

**Registered number: OC335231**

**East Kent Opportunities LLP**

**Annual report and financial statements**

**For the year ended 31 March 2012**

## **East Kent Opportunities LLP**

### **Contents**

	Page
<b>Information</b>	1
<b>Members' report</b>	2 - 3
<b>Independent auditors' report</b>	4 - 5
<b>Profit and loss account</b>	6
<b>Balance sheet</b>	7
<b>Notes to the financial statements</b>	8 - 12
<p>The following pages do not form part of the statutory financial statements:</p>	
<b>Detailed profit and loss account and summaries</b>	13 - 14

## **East Kent Opportunities LLP**

### **Designated Members**

Kent County Council  
Thanet District Council

**LLP registered number**  
OC335231

**Registered office**  
Sessions House Room S.3.08, County Hall, Maidstone, Kent, ME14 1XG

**Auditors**  
Reeves & Co LLP, 37 St Margaret's Street, Canterbury, Kent, CT1 2TU

## **East Kent Opportunities LLP**

### **Members' report**

#### **For the year ended 31 March 2012**

The members present their annual report together with the audited financial statements of East Kent Opportunities LLP (the LLP) for the year ended 31 March 2012.

### **Principal activities**

The principal object of the LLP is to provide, acquire and develop Manston, KCC Eurokent and TDC Eurokent and any other properties in Kent the members believe appropriate investments.

### **Designated Members**

Kent County Council and Thanet District Council were designated members of the LLP throughout the period.

### **Members' capital and interests**

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

Details of changes in members' capital in the year ended 31 March 2012 are set out in the financial statements.

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

### **Members' responsibilities statement**

The members are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law, as applied to LLPs, requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, as applied to LLPs, the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

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

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

**East Kent Opportunities LLP**

**Members' report (continued)  
For the year ended 31 March 2012**

**Auditors**

The auditors, Reeves & Co LLP, have indicated their willingness to continue in office. The Designated members will propose a motion re-appointing the auditors at a meeting of the members.

This report was approved by the members on \_\_\_\_\_ and signed on their behalf, by:

**Kent County Council**  
Designated member

## East Kent Opportunities LLP

### Profit and loss account For the year ended 31 March 2012

	Note	2012 £	2011 £
<b>Turnover</b>	1	<b>85,257</b>	-
Administrative expenses		<b>(479,513)</b>	(353,344)
		<hr/>	<hr/>
<b>Operating loss</b>	2	<b>(394,256)</b>	(353,344)
Interest receivable and similar income		<b>101</b>	40
Interest payable and similar charges		<b>(6,835)</b>	(774)
		<hr/>	<hr/>
<b>Loss for the financial year before members' remuneration and profit shares available for discretionary division among members</b>		<b>(400,990)</b>	(354,078)
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 8 to 12 form part of these financial statements.

**East Kent Opportunities LLP**  
**Registered number: OC335231**

**Balance sheet**  
**As at 31 March 2012**

	Note	£	2012 £	£	2011 £
<b>Fixed assets</b>					
Tangible assets	3		<b>10,165,489</b>		10,165,489
<b>Current assets</b>					
Debtors	4	<b>5,716,144</b>		5,224,870	
Cash at bank		<b>144,076</b>		9,014	
			<u><b>5,860,220</b></u>	<u>5,233,884</u>	
<b>Creditors:</b> amounts falling due within one year	5	<b>(816,850)</b>		(353,838)	
<b>Net current assets</b>			<u><b>5,043,370</b></u>		4,880,046
<b>Total assets less current liabilities</b>			<u><b>15,208,859</b></u>		15,045,535
<b>Creditors:</b> amounts falling due after more than one year	6		<u><b>(5,247,859)</b></u>		(5,084,535)
<b>Net assets attributable to members</b>			<u><u><b>9,961,000</b></u></u>		<u><u>9,961,000</u></u>
<b>Represented by:</b>					
<b>Equity</b>					
Members' other interests - Other reserves classified as equity under FRS 25			<u><b>9,961,000</b></u>		9,961,000
			<u><u><b>9,961,000</b></u></u>		<u><u>9,961,000</u></u>
<b>Total members' interests</b>					
Amounts due from members (included in debtors)			<u><b>(5,617,117)</b></u>		(5,216,127)
Members' other interests			<u><b>9,961,000</b></u>		9,961,000
	7		<u><u><b>4,343,883</b></u></u>		<u><u>4,744,873</u></u>

The financial statements have been prepared in accordance with the special provisions relating to LLPs subject to the small LLPs regime within Part 15 of the Companies Act 2006 as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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

**Kent County Council**  
 Designated member

**Thanet District Council**  
 Designated member

The notes on pages 8 to 12 form part of these financial statements.

## **East Kent Opportunities LLP**

### **Notes to the financial statements For the year ended 31 March 2012**

#### **1. Accounting policies**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

##### **1.2 Turnover**

Turnover comprises of grants received which are recognised in the profit and loss account in the period in which the expenditure towards which they relate is incurred.

##### **1.3 Tangible fixed assets and depreciation**

Land is recorded at its open market value at the date of the last valuation carried out by professional valuers.

##### **1.4 Members' Participation Rights**

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with the FRSSE (IAS 32) Financial Instruments: Disclosure and Presentation and UITF abstract 39 Members' shares in co-operative entities and similar instruments. A members' participation right results in a liability unless the right to any payment is discretionary on the part of the LLP.

Amounts subscribed or otherwise contributed by members, for example members' capital, are classed as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

Where profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the Profit and Loss Account in the relevant year. To the extent that they remain unpaid at the year end, they are shown as liabilities in the Balance Sheet.

