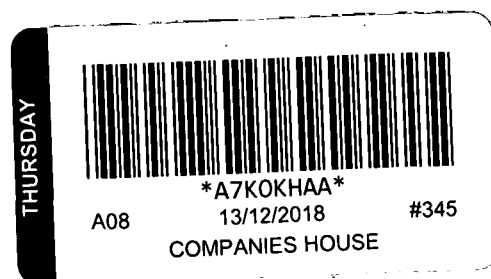


Registered number: OC335231

East Kent Opportunities LLP

Financial statements

For the year ended 31 March 2018



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

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East Kent Opportunities LLP

Members' report

For the year ended 31 March 2018

The members present their annual report together with the audited financial statements of East Kent Opportunities LLP (the LLP) for the ended 31 March 2018.

Principal activities

The principal object of the LLP is to develop Manston 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 ended 31 March 2018 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 annual report and the financial statements in accordance with applicable law and regulations.

Company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), 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 by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) 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 to enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008). 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 2018

Disclosure of information to auditors

Each of the persons who are members at the time when this Members' report is approved has confirmed that:

- so far as that member is aware, there is no relevant audit information of which the LLP's auditors are unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

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 21/11/2018 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

Opinion

We have audited the financial statements of East Kent Opportunities LLP (the 'LLP') for the year ended 31 March 2018, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes. 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 LLP's affairs as at 31 March 2018 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.

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 LLP 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 members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the LLP'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.

Other information

The members 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 we do not express any form of assurance conclusion thereon.

East Kent Opportunities LLP

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

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.

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 members were not entitled to prepare the financial statements in accordance with the small limited liability partnerships regime.

Responsibilities of members

As explained more fully in the Members' responsibilities statement on page 1, the 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 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 members are responsible for assessing the 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 members either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

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.

East Kent Opportunities LLP

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

Use of our report

This report is made solely to the LLP's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Applications 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.

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: 21 November 2018

East Kent Opportunities LLP

Statement of comprehensive income For the year ended 31 March 2018

	Note	2018 £	2017 £
Turnover	4	3,500	500
Gross profit		3,500	500
Administrative expenses		(244,763)	(275,217)
Operating loss		(241,263)	(274,717)
Interest receivable and similar income		436	646
Interest payable and expenses		(44)	-
Loss before tax		(240,871)	(274,071)
Loss for the year before members' remuneration and profit shares available for discretionary division among members		(240,871)	(274,071)
Other comprehensive income for the year			
Total comprehensive income for the year		(240,871)	(274,071)

East Kent Opportunities LLP
Registered number: OC335231

Balance sheet
As at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	6	3,120,513	3,120,513
		<u>3,120,513</u>	<u>3,120,513</u>
Current assets			
Debtors: amounts falling due within one year	7	4,669,435	5,715,641
Cash at bank and in hand	8	435,468	7,078,550
		<u>5,104,903</u>	<u>12,794,191</u>
Creditors: Amounts Falling Due Within One Year	9	(40,456)	(1,802,514)
		<u>5,064,447</u>	<u>10,991,677</u>
Net current assets		5,064,447	10,991,677
Total assets less current liabilities		8,184,960	14,112,190
Creditors: amounts falling due after more than one year	10	-	(5,927,230)
		<u>8,184,960</u>	<u>8,184,960</u>
Net assets		8,184,960	8,184,960
Represented by:			
Loans and other debts due to members within one year			
Members' other interests			
Members' capital classified as equity		9,961,000	9,961,000
Other reserves classified as equity		(1,776,040)	(1,776,040)
		<u>8,184,960</u>	<u>8,184,960</u>
		<u>8,184,960</u>	<u>8,184,960</u>
Total members' interests			
Amounts due from members (included in debtors)	7	(4,643,244)	(4,385,190)
Members' other interests		8,184,960	8,184,960
		<u>3,541,716</u>	<u>3,799,770</u>

The financial statements have been prepared in accordance with the provisions applicable to entities 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 21 November 2018

Kent County Council
 Designated member

The notes on pages 9 to 15 form part of these financial statements.

