annual report and consolidated financial statements for the period from 7 June 2022 to 31 December 2022

Partnership Information

Designated Members

Stichting Depositary APG Strategic Real Estate Pool
DOOR, S.L.P.

Members

2K Limited

Date of incorporation

7 June 2022

Partnership number

OC442566

Registered office

6th Floor Lansdowne House
Berkeley Square
London
W1J 6ER
United Kingdom

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF
United Kingdom

GL (Leatherhead) LLP

Annual report and consolidated financial statements for the period from 7 June 2022 to 31 December 2022

Designated Members' Report

The Members present their first report and financial statements for the period from 7 June 2022 to 31 December 2022, following the incorporation of the Partnership on 7 June 2022.

Principal activities

The principal activity of GL (Leatherhead) LLP ("the LLP" or "the Partnership") and its subsidiaries (the "Group") is the development of and investment in build to rent property in Leatherhead.

Going concern

The financial statements have been prepared on a going concern basis. The Members have prepared cashflow forecasts for the period to 31 August 2024 in order to assess the requirements of the Partnership over that period (the "going concern period"). Following an amendment to the LLP agreement, which governs Member funding, subsequent to the period end, the Partnership has the ability to draw on equity commitments from its investors up to an amount of £77.1m, with £34.5m drawn as at the period end date. Based on the Partnership's forecast cash flows and applied sensitivities, this is sufficient to fund liabilities to at least 31 August 2024. The Partnership and the Group have sufficient cash resources to meet its liabilities as they fall due at all times throughout the going concern period. Therefore, the Members consider that the Partnership and the Group have sufficient funds to meet cashflows as they fall due over the going concern period.

Principal risks and uncertainties and key performance indicators

In the opinion of the Members, the major risk faced by the Group is if the Group experiences financial difficulties due to lack of funding to proceed with the development of the investment property under construction. Therefore the completion of the project would be hindered and may fall behind schedule. This risk is mitigated as the Group can access committed equity contributions from its Members to support its development spend for the remainder of the project. In addition, the Group is also subject to inflation risk which is mitigated through entry into a forward funding agreement for the completion of the development contract which is a fixed price contract.

The Partnership's key performance indicators are:

	31 December 2022
	£000
Net assets	34,417

Members indemnity

The Designated Members are entitled to be indemnified by the Partnership against any liability, loss or expenditure incurred in connection with their duties, powers or office, to the extent permitted by statute.

Designated Members

The following Designated Members have held office since incorporation on 7 June 2022, and up to the date of this Report:

Stichting Depositary APG Strategic Real Estate Pool

DOOR, S.L.P.

No distributions were made to the Members in the current period.

Events after the reporting period

The LLP has received £13.0m of equity funding from its Members since the balance sheet date. On 3 March 2023 the LLP Agreement was amended whereby the Partnership the ability to draw on equity commitments from its investors up to an amount of £77.1m. Prior to the amendment of the LLP Agreement the amount available to draw was £36.9m.

There have been no other events or conditions since the balance sheet date that indicate any adjustment would be required to the financial statements.

GL (Leatherhead) LLP

Annual report and consolidated financial statements for the period from 7 June 2022 to 31 December 2022

Designated Members' Report (continued)

Disclosure of information to auditors

The Designated Members who were Members of the Partnership at the time of approving the Designated Members' report are shown above. Having made enquiries of the Partnership's auditors, the Designated Members confirm that:

- to the best of their knowledge and belief, there is no information relevant to the preparation of its report of which the auditors are not aware; and
- the Designated Members have taken all the steps they may reasonably be expected to have taken to be aware of relevant audit information and to establish that the Partnership's auditors are aware of this information.

Auditors

Ernst & Young LLP were appointed auditors to the Partnership and a resolution proposing that they be reappointed will be put to the Annual General Meeting.

Small Partnerships' exemption

In preparing the report and financial statements, the Members have taken advantage of the small partnerships' exemption provided under the Companies Act 2006. The Members have also taken advantage of the exemption provided under Section 414B of the Companies Act 2006 from the requirement to produce a Strategic Report for the period.

Approved by the Board and signed on behalf of the Board.



Marc Haslam

For and on behalf of **DOOR, S.L.P.**

Designated Member

28 July 2023

GL (Leatherhead) LLP

Annual report and consolidated financial statements for the period from 7 June 2022 to 31 December 2022

Statement of Designated Members' Responsibilities

The Designated Members are responsible for preparing the Designated Members' report and financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Designated Members to prepare financial statements for each financial period. Under that law the Designated Members have elected to prepare the Partnership financial statements in accordance with Financial Reporting Standard FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). Under company law the Designated 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 Partnership and of the Income Statement of the Partnership for that period.

