

36 Golden Square LLP

**Members' report and financial
statements**

Registered number OC305925

31 March 2013



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Members' report

The members present their annual report and the audited financial statements of 36 Golden Square LLP (the "Partnership") for the year ended 31 March 2013

Principal activities

The principal activity of the Partnership is investment in and renting out of commercial property

Business review

The review is based on the years to 31 March 2013 and 31 March 2012

In the year to 31 March 2013 the Partnership made a profit before distribution of £1,828,000 (2012 £149,000)

During the year the Partnership sold its property

The members consider the results for the year to be satisfactory

Post balance sheet event

On the 5 July 2013 the holdings in partnership changed and the partnership subsequently bought a new investment property

Designated members

The designated members of the Partnership during the period were

Lord Saatchi and HSBC Trust company (UK) Limited as trustees of the Lord Saatchi SIPP (Resigned 5 July 2013)

Jeremy Sinclair

William Muirhead

David Kershaw

Policy with respect to members' drawings and repayment of members' capital

Members are entitled to share the profits of the Partnership in accordance with the proportions stated in the Partnership agreement (and as amended on 25 April 2008), these percentages may be varied from time to time in accordance with the provisions of the Partnership agreement. Payment of profits can be repaid or paid (as the case may be) at such time as the designated members determine, in the proportions to which they are entitled.

Members introduce their capital at a proportion determined by the LLP. Repayments of capital are made at such time as the designated members determine, in the proportions to which they are entitled.

Disclosure of information to auditor

The designated members who held office at the date of approval of these financial statements confirm that, so far as they are each aware, there is no relevant audit information of which the LLP's auditor is unaware, and each designated member has taken all steps that he ought to have taken as a designated member to make himself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

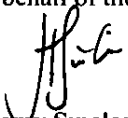
Members' report *(continued)*

Auditor

After an Audit re-pitch, the Partnership change auditor to Harris & Trotter LLP

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Harris & Trotter LLP will therefore continue in office

On behalf of the members


Jeremy Sinclair
Designated Member

36 Golden Square
London W1F 9EE

// December 2013

Statement of members' responsibilities in respect of the Members' Report and the financial statements

The members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulations

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare LLP financial statements for each financial year. Under that law the members have elected to prepare the LLP financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under Regulation 8 of 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 LLP financial statements, the members are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, 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 its financial statements comply with those regulations. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities

Independent auditor's report to the members of 36 Golden Square LLP

We have audited the financial statements of 36 Golden Square LLP for the year ended 31 March 2013 set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the members of the limited liability partnership (LLP), as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 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 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 LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement set out on page 3, 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 relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view, of the state of affairs of the LLP as at 31 March 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with UK 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

Independent auditor's report to the members of 36 Golden Square 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 and returns, or
- we have not received all the information and explanations we require for our audit

Stephen Haffner (Senior Statutory Auditor)
for and on behalf of Harris & Trotter LLP,
Statutory Auditor
Chartered Accountants
64 New Cavendish Street, London W1G 8TB

// December 2013

Profit and loss account
for the year ended 31 March 2013

	<i>Note</i>	Year ended 31 March 2013 £000	Year ended 31 March 2012 £000
Turnover		1,351	1,673
Administrative expenses		(66)	(28)
Operating profit	2	1,285	1,645
Profit on sale of freehold property		1,615	-
Interest receivable and similar income	5	10	7
Interest payable and similar charges	6	(1,082)	(1,503)
Profit for the financial year before members' remuneration and profit shares available for discretionary division among members	12	1,828	149

The results for the current year and preceding period arose from continuing activities

A note on historical gains and losses has not been included as part of the financial statements as the results as disclosed in the profit and loss account, whilst prepared on a modified historical cost basis, do not differ from those that would be prepared on an unmodified and historical cost basis as the LLP's policy is not to depreciate investment properties

The notes on pages 10 to 15 form part of the financial statements

Statement of Total Recognised Gains and Losses
for the year ended 31 March 2013

	Year ended 31 March 2013 £000	Year ended 31 March 2012 £000
Surplus on revaluation of investment property	-	3,048
Net income recognised directly in equity	-	3,048
Profit for the financial year	1,828	149
Total recognised gains for the year attributable to members	1,828	3,197

