

Registered number: OC428493

Otterpool Park LLP

Financial statements

For the year ended 31 March 2024



Otterpool Park LLP
Registered number: OC428493

Balance sheet
As at 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	5	41,070	67,685
Current assets			
Stocks		17,107,225	8,720,069
Debtors: amounts falling due within one year	6	235,821	297,146
Bank and cash balances		34,186	207,536
		<u>17,377,232</u>	<u>9,224,751</u>
Creditors: amounts falling due within one year	7	(1,301,453)	(796,659)
Net current assets		<u>16,075,779</u>	<u>8,428,092</u>
Net assets		<u>16,116,849</u>	<u>8,495,777</u>
Represented by:			
Loans and other debts due to members within one year			
Members' capital classified as a liability		15,963,784	8,044,788
Other amounts	8	134,167	39,918
		<u>16,097,951</u>	<u>8,084,706</u>
Members' other interests			
Members' capital classified as equity		1,810,390	1,450,000
Other reserves classified as equity		(1,791,492)	(1,038,929)
		<u>18,898</u>	<u>411,071</u>
		<u>16,116,849</u>	<u>8,495,777</u>
Total members' interests			
Loans and other debts due to members	8	16,097,951	8,084,706
Members' other interests		18,898	411,071
		<u>16,116,849</u>	<u>8,495,777</u>

Otterpool Park LLP
Registered number: OC428493

Balance sheet (continued)
As at 31 March 2024

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small LLPs regime.

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

The entity has opted not to file the statement of comprehensive income 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 20 November 2024.

A rectangular box containing a handwritten signature in black ink. The signature appears to be "Cavan Gorm".

The District Council of Folkestone and Hythe
Designated member

The notes on pages 4 to 12 form part of these financial statements.

Otterpool Park LLP has no equity and, in accordance with the provisions contained within the Statement of Recommended Practice "Accounting by Limited Liability Partnerships", has not presented a Statement of changes in equity.

Otterpool Park LLP

Reconciliation of members' interests
For the year ended 31 March 2024

	EQUITY Members' other interests			DEBT Loans and other debts due to members less any amounts due from members in debtors			Total members' interests
	Members' capital (classified as equity) £	Other reserves £	Total £	Members' capital (classified as debt) £	Other amounts £	Total £	Total £
Amounts due to members				1,266,446	178,346	1,444,792	
Amounts due from members					(337)	(337)	
Balance at 1 April 2022	1,250,000	(712,604)	537,396	1,266,446	178,009	1,444,455	1,981,851
Loss for the year available for discretionary division among members	-	(651,640)	(651,640)	-	-	-	(651,640)
Members' interests after loss for the year	1,250,000	(1,038,929)	211,071	1,266,446	178,009	1,444,455	1,655,526
Amounts introduced by members	200,000	-	200,000	6,778,342	-	6,778,342	6,978,342
Drawings on account and distribution of profit	-	-	-	-	(138,441)	(138,441)	(138,441)
Amounts due to members				8,044,788	39,918	8,084,706	
Amounts due from members					(350)	(350)	
Balance at 31 March 2023	1,450,000	(1,038,929)	411,071	7,800,000	138,428	7,938,428	8,349,499
Loss for the year available for discretionary division among members	-	(752,563)	(752,563)	-	-	-	(752,563)
Members' interests after profit for the year	1,450,000	(1,791,492)	(341,492)	7,800,000	138,428	7,938,428	7,596,936
Amounts introduced by members	360,390	-	360,390	8,163,784	-	8,163,784	8,524,174
Drawings on account and distribution of profit	-	-	-	-	(4,261)	(4,261)	(4,261)
Amounts due to members				15,963,784	134,167	16,097,951	
Balance at 31 March 2024	1,810,390	(1,791,492)	18,898	15,963,784	134,167	16,097,951	16,116,849

Otterpool Park LLP

Notes to the financial statements For the year ended 31 March 2024

1. General information

Otterpool Park LLP ("the LLP") is a limited liability partnership and is incorporated in England with the registration number OC428493. The address of the registered office is The Jockey Club, Stone Street, Westenhanger, Hythe, Kent, CT21 4HX.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK 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 judgement in applying the LLP's accounting policies (see note 3).