In preparing these financial statements, the Designated Members are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Partnership's financial position and financial performance;
- in respect of the Partnership financial statements, state whether FRS 102 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Partnership will not continue in business.

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

Under applicable law and regulations, the Designated Members are also responsible for preparing a Designated Members' report that complies with that law and those regulations. The Designated Members are responsible for the maintenance and integrity of the corporate and financial information included on the Partnership's website.

Independent Auditor's Report to the Designated Members of GL (Leatherhead) LLP

Opinion

We have audited the financial statements of GL (Leatherhead) Limited Liability Partnership ('the LLP') and its subsidiaries (the 'group') for the period ended 31 December 2022 which comprise the group Income Statement, the group Statement of Comprehensive Income, the group and LLP Statement of Financial Position, the group and LLP Statement of Changes in Equity and the related notes 1 to 15, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland.'

In our opinion the financial statements:

- give a true and fair view of the state of the group's and LLP's affairs as at 31 December 2022 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability 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 Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 1 to the financial statements, 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

In auditing the financial statements, we have concluded that the Designated Members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and LLP's ability to continue as a going concern for the period to 31 August 2024.

Our responsibilities and the responsibilities of the Designated Members with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group and LLP's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Designated Members are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Designated Members of GL (Leatherhead) LLP (continued)

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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; or
- the Designated Members were not entitled to prepare financial statements in accordance with the small limited liability partnerships' regime

Responsibilities of members

As explained more fully in the Designated Members' Responsibilities Statement on page 5, the Designated Members 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 Designated Members 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 Designated Members are responsible for assessing the group and LLP'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 Designated Members either intend to liquidate the group or the LLP or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Independent Auditor's Report to the Designated Members of GL (Leatherhead) LLP (continued)

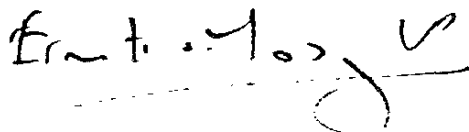
Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and LLP and determined that the most significant are the Companies Act 2006, FRS 102 and the Limited Liability Partnership Agreement.
- We understood how the LLP is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures to understand how the LLP maintains and communicates its policies and procedures in these areas. Based on this understanding, we designed our audit procedures to identify noncompliance with such laws and regulations. We corroborated our enquiries through our review of minutes of meetings of the Designated Members and through review of the Limited Liability Partnership Agreement under which the LLP is managed.
- We assessed the susceptibility of the Group and LLP's financial statements to material misstatement, including how fraud might occur by considering the risk of management override. This included inquiries with management to understand where they considered there was susceptibility to fraud; determining which account balances are subjective in nature; understanding the Partnership's key performance indicators; understanding the basis for the valuation of investment property under construction and considering the processes and controls which the LLP has established to prevent and detect fraud.
- We performed audit procedures to address each identified fraud risk. Our procedures included using relevant EY valuation specialists in the audit of investment property valuations and testing to identify any instances of management override of controls, including journal entry testing with a focus on journals indicating large or unusual transactions based on our understanding of the business. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud and error.

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

Use of our report

This report is made solely to the Designated Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to Limited Liability Partnerships. Our audit work has been undertaken so that we might state to the Designated Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's Designated Members as a body, for our audit work, for this report, or for the opinions we have formed.



Adrian Mulea (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date: 31 July 2023

GL (Leatherhead) LLP

Annual report and consolidated financial statements for the period from 7 June 2022 to 31 December 2022

Group Income Statement

		Period ended 31 December 2022
	Note	£000
Administrative expenses		(84)
Valuation gain on investment property	5	10
Operating loss	2	(74)
Interest receivable and similar income		2
Loss before taxation		(72)
Taxation	3	(11)
Loss for the period		(83)

The Group income statement relates to continuing activities.

Group Statement of Comprehensive Income

The Group has no comprehensive income other than the results for the period as set out above.

