

Siglion Developments LLP

**Members' report and financial
statements**

Registered number OC394705

For the year ended 31 December 2017 .

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COMPANIES HOUSE

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Members' report

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

Principal activity

The Partnership aims to develop land in Sunderland.

Business review

A summary of the results for the year and financial position are set out in the financial statements on pages 7 to 12. The operating profit for the year is £609,979 (2016: Loss £48).

During the year the Partnership entered into an agreement with Sunderland City Council to build a property on the Vaux site. The Partnership then entered into a separate agreement with a subcontractor to design and build the property.

On the 15 January 2018 Carillion plc, the ultimate parent company of one of the joint members, Carillion (Maple Oak) Limited, went into liquidation.

Members' interests

Siglion Developments LLP is a fully owned subsidiary of Siglion LLP who had the following designated members during the year:

Carillion (Maple Oak) Limited
Sunderland City Council

Members' drawings and the subscription and repayment of capital

The capital requirements of the Partnership are determined from time to time by the members. The capital of the Partnership may be increased by such amount as may be decided by the members. No interest is paid on capital. Drawings may be paid out to a member on account of its share of profits for an accounting year.

The profits and losses of the Partnership shall be divided between the members in accordance to the joint venture and member agreement.

Political contributions

The limited liability Partnership nor any of its subsidiaries made any political donations or incurred any political expenditure during the year (2016: £Nil).

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

By order of the board



Irene Lucas CBE
Designated Member

Ground Floor,
Unit 1B, Echo 24 Building
West Wear Street
Sunderland
England
SR1 1XD

9th July 2018

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 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 UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 company and of the profit or loss of the company for that period. In preparing these 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Independent auditor's report to the members of Siglion Developments LLP

Opinion

We have audited the financial statements of Siglion Developments LLP ("the company") for the year ended 31 December 2017 which comprise the profit and loss account, balance sheet, cash flow statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The members are responsible for the other information, which comprises the members' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Independent auditor's report to the members of Siglion Developments LLP (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Members' responsibilities

As explained more fully in their statement set out on page 4, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Peter Meehan (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

10 July 2018

Chartered Accountants
1 Snow Hill Queensway
Birmingham
B4 6GH

Profit and loss account
for the year ended 31 December 2017

	<i>Note</i>	2017 £	2016 £
Turnover	<i>1</i>	12,555,400	-
Cost of sales		(11,945,329)	-
		<hr/>	<hr/>
Gross profit		610,071	-
Administrative expenses		(92)	(48)
		<hr/>	<hr/>
Operating profit/(loss) before Members' remuneration and profit shares	<i>2</i>	609,979	(48)
Interest and other payable		(4,347)	-
		<hr/>	<hr/>
Profit/(loss) for the financial year available for discretionary division among Members		605,632	(48)
		<hr/>	<hr/>

All activities relate to continuing operations.

All recognised gains and losses in the current year and prior year are included in the profit and loss account. Accordingly an other comprehensive income statement is not presented.

The notes on pages 11 to 12 form part of the financial statements.

Balance sheet
at 31 December 2017

	Note	2017 £	£	2016 £	£
Current assets					
Stocks	4	3,161,322		2,345,786	
Debtors	5	1,110,019		-	
Cash at bank and in hand		595,896		448,137	
		<u>4,867,237</u>		<u>2,793,923</u>	
Creditors: amounts falling due within one year	6	<u>(1,637,447)</u>		<u>(844,965)</u>	
Net current assets			<u>3,229,790</u>		<u>1,948,958</u>
Total assets less current assets, being net assets attributable to Members			<u>3,229,790</u>		<u>1,948,958</u>
Represented by					
Loans and other debts due to Members			2,625,200		1,950,000
Other reserves			604,590		(1,042)
Shareholders' funds			<u>3,229,790</u>		<u>1,948,958</u>

The notes on pages 11 to 12 form part of the financial statements

These financial statements were approved by the members on 9 July 2018 and were signed on its behalf by:



Irene Lucas CBE
Designated Member

Company Registered number OC394705

Statement of changes in equity

	Loans in other debts due to Members £	Other reserves £	Total £
Balance at 1 January 2016	1,950,000	(994)	1,949,006
Total comprehensive income for the year			
Profit or loss, being total comprehensive income	-	(48)	(48)
Balance at 31 December 2016	1,950,000	(1,042)	1,948,958
Balance at 1 January 2017	1,950,000	(1,042)	1,948,958
Total comprehensive income for the year			
Profit or loss, being total comprehensive income	-	605,632	605,632
Transactions with owners, recorded directly in equity			
Contributions by and distributions to owners	675,200	-	675,200
Balance at 31 December 2017	2,625,200	604,590	3,229,790