Thanet District Council
 Designated member

East Kent Opportunities LLP

**Statement of changes in equity
For the year ended 31 March 2018**

	Members capital (classified as equity) £	(As restated) Other reserves £	Total equity £
At 1 April 2016 (as previously stated)	9,961,000	4,218,462	14,179,462
Prior year adjustment	-	(3,345,000)	(3,345,000)
	9,961,000	873,462	10,834,462
Comprehensive income for the year			
Loss for year for discretionary division among members	-	(274,071)	(274,071)
Allocated loss	-	274,071	274,071
Contributions by and distributions to members			
Transfer to/from profit and loss account	-	(2,649,502)	(2,649,502)
At 1 April 2017	9,961,000	(1,776,040)	8,184,960
Comprehensive income for the year			
Loss for year for discretionary division among members	-	(240,871)	(240,871)
Allocated loss	-	240,871	240,871
At 31 March 2018	9,961,000	(1,776,040)	8,184,960

East Kent Opportunities LLP

Notes to the financial statements For the year ended 31 March 2018

1. General 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".

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 £435,468 included in cash at the bank. The LLP meets its day to day working capital requirements through these reserves. 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.

**Notes to the financial statements
For the year ended 31 March 2018**

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 and updated by the members at the year end.

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 2018

2. Accounting policies (continued)

2.7 Financial instruments

The LLP only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, 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 debtors and creditors, 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 the 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 Statement of comprehensive income.

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 of the recoverable amount, 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.

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 Statement of comprehensive income using the effective interest method.

2.10 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

East Kent Opportunities LLP

Notes to the financial statements For the year ended 31 March 2018

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 £3,120,513 at the reporting date (see note 6). 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 and then updated by the members at the year end.

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. Turnover

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

	2018 £	2017 £
Rental income	3,500	500
	<u>3,500</u>	<u>500</u>

All turnover arose within the United Kingdom.

5. Employees

The entity has no employees other than the members, who did not receive any remuneration (2017 - £NIL).

The entity has no employees.

East Kent Opportunities LLP

Notes to the financial statements For the year ended 31 March 2018

6. Tangible fixed assets

	Freehold land £
Cost or valuation	
At 1 April 2017	3,120,513
At 31 March 2018	<u>3,120,513</u>
Net book value	
At 31 March 2018	<u>3,120,513</u>
At 31 March 2017	<u>3,120,513</u>

The 2018 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.

7. Debtors

	2018 £	2017 £
Trade debtors	14,541	4,200
Other debtors	11,650	1,326,250
Amounts due from members	4,643,244	4,385,191
	<u>4,669,435</u>	<u>5,715,641</u>

8. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	435,468	7,078,550
	<u>435,468</u>	<u>7,078,550</u>

East Kent Opportunities LLP

Notes to the financial statements For the year ended 31 March 2018

9. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	34,107	112,420
Amounts owed to joint ventures	-	619,297
Other taxation and social security	-	1,064,447
Accruals and deferred income	6,349	6,350
	<u>40,456</u>	<u>1,802,514</u>

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

	2018 £	2017 £
Other loans	-	5,927,230
	<u>-</u>	<u>5,927,230</u>

Included within other loans is £NIL (2017: £5,927,230) due to Kent County Council for reimbursement of costs associated with a building project.

11. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due 2-5 years		
Other loans	-	5,927,230
	<u>-</u>	<u>5,927,230</u>
	<u>-</u>	<u>5,927,230</u>

East Kent Opportunities LLP

Notes to the financial statements
For the year ended 31 March 2018

12. Reconciliation of members' interests

	EQUITY		DEBT			Total members' interests
	Members' other interests		Loans and other debts due to members less any amounts due from members in debtors			
	Members' capital (classified as equity) £	(As restated) Other reserves £	Total £	Other amounts £	Total £	Total £
Loss for the year available for discretionary division among members	-	(274,071)	(274,071)	-	-	(274,071)
Members' interests after profit for the year	9,961,000	599,391	10,560,391	(6,760,622)	(6,760,622)	3,799,769
Other division of losses	-	274,071	274,071	2,375,431	2,375,431	2,649,502
Movement in reserves	-	(2,649,502)	(2,649,502)	-	-	(2,649,502)
Amounts due from members				(4,385,191)	(4,385,191)	
Balance at 31 March 2017	9,961,000	(1,776,040)	8,184,960	(4,385,190)	(4,385,190)	3,799,770
Loss for the year available for discretionary division among members	-	(240,871)	(240,871)	-	-	(240,871)
Members' interests after profit for the year	9,961,000	(2,016,911)	7,944,089	(4,385,190)	(4,385,190)	3,558,899
Other division of losses	-	240,871	240,871	(240,871)	(240,871)	-
Drawings	-	-	-	(17,183)	(17,183)	(17,183)
Amounts due from members				(4,643,244)	(4,643,244)	
Balance at 31 March 2018	9,961,000	(1,776,040)	8,184,960	(4,643,244)	(4,643,244)	3,541,716

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.