GL (Leatherhead) LLP

Annual report and consolidated financial statements for the period from 7 June 2022 to 31 December 2022

Group Statement of Financial Position

Partnership No. OC442566		31 December 2022
	Note	£000
Fixed assets		
Investment property under construction	5	30,350
Current assets		
Debtors	6	65
Cash at bank	7	6,473
		6,538
Current liabilities		
Creditors: amounts falling due within one year	8	(2,187)
Tax payable	3	(11)
		4,340
Net current assets		4,340
Creditors: amounts falling due after more than one year	8	(273)
Net assets		34,417
Capital and reserves		
Members' capital contribution account - classified as equity	9	34,500
Attributable loss	9	(83)
		34,417
Total Members' interests:		
Members' capital contribution account - classified as equity	9	34,500
Attributable loss	9	(83)
		34,417

These accounts have been prepared under the special provisions applicable to entities subject to the small LLPs regime.

The notes on pages 13 to 21 form an integral part of these financial statements.

The financial statements were approved by the Board on 27 July 2023 were signed on its behalf by:

DocuSigned by:

 36367ACED0A44F8

Marc Haslam

For and on behalf of **DOOR, S.L.P.**
 Designated Member

28 July 2023

GL (Leatherhead) LLP

Annual report and consolidated financial statements for the period from 7 June 2022 to 31 December 2022

LLP Statement of Financial Position

Partnership No. OC442566		31 December 2022
	Note	£000
Fixed assets		
Investment in subsidiary undertakings	4	-
Current assets		
Debtors	6	34,450
Cash at bank	7	26
		34,476
Creditors: amounts falling due within one year	8	(25)
Net current assets		34,451
Net assets		34,451
Capital and reserves		
Members' capital contribution account - classified as equity	9	34,500
Attributable loss	9	(49)
		34,451
Total Members' interests:		
Members' capital contribution account - classified as equity	9	34,500
Attributable loss	9	(49)
		34,451

The financial statements have been prepared and delivered under the special provisions applicable to entities subject to the small LLPs regime. The LLP's own profit and loss account has not been filed.

The loss attributable to the parent LLP for the period was £49k.

The notes on pages 13 to 21 form an integral part of these financial statements.

The financial statements were approved by the Board on 27 July 2023 were signed on its behalf by:

DocuSigned by:


Marc Haslam

For and on behalf of
Designated Member

28 July 2023

GL (Leatherhead) LLP

Annual report and consolidated financial statements for the period from 7 June 2022 to 31 December 2022

Group and LLP statement of changes in equity

Group

	Members' capital contribution account - classified as equity	Attributable loss	Total Members interests
	£000	£000	£000
Balance at 7 June 2022	-	-	-
Equity contributions	34,500	-	34,500
Loss for the period	-	(83)	(83)
As at 31 December 2022	34,500	(83)	34,417

LLP

	Members' capital contribution account - classified as equity	Attributable loss	Total Members interests
	£000	£000	£000
Balance at 7 June 2022	-	-	-
Equity contributions	34,500	-	34,500
Loss for the period	-	(49)	(49)
As at 31 December 2022	34,500	(49)	34,451

GL (Leatherhead) LLP

Annual report and consolidated financial statements for the period from 7 June 2022 to 31 December 2022

Notes to the financial statements

1. Accounting policies

1.1 Statement of compliance

GL (Leatherhead) LLP is a limited liability partnership, incorporated and domiciled in England and Wales. The LLP was incorporated on 7 June 2022 and these financial statements are prepared for the LLP's first accounting period. The principal activity of the Group is the development of and investment in build to rent property in Leatherhead. Its registered office is at 6th Floor, Lansdowne House, Berkeley Square, London, W1J 6ER.

The financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Group and the LLP for the period ended 31 December 2022. The Group and the LLP meets the criteria of a 'small entity' in accordance with Section 1A of the standards and has chosen to apply the small entities regime. Both the Group and the LLP apply the exemptions available to a small entity.

The Group prepares consolidated financial statements as required in accordance with the Limited Liability Partnership Agreement.

1.2 Basis of preparation

The Group and the LLP financial statements of GL (Leatherhead) LLP for the period to 31 December 2022 were approved and authorised for issue by the Board on behalf of the Members on 27 July 2023. The financial statements were prepared in Sterling, which is the functional currency of the Group and LLP.

1.3 Basis of consolidation

The Group financial statements consolidate the financial statements of the Partnership and its subsidiary undertakings drawn up to 31 December each year.

No income statement is presented for the LLP as permitted by section 408 of the Companies Act 2006.

1.4 Judgements and estimates

The preparation of financial statements under UK accounting standards requires the use of critical judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates and assumptions concerning the future, and the accounting results of those estimates may not equal the related actual results.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the relevant notes forming part of these financial statements as discussed below.

Key Judgements

There are no key judgements applicable to the Group.

