

Unaudited Financial Statements

Cheadle House (Oakwood Square) LLP

For the year ended 31 December 2016



Registered number: OC370747

Cheadle House (Oakwood Square) LLP

Information

Designated Members

Mr S Ramanathan

Mr E McTaggart

LLP registered number

OC370747

Registered office

No. 1 Whitehall Riverside, Leeds, LS1 4BN

Accountants

Grant Thornton UK LLP, Regent House, 80 Regent Road, Leicester, LE1 7NH

Cheadle House (Oakwood Square) LLP

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Cheadle House (Oakwood Square) LLP

Members' report

For the year ended 31 December 2016

The members present their annual report together with the financial statements of Cheadle House (Oakwood Square) LLP (the "LLP") for the ended 31 December 2016.

Principal activities

The principal object of the LLP is to acquire and hold investment property.

There have been no changes in the objectives since the last annual report.

Designated Members

Mr S Ramanathan and Mr E McTaggart were designated members of the LLP throughout the period.

Members' capital and interests

Each member's subscription to the capital of the LLP is determined by their share of the profit and is repayable following retirement from the LLP.

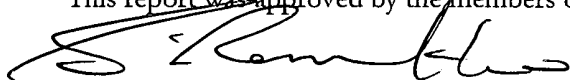
Details of changes in members' capital in the ended 31 December 2016 are set out in the financial statements.

Members are remunerated from the profits of the LLP and are required to make their own provision for pensions and other benefits. Profits are allocated and divided between members after finalisation of the financial statements. Members draw a proportion of their profit shares monthly during the year in which it is made, with the balance of profits being distributed after the year, subject to the cash requirements of the business.

Small LLP provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2008).

This report was approved by the members on 27 September 2017 and signed on their behalf by:



Mr S Ramanathan
Designated member

Members' responsibilities statement

For the year ended 31 December 2016

The members are responsible for preparing the annual 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 (the 2008 Regulations) require the members to prepare financial statements for each financial year. Under the law the members have elected to prepare financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The financial statements are required by law to give a true and fair view of the state of affairs of the LLP and of 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 judgements 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 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 2008 Regulations. 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.

Report to the members on the preparation of the unaudited statutory financial statements of Cheadle House (Oakwood Square) LLP for the year ended 31 December 2016

We have compiled the accompanying financial statements of Cheadle House (Oakwood Square) LLP based on the information you have provided. These financial statements comprise the Statement of Financial Position of Cheadle House (Oakwood Square) LLP as at 31 December 2016, the Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Members of Cheadle House (Oakwood Square) LLP, as a body, in accordance with the terms of our engagement letter dated 25 September 2017. Our work has been undertaken solely to prepare for your approval the financial statements of Cheadle House (Oakwood Square) LLP and state those matters that we have agreed to state to the Members of Cheadle House (Oakwood Square) LLP, as a body, in this report in accordance with our engagement letter dated 25 September 2017. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cheadle House (Oakwood Square) LLP and its Members as a body, for our work or for this report.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland. As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice.



Grant Thornton UK LLP

Chartered Accountants

Leicester

28 September 2017

Statement of comprehensive income

For the year ended 31 December 2016

	Note	2016 £	2015 £
Rents receivable		180,828	180,828
Administrative expenses		(15,586)	(19,191)
Operating profit		165,242	161,637
Interest payable and similar charges	6	(43,350)	(43,527)
Fair value movements on interest rate swap		8,271	6,749
Profit for the year before members' remuneration and profit shares		130,163	124,859
Profit for the year before members' remuneration and profit shares		130,163	124,859
Members' remuneration charged as an expense		(130,163)	(124,859)
Results for the year available for discretionary division among members		-	-

There were no other comprehensive income for 2016 (2015: £NIL).

The notes on pages 8 to 14 form part of these financial statements.

Statement of financial position
As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Investment property	7	2,057,713	2,057,713
Current assets			
Debtors: amounts falling due within one year	8	-	176,667
Cash at bank and in hand	9	141,843	9,561
		<u>141,843</u>	<u>186,228</u>
Creditors: amounts falling due within one year	10	(1,048,978)	(1,110,872)
Net current liabilities		<u>(907,135)</u>	<u>(924,644)</u>
Net assets		<u><u>1,150,578</u></u>	<u><u>1,133,069</u></u>
Represented by:			
Loans and other debts due to members within one year			
Other amounts	13	550,223	420,060
Members' other interests			
Members' capital classified as equity		600,355	713,009
		<u>600,355</u>	<u>713,009</u>
		<u><u>1,150,578</u></u>	<u><u>1,133,069</u></u>
Total members' interests			
Loans and other debts due to members	13	550,223	420,060
Members' other interests	15	600,355	713,009
		<u>1,150,578</u>	<u>1,133,069</u>

Statement of financial position (continued)

As at 31 December 2016

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

The entity 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.

The members acknowledge their responsibilities for complying with the requirements of the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 27 September 2017.



Mr S Ramanathan
Designated member

The notes on pages 8 to 14 form part of these financial statements.

Cheadle House (Oakwood Square) LLP

Statement of changes in equity
For the year ended 31 December 2016

	Members capital (classified as equity)	Total equity
	£	£
At 1 January 2016	713,009	713,009
Contributions by and distributions to members		
Capital amounts repaid to members	(112,654)	(112,654)
Total transactions with members	(112,654)	(112,654)
At 31 December 2016	600,355	600,355

Statement of changes in equity
For the year ended 31 December 2015

	Members capital (classified as equity)	Total equity
	£	£
At 1 January 2015	851,066	851,066
Contributions by and distributions to members		
Capital amounts repaid to members	(138,057)	(138,057)
At 31 December 2015	713,009	713,009

The notes on pages 8 to 14 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2016

1. General information

Cheadle House (Oakwood Square) LLP is registered in England and Wales, registration number OC370747. The registered office is No. 1 Whitehall, Leeds, West Yorkshire, LS1 4BN.

