

Registered Number: OC415787

**CLAN (REGENT PROPERTY) LLP**  
**MEMBERS' REPORT AND ACCOUNTS**  
**31 MARCH 2018**



## **CLAN (REGENT PROPERTY) LLP**

### **MEMBERS' REPORT AND ACCOUNTS 2018**

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**CLAN (REGENT PROPERTY) LLP**  
**MEMBERS' REPORT FOR THE PERIOD FROM INCORPORATION ON**  
**6 FEBRUARY 2017 TO 31 MARCH 2018**

The members present their report and the accounts of Clan (Regent Property) LLP ('the LLP') for the Period from incorporation on 6 February 2017 to 31 March 2018.

The registered number of the LLP is OC415787.

**Activities, results and going concern**

The LLP was incorporated on 6 February 2017.

The LLP's principal activity is the development and sale of residential property.

The results of the LLP are shown on page 5. The loss for the period is £95,185.

The designated members have assessed, based on current projections, that the LLP has adequate resources to meet the on-going costs of the business for a minimum of 12 months from the date of signing the financial statements. For this reason, the financial statements have been prepared on a going concern basis which presumes the realisation of assets and liabilities in the normal course of business. Management have assessed the accounting policies applied and determine that no change to the standard accounting policies under FRS102 is required as this represents the most accurate reflection of the entity's financial position.

**Designated Members**

The designated members who served from incorporation and throughout the period are:

Clan (Regent House) LLP and Clan (Regent W1) Ltd

**Members' drawings and the subscription and repayment of members' capital**

Both members are contributory members and subscribe to the entire capital of Clan (Regent Property) LLP. The amount of the contribution depends on the working capital, capital expenditure and other funding requirements of the business.

When the LLP has cash available for distribution it shall be distributed 100% to Clan (Regent House) LLP as per the Clan (Regent Property) LLP members' agreement.

**Members' responsibilities statement**

The members are responsible for preparing the members' 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 period. 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.

## **CLAN (REGENT PROPERTY) LLP**

### **MEMBERS' REPORT FOR THE PERIOD FROM INCORPORATION ON 6 FEBRUARY 2017 TO 31 MARCH 2018 (CONTINUED)**

#### **Members' responsibilities statement (continued)**

In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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.

These responsibilities are exercised by the designated members on behalf of the members.

#### **Auditors**

Nexia Smith and Williamson have been appointed as auditors of the LLP and will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 unless the LLP receives notice under section 488(1) of the Companies Act 2006.

In preparing this report, the members have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006,

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



**Alasdair J Nicholls**  
**For Clan (Regent House) LLP**  
**Designated Member**

Date: 15 OCTOBER 2018

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLAN (REGENT PROPERTY) LLP**

### **Opinion**

We have audited the financial statements of Clan (Regent Property) LLP (the 'limited liability partnership') for the period ended 31 March 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Members' Interests (including Statement of Changes in Equity), and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2018 and of its loss for the period 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.

### **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. We are independent of the limited liability partnership 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 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 limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

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

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

We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLAN (REGENT PROPERTY) LLP (CONTINUED)**

### **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 or 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 set out on page 2, 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 limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the limited liability partnership 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.

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](http://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 limited liability partnership's 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 limited liability partnership's 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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Nexia Smith & Williamson*  
Andrew Bond  
Senior Statutory Auditor, for and on behalf of  
Nexia Smith & Williamson  
Statutory Auditor  
Chartered Accountants

25 Moorgate  
London  
United Kingdom  
EC2R 6AY

Date: 19/10/18

**CLAN (REGENT PROPERTY) LLP**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD FROM INCORPORATION ON  
6 FEBRUARY 2017 TO 31 MARCH 2018**

	Notes	2018 £
Administrative expenses	"	<u>(95,185)</u>
<b>Operating loss</b>	<b>3</b>	<b>(95,185)</b>
		<hr/>
<b>Loss for financial period before members' remuneration and profit shares</b>	<b>4</b>	<b><u>(95,185)</u></b>
Members' remuneration credited against expense	4	<u>95,185</u>
<b>Loss for the financial period available for discretionary division among members</b>		<b><u>-</u></b>

There were no recognised gains and losses for 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for the period from incorporation to 31 March 2018.

The notes on pages 8 to 13 form part of these financial statements.

