

BADGER PROPERTY PARTNERS LLP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2018

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BADGER PROPERTY PARTNERS LLP

ANNUAL REPORT

FOR THE YEAR ENDED 5 APRIL 2018

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BADGER PROPERTY PARTNERS LLP
DESIGNATED MEMBERS AND ADVISERS
FOR THE YEAR ENDED 5 APRIL 2018

DESIGNATED MEMBERS

Mr. R.C. Desmond
LTS Partners Limited

REGISTERED NUMBER

OC 313362

AUDITOR

KPMG LLP
15 Canada Square
London
E14 5GL

BANKERS

Bank of Scotland
PO Box 54873
London
SW1 5WX

Lloyds Bank Plc
9th Floor
Princess House
1 Suffolk Lane
London
EC4R 0AX

REGISTERED OFFICE

The Northern & Shell Building
Number 10 Lower Thames Street
London
EC3R 6EN
England

MEMBERS' REPORT

FOR THE YEAR ENDED 5 APRIL 2018

The members present their annual report and the audited financial statements for the year ended 5 April 2018.

PRINCIPAL ACTIVITIES

The principal activity of Badger Property Partners LLP is the business of acquiring freehold or leasehold interests in commercial property, the management and exploitation thereof and receiving rental income therefrom.

REVIEW OF THE YEAR AND FUTURE PROSPECTS

The profit and loss account is set out on page 8.

The members consider the results for the year to be satisfactory. The members sought professional advice on the valuation of the property as at 5 April 2018 and based on that advice do not consider that a change to the carrying value of £142,250,000 (2017: £142,250,000) is necessary.

After the year end, the LLP commenced discussions to refinance its bank loan and discounted security facilities. The members have agreed terms and they anticipate that both facilities will be refinanced by the due date of 10 October 2018 (notes 12 and 13).

The LLP continues to consider commercial property transactions with a view to increasing its portfolio.

RESULTS FOR THE YEAR

After an increase in the value of investment property of £nil (2017: £12,250,000) (note 8), the profit for the year available for distribution to members was £270,525 (2017: £12,496,609).

DESIGNATED MEMBERS

The following were designated members during the year:

Mr. R.C. Desmond
LTS Partners Limited

POLICY WITH RESPECT TO MEMBERS' DRAWINGS AND REPAYMENT OF MEMBERS' CAPITAL

The members participate in the LLP's profit.

The members have subscribed to capital in set percentages per the partnership agreement. The members shall contribute any further capital which the designated members determine as being required for the purpose of the LLP based on the same percentages.

There is no opportunity for appreciation of capital subscribed. Members introduce their capital at 'par' and retiring members are repaid their capital at 'par'. An outgoing member will be paid the amount of any capital which they are entitled to be credited by the LLP to their capital account.

The profits of the LLP may be divided between the members in the set percentages per the partnership agreement as soon as the annual accounts for the relevant accounting year are approved by the members.

All payments are made subject to the cash requirements of the LLP and must be approved by the designated members.

MEMBERS' REPORT

FOR THE YEAR ENDED 5 APRIL 2018

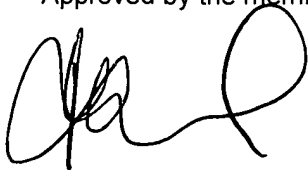
GOING CONCERN

The members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

AUDITOR

KPMG LLP have expressed their willingness to continue in office as auditor and a resolution to re-appoint KPMG LLP as the auditor will be considered at the next members' meeting.

Approved by the members and signed on their behalf



Mr. R. C. Desmond
Designated Member

Date: **1 OCTOBER** 2018



LTS Partners Limited

Designated Member

Date: **1 OCTOBER** 2018

The Northern & Shell Building
Number 10 Lower Thames Street
London, England,
EC3R 6EN

STATEMENT OF MEMBERS' RESPONSIBILITIES IN RESPECT OF THE MEMBERS' REPORT AND THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2018

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 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 LLP and of its profit or loss 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the LLP'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 LLP 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 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 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 LLP and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

BADGER PROPERTY PARTNERS LLP

Opinion

We have audited the financial statements of Badger Property Partners LLP ("the LLP") for the year ended 5 April 2018 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cashflow 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 affairs of the LLP as at 5 April 2018 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 LLP 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 draw attention to note 1 of the financial statements which indicates that the LLP had net current liabilities of £99,490,908 at the year end and is yet to formally conclude the process of refinancing their bank loan and discounted security facilities. These events and conditions, as explained in note 1, constitute a material uncertainty that may cast significant doubt on the LLP's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to limited liability partnerships 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

BADGER PROPERTY PARTNERS LLP

Members' responsibilities

As explained more fully in their statement set out on page 5, 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 members of the 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.

