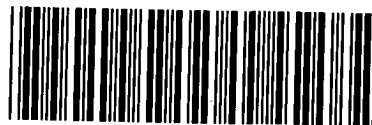

E&J GROUND RENTS NO3 LLP

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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E&J GROUND RENTS NO3 LLP
REGISTERED NUMBER: OC360128

BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	4	1	1
Investment properties	7	28,991,384	29,050,430
		<u>28,991,385</u>	<u>29,050,431</u>
Current assets			
Debtors: amounts falling due within one year	5	5,758,281	5,672,151
		<u>5,758,281</u>	<u>5,672,151</u>
Creditors: amounts falling due within one year	6	(31,155,264)	(32,004,486)
Net current liabilities		<u>(25,396,983)</u>	<u>(26,332,335)</u>
Total assets less current liabilities		<u>3,594,402</u>	<u>2,718,096</u>
Net assets		<u><u>3,594,402</u></u>	<u><u>2,718,096</u></u>
Represented by:			
Loans and other debts due to members within one year			
Other amounts		1,633,331	757,025
		<u>1,633,331</u>	<u>757,025</u>
Members' other interests			
Other reserves classified as equity		1,961,071	1,961,071
		<u>1,961,071</u>	<u>1,961,071</u>
		<u><u>3,594,402</u></u>	<u><u>2,718,096</u></u>
Total members' interests			
Loans and other debts due to members		1,633,331	757,025
Members' other interests		1,961,071	1,961,071
		<u>3,594,402</u>	<u>2,718,096</u>
		<u><u>3,594,402</u></u>	<u><u>2,718,096</u></u>

E&J GROUND RENTS NO3 LLP
REGISTERED NUMBER: OC360128

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2017

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 on 21 September 2017.


J E Tuttle for and on behalf of SF Member No. 1 Limited

Designated Member

The notes on pages 3 to 7 form part of these financial statements.

E&J Ground Rents No3 LLP has no equity and, in accordance with the provisions contained within the Statement of Recommended Practice "Accounting by Limited Liability Partnerships", has not presented a Statement of changes in equity.

E&J GROUND RENTS NO3 LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. General information

E&J Ground Rents No3 LLP is a limited liability partnership, incorporated in England & Wales (registered number OC360128). Its registered office and principal place of business is Vaughan House, Moorside Road, Winchester, Hampshire, SO23 7SA. The financial statements are presented in Sterling, which is the functional currency of the LLP.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the LLP's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

These accounts have been prepared on the going concern basis on the understanding that the intermediate parent company, SF Funding Limited, will continue to financially support the LLP. At the year end creditors total £31,155,264 (2016: £32,004,486), of which £28,661,876 (2016: £29,967,049) is payable to SF Funding Limited.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the LLP and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the LLP will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Taxation

Taxation on all the LLP's profits is solely the personal liability of individual members and is not dealt with in these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

2. Accounting policies (continued)

2.5 Investment property

Investment property is carried at fair value determined annually by the Designated Members and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 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.

2.8 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.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the LLP's accounting policies, which are described in note 2, management are required to make judgments, estimates and assumptions about the carrying values of assets and the liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revisions affect only that period, or in the period of the revisions and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Valuation of investment properties

As described in the notes to the financial statements, investment properties are stated at fair value based on the valuation by the Designated Members. The valuer used observable market prices adjusted as necessary for any difference in the nature, location or condition of the specific asset.

E&J GROUND RENTS NO3 LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

4. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2016	1
At 31 March 2017	<u>1</u>
Net book value	
At 31 March 2017	<u>1</u>
At 31 March 2016	<u>1</u>

The subsidiary's equity and profit/loss are disclosed within the intermediate parent company's financial statements.

5. Debtors

	2017 £	2016 £
Trade debtors	592,001	620,616
Other debtors	2,453	70,996
Prepayments and accrued income	5,163,827	4,980,539
	<u>5,758,281</u>	<u>5,672,151</u>

E&J GROUND RENTS NO3 LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

6. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Trade creditors	827,982	572,074
Amounts owed to group undertakings	28,661,877	29,967,050
Other taxation and social security	440	-
Other creditors	2	59,216
Accruals and deferred income	1,664,963	1,406,146
	<u>31,155,264</u>	<u>32,004,486</u>

7. Investment properties

	Freehold investment properties £
Valuation	
At 1 April 2016	29,050,430
Surplus on revaluation	(59,046)
At 31 March 2017	<u>28,991,384</u>

The 2017 valuation was made by the Designated Members. The Designated Members of the LLP are not professionally qualified valuers. The valuation was arrived at by reference to market evidence.

If the investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2017	2016
	£	£
Historic cost	14,488,838	14,488,838
	<u>14,488,838</u>	<u>14,488,838</u>

8. Prior year adjustment

A deficit on revaluation of investment properties was unrecorded in the prior period, resulting in a decrease in total comprehensive income and a reduction in the fair value of investment properties of £54,389.

E&J GROUND RENTS NO3 LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

9. Controlling party

The smallest group to consolidate these financial statements is SF Funding Limited. The registered office and principal place of business of SF Funding Limited is 2nd Floor Venta Court, 20 Jewry Street, Winchester, SO23 8FE.

10. Disclosure under section 444(5B) of the Companies Act 2006

The Report of the Auditors was unqualified.

D Walters (Senior Statutory Auditor)
for and on behalf of Harris & Trotter LLP