Principal Activity

The principal object of the LLP is to acquire and hold investment property.

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 financial statements are presented in Sterling (£).

The following principal accounting policies have been applied:

2.2 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.

Revenue relates to rental income from investment properties and is recognised on a straight line basis over the period of the lease.

2.3 Investment property

Investment property is carried at fair value 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.

2.4 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.

2.5 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.

Notes to the financial statements

For the year ended 31 December 2016

2. Accounting policies (continued)

2.6 Financial instruments

The LLP only enters into basic financial instruments 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 non-puttable 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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow 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 reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

2.7 Derivative financial instruments

Derivative financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in statement of comprehensive income. Outstanding derivatives at reporting date are included under the appropriate format heading depending on the nature of derivative.

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.

Notes to the financial statements

For the year ended 31 December 2016

2. Accounting policies (continued)

2.9 Finance costs

Finance costs are charged to the Statement of other comprehensive income 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.

2.10 Operating leases

Rentals income from operating leases is credited to the Statement of comprehensive income on a straight line basis over the term of the relevant lease.

2.11 Taxation

The taxation payable on the partnership profits is the personal liability of the members during the periods and consequently neither taxation nor related deferred taxation are accounted for in the financial statements. Amounts retained for tax are treated in the same way as other profits of the partnership and are included in "Members' interests" or in "Loans and other debts due to members" depending on whether or not division of profits has occurred.

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

Preparation of the financial statements can require management to make significant judgements and estimates. In preparing these financial statements the members consider that the only significant judgement is the carrying value of the investment property.

4. Employees

There were no employees during the year (2016 - none).

5. Information in relation to members

	2016 £	2015 £
Members' remuneration	<u>130,163</u>	<u>124,859</u>
Number of members	<u>2</u>	<u>2</u>

Notes to the financial statements

For the year ended 31 December 2016

6. Interest payable and similar charges

	2016 £	2015 £
Bank loan interest payable	32,411	31,931
Other similar charges	10,939	11,596
	<u>43,350</u>	<u>43,527</u>

7. Investment property

	Freehold investment property £
Valuation	
At 1 January 2016	2,057,713
At 31 December 2016	<u>2,057,713</u>

The 2014 valuation was made by Colliers International UK, on an open market value for existing use basis. The members consider there to be no material movement in the fair value of the asset since 2014.

8. Debtors

	2016 £	2015 £
Trade debtors	-	176,667

9. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	141,843	9,561

Notes to the financial statements

For the year ended 31 December 2016

10. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank loan	1,015,000	1,075,000
Accruals	30,990	24,613
Derivatives - interest rate swap	2,988	11,259
	<u>1,048,978</u>	<u>1,110,872</u>

Secured loans

The bank loan is secured over the assets of the LLP.

11. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	-	176,667
	<u>-</u>	<u>176,667</u>
Financial liabilities		
Financial liabilities measured at fair value through profit or loss	(2,988)	(11,259)
Financial liabilities measured at amortised cost	(1,045,990)	(1,099,613)
	<u>(1,048,978)</u>	<u>(1,110,872)</u>

Financial assets measured at amortised cost is comprised of trade debtors.

Financial liabilities measured at fair value through profit or loss is comprised of the interest rate swap.

Financial liabilities measured at amortised cost are comprised of banks loans, together with trade creditors and accruals and deferred income.

Cheadle House (Oakwood Square) LLP

Notes to the financial statements

For the year ended 31 December 2016

12. Commitments under operating leases

At 31 December 2016 the LLP had future minimum rents receivable under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	180,828	180,828
Later than 1 year and not later than 5 years	723,312	723,312
Later than 5 years	542,484	723,312
	<u>1,446,624</u>	<u>1,627,452</u>

13. Loans and other debts due to members

	2016 £	2015 £
Amounts due to members	<u>(550,223)</u>	<u>(420,060)</u>

Loans and other debts due to members may be further analysed as follows:

	2016 £	2015 £
Falling due within one year	<u>(550,223)</u>	<u>(420,060)</u>

Loans and other debts due to members rank equally with debts due to ordinary creditors in the event of a winding up.

14. Controlling party

Eugene McTaggart and Shankar Ramanathan represent the ultimate controlling parties by virtue of their status as members of the LLP.

Cheadle House (Oakwood Square) LLP

Notes to the financial statements

For the year ended 31 December 2016

15. Reconciliation of members' interests

	EQUITY Members' other interests	DEBT Loans and other debts due to members less any amounts due from members in debtors	Total members' interests
	Members' capital (classified as equity) £	Other amounts £	Total £
Amounts due to members		295,201	
Balance at 1 January 2015	851,066	295,201	1,146,267
Members' remuneration charged as an expense	-	124,859	124,859
Members' interests after profit for the year	851,066	420,060	1,271,126
Repayment of capital	(138,057)	-	(138,057)
Amounts due to members		420,060	
Balance at 31 December 2015	713,009	420,060	1,133,069
Members' remuneration charged as an expense	-	130,163	130,163
Members' interests after profit for the year	713,009	550,223	1,263,232
Repayment of capital	(112,654)	-	(112,654)
Amounts due to members		550,223	
Balance at 31 December 2016	600,355	550,223	1,150,578

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.