GL (Leatherhead) LLP

Annual report and consolidated financial statements for the period from 7 June 2022 to 31 December 2022

Notes to the financial statements (continued)

1. Accounting policies (continued)

1.4 Judgements and estimates (continued)

Key estimates

Valuation of investment property under construction (note 5)

Valuations of the Group's properties are performed through the use of third party specialists CBRE Limited. The Group considers the use of professional external valuers, in accordance with the latest RICS Valuation Standards in the United Kingdom, sufficient to reduce but not eliminate the valuation uncertainty. Valuations are performed at each period end after consideration of the market value, based on the following:

- information provided by management including capital expenditure and future development opportunities based on planning permissions held or sought and corporate structures in which respective properties are held
- market assumptions derived from their own independent assessment and market observations

Market value is defined as the estimated amount for which a property should exchange on the date of valuation between willing buyer and seller in an arm's length transaction without compulsion.

Other sources of estimation uncertainty

Promote arrangement

Under the terms of the Limited Partnership Agreement, a fee is payable if certain performance hurdles are met. As at 31 December 2022, it was determined no amounts would be payable under this arrangement.

1.5 Going concern

The financial statements have been prepared on a going concern basis. The Members have prepared cashflow forecasts for the period to 31 August 2024 in order to assess the requirements of the Partnership over that period (the "going concern period"). Following an amendment to the LLP agreement, which governs Member funding, subsequent to the period end, the Partnership has the ability to draw on equity commitments from its investors up to an amount of £77.1m, with £34.5m drawn as at the period end date. Based on the Partnership's forecast cash flows and applied sensitivities, this is sufficient to fund liabilities to at least 31 August 2024. The Partnership and the Group have sufficient cash resources to meet its liabilities as they fall due at all times throughout the going concern period. Therefore, the Members consider that the Partnership and the Group have sufficient funds to meet cashflows as they fall due over the going concern period.

1.6 Cash flow statement

The Group has taken advantage of the exemption in FRS 102 Section 1A.8 from the requirement to produce a cash flow statement on the grounds that it is a small partnership.

1.7 Related party transactions

The Group has taken advantage of the exemption in FRS 102 Section 1A from the requirement to disclose related party transactions within the Group where they are in the normal course of business under normal market conditions.

GL (Leatherhead) LLP

Annual report and consolidated financial statements for the period from 7 June 2022 to 31 December 2022

Notes to the financial statements (continued)

1. Accounting policies (continued)

1.8 Taxation

Tax to be paid on the profits arising in the LLP are a personal tax liability of the Members of the LLP and therefore are not included as a tax charge or provision within these financial statements. Tax as presented within these financial statements represents tax arising from other group undertakings included in the consolidated financial statements of the LLP.

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to receive more tax, with the following exceptions:

- Deferred tax is measured on an undiscounted basis at the rates that are expected to apply in the periods in which timing differences reverse, based on tax rates enacted or substantively enacted at the balance sheet date.
- Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be used.

1.9 Debtors and creditors

Debtors and creditors with no stated interest rate are recorded at transaction price. Any losses arising from impairment are recognised in the income statement under other operating expenses.

1.10 Investment properties under construction

Investment properties are initially recognised at cost in the financial statements at the point the Group obtains control of the risks and rewards of ownership. The cost of investment properties is their purchase cost, together with any incidental costs of acquisition. Qualifying spend on the asset is capitalised to the cost base of the investment property under construction. The investment property is revalued annually on a market basis by an independent third party assessment from CBRE Limited of the market value. Any revaluation surplus or deficit arising is recognised in the profit and loss account. No depreciation or amortisation is provided in respect of investment property.

1.11 Cash at bank

Cash at bank comprises cash at bank and short-term deposits with an original maturity of three months or less.

1.12 Members' participations

Members' participation give rise to a number of rights, obligation and entitlements which result in the recognition by the Partnership of various assets, liabilities and residual interests in its net assets (i.e. equity) as set out below.

Members' capital contribution account

Members' capital contribution account is repayable only by approval by the Board, when membership ceases or on dissolution of the LLP. Capital contributions are therefore accounted for as equity.

Attributable profits and losses

Profits and losses are allocated on a pro-rata basis by the number of units held by each Member.

Members' interests

Members' other interest include profits/losses to be divided and other equity reserves. In the event of winding up, Members' other interests along with Members' capital rank after unsecured creditors. Total Members' interests represents the Partnership's equity and Members' capital and loan accounts, less amounts due from Members.