Balance sheet
at 31 March 2013

	<i>Note</i>	31 March 2013 £000	31 March 2012 £000
Fixed assets			
Tangible assets	7	-	37,666
Current assets			
Debtors due after more than one year	8	-	3,000
Debtors due within one year	9	3	105
Cash at bank and in hand		1,457	1,598
		<u>1,460</u>	<u>4,703</u>
Creditors: amounts falling due within one year	10	<u>(190)</u>	<u>(1,005)</u>
Net current assets		<u>1,270</u>	<u>3,698</u>
Total assets less current liabilities		<u>1,270</u>	<u>41,364</u>
Creditors: amounts falling due after one year	11	-	(26,000)
Net assets attributable to members		<u><u>1,270</u></u>	<u><u>15,364</u></u>
Represented by:			
Members' other interests			
Members capital classified as equity	12	-	11,500
Revaluation reserve	12	-	3,048
Other reserves	12	1,270	816
		<u>1,270</u>	<u>15,364</u>

These financial statements were approved by the members on 11 December 2013 and were signed on their behalf by



Jeremy Sinclair
Designated Member

Cash flow statement
for the year ended 31 March 2013

	<i>Note</i>	Year ended 31 March 2013 £000	Year ended 31 March 2012 £000
Reconciliation of operating profit to net cash flow from operating activities			
Operating profit		1,285	1,645
Decrease / (increase) in debtors		102	(102)
(Decrease) / increase in creditors		(815)	68
Net cash inflow from operating activities		572	1,611
Cash flow statement			
Cash flow from operating activities		572	1,611
Returns on investments and servicing of finance	13	(1,072)	(1,496)
Proceeds from sale of property		39,368	-
Capital expenditure	14	(87)	(100)
Cash inflow before management of liquid resources and financing		38,781	15
Financing			
Repayment of bank loans		(26,000)	-
Repayment of long term debt		3,000	-
Distributions to members		(15,922)	-
(Decrease) / increase in cash in the period		(141)	15
Reconciliation of net cash flow to movement in net debt			
	15		
Increase in cash in the period		(141)	15
Change in net debt resulting from cash flows		26,000	-
Movement in net debt in the period		25,859	15
Net debt at the start of the period		(24,402)	(24,417)
Net cash /(debt) at the end of the period	15	1,457	(24,402)

Notes

(forming part of the financial statements)

1 Accounting policies

The accounts have been prepared in accordance with applicable accounting standards and the requirements of the Statement of Recommended Practice Accounting by Limited Liability Partnerships, except for the departure from the Companies Act described below. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Limited Liability Partnership's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of land and buildings.

Going concern

The members have considered the factors that impact the company's future development, performance, cash flows and financial position along with the company's current liquidity in forming their opinion on the going concern basis. The members have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Leases

Income in respect of assets held for use in operating leases is recognised over the period it relates to, based on the accruals principal.

Tangible fixed assets and investment properties

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. In accordance with SSAP19, (i) investment properties are revalued annually by the members at open market value and the aggregate surplus or deficit is transferred to an investment revaluation reserve unless the deficit is expected to be permanent, in which case it is charged to the profit and loss account, (ii) an external professional valuation will be carried out at least every five years, (iii) no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run, (iv) the profit on disposal is based on book value.

The requirement of the Companies Act 2006 is to depreciate all properties, but that requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The members consider that, as the property is not held for consumption but for investment, to depreciate it would not give a true and fair view and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Taxation

Taxation on all LLP profits is solely the personal liability of individual members. Consequently neither taxation nor related deferred taxation arising in respect of the LLP are accounted for in these financial statements.

Classification of members' capital of the partnership

Following the adoption of FRS 25, the members' capital of the partnership is treated as equity only to the extent that the partnership has an unconditional right to avoid repaying the capital.

Members are entitled to a share in the profits in accordance with the proportions stated in the Partnership agreement (and as amended on 25 April 2008), these percentages may be varied from time to time in accordance with the provisions of the Partnership agreement.

The profit share to members is not pre-determined, as such the profit is classified as equity and there is no charge to the profit and loss account.

Notes (continued)

1 Accounting policies (continued)

Allocation of profits

The allocation of profits to those who were members made during the period are made as per the partnership agreement. Unallocated profits are shown in 'members' other interests'.

Turnover

Turnover is recognised over the period it relates to, based on the accruals principal, and represents rental income. Turnover is stated net of discounts and VAT.

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market. Liquid resources comprise term deposits of less than one year (other than cash), government securities and investments in money market managed funds.

2 Operating profit

	Year ended 31 March 2013 £000	Year ended 31 March 2012 £000
<i>Operating profit is stated after charging</i>		
Auditors remuneration		
- Audit of these financial statements	4	9
	<hr/>	<hr/>

3 Remuneration of members

The distribution of profits to those who were members during the financial year occurs at the discretion of the partnership and at such times as the designated members determine. No members receive any salaried remuneration (2012: £nil).

