

Registered number: OC335231

East Kent Opportunities LLP

Annual report and financial statements

For the Year Ended 31 March 2016

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East Kent Opportunities LLP

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East Kent Opportunities LLP

Information

Designated Members

Kent County Council
Thanet District Council

LLP registered number

OC335231

Registered office

Room S3.21, Session House, County Road, Maidstone, Kent, ME14 1XG

Independent auditors

Kreston Reeves LLP, 37 St Margaret's Street, Canterbury, Kent, CT1 2TU

East Kent Opportunities LLP

Members' report

For the Year Ended 31 March 2016

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 2016.

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 2016 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law, as applied to LLP's, requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law, as applied to LLP's, the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

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

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the 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 2016**

Auditors

The auditors, Kreston Reeves 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 24/11/16 and signed on their behalf by



Kent County Council
Designated member



Thanet District Council
Designated member

East Kent Opportunities LLP

Independent auditors' report to the members of East Kent Opportunities LLP

We have audited the financial statements of East Kent Opportunities LLP for the year ended 31 March 2016, set out on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the LLP's members in accordance with the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Members' responsibilities statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 March 2016 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 limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

East Kent Opportunities LLP

Independent auditors' report to the members of East Kent Opportunities LLP

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006, as applied to limited liability partnerships, requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Kreston Reeves LLP

Nigel Fright FCCA (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

37 St Margaret's Street
Canterbury
Kent
CT1 2TU
Date:

East Kent Opportunities LLP

Statement of comprehensive income For the Year Ended 31 March 2016

	Note	2016 £	2015 £
Turnover	4	<u>3,024</u>	<u>27,800</u>
Gross profit		3,024	27,800
Administrative expenses		<u>(230,805)</u>	<u>(400,382)</u>
Operating loss	5	(227,781)	(372,582)
Interest receivable and similar income	7	<u>365</u>	<u>220</u>
Loss for the year before members' remuneration and profit shares available for discretionary division among members		(227,416)	(372,362)
Loss for the year before members' remuneration and profit shares		<u>(227,416)</u>	<u>(372,362)</u>
Other comprehensive income for the year			
Unrealised surplus on revaluation of tangible fixed assets		<u>4,218,438</u>	<u>-</u>
Other comprehensive income for the year		4,218,438	-
Total comprehensive income for the year		<u>3,991,022</u>	<u>(372,362)</u>

There were no recognised gains and losses for 2016 or 2015 other than those included in the profit and loss account.

The notes on pages 10 to 17 form part of these financial statements.

East Kent Opportunities LLP
Registered number: OC335231

Balance sheet
As at 31 March 2016

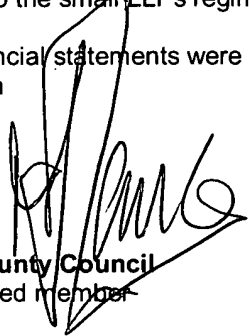
	Note	2016 £	2015 £
Fixed assets			
Tangible assets	8	<u>13,515,000</u>	<u>9,511,143</u>
		13,515,000	9,511,143
Current assets			
Debtors: amounts falling due within one year	9	6,764,222	6,551,883
Cash at bank and in hand	10	<u>398,159</u>	<u>295,698</u>
		7,162,381	6,847,581
Creditors: amounts falling due within one year	11	<u>(665,948)</u>	<u>(696,784)</u>
Net current assets		<u>6,496,433</u>	<u>6,150,797</u>
Total assets less current liabilities		<u>20,011,433</u>	<u>15,661,940</u>
Creditors: amounts falling due after more than one year		<u>(5,831,971)</u>	<u>(5,700,940)</u>
		14,179,462	9,961,000
Net assets attributable to members		<u><u>14,179,462</u></u>	<u><u>9,961,000</u></u>
Represented by:			
Members' other interests			
Members' capital classified as equity		9,961,000	9,961,000
Other reserves classified as equity		<u>4,218,462</u>	<u>-</u>
		14,179,462	9,961,000
		<u>14,179,462</u>	<u>9,961,000</u>
Total members' interests			
Amounts due to members (included in debtors)		(6,760,622)	(6,533,182)
Members' other interests		<u>14,179,462</u>	<u>9,961,000</u>
		<u>7,418,840</u>	<u>3,427,818</u>

