

Dencora Mason Road LLP
Financial statements
31 December 2017



Dencora Mason Road LLP

Financial statements

Year ended 31 December 2017

Contents	Page
Designated members and professional advisers	1
Members' report	2
Independent auditor's report to the members	4
Income statement	7
Statement of financial position	8
Reconciliation of members' interests	10
Notes to the financial statements	12

Dencora Mason Road LLP

Designated members and professional advisers

Designated members	Dencora 2000 Limited - Designated Member Dencora Estates Limited - Designated Member
Registered office	Dencora Court 2 Meridian Way Norwich NR7 0TA
Auditor	Lovewell Blake LLP Chartered accountant & statutory auditor Bankside 300 Peachman Way Broadland Business Park Norwich NR7 0LB
Solicitors	Mills and Reeve 1 St James Court Whitefriars Norwich NR3 1RU

Dencora Mason Road LLP

Members' report

Year ended 31 December 2017

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

Principal activities

The principal activity of the limited liability partnership is that of property investment.

Designated members

The designated members who served the LLP during the year were as follows:

Dencora 2000 Limited
Dencora Estates Limited

Policy regarding members' drawings and the subscription and repayment of amounts subscribed or otherwise contributed by members

Members are permitted to make drawings in anticipation of profits which will be allocated to them. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the LLP.

New members are required to subscribe a minimum level of capital and in subsequent years members are invited to subscribe for further capital, the amounts of which is determined by the performance and seniority of those members. On retirement, capital is repaid to members.

Members' responsibilities statement

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

Company law as applied to limited liability partnerships by 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law as applied to limited liability partnerships 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 the profit or loss of the LLP for that period.

In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

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 the financial statements comply with 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. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Dencora Mason Road LLP

Members' report *(continued)*

Year ended 31 December 2017

Auditor

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

This report was approved by the members on 15 June 2018 and signed on behalf of the members by:

O.B. Chipperfield

Dencora 2000 limited
Designated Member

Registered office:
Dencora Court
2 Meridian Way
Norwich
NR7 0TA

Dencora Mason Road LLP

Independent auditor's report to the members of Dencora Mason Road LLP

Year ended 31 December 2017

Opinion

We have audited the financial statements of Dencora Mason Road LLP (the 'LLP') for the year ended 31 December 2017 which comprise the income statement, statement of financial position, reconciliation of members' interests and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 December 2017 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the LLP's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Dencora Mason Road LLP

Independent auditor's report to the members of Dencora Mason Road LLP

(continued)

Year ended 31 December 2017

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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; or
- the members were not entitled to prepare the financial statements in accordance with the small LLPs regime.

Responsibilities of members

As explained more fully in the members' responsibilities statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for 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 the members either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Dencora Mason Road LLP

Independent auditor's report to the members of Dencora Mason Road LLP

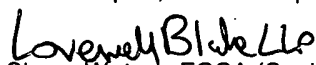
(continued)

Year ended 31 December 2017

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the LLP's members, as a body, in accordance with chapter 3 of part 16 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. 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.



Simon Watson FCCA (Senior Statutory Auditor)

For and on behalf of
Lovewell Blake LLP
Chartered accountant & statutory auditor
Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

15 June 2018

Dencora Mason Road LLP

Income statement

Year ended 31 December 2017

	Note	2017 £	2016 £
Turnover		181,662	172,057
Cost of sales		(13,187)	(14,064)
Gross profit		168,475	157,993
Administrative expenses		(2,222)	(2,251)
Operating profit		166,253	155,742
Gain on financial assets at fair value through profit or loss		–	300,000
Interest receivable and similar expenses		291	174
Profit for the financial year before members' remuneration and profit shares		166,544	455,916
Members' remuneration charged as an expense		(166,544)	(155,916)
Profit for the financial year available for discretionary division among members		–	300,000

All the activities of the LLP are from continuing operations.

The LLP has no other recognised items of income and expenses other than the results for the year as set out above.

The notes on pages 12 to 15 form part of these financial statements.