The profit entitlement due to members in 2013 was £1,270,000 (2012: £816,000).

The estimated profit share entitlement to the member with the largest entitlement in respect of 2013 was £358,000 (2012: £231,000).

4 Member/staff numbers

There was an average of 4 members during the period (2012: 4 members).

Notes (continued)

5 Interest receivable and similar income

	Year ended 31 March 2013 £000	Year ended 31 March 2012 £000
Bank interest receivable	10	7
	<u> </u>	<u> </u>

6 Interest payable and similar charges

	Year ended 31 March 2013 £000	Year ended 31 March 2012 £000
On bank loans and overdrafts	1,082	1,503
	<u> </u>	<u> </u>

7 Tangible fixed assets

Investment Properties

	Land and Buildings £000
<i>Valuation</i>	
At 1 April 2012	37,666
Additions	87
Disposal	(37,753)
	<u> </u>
At 31 March 2013	Nil
	<u> </u>
<i>Net book value</i>	
At 31 March 2013	Nil
	<u> </u>
At 31 March 2012	37,666
	<u> </u>

Notes (continued)

8 Debtors: amounts falling due after more than one year

	31 March 2013 £000	31 March 2012 £000
Loan to joint owner	Nil	3,000

The loan relates to the joint owners share of the long term bank loan (note 11)

9 Debtors: amounts falling due within one year

	31 March 2013 £000	31 March 2012 £000
Trade debtors	-	102
Other debtors	3	3
	<u>3</u>	<u>105</u>

10 Creditors: amounts falling due within one year

	31 March 2013 £000	31 March 2012 £000
Other creditors	127	383
Tax and social security	-	93
Accruals and deferred income	63	529
	<u>190</u>	<u>1,005</u>

11 Creditors: amounts falling due after more than one year

	31 March 2013 £000	31 March 2012 £000
Bank loans and overdrafts	Nil	26,000

Notes (continued)

12 Members' accounts

	Members' capital classified as equity £000	Revaluation reserve £000	Other reserve £000	Total £000	Total members' interests £000
At 1 April 2012	11,500	3,048	816	15,364	15,364
Realised profit	-	(3,048)	3,048	-	-
Profit for the financial year available for discretionary division among members	-	-	1,828	1,828	1,828
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Capital repayments and drawings	11,500 (11,500)	- -	5,692 (4,422)	17,192 (15,922)	17,192 (15,922)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total at 31 March 2013	-	-	1,270	1,270	1,270
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

During the year the company distributed £15,922k of capital and profits to members (2012 Nil) The remaining capital balance at 31 March 2013 was £64 (2012 £11,499,864)

In the event of a winding-up the amounts included in 'Loans and other debts due to members' will rank equally with other unsecured creditors No protection is afforded to creditors in the event of a winding-up

13 Returns on investment and servicing of finance

	Year ended 31 March 2013 £000	Year ended 31 March 2012 £000
Interest received	10	7
Interest paid	(1,082)	(1,503)
	<hr/>	<hr/>
	(1,072)	(1,496)
	<hr/>	<hr/>

Notes (continued)

14 Analysis of cash flows

	Year ended 31 March 2013 £000	Year ended 31 March 2012 £000
Capital expenditure		
Expenses to enhance tangible fixed assets	(87)	(100)
	<u>(87)</u>	<u>(100)</u>

15 Analysis of net debt

	At 1 April 2012 £000	Cash flow £000	At 31 March 2013 £000
Cash in hand, at bank	1,598	(141)	1,457
Debt due after more than one year	(26,000)	26,000	-
Total	<u>(24,402)</u>	<u>25,859</u>	<u>1,457</u>

16 Related party disclosures

The LLP is controlled by the members, most of whom are also directors of M&C Saatchi Worldwide Ltd (the tenant). Rental income received amounted to £1,351,000 (2012 £1,673,000). Nil was owed by M&C Saatchi Worldwide Ltd at the year end (2012 £105,000).

Prior to sale the property was held under a joint ownership agreement with the Trustees of the Lord Saatchi SIPP. The LLP acted as an agent for the SIPP and collected and transferred its share of the rental income from which part of the loan interest is deducted. At the end of the year the Trustees of the Lord Saatchi SIPP owed 36 Golden Square LLP £Nil (2012 £3,000,000) and 36 Golden Square LLP owed the Trustees of the Lord Saatchi SIPP £127,000 (2012 £52,000).

17 Post balance sheet event

On the 5 July 2013 the Trustees of the Lord Saatchi SIPP resigned from the Partnership and all amounts owed to the Trustees of the Lord Saatchi SIPP were repaid. Subsequently the Partnership acquired a non-related property for cash.