

# **Beneficial House (Birmingham) Regeneration LLP**

**Report and Financial Statements  
for the year ended 5 April 2020**

**Registered Number OC382229**

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## **General Information**

### **Registered office:**

Century House  
Regent Road  
Altrincham  
WA14 1RR

### **Designated Members:**

J M Adams  
G S Caswill

## **Report of the Members**

The Members presents its annual report together with the financial statements of Beneficial House (Birmingham) Regeneration LLP (the LLP) for the year ended 5 April 2020.

### **Activities**

The LLP was incorporated on 6 February 2013. The principal activity of the LLP in the year under review was that of commercial property investment.

### **Results for the year**

The loss for the year, before Members' remuneration and profit shares was £386,284 (2019: £450,458).

The results for the year to 5 April 2020 are set out in the accompanying financial statements and attached notes.

The LLP has had to address the significant challenges following the existence of the Covid-19 virus across the globe and the specific impact of the UK response in responding to this virus. The position continues to be closely monitored and mitigating actions taken when required. Further commentary is provided in the going concern Notes to these financial statements.

### **Members' Interests**

All Members with the exception of the Designated Members, are equity Members and share in the profits and losses of the LLP.

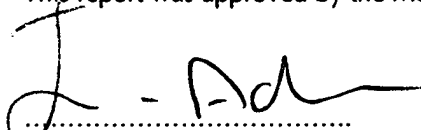
### **Designated Members**

The Designated Members of the LLP during the year ended 5 April 2020 were as follows:

J M Adams  
G S Caswill

This report has been prepared in accordance with the special provision relating to small companies within Part 15 of the Companies Act 2006.

This report was approved by the Members on 30/11/2020 and signed on their behalf by:

  
.....  
J M Adams – Designated Member

## **Statement of Members' responsibilities**

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 require 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 (United Kingdom Accounting Standards and applicable law), 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 year. In preparing these financial statements, the Members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 Companies Act 2006 as applied to Limited Liability Partnerships. 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.

These responsibilities are exercised by the Designated Members on behalf of the Members.

**Profit and Loss Account**  
For the year ended 5 April 2020

	Note	£ Year Ended 5 April 2020	£ Year Ended 5 April 2019
TURNOVER		-	-
Administrative expenses		(226,519)	(247,299)
Loss on fair value adjustment of investment property			
Other operating income		135,194	90,667
Operating loss		<u>(91,325)</u>	<u>(156,632)</u>
Interest payable and similar charges		(294,959)	(293,826)
Loss for the financial year before Members' remuneration		<u>(386,284)</u>	<u>(450,458)</u>
Members' remuneration charged as an expense		-	-
Loss for the financial year		<u><u>(386,284)</u></u>	<u><u>(450,458)</u></u>

The operating loss for the year arises from the LLP's continuing operations.

There were no recognised gains or losses other than the loss for the year.

The notes on pages 6 to 9 form part of these financial statements.

## Balance Sheet

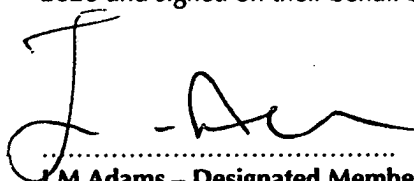
as at 5 April 2020

	Note	5 April 2020 £	5 April 2019 £
Fixed assets			
Investment properties	4	13,000,000	13,000,000
Current assets			
Debtors	5	40,377	35,871
Cash at bank		2,469	29,602
		<u>42,846</u>	<u>65,473</u>
Creditors: Amounts falling due within one year	6	<u>(3,730,541)</u>	<u>(3,371,796)</u>
Net current liabilities		<u>(3,687,695)</u>	<u>(3,306,323)</u>
Creditors: Amounts falling due after more than one year	7	<u>(8,048,391)</u>	<u>(8,048,391)</u>
Net assets attributable to Members of the LLP		<u>1,263,914</u>	<u>1,645,286</u>
Represented by			
Members' other interests		(6,076,774)	(5,690,574)
Members' capital classified as equity	8	<u>7,340,688</u>	<u>7,335,860</u>
		<u>1,263,914</u>	<u>1,645,286</u>

For the financial year ended 5 April 2020 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).

The Members acknowledge their responsibility 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 partnerships regime.

The financial statements were approved by the Members and authorised for issue on 30 November 2020 and signed on their behalf by:



J M Adams – Designated Member  
Beneficial House (Birmingham) Regeneration LLP  
Limited Liability Partnership no. OC382229

The notes on pages 6 to 9 form part of these financial statements.

## **Notes to the financial statements**

For the year ended 5 April 2020

### **1 ACCOUNTING POLICIES**

#### **1.1 General information**

Beneficial House (Birmingham) Regeneration LLP is a limited liability partnership registered in England and is governed by the LLP deed dated 22 January 2014.

