

CAG PARTNERS LLP
MEMBERS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2017



MEMBERS' REPORT

The members present their members' report and audited financial statements for the year ended 31 December 2017.

Principal activity

The principal activity of the Partnership is property investment activities.

Results

The results for the year are shown in the profit and loss account on page 3.

Members

The members throughout the year and to the date of this report were as follows:

Elliott Bernerd
The Robert Burrow Consultancy LLP
Sir Stuart Lipton
Chelsfield Mews Services Limited

All of the above members, with the exception of Chelsfield Mews Services Limited, were designated members throughout the year.

The average monthly number of members during the year was 4 (2016: 4).

Members' Drawings

One of the members is entitled to a priority profit share out of which that member is responsible for certain operating expenses of the Partnership. Other members have been allocated drawings on a basis agreed between all the members. Members' drawings are made only to the extent that it is considered that they will be matched or exceeded by the income for the period and that there are sufficient funds available for such drawings.

Members' capital has been classified as a liability in view of the terms attaching to the capital.

Details of members' interests are disclosed in the statement of changes in members' interests.

On behalf of the Members.



R P Burrow
For and on behalf of The Robert Burrow Consultancy LLP
Designated Member

14 September 2018

50 Hans Crescent
London SW1X 0NA

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 LLP 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 the LLP financial statements, the members are required to:

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

PROFIT AND LOSS ACCOUNT**For the year ended 31 December 2017**

	Note	2017 £	2016 £
Turnover	2	1,152,607	800,000
Administrative expenses		(107,619)	(106,643)
		<hr/>	<hr/>
Operating profit	3	1,044,988	693,357
Interest payable	4	(40,510)	(41,470)
		<hr/>	<hr/>
Profit for the year before taxation, members' remuneration and profit shares		1,044,478	651,887
Members' remuneration charged as an expense	5	(1,152,607)	(800,000)
		<hr/>	<hr/>
Loss for the year for division among members		(148,129)	(148,113)
		<hr/>	<hr/>

There were no income or expenses arising in the period other than as noted above and accordingly no statement of comprehensive income is presented.

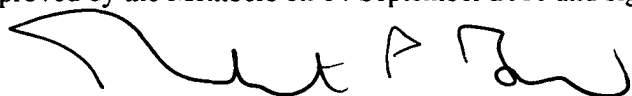
BALANCE SHEET
At 31 December 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Investments	7		18,904		18,904
Current assets					
Debtors	8	2,872,554		2,769,940	
Cash at bank and in hand		3,783		3,343	
		<u>2,876,337</u>		<u>2,773,283</u>	
Creditors - amounts falling due within one year	9	<u>(4,211,423)</u>		<u>(3,871,206)</u>	
Net current (liabilities)/assets			(1,335,086)		(1,097,923)
Total assets less current liabilities			(1,316,182)		(1,079,021)
Creditors - amounts falling due in more than one year	9		<u>(2,311,166)</u>		<u>(2,200,197)</u>
Net liabilities attributable to members			<u>(3,627,348)</u>		<u>(3,279,218)</u>
Represented by:					
Loans and other debts due to members					
Members' capital classified as a liability			2,265		2,265
Other amounts			<u>(3,629,613)</u>		<u>(3,281,483)</u>
			<u>(3,627,348)</u>		<u>(3,279,218)</u>
Total members' interests					
Members' capital classified as a liability			2,265		2,265
Other amounts			<u>(3,629,613)</u>		<u>(3,281,483)</u>
Amounts due from members within debtors			<u>(243,150)</u>		<u>(243,170)</u>
Net amount due from members			<u>(3,870,498)</u>		<u>(3,522,388)</u>

For the year ended 31 December 2017 the partnership was entitled to exemption from audit under section 477 of the Companies Act 2006 (as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008) relating to small LLPs. The members acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 (as applied to Limited Liability Partnerships) with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs regime.

Approved by the Members on 14 September 2018 and signed on their behalf by:



R P Burrow
For and on behalf of The Robert Burrow Consultancy LLP
Designated Member

STATEMENT OF CHANGES IN MEMBERS' INTERESTSYear ended 31 December 2017

	Loans and other debts due to members £	Members' current account £	Net assets attributable to members £	Amounts due from members within debtors £	Total members' interests £
At 1 January 2016	2,265	(2,572,370)	(2,570,105)	(249,606)	(2,819,711)
Members' remuneration charged as an expense	-	800,000	800,000	-	800,000
Loss for the year for division among members	-	(148,113)	(148,113)	-	(148,113)
Net payments to members	-	(1,361,000)	(1,361,000)	6,436	(1,354,564)
At 31 December 2016	2,265	(3,281,483)	(3,279,218)	(243,170)	(3,522,388)
Members' remuneration charged as an expense	-	1,152,607	1,152,607	-	1,152,607
Loss for the year for division among members	-	(148,129)	(148,129)	-	(148,129)
Net payments to members	-	(1,352,608)	(1,352,608)	20	(1,352,588)
At 31 December 2017	2,265	(3,629,613)	(3,627,348)	(243,150)	(3,870,498)

In the event of a winding up of the Partnership, monies owed to creditors will be paid before any distribution of loans and other debts due to members.

NOTES TO THE FINANCIAL STATEMENTS1. ACCOUNTING POLICIESGeneral information

CAG Partners LLP ('the partnership') is a limited liability partnership incorporated in the United Kingdom. The registered office of the partnership is 50 Hans Crescent, London SW1X 0NA.