The financial statements have been prepared in pound sterling and are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Going concern

The current economic and political conditions continue to create uncertainty within the LLP's operating environment. In particular, with regard to the availability of longer-term loan finance to support the Otterpool project's peak debt and capital requirements.

Notwithstanding this, the LLP's forecasts and projections, taking into account possible changes in performance arising from this uncertainty, show that the LLP should be able to operate within the level of its current resources and facilities.

After making enquiries, the members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. Folkestone & Hythe District Council has confirmed that it will continue to provide financial support to the LLP to assist them in meeting liabilities as and when they fall due, although only to the extent that money is not otherwise available to the LLP.

The LLP therefore continues to adopt the going concern basis in preparing its financial statements.

**Notes to the financial statements
For the year ended 31 March 2024**

2. Accounting policies (continued)

2.3 Revenue recognition

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:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the LLP will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Turnover represents rental income receivable by the LLP.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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.

The LLP adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the LLP. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Plant and machinery	- 3 years
Fixtures and fittings	- 3 - 5 years
Office equipment	- 3 years
Computer equipment	- 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**Notes to the financial statements
For the year ended 31 March 2024**

2. Accounting policies (continued)

2.5 Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase.

At each balance sheet date, stocks and work in progress are assessed for impairment. If stock or work in progress is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The estimation of this amount requires estimation of the future cash flows associated with the project, and selection of appropriate discount rates in order to calculate the net present value of those cash flows. The impairment loss is recognised immediately in profit or loss.

2.6 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.

2.7 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.

2.8 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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.

**Notes to the financial statements
For the year ended 31 March 2024**

2. Accounting policies (continued)

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.

2.9 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 Section 22 of FRS102 and the requirements of the SORP. A member's 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.

Profits and losses are allocated only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment. These profits are therefore classed as an appropriation of equity rather than as an expense. They are shown as a residual amount available for discretionary division among members in the statement of comprehensive income and are an equity appropriation in the balance sheet.

Other amounts arising that are due to members are treated as liabilities and are recorded as an expense in the statement of comprehensive income, to the extent that the LLP does not have an unconditional right to refuse payment. To the extent that they remain unpaid at the year end, they are shown as liabilities in the balance sheet.

All amounts due to members that are classified as liabilities are presented in the balance sheet within 'Loans and other debts due to members'. Amounts due to members that are classified as equity are shown in the balance sheet within 'Members' other interests'.

2.10 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.

2.11 Operating leases: the LLP as lessor

Rental income from operating leases is credited to profit or loss on a straight-line basis over the lease term.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight-line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

**Notes to the financial statements
For the year ended 31 March 2024**

2. Accounting policies (continued)

2.12 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are charged to profit or loss over the term of the debt using the effective interest method.

2.13 Division and distribution of profits

A division of profits is the mechanism by which the profits of an LLP become a debt due to members. A division may be automatic or discretionary, may relate to some or all of the profits for a financial period and may take place during or after the end of a financial period.

An automatic division of profits is one where the LLP does not have an unconditional right to avoid making a division of an amount of profits based on the members' agreement in force at the time, whereas a discretionary division of profits requires a decision to be made by the LLP, which it has the unconditional right to avoid making.

The LLP divides profits both automatically and discretionarily.

Automatic divisions of profits are recognised as 'Members' remuneration charged as an expense' in the statement of comprehensive income. Members' remuneration charged as an expense' also includes non-discretionary interest charges on amounts due to members.

Profits of the LLP which are not yet divided among the members are shown under 'Other reserves' on the balance sheet, pending a discretionary decision to divide the profits.

In the event of the LLP making losses, the loss is recognised as a credit amount of 'Members' remuneration charged as an expense' where it is automatically divided or as a debit within equity under 'Other reserves' if not divided automatically.