Mark Prince (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London
E14 5GL

Date: **1 OCTOBER** 2018

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME**FOR THE YEAR ENDED 5 APRIL 2018**

	Notes	2018 £	2017 £
TURNOVER	2	6,942,364	6,953,162
Other operating expenses		<u>(145,531)</u>	<u>(86,492)</u>
OPERATING PROFIT	3	6,796,833	6,866,670
Movement in fair value of investment property	8	-	12,250,000
Interest receivable and similar income	6	53,380	88,688
Interest payable and similar expenses	7	<u>(6,579,688)</u>	<u>(6,708,749)</u>
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES	14	270,525	12,496,609
Members' remuneration charged as an expense		<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		<u>270,525</u>	<u>12,496,609</u>

There are no recognised gains and losses other than those stated above and therefore no separate statement of other comprehensive income has been presented.

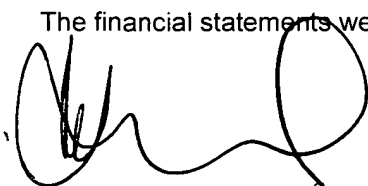
The results for the current and preceding year arose from continuing operations.

The notes on pages 12 to 17 form an integral part of these financial statements.

BALANCE SHEET AS AT 5 April 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Investment property	8	142,250,000	142,250,000
CURRENT ASSETS			
Current asset investments	9	-	17,260,269
Debtors*	10	35,735	122,187
Cash at bank and in hand		10,857,067	589,386
		10,892,802	17,971,842
CREDITORS: amounts falling due within one year	11	(110,383,710)	(1,841,220)
NET CURRENT (LIABILITIES)/ASSETS		(99,490,908)	16,130,622
TOTAL ASSETS LESS CURRENT LIABILITIES		42,759,092	158,380,622
CREDITORS: amounts falling due after more than one year	12	-	(115,892,055)
NET ASSETS ATTRIBUTABLE TO MEMBERS		42,759,092	42,488,567
REPRESENTED BY:			
LOANS AND OTHER DEBTS DUE TO MEMBERS			
Members' capital classified as a liability	14	150,000	150,000
MEMBERS' OTHER INTERESTS			
Other reserves	14	42,609,092	42,338,567
		42,759,092	42,488,567
TOTAL MEMBERS' INTERESTS			
Loans and other debts due to members	14	150,000	150,000
Members' other interests	14	42,609,092	42,338,567
		42,759,092	42,488,567

The financial statements were approved by the members on **1 OCTOBER** 2018 and signed on their behalf by:



Mr. R.C. Desmond
Designated Member

The notes on pages 12 to 17 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 5 APRIL 2018

	Members' other interests £
Balance at 6 April 2016	29,841,958
Total comprehensive income for the year:	
Profit for the financial year available for discretionary division among members	12,496,609
	<hr/>
Total comprehensive income for the year	12,496,609
	<hr/>
Balance at 5 April 2017	42,338,567
	<hr/>
	Total members' interests £
Balance at 6 April 2017	42,338,567
Total comprehensive income for the year:	
Profit for the financial year available for discretionary division among members	270,525
	<hr/>
Total comprehensive income for the year	270,525
	<hr/>
Balance at 5 April 2018	42,609,092
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The notes on pages 12 to 17 form an integral part of these financial statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 5 APRIL 2018

	2018 £	2017 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year available for discretionary division among members	270,525	12,496,609
Adjustments for:		
Movement in fair value of investment property	-	(12,250,000)
Interest receivable and similar income	(53,380)	(88,688)
Interest payable and similar charges	6,579,688	6,708,749
Increase in creditors	-	580
NET CASH USED IN OPERATING ACTIVITIES	<u>6,796,833</u>	<u>6,867,250</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in current asset investments	(13,667,512)	(31,976,116)
Proceeds from current asset investments	30,927,781	26,956,389
Interest received	69,831	88,605
NET CASH USED IN INVESTING ACTIVITIES	<u>17,330,100</u>	<u>(4,931,122)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank loan	(12,000,000)	-
Interest paid	(1,859,252)	(1,972,267)
NET CASH USED IN FINANCING ACTIVITIES	<u>(13,859,252)</u>	<u>(1,972,267)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>10,267,681</u>	<u>(36,139)</u>
CASH AND CASH EQUIVALENTS AT 6 APRIL	<u>589,386</u>	<u>625,525</u>
CASH AND CASH EQUIVALENTS AT 5 APRIL	<u>10,857,067</u>	<u>589,386</u>

The notes on pages 12 to 17 form an integral part of these financial statements.

BADGER PROPERTY PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2018

1. ACCOUNTING POLICIES

Company information

Badger Property Partners LLP is a limited liability partnership incorporated in England and Wales. The registered office is The Northern & Shell Building, Number 10 Lower Thames Street, London, United Kingdom, EC3R 6EN.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, 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 January 2017. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are prepared in sterling, which is the functional currency of the LLP. Monetary amounts in these financial statements are rounded to the nearest £ (unless stated otherwise).