Accounting convention

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards applicable to LLPs subject to the small LLPs regime, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), Companies Act 2006 as applied by LLPs and the Statement of Recommended Practice (SORP), Accounting by Limited Liability Partnerships, issued in July 2014. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for investment properties and certain financial instruments as specified in the accounting policies below.

As permitted by FRS102 1.12, for qualifying entities, no cash flow statement is presented.

The functional currency of the partnership is considered to be pounds sterling because that is the currency of the primary economic environment in which the partnership operates. The financial statements are also presented in pounds sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

Basis of preparation

The financial statements have been prepared in accordance with applicable UK accounting standards (UK GAAP) and under historical cost accounting rules.

As permitted by section 399 of the Companies Act 2006, no group accounts are prepared as the LLP is subject to the small LLPs regime. Accordingly these accounts present information on the LLP as a standalone entity, and not its group.

Turnover

Turnover comprises a priority profit share from Chelsfield Partners LLP. The priority profit share from Chelsfield Partners LLP is received as reimbursement for costs incurred by the Partnership in satisfying its obligation to meet the operating expenses of Chelsfield Partners LLP.

Subsidiary undertakings

The partnership's investments in its subsidiary undertakings are stated in its individual balance sheet at cost or, where the members consider an impairment in value has taken place, at that lower valuation.

Income from investments

Income from investments is recognised when received.

Taxation

The Partnership itself does not suffer tax on profits earned and the liability to any tax on profits earned by the Partnership is with the members.

NOTES TO THE FINANCIAL STATEMENTS (continued)1. ACCOUNTING POLICIES (continued)Members' interests

In view of the conditions of repayment of members' capital contained in the partnership agreement, it has been determined that members' capital should be classified as debt and is included within 'loans and other debts due to members'.

Finance payments associated with financial liabilities are dealt with as part of 'net finance costs'. Finance payments associated with financial instruments that are classified as part of members' interests are dealt with as 'members' remuneration charged as an expense'.

2. TURNOVER

	2017 £	2016 £
Priority profit share from Chelsfield Partners LLP	1,152,607	800,000
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3. OPERATING PROFIT

The LLP has no employees (2016: nil).

4. INTEREST RECEIVABLE AND PAYABLE

	2017 £	2016 £
Other interest payable	40,510	41,470
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5. MEMBERS' REMUNERATION CHARGED AS AN EXPENSE

	2017 £	2016 £
Allocated drawings to specified members	1,152,607	800,000
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As described in the members' report, one of the members is entitled to a priority profit share, out of which that member is responsible for certain operating expenses of the Partnership.

6. TAXATION

The partnership itself does not suffer tax on profits earned and the liability to any tax on profits earned by the partnership is with the members.

NOTES TO THE FINANCIAL STATEMENTS (continued)7. INVESTMENTS

	2017 £	2016 £
The investments represent:		
Subsidiary undertakings	18,104	18,104
Other unlisted investments	800	800
	<hr/>	<hr/>
	18,904	18,904
	<hr/>	<hr/>

The investments are stated at cost.

The investment in subsidiary undertakings represents an investment of 100% of the ordinary share capital of MIM Holdco SA, a public limited liability company incorporated in Luxembourg.

Unlisted investments represent an investment of £800 (2016: £800) in Chelsfield Partners LLP. The Partnership is entitled to receive a priority return from Chelsfield Partners LLP to meet the costs of managing Chelsfield Partners LLP. The amounts of priority profit share received are shown in note 2.

Subsidiary undertakings of the partnership at 31 December 2017 were as follows:

	Principal activity	Percentage owned	Country of registration or incorporation	Registered office
MIM Holdco SA *	Holding company	100%	Luxembourg	(1)
Milestone Income Midcap Sarl	Holding company	100%	Luxembourg	(1)
SCI MIM 1	Property Investment	100%	France	(2)

The entities marked with * are held directly.

(1) Registered office: 20 Rue de la Poste, L-2346 Luxembourg, Luxembourg

(2) Registered office: 17 Avenue Montaigne, Paris 75008, France

8. DEBTORS

	2017 £	2016 £
Amounts due from members	243,150	243,170
Amounts due from subsidiary undertakings	2,579,086	2,476,472
Other debtors	1,921	1,921
Prepayments and accrued income	48,397	48,397
	<hr/>	<hr/>
	2,872,554	2,769,940
	<hr/>	<hr/>

Amounts due from subsidiary undertakings of £2,579,086 (2016: £2,476,472) are receivable within one year and are shown net of a provision for bad debts of £2,528,376 (2016: £2,427,782).

NOTES TO THE FINANCIAL STATEMENTS (continued)9. CREDITORS – amounts falling due within one year

	2017	2016
	£	£
Due within one year:		
Amounts due to related parties	4,024,638	3,684,223
Accruals and deferred income	186,785	186,783
	<hr/>	<hr/>
	4,211,423	3,871,206
	<hr/>	<hr/>
	2017	2016
	£	£
Due in more than one year:		
Other creditors including taxation and social security	2,311,166	2,200,197
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	2,311,166	2,200,197
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Other creditors for the Partnership include amounts of £311,166 (2016: £2,200,197) drawn under a loan facility agreement with a rate of interest linked to the interest earned by the Partnership on its loan to MIM Holdco SA (but with a minimum rate of 1% per annum and a maximum rate of 30% per annum). This loan falls due on 30 June 2020.