East Kent Opportunities LLP
Registered number: OC335231

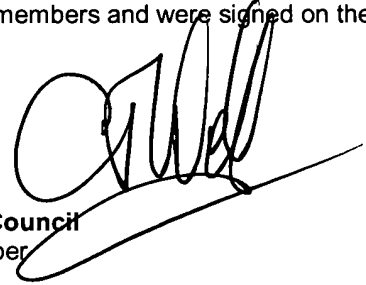
Balance sheet (continued)
As at 31 March 2016

The LLP's financial statements have been delivered in accordance with the provisions applicable to LLPs subject to the small LLPs regime.

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 10 to 17 form part of these financial statements.

East Kent Opportunities LLP

**Statement of changes in equity
For the Year Ended 31 March 2016**

	Members capital (classified as equity)	Other reserves	Total equity
	£	£	£
At 1 April 2015	9,961,000	-	9,961,000
Comprehensive income for the year			
Loss for year for discretionary division among members	-	(227,416)	(227,416)
Unrealised surplus on revaluation of tangible fixed assets	-	4,218,438	4,218,438
Other comprehensive income for the year	-	4,445,878	4,445,878
Total comprehensive income for the year	-	4,218,462	4,218,462
Total transactions with members	-	-	-
At 31 March 2016	9,961,000	4,218,462	14,179,462

**Statement of changes in equity
For the Year Ended 31 March 2015**

	Members capital (classified as equity)	Other reserves	Total equity
	£	£	£
At 1 April 2014	9,961,000	-	9,961,000
Comprehensive income for the year			
Loss for year for discretionary division among members	-	(372,362)	(372,362)
Other comprehensive income for the year	-	372,362	372,362
Total comprehensive income for the year	-	-	-
Total transactions with members	-	-	-
At 31 March 2015	9,961,000	-	9,961,000

The notes on pages 10 to 17 form part of these financial statements.

East Kent Opportunities LLP

Notes to the financial statements For the Year Ended 31 March 2016

1. LLP information

East Kent Opportunities LLP is a limited liability partnership incorporated in England. The address of the registered office is Room S3.21, Session House, County Road, Maidstone, Kent, ME14 1XG. The principal activities of the LLP can be found within the Members' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

There is no impact of first-time adoption of FRS 102 and the effect of transition.

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

The following principal accounting policies at 2.2 to 2.10 have been applied.

2.2 Going concern

The LLP has £398,159 included in cash at the bank. The LLP meets its day to day working capital requirements through these reserves. In addition to this the LLP has received significant funding from its members, Thanet District Council and Kent County Council. As a consequence, the members believe that the LLP is well placed to manage its business risks successfully.

After making enquiries, the members have a reasonable expectation that the LLP has adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

2.3 Revenue

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

Grants received are recognised in the profit and loss account in the period in which the expenditure towards which they relate is incurred.

Licensing and rent provided in the period, exclusive of value added tax.

East Kent Opportunities LLP

Notes to the financial statements For the Year Ended 31 March 2016

2. Accounting policies (continued)

2.4 Tangible fixed assets

Land is recorded at fair value at the date of the revaluation less any accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of comprehensive income.

Land is not depreciated.

At each reporting date the LLP assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

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

East Kent Opportunities LLP

Notes to the financial statements For the Year Ended 31 March 2016

2. Accounting policies (continued)

2.7 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the LLP would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Creditors

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

2.9 Interest income

Interest income is recognised in the Profit and loss account using the effective interest method.

2.10 Borrowing costs

All borrowing costs are recognised in the Profit and loss account in the year in which they are incurred.

East Kent Opportunities LLP

Notes to the financial statements For the Year Ended 31 March 2016

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

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The following judgements have had the most significant impact on amounts recognised in the financial statements:

Tangible fixed assets

The LLP has recognised tangible fixed assets with a carrying value of £13,515,000 at the reporting date (see note 8). The LLP has adopted the revaluation model for the measurement of land.