The financial statements have been prepared on a going concern basis, notwithstanding net current liabilities of £99,490,908 (2017: net current assets of £16,130,622) and net assets of £42,759,092 (2017: £42,488,567) at the year end, which the members believe to be appropriate for the following reasons.

After the year end, Badger Property Partners LLP commenced discussions with lenders to refinance its bank loan and discounted security facilities. After receiving terms from the lenders, the members have decided on which terms to accept and have agreed final terms with a maturity date of October 2023. It is expected that both the bank loan and the discounted security facilities will be refinanced by the repayment date of the existing facilities of 10 October 2018 (notes 12 and 13). Based on the terms agreed, the members have prepared cash flow projections for the period to the end of the new facility terms, which indicate that the business is expected to be cash generative. On the basis of these cash flow projections and the level of certainty over the completion of the refinancing, the members consider it will continue in operational existence by meeting its liabilities as they fall due. However, the members acknowledge that there is no certainty in relation to these matters until the terms are formally signed. The financial statements do not include any adjustments that would result from the partnership not achieving its cash flow projections.

Turnover

Turnover represents rental income receivable in respect of the LLP's property interests.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Current asset investments

Current asset investments are liquid resources 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 value or traded in an active market. Current asset investments are stated at the lower of cost and net realisable value.

Short term deposits with a maturity date of more than 3 months are recognised within current asset investments.

BADGER PROPERTY PARTNERS LLP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2018

1. ACCOUNTING POLICIES (Continued)

Borrowings

All borrowings are initially stated at the fair value of the consideration received after deduction of issue costs. Issue costs together with finance costs are charged to the profit and loss account over the term of the borrowings. Accrued finance costs attributable to borrowings where the maturity at the date of issue is less than one year are included within current liabilities. For all other borrowings, accrued finance charges and issue costs are included within Creditors due after more than one year.

Investment properties

In accordance with FRS 102 S16, investment properties are initially recognised at its purchased price and any directly attributable expenditure. Investment property is subsequently measured at fair value at each reporting date with changes in fair value recognised in the profit and loss account.

Leases

Rental income is recognised on a straight line basis over the shorter of the entire lease term or the period to the first break option. Where a lease incentive does not enhance the property, it is amortised on a straight line basis over the period from the date of the lease commencement to the earlier of the first break option, or the end of the lease term. On new leases with rent free periods, rental income is allocated evenly over the period from the date of lease commencement to the earlier of the first rent review and the lease end date.

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

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. If the partnership is liable to repay the capital, it should be classified as debt.

Where the profit share of members is pre-determined, without the need for any further decision on the division of those profits, and not at the discretion of the partnership, the profit is classified as a liability of the partnership and shown as a charge to the profit and loss account under members' profit allocation. Where the profit share of members is not pre-determined, the profit is classified as equity and there is no charge to the profit and loss account.

Allocation of profits

The allocation of the profit to those who are members during the period occurs following the finalisation of the annual financial statements as per the LLP agreement. Unallocated profits are shown in 'members' other interests'.

2. TURNOVER

The LLP's turnover and profit arises solely from its commercial property interests.

There is no significant turnover and profit arising in geographical locations other than the United Kingdom.

BADGER PROPERTY PARTNERS LLP**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 5 APRIL 2018****3. NOTES TO THE PROFIT AND LOSS ACCOUNT**

	2018	2017
	£	£
Operating profit is stated after charging/(crediting):		
Auditor's remuneration - audit services	9,948	6,900
Operating income - rental income	(6,942,364)	(6,953,162)

4. MEMBERS' REMUNERATION

The average number of members of the Limited Liability Partnership for the financial year was 2 (2017: 2).

There was no remuneration or drawings allocated to the members during the year (2017: £nil).

5. STAFF NUMBERS AND COSTS

There were no employees during the current or preceding year.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2018	2017
	£	£
Bank and term deposit interest receivable	53,380	88,688

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Bank loans	1,809,688	1,938,749
Discount unwind on discounted security (note 12)	4,700,000	4,700,000
Other financing costs	70,000	70,000
	6,579,688	6,708,749

8. INVESTMENT PROPERTY

	2018	2017
	£	£
Valuation:		
At 6 April	142,250,000	130,000,000
Revaluation	-	12,250,000
At 5 April	142,250,000	142,250,000

The property is being leased under an operating lease and the year end net book value is shown above. In October 2013, the LLP entered into a new lease with Express Newspapers. The lease is for a term of 20 years. On 31 January 2018, the lease was transferred from Express Newspapers to Northern & Shell Plc (formerly Northern & Shell Media Group Limited). On 26 July 2018, the investment property was revalued at £142,500,000 by CBRE Limited, chartered surveyors, on a market value basis and in accordance with the RICS Appraisal and Valuation Manual.

