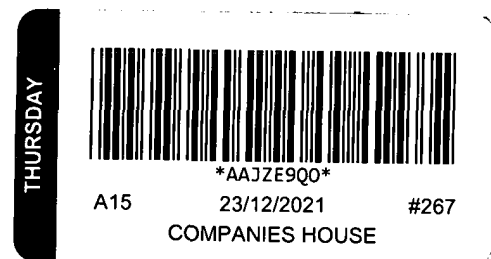


**Registered number: OC350418**

**CUMBERLAND HOUSE BPRA  
PROPERTY FUND LLP**

**FINANCIAL STATEMENTS**

**YEAR ENDED 5 APRIL 2021**



**LUBBOCK FINE LLP  
Chartered Accountants  
Paternoster House  
65 St Paul's Churchyard  
London EC4M 8AB**

## BALANCE SHEET

AS AT 5 APRIL 2021

	Note	2021 £	As restated 2020 £
<b>Fixed assets</b>			
Tangible assets	4	32,489,569	32,264,200
Investments	5	5	5
		<u>32,489,574</u>	<u>32,264,205</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	4,335,827	6,001,760
Cash at bank and in hand	7	35,432	8,590
		<u>4,371,259</u>	<u>6,010,350</u>
Creditors: Amounts Falling Due Within One Year	8	(11,141,627)	(10,689,383)
<b>Net current liabilities</b>		<u>(6,770,368)</u>	<u>(4,679,033)</u>
<b>Total assets less current liabilities</b>		<u>25,719,206</u>	<u>27,585,172</u>
Creditors: amounts falling due after more than one year	9	(10,207,625)	(10,561,375)
		<u>15,511,581</u>	<u>17,023,797</u>
<b>Provisions for liabilities</b>			
Other provisions	10	(86,640)	(267,197)
		<u>(86,640)</u>	<u>(267,197)</u>
<b>Net assets</b>		<u><u>15,424,941</u></u>	<u><u>16,756,600</u></u>

## BALANCE SHEET (CONTINUED)

AS AT 5 APRIL 2021

		2021 £	2020 £
<b>Represented by:</b>			
<b>Loans and other debts due to members within one year</b>			
<b>Members' other interests</b>			
Members' capital classified as equity	15,530,000	15,530,000	
Other reserves classified as equity	(105,059)	1,226,600	
		<u>15,424,941</u>	<u>16,756,600</u>
		<u>15,424,941</u>	<u>16,756,600</u>
<b>Total members' interests</b>			
Members' other interests		<u>15,424,941</u>	<u>16,756,600</u>
		<u>15,424,941</u>	<u>16,756,600</u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small LLPs regime.

The financial statements have been delivered in accordance with the provisions applicable to LLPs subject to the small LLPs regime.

The entity has opted not to file the statement of comprehensive income in accordance with the provisions applicable to entities subject to the small LLPs regime.

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

*Nick Lewis*

**Downing Members Limited**  
Designated member

Date: 23 December 2021

The notes on pages 3 to 10 form part of these financial statements.

## **CUMBERLAND HOUSE BPRA PROPERTY FUND LLP**

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 5 APRIL 2021**

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#### **1. General information**

Cumberland House BPRA Property Fund LLP is a Limited Liability Partnership incorporated in England and Wales. Its registered office and principle place of business is 6th Floor St Magnus House, 3 Lower Thames Street, London, EC3R 6HD. The financial statements are presented in Sterling which is the functional currency of the LLP and rounded to the nearest £.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The following principal accounting policies have been applied:

##### **2.2 Exemption from preparing consolidated financial statements**

The LLP, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

##### **2.3 Going concern**

Management monitor the LLP's working capital requirements and the members consider it is appropriate to prepare the financial statements on a going concern basis. This assumes that the LLP will continue in operational existence for the foreseeable future and for at least 12 months after the signing of the financial statements.

The performance of one of the LLP's subsidiaries, Cumberland House Hotel Birmingham Limited, was severely impacted by COVID-19 and the nationwide lockdowns. This affected the hotel's ability to pay outstanding rent due to the LLP, which in turn reduced the LLP's available cash. The LLP received a capital repayment holiday on its outstanding bank loan and existing cash reserves were sufficient to meet interest and other expenses during the year. The LLP expects rental payments from its subsidiary to resume for the second half of the 5 April 2022 financial year and increasing further for the 5 April 2023 financial year. The LLP's ability to continue in operational existence for the foreseeable future is also reliant on the continued support of its lenders.

For this reason the directors believe that the LLP continues to be a going concern and that it is appropriate to prepare the accounts on a going concern basis.

The impact of the COVID-19 outbreak on the financial performance of the LLP will depend on future developments, including the duration and spread of the outbreak, the continuing restrictions and the impact of COVID-19 on the overall economy, all of which are highly uncertain and cannot be predicted. The members note that this and the reliance on support from its lenders creates a material uncertainty that may cast significant doubt on the LLP's ability to continue as a going concern.

If the LLP is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of the assets to their recoverable amounts, provide for further liabilities that may arise and reclassify fixed assets as current assets.

## CUMBERLAND HOUSE BPRA PROPERTY FUND LLP

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2021

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#### 2. Accounting policies (continued)

##### 2.4 Turnover

Turnover recognised in the LLP represents rentals receivable during the year, exclusive of Value Added Tax.

