

Limited Liability Partnership Registration No. OC373373 (England and Wales)

Coda House LLP

**Annual report and unaudited financial statements
for the year ended 31 March 2018**



Coda House LLP

Limited liability partnership information

| | |
|---|---|
| Designated members | Robert Challice Sarah Challice David Hallybone Alex Hardee James Whitting Jane Hallybone Thomas Schroeder |
| Limited liability partnership number | OC373373 |
| Registered office | 1 Wenlock Road London N1 7SL |
| Accountants | Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE |

Coda House LLP

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Coda House LLP

Members' report

For the year ended 31 March 2018

The members present their annual report and financial statements for the year ended 31 March 2018.

Principal activities

During the year the principal activity of the limited liability partnership has been the purchasing and holding of investment property.

Members' drawings, contributions and repayments

The members' drawing policy allows each member to draw a proportion of their profit share, subject to the cash requirements of the business.

A member's capital requirement is linked to their share of profit and the financing requirement of the limited liability partnership. There is no opportunity for appreciation of the capital subscribed. Just as incoming members introduce their capital at "par", so the retiring members are repaid their capital at "par".

Designated members

The designated members who held office during the year and up to the date of signature of the financial statements were as follows:

Robert Challice
Sarah Challice
David Hallybone
Alex Hardee
James Whitting
Jane Hallybone
Thomas Schroeder

Members' report (continued)

For the year ended 31 March 2018

Statement of members' responsibilities

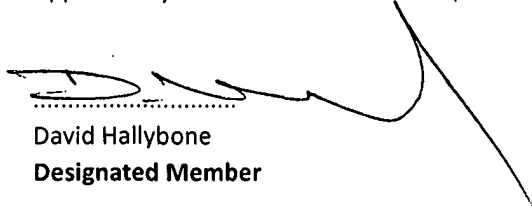
The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law (as applied 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. Under company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) 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 limited liability partnership and of the profit or loss of the limited liability partnership 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 limited liability partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied 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 limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the members on 20/12/18... and signed on behalf by:


David Hallybone
Designated Member

Coda House LLP**Income statement****For the year ended 31 March 2018**

| | | 2018 | 2017 |
|---|--------------|---------------|----------------|
| | Notes | £ | £ |
| Administrative expenses | | (20,673) | (2,646) |
| Other operating income | | 45,119 | 91,500 |
| Operating profit | | 24,446 | 88,854 |
| Interest receivable and similar income | | 25 | - |
| Interest payable and similar expenses | | (23,593) | (49,872) |
| Other gains and losses | 2 | - | 750,609 |
| Profit for the financial year before members' remuneration and profit shares | | 878 | 789,591 |
| Profit for the financial year before members' remuneration and profit shares | | 878 | 789,591 |
| Members' remuneration charged as an expense | | - | - |
| Profit for the financial year available for discretionary division among members | | 878 | 789,591 |

Coda House LLP

**Statement of financial position
As at 31 March 2018**

| | Notes | £ | 2018 £ | £ | 2017 £ |
|---|-------|----------------|--------------------|----------------|--------------------|
| Fixed assets | | | | | |
| Investment properties | 3 | | 1,648,010 | | 1,648,010 |
| Investments | 4 | | 252,834 | | 252,834 |
| | | | <u>1,900,844</u> | | <u>1,900,844</u> |
| Current assets | | | | | |
| Debtors | 5 | 273,551 | | 139,827 | |
| Cash at bank and in hand | | 202,272 | | 9,937 | |
| | | <u>475,823</u> | | <u>149,764</u> | |
| Creditors: amounts falling due within one year | 6 | (1,693,582) | | (1,297,722) | |
| Net current liabilities | | | <u>(1,217,759)</u> | | <u>(1,147,958)</u> |
| Total assets less current liabilities | | | <u>683,085</u> | | <u>752,886</u> |
| Represented by: | | | | | |
| Loans and other debts due to members within one year | | | | | |
| Amounts due in respect of profits | | | 683,085 | | 752,886 |
| | | | <u>683,085</u> | | <u>752,886</u> |
| Total members' interests | | | | | |
| Amounts due from members | | | (256,416) | | (127,366) |
| Loans and other debts due to members | | | 683,085 | | 752,886 |
| | | | <u>426,669</u> | | <u>625,520</u> |

For the financial year ended 31 March 2018 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.

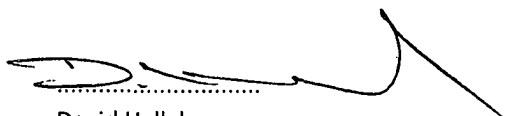
The members acknowledge their responsibilities for complying with the requirements of the Act (as applied to limited liability partnerships) with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the provisions applicable to limited liability partnerships subject to the small limited liability partnerships regime.

Coda House LLP

Statement of financial position (continued)
As at 31 March 2018

The financial statements were approved by the members and authorised for issue on 26/12/18 and are signed on their behalf by:



David Hallybone
Designated member

Limited Liability Partnership Registration No. OC373373

Coda House LLP

**Reconciliation of members' interests
For the year ended 31 March 2018**

| Current financial year | Equity | Debt | | Total |
|--|--------------------------|---|------------|--------------------|
| | Members' other interests | Loans and other debts due to members less any amounts due from members in debtors | | Members' interests |
| | Other reserves £ | Other amounts £ | Total £ | Total 2018 £ |
| Amounts due to members | | 752,886 | | |
| Amounts due from members | | (127,366) | | |
| Members' interests at 1 April 2017 | - | 625,520 | 625,520 | 625,520 |
| Profit for the financial year available for discretionary division among members | 878 | - | - | 878 |
| Members' interests after profit for the year | 878 | 625,520 | 625,520 | 626,398 |
| Allocation of profit for the financial year | (878) | 878 | 878 | - |
| Drawings | - | (199,729) | (199,729) | (199,729) |
| Members' interests at 31 March 2018 | - | 426,669 | 426,669 | 426,669 |
| Amounts due to members | | 683,085 | | |
| Amounts due from members, included in debtors | | (256,416) | | |
| | | 426,669 | | |