GL (Leatherhead) LLP

Annual report and consolidated financial statements for the period from 7 June 2022 to 31 December 2022

Notes to the financial statements (continued)

2. Operating loss

	Period ended 31 December 2022	Period ended 31 December 2022
<i>This is stated after charging:</i>	Group	LLP
	£000	£000
Auditor's remuneration for audit of financial statements	32	21

3. Taxation

	Period ended 31 December 2022
	Group
	£000
<i>Factors affecting the tax charge for the period:</i>	
Loss on ordinary activities before taxation	(72)
Loss before taxation multiplied by the standard rate of UK corporate tax of 19%	(14)
<i>Effect of:</i>	
Valuation gain on investment property	(1)
Unrelieved losses carried forward	6
Effects of different rates of tax	(5)
Costs attributable to Members of the LLP	9
Other items	16
Total tax charge	11

The Group has unrecognised deferred tax assets at 31 December 2022 in respect of tax losses of £6,229. The deferred tax assets have not been recognised on the basis that it is not sufficiently certain that suitable taxable profits will arise against which to offset them.

Deferred tax is calculated at 25%, being the rate substantively enacted at the Statement of Financial Position date.

No provision for taxation has been made in respect of the LLP as each Member will be responsible for their own tax liability.

Factors that may affect future tax charges

The standard rate of UK corporation tax is 19% and this took effect from 1 April 2017. The Finance Act 2021 increases the standard rate of UK Corporation tax from 19% to 25% with effect from 1 April 2023.

GL (Leatherhead) LLP

Annual report and consolidated financial statements for the period from 7 June 2022 to 31 December 2022

Notes to the financial statements (continued)

4. Investment in subsidiary undertakings

The principal subsidiaries of which the Partnership holds 100% of the issued ordinary share capital are as follows. Each investment has a value of £1.

Subsidiary undertaking	Country of incorporation	Date of incorporation	Nature of business
GL Group (Leatherhead) Holdco 1 Limited	United Kingdom	8 June 2022	Real estate administration
GL Group (Leatherhead) Holdco 2 Limited	United Kingdom	9 June 2022	Real estate administration
GL Group (Leatherhead) One Limited	United Kingdom	9 June 2022	Guarantor company
GL Group (Leatherhead) Limited	United Kingdom	10 June 2022	Real estate investment
GL Group (Leatherhead) Developments Limited	United Kingdom	10 June 2022	Real estate development

GL (Leatherhead) LLP has a direct shareholding of 100% in GL Group (Leatherhead) Holdco 1 Limited, a newly incorporated entity during the period. GL (Leatherhead) LLP has an indirect 100% shareholding in the other Group entities.

GL (Leatherhead) LLP

*Annual report and consolidated financial statements for the period from 7 June 2022 to 31 December 2022***Notes to the financial statements (continued)****5. Investment property under construction**

	31 December 2022
	Group
	£000
Opening balance	-
Acquisition of land	19,955
Development expenditure	10,385
Gain on revaluation	10
Closing balance	30,350

Development commenced on the Leatherhead site in 2022, with practical completion anticipated in 2025. The valuations were undertaken in accordance with RICS Valuation Standards, Sixth Edition in the United Kingdom by CBRE, who are qualified for the purpose of the valuation in accordance with the RICS valuation standard. The property is in the course of development and the residual valuation method is used, based on the following:

- information provided by management including capital expenditure and future development opportunities based on planning permissions held or sought and corporate structures in which respective properties are held
- market assumptions derived from their own independent assessment and market observations

The valuation of the Partnership's investment properties is inherently subjective due to, among other factors, the individual nature of each property, its location, and the expected future cash flows from the property. As a result, the valuations the Partnership places on its investment properties are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the property market.

The investment property valuations contain a number of assumptions upon which the Partnership's valuer has based its valuations. The assumptions on which the property valuation reports have been based include, but are not limited to, matters such as the tenure and tenancy details for the properties once the development is completed, ground conditions at the property, the structural condition of the land, prevailing market yields and comparable market transactions. For investment properties measured at fair value, the current intended use of the property is considered the highest and best use.

GL (Leatherhead) LLP

Annual report and consolidated financial statements for the period from 7 June 2022 to 31 December 2022

Notes to the financial statements (continued)

6. Debtors

	31 December 2022	31 December 2022
	Group	LLP
	£000	£000
Prepayments	46	-
Amounts due from group undertakings	-	34,450
Other taxes	19	-
	65	34,450

The amounts due from group undertakings are interest-free and repayable on demand and relate to Member funding advanced to subsidiary entities. Other taxes relates to VAT receivable.