In order to determine the fair value of land the LLP has engaged independent valuation specialists with experience in the location and nature of the property being valued. They have used a valuation technique based on comparable market data. Valuations are obtained with sufficient regularity to ensure that the carrying value of revalued assets reflects current market conditions.

Where there are indicators that the carrying value of tangible assets may be impaired the LLP undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the LLP's forecasts for the foreseeable future which do not include any restructuring activities that the LLP is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

4. Analysis of turnover

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

	2016 £	2015 £
Rental income	3,024	27,800
	<u>3,024</u>	<u>27,800</u>

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2016 £	2015 £
Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual accounts	4,750	4,600
	<u>4,750</u>	<u>4,600</u>

East Kent Opportunities LLP

Notes to the financial statements For the Year Ended 31 March 2016

6. Employees

The entity has no employees other than the members, who did not receive any remuneration (2015 - £NIL).

7. Interest receivable

	2016 £	2015 £
Other interest receivable	365	220
	<u>365</u>	<u>220</u>

8. Tangible fixed assets

	Freehold land £
Cost or valuation	
At 1 April 2015	9,511,143
Disposals	(214,581)
Revaluations	4,218,438
	<u>13,515,000</u>
At 31 March 2016	<u>13,515,000</u>
At 31 March 2015	<u>9,511,143</u>

The 2016 valuations were made by the Members, on an open market value basis, based on valuations undertaken by Savills (UK) Limited Chartered Surveyors as at 21 May 2015.

9. Debtors

	2016 £	2015 £
Trade debtors	3,600	-
Other debtors	-	18,702
Amounts due from members	6,760,622	6,533,181
	<u>6,764,222</u>	<u>6,551,883</u>

East Kent Opportunities LLP

Notes to the financial statements For the Year Ended 31 March 2016

10. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	398,159	295,698
	<u>398,159</u>	<u>295,698</u>

11. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	33,717	71,463
Amounts owed to members	619,297	619,297
Taxation and social security	3,659	-
Accruals and deferred income	9,275	6,024
	<u>665,948</u>	<u>696,784</u>

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

	2016 £	2015 £
Other loans	5,831,971	5,700,940
	<u>5,831,971</u>	<u>5,700,940</u>

Included within other loans is £5,831,971 (2015: £5,700,940) due to Kent County Council for reimbursement of costs associated with a building project.

13. Loans

Analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due 2-5 years		
Other loans	5,831,971	5,700,940
	<u>5,831,971</u>	<u>5,700,940</u>

East Kent Opportunities LLP

Notes to the financial statements For the Year Ended 31 March 2016

14. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>6,764,222</u>	<u>6,551,883</u>
	<u>6,764,222</u>	<u>6,551,883</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(6,494,260)</u>	<u>(6,397,700)</u>
	<u>(6,494,260)</u>	<u>(6,397,700)</u>

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

Financial Liabilities measured at amortised cost comprise of trade creditors, accruals, amounts owed to members, and other loans.

East Kent Opportunities LLP

15. 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 equity £
Members' interests: balance at 1 April 2014	9,961,000	-	9,961,000	(6,160,819)	3,800,181
Loss for the year available for discretionary division among members	-	(372,362)	(372,362)	-	(372,362)
Members' interests after Profit for the year	9,961,000	(372,362)	9,588,638	(6,160,819)	3,427,819
Allocated Profit for the year	-	372,362	372,362	(372,362)	-
MEMBERS' INTERESTS: BALANCE AT 31 March 2015	9,961,000	-	9,961,000	(6,533,181)	3,427,819
Loss for the year available for discretionary division among members	-	(227,416)	(227,416)	-	(227,416)
Members' interests after Profit for the year	9,961,000	(227,416)	9,733,584	(6,533,181)	3,200,403
Allocated Profit for the year	-	227,440	227,440	(227,440)	-
Movement in reserves	-	4,218,438	4,218,438	-	4,218,438
MEMBERS' INTERESTS: BALANCE AT 31 March 2016	9,961,000	4,218,462	14,179,462	(6,760,621)	7,418,841

Included within the other reserve is £4,218,438 (2015: £nil) of accumulated non-distributable reserves in respect of revaluations of freehold land.