**CLAN (REGENT PROPERTY) LLP****STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2018**

	Notes	2018 £
<b>Fixed Assets</b>		
Investments	6	<u>1</u>
<b>Current assets</b>		
Stocks	7	21,200,014
Debtors	8	3,525,960
Cash at bank		<u>6,757,700</u>
		31,483,674
<b>Creditors: amounts falling due within one year</b>	9	<u>(631,550)</u>
<b>Net current assets</b>		<u>30,852,124</u>
<b>Creditors: amounts falling due after one year</b>	10	<u>(300,000)</u>
<b>Net assets attributable to members of the LLP</b>		<u><u>30,552,125</u></u>
<b>Represented by</b>		
<b>Loans and other debts due to members within one year:</b>		
Members' capital classified as a liability under FRS 102		2
Other amounts		<u>30,552,123</u>
		<u>30,552,125</u>
<b>Total Members' interests</b>		
Loans and other debts due to members		<u>30,552,125</u>
		<u><u>30,552,125</u></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 by:



**Alasdair J Nicholls**  
**For Clan (Regent House) LLP**  
**Designated Member**

Date: 15 OCTOBER 2018

The notes on pages 8 to 13 form part of these financial statements.



**CLAN (REGENT PROPERTY) LLP**

**STATEMENT OF CHANGES IN MEMBERS' INTERESTS**  
**(including Statement of Changes in Equity)**  
**FOR THE PERIOD FROM INCORPORATION**  
**ON 6 FEBRUARY 2017 TO 31 MARCH 2018**

	<b>Loans and other debts due to members</b>		
	<b>Members' capital (classified as liability)</b>	<b>Other amounts due to members</b>	<b>Total Members' interests</b>
	<b>£</b>	<b>£</b>	<b>£</b>
On Incorporation	-	-	-
Members' capital introduced	2	-	2
Members remuneration credited against expense	-	(95,185)	(95,185)
Amounts introduced by members	-	30,647,308	30,647,308
Loss for the period available for discretionary division amongst members	-	-	-
<b>Members' interests:</b>			
<b>Balance at 31 March 2018</b>	<u>2</u>	<u>30,552,123</u>	<u>30,552,125</u>

The notes on pages 8 to 13 form part of these financial statements.

## **CLAN (REGENT PROPERTY) LLP**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM INCORPORATION ON 6 FEBRUARY 2017 TO 31 MARCH 2018**

#### **1. ACCOUNTING DEFINITIONS AND POLICIES**

##### **Basis of Preparation**

The entity is a limited liability partnership registered in England and Wales under the Companies Act 2006. The registered office address is 118 Southwark Street, London, SE1 0SW. The registered number is OC415787.

The individual financial statements cover the period from incorporation on 6 February 2017 to 31 March 2018 and are the first financial statements of the LLP prepared in accordance with Financial Reporting Standard 102 Section 1A – ‘The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland for smaller entities’ (FRS 102 1A), and in accordance with the Statement of Recommended Practice “Accounting for Limited Liability Partnerships” issued in January 2017.

The financial statements have been prepared under the historical cost convention in accordance with the LLP’s accounting policies.

The presentation and functional currency of the LLP is considered to be pounds sterling.

##### **Going concern**

The designated members have assessed, based on current projections, that the LLP have adequate resources to meet the on-going costs of the business for a minimum of 12 months from the date of signing the financial statements. For this reason the financial statements have been prepared on a going concern basis which presumes the realisation of assets and liabilities in the normal course of business.

##### **Cash flow statement**

The members have taken advantage of the exemption in FRS 102 Section 1A from including a cash flow statement in the financial statements on the grounds that the LLP is a small entity.

##### **Stocks**

Costs incurred within the development are capitalised so long as the members anticipate that expected future revenues will match the costs incurred. Stocks are therefore stated at the lower of cost and net realisable value.

Costs include all expenditure directly associated with the Regent House development and include direct sales and marketing costs, bank interest up to practical completion, and finance charges on borrowing incurred to meet development costs.

##### **Debtors**

Short term debtors are measured at transaction price less any impairment.

## **CLAN (REGENT PROPERTY) LLP**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM INCORPORATION ON 6 FEBRUARY 2017 TO 31 MARCH 2018 (CONTINUED)**

#### **1. ACCOUNTING DEFINITIONS AND POLICIES (CONTINUED)**

##### **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 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 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, which is an approximation of the amount that the LLP would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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.

##### **Creditors**

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

##### **Members Capital Policy**

Whenever any Member makes a contribution, an amount equal to the amount of the contribution shall be credited to its Capital Account. The capital contributed by each Member from time to time shall be divided into shares of £1 each. Where capital has been contributed in specie, the Member shall receive LLP shares equal to the agreed value of the capital contributed.

No member is entitled to receive interest on its capital contributions to the LLP.

## **CLAN (REGENT PROPERTY) LLP**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM INCORPORATION ON 6 FEBRUARY 2017 TO 31 MARCH 2018 (CONTINUED)**

#### **1. ACCOUNTING DEFINITIONS AND POLICIES (CONTINUED)**

##### **Members' Remuneration**

Remuneration allocated under the members' agreement is expensed to the profit and loss account and disclosed as "Members' remuneration charged as an expense". Fixed shares of profits or profit-sharing representing a debt arising from a division of profits, are treated as members' remuneration charged as an expense.