7. Cash at bank

	31 December 2022	31 December 2022
	Group	LLP
	£000	£000
Cash at bank	6,473	26
	6,473	26

8. Creditors

Amounts falling due within one year

	31 December 2022	31 December 2022
	Group	LLP
	£000	£000
Accruals	2,187	25
	2,187	25

The accruals balance as at 31 December 2022 primarily relate to development costs accrued for works on the Leatherhead site.

Amounts falling due after more than one year

	31 December 2022	31 December 2022
	Group	LLP
	£000	£000
Retention liability	273	-
	273	-

The retention liability is due to the development contractor of the property currently under construction, and is due to be settled as 50% upon practical completion and 50% two years following practical completion.

GL (Leatherhead) LLP

Annual report and consolidated financial statements for the period from 7 June 2022 to 31 December 2022

Notes to the financial statements (continued)

9. Members' interests

Group - classified as equity

	Members' capital contribution account - classified as equity	Attributable loss	Total equity
	£000	£000	£000
At 7 June 2022	-	-	-
Capital introduced by Members	34,500	-	34,500
Loss for the period	-	(83)	(83)
At 31 December 2022	34,500	(83)	34,417

	At 7 June 2022	Units issued	Attributable loss	At 31 December 2022
	£000	£000	£000	£000
DOOR SLP	-	17,250	(41.5)	17,208.5
Stichting Depositary APG Strategic Real Estate Pool	-	17,250	(41.5)	17,208.5
2K Limited	-	-	-	-
	-	34,500	(83)	34,417

Under the Limited Liability Partnership Agreement, any profits of the Partnership, after payment of all expenses and return of capital, will be distributed amongst the Partners pro-rata to their capital contributions, subject to the promote arrangement (explained in note 1.4) should certain performance hurdles be met. At 31 December 2022 no promote payments were due to 2K Limited and therefore no profits were distributed.

LLP - classified as equity

	At 7 June 2022	Units issued	Attributable loss	At 31 December 2022
	£000	£000	£000	£000
DOOR SLP	-	17,250	(24.5)	17,225.5
Stichting Depositary APG Strategic Real Estate Pool	-	17,250	(24.5)	17,225.5
2K Limited	-	-	-	-
	-	34,500	(49)	34,451

10. Employees

The Partnership did not have any employees during the period. The Designated Members and Members did not receive emoluments or fees from the Partnership for their duties as Members during the period.

Notes to the financial statements (continued)

11. Related party transactions

GL (Leatherhead) LLP is the smallest and largest group preparing consolidated financial statements which include the LLP. There is no ultimate parent company because the Partnership is jointly owned and controlled by:

- (i) DOOR SLP, a limited partnership registered and incorporated in Jersey; and
- (ii) Stichting Depositary APG Strategic Real Estate Pool, a pension fund asset manager based in the Netherlands.

For the same reason, there are no smallest and largest group into which the Partnership is consolidated.

A total of £58k was charged to the Group by Get Living London Limited, an entity under common control, during the period for incurred development advisory fees. These fees were capitalised to the investment property cost base. A total of £58k was payable to Get Living London Limited at the period end date.

As permitted in accordance with FRS 102 1A exemptions around related party transaction disclosures within the Group have been taken as they are in the normal course of business under normal market conditions. There are no related party transactions with entities outside the Group other than the equity and development advisory fee transactions disclosed.

12. Commitments

There were capital commitments of £43.6m as at 31 December 2022.

13. Contingent liabilities

There were no contingent liabilities as at 31 December 2022.

14. Subsequent events

The LLP has received £13.0m of equity funding from its Members since the balance sheet date. On 3 March 2023 the LLP Agreement was amended whereby the Partnership the ability to draw on equity commitments from its investors up to an amount of £77.1m. Prior to the amendment of the LLP Agreement the amount available to draw was £36.9m.

There have been no other events or conditions since the balance sheet date that indicate any adjustment would be required to the financial statements.

15. Subsidiary audit exemption

The following subsidiary entities have taken exemption from the requirements relating to the audit of their individual financial statements for the period ended 31 December 2022 by virtue of section 479a of the Companies Act 2006 and the exemption contained therein. Accordingly the LLP has guaranteed the obligations of each of its subsidiary undertakings.

Subsidiary of GL (Leatherhead) LLP	Registration Number	Country of Incorporation
GL Group (Leatherhead) Holdco 1 Limited	14159990	UK
GL Group (Leatherhead) Holdco 2 Limited	14161212	UK