##### 2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

##### 2.7 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the LLP but are presented separately due to their size or incidence.

##### 2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Investment property rented to other group entities and accounted for under the cost model is stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	-	2% straight line with a residual value of 80%
Fixtures and fittings	-	20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

##### 2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

## CUMBERLAND HOUSE BPRA PROPERTY FUND LLP

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2021

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#### 2. Accounting policies (continued)

##### 2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the LLP a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the LLP becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

##### 2.14 Financial instruments

The LLP only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the LLP would receive for the asset if it were to be sold at the

## CUMBERLAND HOUSE BPRA PROPERTY FUND LLP

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2021

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#### 2. Accounting policies (continued)

##### 2.14 Financial instruments (continued)

balance sheet date.

##### 2.15 Members' remuneration

A member's share in the profit and loss for the period is accounted for as an allocation of profits or losses. Unallocated profits and losses are included within Other Reserves.

##### 2.16 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 11 of FRS 102. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the LLP.

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 Statement of Comprehensive Income in the relevant year. To the extent that they remain unpaid at the year end, they are shown as liabilities in the Balance Sheet.

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 Statement of Comprehensive Income and are equity appropriations in the Balance Sheet.

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 Balance Sheet within 'Loans and other debts due to members' and are charged to the Statement of Comprehensive Income within 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the Balance Sheet within 'Members' other interests'.

#### 3. Employees

The entity has no employees in the current and prior year.

**CUMBERLAND HOUSE BPRA PROPERTY FUND LLP**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 5 APRIL 2021**

**4. Tangible fixed assets**

	Long-term leasehold property £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>			
At 6 April 2020 (As restated)	31,100,000	2,764,516	33,864,516
Additions	-	349,767	349,767
At 5 April 2021	31,100,000	3,114,283	34,214,283
<b>Depreciation</b>			
At 6 April 2020	373,200	1,227,116	1,600,316
Charge for the year on owned assets	124,398	-	124,398
At 5 April 2021	497,598	1,227,116	1,724,714
<b>Net book value</b>			
At 5 April 2021	30,602,402	1,887,167	32,489,569
At 5 April 2020 (As restated)	30,726,800	1,537,400	32,264,200

**5. Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 6 April 2020	5
At 5 April 2021	5



**CUMBERLAND HOUSE BPRA PROPERTY FUND LLP****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 5 APRIL 2021****6. Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	4,258,956	5,011,361
Other debtors	76,871	408,031
Prepayments and accrued income	-	582,369
	<u>4,335,827</u>	<u>6,001,761</u>

Amounts owed by group undertakings and other subsidiaries are unsecured, interest free and repayable on demand.

**7. Cash and cash equivalents**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<u>35,432</u>	<u>8,590</u>

**8. Creditors: Amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank loans	2,130,625	176,875
Other loans	8,771,851	8,638,760
Trade creditors	33,572	1,190,999
Other creditors	-	480,000
Accruals and deferred income	205,579	202,749
	<u>11,141,627</u>	<u>10,689,383</u>

The other loan is secured by a legal charge over the LLP's property. The loan is considered to be repayable on demand, £3,861,116 of the loan is interest free with the remaining loan attracting interest at a rate of 2.20%.

Bank loans are secured by a fixed and floating charge over the LLP's property and other assets. The loan attracts interest at a rate of 3.00%.

**CUMBERLAND HOUSE BPRA PROPERTY FUND LLP**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 5 APRIL 2021**

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**9. Creditors: Amounts falling due after more than one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank loans	10,207,625	10,561,375
	<u>10,207,625</u>	<u>10,561,375</u>

See bank loan security in note 8.

**10. Provisions**

	<b>External building refurbishment £</b>
At 6 April 2020	267,197
Utilised in year	(180,557)
<b>At 5 April 2021</b>	<u><u>86,640</u></u>

**11. Prior year adjustment**

An adjustment has been made to the balance sheet at 5 April 2020 to reclassify investment property with a net book value of £30,726,800 to tangible fixed assets. This amendment has come following an error made on adoption of the triennial review in the prior year whereby investment property rented to another group entity should be transferred to property, plant and equipment. This adjustment has no impact on the profit or net assets of the LLP at 5 April 2021.

A further adjustment has been made to reclassify a bad debt provision of £450,366 as an exceptional item as at 5 April 2020. This adjustment has no impact on the profit or net assets of the LLP at 5 April 2020.

**12. Related party transactions**

During the year, the LLP was recharged expenses of £nil (2020: £72,519) from other related parties.

During the year the LLP received a loan of £250,000 (2020: £480,000) from other related parties. At the balance sheet date £nil (2020: £480,000) of these loans were outstanding. The balance was unsecured, interest free and repayable on demand.

**CUMBERLAND HOUSE BPRA PROPERTY FUND LLP**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 5 APRIL 2021**

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**13. Auditors' information**

The full financial statements have been subject to audit. Attention was drawn to note 2.3 in the financial statements, which indicates that the impact of COVID-19 on the LLP may cast significant doubt on the LLP's ability to continue as a going concern. As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the LLP's ability to continue as a going concern. The audit opinion was not modified in respect of this matter. The audit was undertaken by Lubbock Fine LLP Chartered Accountants & Statutory Auditors and the Senior Statutory Auditor was Stephen Banks.