BADGER PROPERTY PARTNERS LLP**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 5 APRIL 2018****9. CURRENT ASSET INVESTMENTS**

	2018 £	2017 £
Cash on deposit	<u>-</u>	<u>17,260,269</u>

Short term cash deposits of three months or less are recognised within cash at bank and in hand.

The LLP holds current asset investments with maturities of one year or less. These investments are cash balances held on deposit with financial institutions. The cash balances are held for maturities of between three months and one year and in accordance with FRS 102 have been presented under current asset investments.

The market value of current asset investments is:

	2018 £	2017 £
At 6 April	17,260,269	12,240,542
Additions	13,667,512	31,976,116
Disposals	<u>(30,927,781)</u>	<u>(26,956,389)</u>
At 5 April	<u>-</u>	<u>17,260,269</u>

10. DEBTORS

	2018 £	2017 £
Prepayments and accrued income	<u>35,735</u>	<u>122,187</u>

All amounts are due within one year.

11. CREDITORS: amounts falling due within one year

	2018 £	2017 £
Accruals and deferred income	1,791,655	1,841,220
Bank loan (note 13)	53,000,000	-
Discounted security (note 12)	<u>55,592,055</u>	<u>-</u>
	<u>110,383,710</u>	<u>1,841,220</u>

12. CREDITORS: amounts falling due after more than one year

	2018 £	2017 £
Bank loan (note 13)	-	65,000,000
Discounted security	<u>-</u>	<u>50,892,055</u>
	<u>-</u>	<u>115,892,055</u>

BADGER PROPERTY PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2018

12. CREDITORS: amounts falling due after more than one year (Continued)

The discounted security was issued in the year ended 5 April 2014 for £34,500,000, has a nominal value of £58,000,000 and is redeemable on 10 October 2018. The discounted security is secured against the investment property (note 8) and the assets of the LLP. After the year end, the LLP commenced discussions with the bond holder to refinance its discounted security. The members have agreed terms and anticipate that the facility will be refinanced by the due date of 10 October 2018.

13. BANK LOAN OBLIGATION

	2018 £	2017 £
The LLP's bank loan obligations are due:		
Within one year	53,000,000	-
Between two and five years	-	65,000,000
	<u>53,000,000</u>	<u>65,000,000</u>

During the year, the LLP repaid £12,000,000 (2017: £nil) of its bank loan facility.

The remaining £53,000,000 term loan is interest only, repayable in full on 10 October 2018 and carries interest at LIBOR plus a margin of 2.5%. The term loan is secured against the investment property (note 8) and assets of the LLP. The LLP has not entered into any interest rate hedging arrangements in respect of the current term loan but may choose to do so in the future.

After the year end, the LLP commenced discussions to refinance its £53,000,000 (as at 5 April 2018) bank loan facility. The members have agreed terms and anticipate that the facility will be refinanced by the due date of 10 October 2018.

14. MEMBERS' OTHER INTERESTS

	Members' other interests £	Loans and other debts due to members £	Total members' interests £
At 6 April 2017	42,338,567	150,000	42,488,567
Profit for the financial year available for discretionary division among members	<u>270,525</u>	<u>-</u>	<u>270,525</u>
At 5 April 2018	<u>42,609,092</u>	<u>150,000</u>	<u>42,759,092</u>

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.

15. EVENTS AFTER THE REPORTING DATE

After the year end, the LLP commenced discussions to refinance its bank loan and discounted security facilities. The members have agreed terms and they anticipate that both facilities will be refinanced by the due date of 10 October 2018 (notes 12 and 13).

BADGER PROPERTY PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2018

16. RELATED PARTY TRANSACTIONS

During the year, the LLP made a distribution to its members of £nil (2017: £nil).

The LLP leases the property to Northern & Shell Plc (formerly Northern & Shell Media Group Limited), a company of which Mr. R.C. Desmond is also a director, for a rental of £6,879,520 per annum (2017: £nil). No amounts remained outstanding at 5 April 2018 (2017: £nil).

The LLP previously leased the property to Express Newspapers, a company of which Mr. R.C. Desmond was also a director, for a rental of £6,879,520 per annum (2017: £6,879,520). The lease was transferred to Northern & Shell Plc on 31 January 2018. No amounts remained outstanding at 5 April 2018 (2017: £nil).

In the year ended 5 April 2014, the LLP issued a discounted security to SGH Collectives Fund PCC for an issue price of £34,500,000, with a nominal value of £58,000,000. The terms of the security are set out in note 12. The value of SGH Collectives Fund PCC is reflected in assets of The Northern & Shell Richard Desmond Funded Unapproved Retirement Benefit Scheme, of which Mr. R.C. Desmond is the beneficiary.

The designated members control the LLP.