Dencora Mason Road LLP

Statement of financial position

31 December 2017

	Note	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	4		2,150,000		2,150,000
Current assets					
Debtors	5	16,867		15,908	
Cash at bank and in hand		97,315		108,865	
		<u>114,182</u>		<u>124,773</u>	
Creditors: Amounts falling due within one year	6	<u>(67,455)</u>		<u>(61,202)</u>	
Net current assets			46,727		63,571
Total assets less current liabilities			2,196,727		2,213,571
Creditors: Amounts falling due after more than one year	7		-		-
Net assets			<u>2,196,727</u>		<u>2,213,571</u>
Represented by:					
Loans and other debts due to members					
Members' capital classified as a liability	8		473,397		473,397
Other amounts	8		1,720,330		1,737,174
			<u>2,193,727</u>		<u>2,210,571</u>
Members' other interests					
Revaluation reserve			3,000		3,000
Other reserves			-		-
			<u>2,196,727</u>		<u>2,213,571</u>
Total members' interests					
Loans and other debts due to members	8		2,193,727		2,210,571
Members' other interests			3,000		3,000
			<u>2,196,727</u>		<u>2,213,571</u>

These financial statements have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The statement of financial position
continues on the following page.

The notes on pages 12 to 15 form part of these financial statements.

Dencora Mason Road LLP

Statement of financial position *(continued)*

31 December 2017

These financial statements were approved by the members and authorised for issue on 15 Jan 2018 and are signed on their behalf by:

O. B. Chipperfield

Dencora 2000 Limited
Designated Member

Registered number: OC319548

The notes on pages 12 to 15 form part of these financial statements.

Dencora Mason Road LLP

Reconciliation of members' interests

Year ended 31 December 2017

	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors			Total members' interests Total 2017
	Revaluation reserve	Other reserves	Total	Members' capital (classified as debt)	Other amounts	Total	
	£	£	£	£	£	£	£
Balance at 1 January 2017	3,000	—	3,000	473,397	1,737,174	2,210,571	2,213,571
Members remuneration charged as an expense, including employment costs					166,544	166,544	166,544
Profit for the financial year available for discretionary division among members		—	—				—
Members' interests after profit for the year	3,000	—	3,000	473,397	1,903,718	2,377,115	2,380,115
Drawings					(183,388)	(183,388)	(183,388)
Reclassification from profit and loss to revaluation reserve	—	—	—				—
Balance at 31 December 2017	3,000	—	3,000	473,397	1,720,330	2,193,727	2,196,727

The reconciliation of members' interests
continues on the following page.
The notes on pages 12 to 15 form part of these financial statements.

Dencora Mason Road LLP

Reconciliation of members' interests *(continued)*

Year ended 31 December 2017

	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors			Total members' interests Total 2016
	Revaluation reserve	Other reserves	Total	Members' capital (classified as debt)	Other amounts	Total	
	£	£	£	£	£	£	£
Balance at 1 January 2016	(297,000)	-	(297,000)	473,397	1,711,278	2,184,675	1,887,675
Members remuneration charged as an expense, including employment costs					155,916	155,916	155,916
Profit for the financial year available for discretionary division among members		300,000	300,000				300,000
Members' interests after profit for the year	(297,000)	300,000	3,000	473,397	1,867,194	2,340,591	2,343,591
Drawings					(130,020)	(130,020)	(130,020)
Reclassification from profit and loss to revaluation reserve	300,000	(300,000)	-				-
Balance at 31 December 2016	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>473,397</u>	<u>1,737,174</u>	<u>2,210,571</u>	<u>2,213,571</u>

The notes on pages 12 to 15 form part of these financial statements.

Dencora Mason Road LLP

Notes to the financial statements

Year ended 31 December 2017

1. General information

The LLP is registered in England and Wales.

The address of the registered office is Dencora Court, 2 Meridian Way, Norwich, NR7 0TA.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' issued in January 2017 (SORP 2017).

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The items in the financial statements where these judgements and estimates have been made include:

Valuation of investment properties - Investment property values are reviewed annually by the designated members using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable, stated net of discounts and of Value Added Tax. Specific policies are as follows:

Rental income - rental and related income is credited to turnover on a straight-line basis over the lease term. The aggregate of lease incentives are recognised over the lease term on a straight line basis.