All profits and losses of the LLP are treated as members' remuneration charged as an or credited against expense, as all profits and losses are automatically and immediately allocated upon approval of the interim or annual financial statements as a result of there being no discretionary decisions of the LLP in relation to profit distributions (unless the Members shall either at the time of or prior to that approval determine to postpone the operative time of crediting or debiting all or part of any profits or losses).

All profits shall accrue for the benefit of Clan (Regent House) LLP on a quarterly basis and all profits and other cash available for distribution shall be distributed 100% to Clan (Regent House) LLP.

Loans and other debts to members will only be settled after provision for unsecured creditors.

Any member not meeting its commitments will be in default. No member can reduce other members' interest unless that member is in default.

#### **2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the entity's accounting policies.

Management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

##### **Stocks**

The key judgement area is the recoverability of the development property which is held as stock. Management have taken into account the future expected sales value based on the current London property market when assessing the value of the stock held at the period or year end.

**CLAN (REGENT PROPERTY) LLP**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM INCORPORATION**  
**ON 6 FEBRUARY 2017 TO 31 MARCH 2018 (CONTINUED)**

**3. OPERATING LOSS**

	2018
	£
Operating loss is stated after charging:	
Auditors' remuneration for audit services	5,000
Non audit services – tax compliance	<u>3,500</u>

**4. MEMBERS' REMUNERATION**

No emoluments were paid to the members of the LLP.

There were no employees of the LLP for the current period.

<b>Members remuneration</b>	2018
	£
Members' remuneration credited against expense	<u>(95,185)</u>

<b>Members</b>	2018
	No.
Average number of members	<u>2</u>
	<u>2</u>

**5. TAXATION**

The taxation charge will be borne by the joint members, Clan (Regent House) LLP (by its members) and Clan (Regent W1) Ltd, in the current period.

**6. INVESTMENTS**

The LLP is a designated member of and holds a 99.5% shareholding in Clan (Regent Block) LLP, a dormant partnership incorporated in England and Wales that engages in property activities and registered at The Pavilion, 118 Southwark Street, London SE1 0SW.

**CLAN (REGENT PROPERTY) LLP**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM INCORPORATION ON  
6 FEBRUARY 2017 TO 31 MARCH 2018 (CONTINUED)**

7.	STOCK	2018 £
	On incorporation	-
	Additions during the period	21,200,014
		21,200,014
	Balance as at 31 March 2018	21,200,014
8.	DEBTORS	2018 £
	Other debtors	2,802,960
	Prepayments	723,000
		3,525,960
9.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2018 £
	Amounts owed to group undertakings	99,940
	Trade creditors	425,261
	Accruals	106,349
		631,550
10.	CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	2018 £
	Other creditors	300,000
	Other creditors consists of the amount payable on completion of the works as referred to in the lease agreement.	

## **CLAN (REGENT PROPERTY) LLP**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM INCORPORATION ON 6 FEBRUARY 2017 TO 31 MARCH 2018 (CONTINUED)**

#### **11. FINANCIAL COMMITMENTS**

The LLP entered into a £24.7m loan facility agreement with The Royal Bank of Scotland on 2 March 2018. Interest is payable on the loan at 4% per annum plus LIBOR, with the exception of £2.4m of the facility which if drawn down would result in interest payable on that balance of 7% per annum plus LIBOR. The loan is secured via both floating and fixed charges over the assets of the LLP and fixed charges over the assets of its investment as disclosed in note 6. It is repayable on 2 March 2021 and had not been drawn down as at year end.

#### **12. RELATED PARTY TRANSACTIONS**

During the year the LLP received funding of £30,647,309 payable to Clan (Regent House) LLP, a designated member of the LLP. As at 31 March 2018 an amount of £30,647,309 was outstanding and is included within loans and other debts due to members.

During the year the LLP received a contribution of £1 from Clan (Regent W1) Ltd, as designated member of the LLP. As at 31 March 2018 an amount of £1 was outstanding and is included within loans and other debts due to members.

During the year the LLP incurred costs of £1 payable to Clan (Regent Block) LLP, a related party via a common shareholder. As at 31 March 2018 £1 was outstanding and is included within amounts owed to group undertakings.

During the period the LLP incurred development manager fees of £1,096,041 and recharges of £6,337 payable to a fellow group undertaking, being a group undertaking with a common director. As at 31 March 2018 an amount of £99,939 was outstanding and is included within amounts owed to group undertakings.

Key management personnel are deemed to be the designated members. During the period the LLP paid £nil remuneration to key management personnel.

#### **13. CONTROLLING PARTY**

In the opinion of the members, the LLP is owned equally by Clan (Regent House) LLP and Clan (Regent W1) Ltd, with neither party having overall control, both of which are incorporated in the UK and registered at The Pavilion, 118 Southwark Street, London, SE1 0SW.