Conversely, where profits are divided only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the Profit and Loss Account and are equity appropriations in the Balance Sheet.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment.

All amounts due to members that are classified as liabilities are presented in the Balance Sheet within 'Loans and other debts due to members' and are charged to the Profit and Loss Account with 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the Balance Sheet within 'Members' other interests'.



## East Kent Opportunities LLP

### Notes to the financial statements For the year ended 31 March 2012

#### 2. Operating loss

The operating loss is stated after charging:

	2012 £	2011 £
Auditors' remuneration	<u>4,500</u>	<u>6,600</u>

#### 3. Tangible fixed assets

	Freehold property £
<b>Cost</b>	
At 1 April 2011 and 31 March 2012	<u>10,165,489</u>
<b>Depreciation</b>	
At 1 April 2011 and 31 March 2012	<u>-</u>
<b>Net book value</b>	
At 31 March 2012	<u>10,165,489</u>
At 31 March 2011	<u>10,165,489</u>

The historical cost is based on an independent professional valuation of the land which was carried out in September 2008 by Savills (L&P) Limited, Chartered Surveyors.

#### 4. Debtors

	2012 £	2011 £
Other debtors	99,027	8,743
Amounts due from members	5,617,117	5,216,127
	<u>5,716,144</u>	<u>5,224,870</u>

## East Kent Opportunities LLP

### Notes to the financial statements For the year ended 31 March 2012

#### 5. Creditors: Amounts falling due within one year

	2012 £	2011 £
Trade creditors	33,157	53,266
Amounts owed to members	619,297	190,000
Social security and other taxes	17,085	-
Other creditors	147,311	110,572
	<u>816,850</u>	<u>353,838</u>

#### 6. Creditors: Amounts falling due after more than one year

	2012 £	2011 £
Other loans	5,247,859	5,084,535

Included within other loans is £5,247,859 (2011: £5,084,535) due to Kent County Council for reimbursement of costs associated with a building project.

## East Kent Opportunities LLP

### Notes to the financial statements For the year ended 31 March 2012

#### 7. Reconciliation of members' interests

	Members' capital (classified as equity) £	Other reserves £	Total members' other interests £	Loans and debts due to members less any amounts due from members in debtors £	Total £
Members' interests: balance at 1 April 2010	9,961,000	-	9,961,000	(4,862,049)	5,098,951
Loss for the year available for discretionary division among members	-	(354,078)	(354,078)	-	(354,078)
Members' interests after loss for the year	9,961,000	(354,078)	9,606,922	(4,862,049)	4,744,873
Allocated profit for period	-	354,078	354,078	(354,078)	-
Members' interests: balance at 1 April 2011	9,961,000	-	9,961,000	(5,216,127)	4,744,873
Loss for the year available for discretionary division among members	-	(400,990)	(400,990)	-	(400,990)
Members' interests after loss for the year	9,961,000	(400,990)	9,560,010	(5,216,127)	4,343,883
Allocated profit for period	-	400,990	400,990	(400,990)	-
Members' interests at 31 March 2012	9,961,000	-	9,961,000	(5,617,117)	4,343,883

#### 8. Contingent liabilities

Under the terms of the agreement with KCC, there exists a provision for claims under the Land Compensation Act. This provision is estimated at £200,000 (2011: £693,223). The Members are of the opinion that there may be possible future obligations arising from past events but that the occurrence of these obligations will only be confirmed by future events outside of the control of the Members. Thus the provision is treated as a contingent liability.

## **East Kent Opportunities LLP**

### **Notes to the financial statements For the year ended 31 March 2012**

#### **9. Related party transactions**

In the opinion of the members there is no controlling party as defined by Financial Reporting Standard for Smaller Entities.

Included in trade creditors at 31 March 2012 is £26,416 (2011: £38,271) due to Kent County Council for expenses paid for on behalf of the limited liability partnership.

Also included in creditors due less than one year is an amount of £619,297 (2011: £190,000) due to Kent County Council and Thanet District Council in respect of short term financing made available to East Kent Opportunities LLP.

## East Kent Opportunities LLP

### Detailed trading and profit and loss account For the year ended 31 March 2012

	Page	2012 £	2011 £
<b>Turnover</b>	14	<b>85,257</b>	-
<b>Less: Overheads</b>			
Administration expenses	14	<b>(479,513)</b>	(353,344)
		<hr/>	<hr/>
<b>Operating loss</b>		<b>(394,256)</b>	(353,344)
Interest receivable	14	<b>101</b>	40
Interest payable	14	<b>(6,835)</b>	(774)
		<hr/>	<hr/>
<b>Loss for the year available for discretionary division among members</b>		<b>(400,990)</b>	(354,078)
		<hr/> <hr/>	<hr/> <hr/>

## East Kent Opportunities LLP

### Schedule to the detailed accounts For the year ended 31 March 2012

	2012 £	2011 £
<b>Turnover</b>		
Grant income	<u>85,257</u>	<u>-</u>
	2012 £	2011 £
<b>Administration expenses</b>		
Management charges	28,227	13,209
Computer costs	95	93
Advertising and promotion	3,900	-
Legal and professional	183,395	181,828
Auditors' remuneration	4,500	6,600
Accountancy fees	1,951	1,600
Bank charges	148	35
Sundry expenses	767	3,265
Repairs and maintenance	7,950	10,406
Spine road costs	163,323	136,308
Thanet project	85,257	-
	<u>479,513</u>	<u>353,344</u>
	2012 £	2011 £
<b>Interest receivable</b>		
Bank interest receivable	<u>101</u>	<u>40</u>
	2012 £	2011 £
<b>Interest payable</b>		
Other loan interest payable	<u>6,835</u>	<u>774</u>