These financial statements are presented in pounds sterling (GBP) as this is the currency in which all of the LLP's transactions are denominated (its functional currency).

#### **1.2 Basis of preparation**

The financial statements have been prepared under the historical cost convention, in accordance with Section 1A of FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Practice applicable to Small Entities)' and the requirements of the Statement of Recommended Practice, Accounting by Limited Liability Partnerships.

#### **1.3 Going Concern**

The Designated Members have considered the impact of the emergence and spread of COVID-19 and potential implications on future Partnership operations under severe plausible downsides. This consideration has included an assessment of the impact of a temporary reduction in rental income following the national lockdown, the potential impact on a future disposal and repayment of the developer loans should a disposal occur.

Whilst there continue to be significant uncertainties which may impact the operation of the LLP, the Designated Members are satisfied that the LLP has adequate availability of funding and has put in place mitigating measures, in order to continue as a going concern. The Designated Members therefore believe that it is appropriate to adopt the going concern basis in preparing these financial statements.

#### **1.4 Investment properties**

Investment properties, which are properties held for capital appreciation, are initially recognised at cost of acquisition, and subsequently held at cost of acquisition plus capitalisation of renovation costs at each reporting date. This is a departure from the requirement of the Section 1A of FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Practice applicable to Small Entities)' which requires investment properties to be measured at fair value at the reporting date with the valuation movement being taken through the statement of comprehensive income.



## **Notes to the financial statements (continued)**

For the year ended 5 April 2020

### **1 ACCOUNTING POLICIES (continued)**

#### **1.5 Members' Interests**

Members' interests are classified as either equity or a liability of the LLP in order to reflect their participation rights, based on the terms of the LLP agreement. There are no restrictions or limitations on the ability of Members to reduce the amount of Members' other interests.

#### **1.6 Revenue recognition**

Rental income, net of VAT, is charged to the profit and loss account over the periods of the applicable leases. These are not co-terminus with the year end and so adjustments are made to ensure the correct proportion for the year is included in the accounts.

#### **1.7 Taxation**

No provision is made for taxation within these financial statements as all tax liabilities are directly attributable to the Members.

### **2 Critical accounting estimates and judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Designated Members are satisfied that there are no significant estimates or judgements in place and that the accounting policies are appropriate and have been applied consistently.

### **3 Employee Numbers**

No persons were employed by the limited liability partnership in the current or prior year.

## Notes to the financial statements (continued)

For the year ended 5 April 2020

### 4 FIXED ASSET INVESTMENTS

	2020 £
Cost at 5 April 2019	13,000,000
Additions during the year	-
Disposals during the year	-
Cost at 5 April 2020	<u>13,000,000</u>
Net Book Value at 5 April 2020	<u>13,000,000</u>
Net Book Value at 5 April 2019	<u>13,000,000</u>

### 5 DEBTORS

	2020 £	2019 £
Trade debtors	32,400	-
Prepayments and accrued income	7,977	7,719
VAT recoverable	-	28,152
	<u>40,377</u>	<u>35,871</u>

### 6 CREDITORS

	2020 £	2019 £
Bridging loan	2,234,500	2,234,500
Loan from Saabon Ltd	162,241	107,369
Trade creditors	15,460	17,973
Accrued expenses	1,310,109	1,011,954
VAT payable	8,231	-
	<u>3,730,541</u>	<u>3,371,796</u>

The bridging loan is secured by way of a legal mortgage over Beneficial Building, 27-32 Paradise Street and 80-86 Suffolk Street, Birmingham B1 2BJ.

## Notes to the financial statements (continued)

For the year ended 5 April 2020

### 7 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Developer loan	8,048,391	8,048,391

The developer loan is interest only. The loan is secured by way of a legal mortgage over Beneficial Building, 27-32 Paradise Street and 80-86 Suffolk Street, Birmingham B1 2BJ.

### 8 MEMBERS' INTERESTS

	Members' capital classified as equity	Reserves	Total
	£	£	£
Balance at 5 April 2019	<u>7,335,860</u>	<u>(5,690,490)</u>	<u>1,645,370</u>
Loss for the financial year available for discretionary division among Members	-	(386,284)	(386,284)
Introduced by Members	4,829	-	4,829
Balance at 5 April 2020	<u>7,340,689</u>	<u>(6,076,774)</u>	<u>1,263,915</u>

### 9 RELATED PARTIES

There were no material transactions between related parties that were not performed on an arm's length basis during the year (2019: none).

### 10 CONTROLLING INTERESTS

There is no controlling party.

### 11 EVENTS SUBSEQUENT TO THE REPORTING DATE

#### Disposal of building:

In Q3 2020 the designated members entered in to negotiations on the disposal of the property. These negotiations are at an early stage and members have been consulted.

#### Litigation

The designated members are aware of 2 litigation claims. These are currently being defended at the time of signing of the accounts.