**Notes to the financial statements
For the year ended 31 March 2024**

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

The preparation of the financial statements requires the Members 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 and estimates have had the most significant impact on amounts recognised in the financial statements:

Stocks and work in progress valuation

The LLP holds work in progress of £17,107,225 (2023 - £8,720,069) at the reporting period date. As described in accounting policy 2.5, work in progress is valued at the lower of cost and net realisable value, and is assessed at the end of each reporting period for indicators of impairment.

As part of their assessment, the Members have evaluated the project and its future cash flows, the probability of securing a joint venture development partner, and the assurance of continued support from Folkestone & Hythe District Council. These factors constitute significant sources of estimation uncertainty, necessitating the use of assumptions to determine the recoverable value of work in progress.

No impairment has been recognised in the reporting period (2023 - £NIL).

4. Employees

The average monthly number of employees, including directors, during the year was 14 (2023 - 9).

This does not include non-executives, who are not employed under a contract of service.

Notes to the financial statements
For the year ended 31 March 2024

5. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost					
At 1 April 2023	1,017	53,781	21,766	27,485	104,049
Additions	839	2,542	364	3,551	7,296
Disposals	-	-	-	(7,774)	(7,774)
At 31 March 2024	1,856	56,323	22,130	23,262	103,571
Depreciation					
At 1 April 2023	101	15,267	9,696	11,300	36,364
Charge for the year on owned assets	573	14,252	6,950	9,442	31,217
Disposals	-	-	-	(5,080)	(5,080)
At 31 March 2024	674	29,519	16,646	15,662	62,501
Net book value					
At 31 March 2024	1,182	26,804	5,484	7,600	41,070
At 31 March 2023	916	38,514	12,070	16,185	67,685

6. Debtors

	2024 £	2023 £
Other debtors	187,502	231,295
Prepayments and accrued income	48,319	65,501
Amounts due from members	-	350
	235,821	297,146

7. Creditors: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	502,047	396,840
Other creditors	1,814	3,742
Accruals and deferred income	797,592	396,077
	1,301,453	796,659

**Notes to the financial statements
For the year ended 31 March 2024**

8. Loans and other debts due to members

	2024 £	2023 £
Members' capital treated as debt	15,963,784	8,044,788
Other amounts due to members	134,167	39,918
	<u>16,097,951</u>	<u>8,084,706</u>

Loans and other debts due to members may be further analysed as follows:

	2024 £	2023 £
Falling due within one year	134,167	39,918
Falling due after more than one year	15,963,784	8,044,788
	<u>16,097,951</u>	<u>8,084,706</u>

Amounts falling due within one year represent balances due as a result of services acquired from a member of the LLP. These amounts are unsecured, interest free and repayable on demand.

Amounts falling due after more than one year relate to a loan provided by a member to the LLP. This loan forms part of the member's revolving credit facility for working capital that will be used until FY30-31. Interest is accruing on the loan at 6.1% per annum, which is considered to be a market rate of interest. The first loan repayments likely to be paid in FY25-26.

Loans and other debts due to members rank equally with debts due to ordinary creditors in the event of a winding up.

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.

9. Commitments under operating leases

At 31 March 2024 the LLP had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2024 £	2023 £
Not later than 1 year	22,087	10,642
Later than 1 year and not later than 5 years	54,958	5,666
Later than 5 years	-	-
	<u>77,045</u>	<u>16,308</u>

**Notes to the financial statements
For the year ended 31 March 2024**

10. Related party transactions

The LLP is exempt from disclosing related party transactions with other parties that are wholly owned within the group.

All other related party transactions, during the current and prior periods, including key management personnel compensation, were made under normal market conditions.

11. Controlling party

The LLP is a subsidiary undertaking of The District Council of Folkestone and Hythe.

The results of the LLP are included in the consolidated financial statements prepared by The District Council of Folkestone and Hythe, which can be viewed at www.folkestone-hythe.gov.uk.

The District Council of Folkestone and Hythe is registered at Civic Centre, Castle Hill Avenue, Folkestone, Kent, CT20 2QY.

12. Auditor's information

The auditor's report on the financial statements for the year ended 31 March 2024 was unqualified.

The audit report was signed on 21 November 2024 by Peter Manser FCA DChA (senior statutory auditor) on behalf of Kreston Reeves LLP.