

Limited Liability Partnership Registration No. OC323527 (England and Wales)

K2 EQUITY PARTNERS LLP
REPORT AND UNAUDITED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2019
PAGES FOR FILING WITH REGISTRAR



K2 EQUITY PARTNERS LLP**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2019**

	Notes	2019 £	£	2018 £	£
Current assets					
Debtors	3	112,883		103,316	
Creditors: amounts falling due within one year	4	<u>(112,883)</u>		<u>(103,316)</u>	
Net current assets			-		-
Creditors: amounts falling due after more than one year	5		(691,067)		(654,490)
Net liabilities attributable to members			<u>(691,067)</u>		<u>(654,490)</u>
Represented by:					
Members' other interests					
Members' capital classified as equity			(691,067)		(654,490)
			<u>(691,067)</u>		<u>(654,490)</u>
Total members' interests	6				
Amounts due from members			(88,526)		(31,026)
Members' other interests			<u>(691,067)</u>		<u>(654,490)</u>
			<u>(779,593)</u>		<u>(685,516)</u>

K2 EQUITY PARTNERS LLP

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2019


The members have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 March 2019 the limited liability 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 Companies Act 2006) Regulations 2008) relating to small limited liability partnerships.

The members acknowledge their responsibility 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 financial statements.

These financial statements have been prepared and delivered in accordance with the special provisions of the Companies Act 2006 (as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008) applicable to LLPs subject to the small LLPs regime.

The financial statements were approved by the members and authorised for issue on 20.11.19..... and are signed on their behalf by:



A Wild

Designated member

K2 EQUITY PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Limited liability partnership information

K2 Equity Partners LLP is a limited liability partnership incorporated in England and Wales. The registered office is 1st Floor Whitecroft House, 51 Water Lane, Wilmslow, Cheshire, SK9 5BQ.

The LLP's principal activities and nature of its operations are disclosed in the Members' Report.

Accounting convention

The financial statements have been prepared under the historical cost convention in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (published January 2017). The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

At the year end the LLP had net liabilities of £691,067 (2018 - £654,490). Included in creditors falling due after more than one year are amounts due to related parties totalling £691,067 (2018 - £654,490) for which there is no requirement for the Limited LLP to repay. It is anticipated that these liabilities will be satisfied from the LLP's share of future profits from these entities.

Turnover

Turnover represents the amounts recoverable for the services provided to clients, excluding value added tax, under contractual obligations which are performed gradually over time.

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. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

Where there exists an asset and liability component in respect of an individual member's participation rights, they are presented on a gross basis unless the LLP has both a legally enforceable right to set off the recognised amounts, and it intends either to settle on a net basis or to settle and realise these amounts simultaneously, in which case they are presented net.

K2 EQUITY PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies (Continued)

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings and equipment	33 1/3% p.a. on cost
----------------------------------	----------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments 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.

Financial instruments

The LLP has elected to apply the provisions of Section 11 'Basic Financial Instruments of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the LLP's statement of financial position when the LLP becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Impairment of financial assets

Financial assets, other than those held at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the LLP after deducting all of its liabilities.

K2 EQUITY PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the LLP are recorded at the fair value of the proceeds received, net of direct issue costs.

2 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 April 2018 and 31 March 2019	320
Depreciation and impairment	
At 1 April 2018 and 31 March 2019	320
Carrying amount	
At 31 March 2019	-
At 31 March 2018	-

3 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	24,147	5,919
Amounts owed by members	88,526	31,026
Other debtors	210	66,371
	112,883	103,316

K2 EQUITY PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

4 Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	37,833	39,137
Trade creditors	862	9,804
Taxation and social security	7,975	2,742
Other creditors	66,213	51,633
	<u>112,883</u>	<u>103,316</u>

5 Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Other creditors	<u>691,067</u>	<u>654,490</u>

Other creditors represents the LLP's share of cumulative losses as at the year end as follows:

	2019	2018
	£	£
NR Investors LP	545,594	538,674
Natural Land 4 LLP	<u>145,473</u>	<u>115,816</u>
	<u>691,067</u>	<u>654,490</u>

There is no requirement for the LLP to repay these amounts. It is anticipated that the liabilities will be satisfied from the LLP's share of future profits.