Coda House LLP

Reconciliation of members' interests (continued)
For the year ended 31 March 2018

| Prior financial year | Equity | Debt | | Total |
|--|--------------------------|---|------------|--------------------|
| | Members' other interests | Loans and other debts due to members less any amounts due from members in debtors | | Members' interests |
| | Other reserves £ | Other amounts £ | Total £ | Total 2017 £ |
| Amounts due to members | | 139,279 | | |
| Amounts due from members | | (57,579) | | |
| Members' interests at 1 April 2016 | - | 81,700 | 81,700 | 81,700 |
| Profit for the financial year available for discretionary division among members | 789,591 | - | - | 789,591 |
| Members' interests after profit for the year | 789,591 | 81,700 | 81,700 | 871,291 |
| Allocation of profit for the financial year | (789,591) | 789,591 | 789,591 | - |
| Drawings | - | (245,771) | (245,771) | (245,771) |
| Members' interests at 31 March 2017 | - | 625,520 | 625,520 | 625,520 |
| Amounts due to members | | 752,886 | | |
| Amounts due from members, included in debtors | | (127,366) | | |
| | | 625,520 | | |

1 Accounting policies

Limited liability partnership information

Coda House LLP is a limited liability partnership incorporated in England and Wales. The registered office is 1 Wenlock Road, London, N1 7SL.

The limited liability partnership's principal activities are disclosed in the Members' Report.

1.1 Accounting convention

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in January 2017, together with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to LLPs subject to the small LLPs regime. 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 limited liability partnership. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Members' participating interests

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.

Once an unavoidable obligation has been created in favour of members through allocation of profits or other means, any undrawn profits remaining at the reporting date are shown as 'Loans and other debts due to members' to the extent they exceed debts due from a specific member.

Notes to the financial statements (continued)
For the year ended 31 March 2018

1 Accounting policies (continued)

1.3 Investment properties

Investment property, which is property held to earn rentals and for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the income statement.

1.4 Cash at bank and in hand

Cash at bank and in hand are basic financial assets 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.

1.5 Financial instruments

The limited liability partnership has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the limited liability partnership's statement of financial position when the limited liability partnership 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, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Notes to the financial statements (continued)
For the year ended 31 March 2018

1 Accounting policies (continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and 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.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the limited liability partnership transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 limited liability partnership after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Notes to the financial statements (continued)

For the year ended 31 March 2018

1 Accounting policies (continued)***Other financial liabilities***

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the limited liability partnership's obligations expire or are discharged or cancelled.

1.6 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Other gains and losses

| | 2018 | 2017 |
|--|-------------------|-------------------|
| | £ | £ |
| Fair value gains | | |
| Changes in the fair value of investment properties | - | 750,609 |
| | <u> </u> | <u> </u> |

3 Investment property

| | 2018 |
|-----------------------------------|-------------------|
| | £ |
| Fair value | |
| At 1 April 2017 and 31 March 2018 | 1,648,010 |
| | <u> </u> |

Investment property comprises the LLP's share of the freehold property of 56 Compton Street, London.

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 27 March 2017 by Colliers International Valuation UK LLP Chartered Surveyors, who are not connected with the limited liability partnership. The valuation was made on an open market value basis.

Coda House LLP**Notes to the financial statements (continued)**
For the year ended 31 March 2018**4 Fixed asset investments**

| | 2018 | 2017 |
|-------------|----------------|----------------|
| | £ | £ |
| Investments | <u>252,834</u> | <u>252,834</u> |

Movements in fixed asset investments

| | Investments other than loans £ |
|---------------------------------|---|
| Cost or valuation | |
| At 1 April 2017 & 31 March 2018 | <u>252,834</u> |
| Carrying amount | |
| At 31 March 2018 | <u>252,834</u> |
| At 31 March 2017 | <u>252,834</u> |

5 Debtors

| | 2018 | 2017 |
|---|----------------|----------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 17,135 | 922 |
| Amounts owed by members | 256,416 | 127,366 |
| Other debtors | - | 11,539 |
| | <u>273,551</u> | <u>139,827</u> |

6 Creditors: amounts falling due within one year

| | 2018 | 2017 |
|------------------------------|------------------|------------------|
| | £ | £ |
| Bank loans and overdrafts | - | 327,414 |
| Trade creditors | 2,064 | 4,920 |
| Taxation and social security | 13,222 | - |
| Other creditors | 1,678,296 | 965,388 |
| | <u>1,693,582</u> | <u>1,297,722</u> |

Coda House LLP

Notes to the financial statements (continued) For the year ended 31 March 2018

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

At the year end Coda House LLP owed £272,310 (2017 : £208,733) to a Self Invested Personal Pension Plan (SIPP), 'The Trustees Alexander Frank Hardee, David Peter Hallybone and the Union Pension Trustees Limited' for their share of rental income and expenses.

Coda House LLP had a loan balance with Coda Agency Limited of £658,309 (2017 : £637,456). The members of Coda House LLP are also shareholders in Coda Agency Limited. Interest of £20,853 was charged on the loan. They also received a short term funding of £566,761 from Coda Agency Limited which was used to repay the Clydesdale loans in Coda House LLP. The amount was repaid in full to Coda Agency Limited in September 2018.