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 FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships'. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the LLP.

Dencora Mason Road LLP

Notes to the financial statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Members' participation rights *(continued)*

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.

Where profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the income statement in the relevant year. To the extent that they remain unpaid at the year end, they are shown as liabilities in the statement of financial position.

Conversely, where profits are divided only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the income statement and are equity appropriations in the statement of financial position.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment.

All amounts due to members that are classified as liabilities are presented in the statement of financial position within 'Loans and other debts due to members' and are charged to the income statement within 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the statement of financial position within 'Members' other interests'.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Investment property

Investment properties are carried at fair value determined annually by the designated members based upon professional valuations performed by chartered surveyors, in accordance with the RICS Appraisal and Valuation Manual. Inspections of all properties are carried out every fourth year. No depreciation is provided.

Investment properties under development are carried at the lower of cost and designated members' valuation. However, where the basic structure of the building is complete and at least 90% of the building let, or where the building in its existing state can be sold without the need to carry out further work, then the property is carried at open market value less an estimate of the cost to complete.

The cost of properties includes direct costs, a proportion of applicable overheads and interest (less net income received) for a period until no later than six months after the certificate of practical completion of construction has been issued, less provision in the event of a permanent diminution in value.

Surpluses and subsequent deficits on revaluations are taken to a revaluation reserve. If a property held as a fixed asset is sold, the difference between sales proceeds and accounts value is treated as a profit or loss in the current year's statement of comprehensive income, and the previous revaluation surplus or deficit is reclassified under the members' current account.

Dencora Mason Road LLP

Notes to the financial statements *(continued)*

Year ended 31 December 2017

4. Tangible assets

	Investment property £
Cost	
At 1 January 2017 and 31 December 2017	<u>2,150,000</u>
Depreciation	
At 1 January 2017 and 31 December 2017	<u>—</u>
Carrying amount	
At 31 December 2017	<u>2,150,000</u>
At 31 December 2016	<u>2,150,000</u>

Investment properties were valued by Savills Chartered Surveyors in March 2015 on an open market value basis. The market value at 31 December 2017 is not considered to be materially different to the market value in March 2015.

Tangible assets held at valuation

In respect of tangible assets held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Investment property £
At 31 December 2017	
Aggregate cost	2,147,000
Aggregate depreciation	<u>—</u>
Carrying value	<u>2,147,000</u>
At 31 December 2016	
Aggregate cost	2,147,000
Aggregate depreciation	<u>—</u>
Carrying value	<u>2,147,000</u>

5. Debtors

	2017 £	2016 £
Trade debtors	16,867	15,908
Prepayments and accrued income	—	—
Other debtors	—	—
	<u>16,867</u>	<u>15,908</u>

Dencora Mason Road LLP

Notes to the financial statements *(continued)*

Year ended 31 December 2017

6. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Trade creditors	1,282	270
Accruals and deferred income	56,930	52,422
Social security and other taxes	9,243	8,510
	<u>67,455</u>	<u>61,202</u>

7. Total members interests

Loans and other debts due to members and members other interests will, in the administration or winding up of the partnership, rank behind (and only be paid after full payment has been made in respect of) all amounts due to the unsecured creditors who are not members.

8. Loans and other debts due to members

	2017	2016
	£	£
Amounts owed to members in respect of profits	1,720,330	1,737,174
Members capital classified as a liability	473,397	473,347
	<u>2,193,727</u>	<u>2,210,571</u>

9. Operating leases

As lessor

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Not later than 1 year	159,681	136,431
Later than 1 year and not later than 5 years	311,402	191,492
Later than 5 years	-	7,479
	<u>471,083</u>	<u>335,402</u>

10. Controlling party

The results of this LLP are consolidated in Dencora 2000 Limited's accounts being the ultimate parent undertaking. Dencora 2000 Limited is a company registered in England and Wales and its registered office address is Dencora Court, 2 Meridian Way, Norwich, Norfolk NR7 0TA