K2 EQUITY PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

6 Reconciliation of Members' Interests

	EQUITY		DEBT		TOTAL	
	Members' other interests	Loans and other debts due to members less any amounts due from members in debtors	Other amounts	Total debt	MEMBERS' INTERESTS	
	Members' capital (classified as equity)	Members' capital (classified as debt)			2019	2018
	£		£	£	£	£
Members' interests at 1 April 2018	(654,490)	(31,026)	-	(31,026)	(685,516)	(718,232)
Members' remuneration charged as an expense, including employment costs and retirement benefit costs	-	-	255,921	255,921	255,921	69,716
Members' interests after result and remuneration for the year	(654,490)	(31,026)	255,921	224,895	(429,595)	(648,516)
Allocation of profit for the financial year	-	-	(255,921)	(255,921)	(255,921)	(69,716)
Other divisions of profits	(36,577)	292,498	-	292,498	255,921	69,716
Repayment of debt (including members' capital classified as a liability)	-	(349,998)	-	(349,998)	(349,998)	(37,000)
Members' interests at 31 March 2019	(691,067)	(88,526)	-	(88,526)	(779,593)	(685,516)

K2 EQUITY PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

7 Loans and other debts due to members

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors.

8 Related party transactions

The LLP is a member of NR Investors Limited Partnership. During the year the LLP received a share of losses from NR Investors LP amounting to £6,920 (2018 - £6,891). Included within creditors due after more than one year is an amount of £545,954 (2018 - £538,674) which is due to NR Investors Limited Partnership and is the LLP's cumulative share of losses as at 31 March 2019, as shown in the accounts of NR Investors Limited Partnership.

The designated members M Spence, E Kearney and A Wild have an interest in The Great Travel Company Limited, which has a 100% interest in The UK Great Travel Company Limited. During the year the LLP recharged expenses amounting to £nil (2018 - £22,709) to The UK Great Travel Company Limited. At 31 March 2019 £nil (2018 - £5,418) was due to the LLP and is included in trade debtors and £nil (2018 - £20,000) is included in other debtors..

The UK Great Travel Company Limited has a 100% interest in Harbour Holidays (Rock) Limited. During the year the LLP recharged services amounting to £419 (2018 - £384). At 31 March 2019 trade debtors includes £39 (2018 - £66) due from Harbour Holidays (Rock) Limited.

The LLP is a member of Natural Land 4 LLP. During the year the LLP supplied services amounting to £52,000 (2018 - £nil). Also during the year the LLP received a share of losses from Natural Land 4 LLP amounting to £29,657 (2018 - £8,875). Included within creditors due after more than one year is an amount of £145,473 (2018 - £115,816) which is due to Natural Land 4 LLP and is the LLP's share of cumulative losses as at 31 March 2019, as shown in the accounts of Natural Land 4 LLP.

During the year the LLP made a loan of £nil (2018 - £43,971) to Natural Land 4 LLP. Interest amounting to £2,190 (2018 - £2,246) has been charged on the loan. During the year the LLP received loan repayments totalling £48,407 (2018 - £nil) and the balance owing from Natural Land 4 LLP at 31 March 2019 amounted to £nil (2018 - £46,161) and is included in other debtors.

The designated members M Spence, E Kearney and A Wild are directors of Natural Assets Investments Limited in which the LLP has an interest. During the year the LLP supplied services amounting to £96,000 (2018 - £96,000) to Natural Assets Investments Limited.

Also during the year the LLP was recharged expenses amounting to £nil (2018 - £nil) by Natural Assets Investments Limited. The amount payable to Natural Assets Investments Limited at the year end was £48,583 (2018 - £48,583).

Natural Assets Investments Limited is the parent company of Natural Land 3 Limited. During the year the LLP loaned £4,000 (2018 - £nil) from Natural Land 3 Limited. This amount was outstanding at the year end.

The designated members M Spence, E Kearney and A Wild are also directors of Humberts UK Limited. During the year the LLP supplied services amounting to £136,000 (2018 - £nil) and recharged expenses amounting to £228 (2018 - £nil) to Humberts UK Limited. At 31 March 2019 trade debtors includes £24,108 (2018 - £nil) owing from Humberts UK Limited.

K2 Equity Partners LLP is a designated member of Natural Land 5 LLP, at 31 March 2019 the LLP is owed £210 (2018 - £210) included in other debtors for expenses paid on behalf of Natural Land 5 LLP.

K2 EQUITY PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

9 Control

The LLP is controlled by its members as delegated to the management team and as such there is no controlling party.