Cash flow statement
for the year ended 31 December 2017

	<i>Note</i>	2017 £	2016 £
Operating profit/(loss)		609,979	(48)
Increase in stock	4	(815,536)	(1,127,398)
(Increase)/decrease in trade and other debtors	5	(1,110,019)	82,454
Increase in trade and other creditors	6	792,482	248,001
		<hr/>	<hr/>
Net cash used in operating activities		(523,094)	(796,991)
Cash flows from financing activities			
Loan from related parties		675,200	-
Other payments		(4,347)	-
		<hr/>	<hr/>
Net cash from financing activities		670,853	-
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		147,759	(796,991)
Cash and cash equivalents at 1 January		448,137	1,245,128
		<hr/>	<hr/>
Cash and cash equivalents at 31 December		595,896	448,137
		<hr/>	<hr/>

The notes on pages 11 to 12 form part of the financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of preparation

Siglion Developments LLP (the "LLP") is a limited liability Partnership incorporated and domiciled in the UK. These financial statements were prepared in accordance with Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. These financial statements comply with the Statement of Recommended Practice, Accounting by Limited Liability Partnerships.

Going concern

The members have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future even after taking into consideration that on the 15 January 2018 Carillion plc, the ultimate parent company of one of the joint members, Carillion(Maple Oak) Limited, went into liquidation. In the financial year ending 31 December 2017 the Partnership entered into an agreement with Sunderland City Council in relation to the development of a property on the Vaux site. The main contractor, Carillion Construction Limited, went into liquidation on 15 January and the contract with them was terminated on 31 January 2018. The Partnership are not in default on the agreement with Sunderland City Council and the Partnership are confident that they would gain appropriate extension and funding to fulfil contractual commitments. Therefore, the Partnership continue to adopt the going concern basis in preparing these financial statements.

Revenue

Revenue is recognised at the fair value of consideration received for developments provided in the ordinary course of business. Revenue is recognised on receipt of approval from the customer.

Taxation

Taxation on Partnership profits is the personal liability of the members. Consequently neither taxation nor non related deferred taxation are accounted for in these financial statements.

Stocks

Stocks, including land for development, are valued at the lower of cost and net realisable value. Cost includes the direct cost of acquiring properties and other development costs. Net realisable value is based on estimated selling price allowing for all further costs expected to be incurred to completion and disposal.

Trade and other debtors / creditors

Are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised costs using the effective interest method, less any impairment losses in the case of trade debtors.

2 Expenses and auditors remuneration

Auditor remuneration is paid by the member's immediate parent, Siglion LLP, in the current and preceding year. The amount of auditor remuneration relating to the company is £4,000 (2016: £4,000).

3 Staff numbers and costs

The Partnership had no employees during the current year or preceding period.

4 Stocks

	2017 £	2016 £
Work in progress	3,161,322	2,345,786

Notes (continued)

5 Debtors

	2017 £	2016 £
Amounts owed by related parties	1,110,019	-

6 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	-	846
Amounts owed to related parties	1,098,449	147,135
Accruals and deferred income	345,070	696,984
Other creditor	193,928	-
	1,637,447	844,965

7 Related party disclosures

During the year, the Partnership made the following related party transaction:

	Turnover £	Debtors £	Creditors £
2016			
Siglion Investments LLP	-	-	(712)
Siglion LLP	-	-	(146,423)
	-	-	(147,135)
2017			
Siglion LLP	-	-	(237,089)
Sunderland City Council	12,555,400	1,110,019	-
Carillion Plc	-	-	(861,360)
	12,555,400	1,110,019	(1,098,449)

8 Ultimate parent party

Siglion Developments LLP is ultimately jointly owned by Carillion (Maple Oak) Limited, registered address 84 Salop Street, Wolverhampton, WV3 0SR, United Kingdom, and Sunderland City Council, registered address Civic Centre, Burdon Rd, Sunderland, SR2 7DN, United Kingdom.

9 Subsequent events

On the 15 January 2018 Carillion plc, the ultimate parent company of one of the joint members, Carillion (Maple Oak) Limited, went into liquidation.