

Pocket Living (2013) LLP
Financial Statements
31 December 2018



KING & KING
Chartered accountant & statutory auditor
First Floor Roxburghe House
273-287 Regent Street
London
W1B 2HA

Pocket Living (2013) LLP
Financial Statements
Year ended 31 December 2018

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Pocket Living (2013) LLP

Designated Members and Professional Advisers

Designated members

Mr P Harbard
Mr M Vlessing
Pocket Living Limited

Registered office

Tower House
10 Southampton Street
London
WC2E 7HA

Auditor

King & King
Chartered accountant & statutory auditor
First Floor Roxburghe House
273-287 Regent Street
London
W1B 2HA

Pocket Living (2013) LLP

Members' Report

Year ended 31 December 2018

The members present their report and the financial statements of the LLP for the year ended 31 December 2018.

Principal activities

The principal activity of the company during the year continued to be that of property development.

Designated members

The designated members who served the LLP during the year were as follows:

Mr P Harbard
Mr M Vlessing
Pocket Living Limited

Policy regarding members' drawings and the subscription and repayment of amounts subscribed or otherwise contributed by members

Members are permitted to make drawings in anticipation of profits which will be allocated to them. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the LLP.

New members are required to subscribe a minimum level of capital and in subsequent years members are invited to subscribe for further capital, the amounts of which is determined by the performance and seniority of those members. On retirement, capital is repaid to members.

Other matters

Operations are discontinued as all developments are now complete and sold and entity would be wound up in 2019.

Members' responsibilities statement

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

Company law as applied to limited liability partnerships 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 (United Kingdom Accounting Standards and applicable law). Under company law as applied to limited liability partnerships 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 LLP and 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 judgments 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.

Pocket Living (2013) LLP

Members' Report *(continued)*

Year ended 31 December 2018

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and 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 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 LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

This report was approved by the members on 25 March 2019 and signed on behalf of the members by:



Mr P Harbard
Designated Member

Registered office:
Tower House
10 Southampton Street
London
WC2E 7HA

Pocket Living (2013) LLP

Independent Auditor's Report to the Members of Pocket Living (2013) LLP

Year ended 31 December 2018

Opinion

We have audited the financial statements of Pocket Living (2013) LLP (the 'LLP') for the year ended 31 December 2018 which comprise the income statement, statement of financial position, reconciliation of members' interests, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the LLP's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the LLP's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Pocket Living (2013) LLP

Independent Auditor's Report to the Members of Pocket Living (2013) LLP (continued)

Year ended 31 December 2018

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the members' responsibilities statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Pocket Living (2013) LLP

Independent Auditor's Report to the Members of Pocket Living (2013) LLP (continued)

Year ended 31 December 2018

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the LLP's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the LLP to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Milankumar Patel (Senior Statutory Auditor)

For and on behalf of
King & King
Chartered accountant & statutory auditor
First Floor Roxburghe House
273-287 Regent Street
London
W1B 2HA

25 March 2019

Pocket Living (2013) LLP

Income Statement

Year ended 31 December 2018

	Note	2018 £	2017 £
Turnover	4	22,850,059	51,085,957
Cost of sales		<u>17,910,999</u>	<u>40,895,504</u>
Gross profit		4,939,060	10,190,453
Administrative expenses		<u>179,882</u>	<u>412,720</u>
Other operating income	5	<u>87</u>	<u>2,311</u>
Operating profit	6	4,759,265	9,780,044
Other interest receivable and similar income	7	<u>1,433</u>	<u>4,272</u>
Interest payable and similar expenses	8	<u>75,056</u>	<u>14,556</u>
Profit for the financial year before members' remuneration and profit shares available for discretionary division among members		<u>4,685,642</u>	<u>9,769,760</u>

All the activities of the LLP have now been discontinued.

The LLP has no other recognised items of income and expenses other than the results for the year as set out above.

The notes on pages 12 to 17 form part of these financial statements.

Pocket Living (2013) LLP
Statement of Financial Position
31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	10	1	1
Current assets			
Stocks	11	4,250	15,503,930
Debtors	12	13,024,357	7,173,873
Cash at bank and in hand		25,638	2,114,496
		<u>13,054,245</u>	<u>24,792,299</u>
Creditors: amounts falling due within one year	13	<u>363,837</u>	<u>16,787,534</u>
Net current assets		<u>12,690,408</u>	<u>8,004,765</u>
Total assets less current liabilities		<u>12,690,409</u>	<u>8,004,766</u>
Net assets		<u>12,690,409</u>	<u>8,004,766</u>
Represented by:			
Loans and other debts due to members			
Other amounts		-	-
Members' other interests			
Other reserves, including the fair value reserve		<u>12,690,409</u>	<u>8,004,766</u>
		<u>12,690,409</u>	<u>8,004,766</u>
Total members' interests			
Loans and other debts due to members		-	-
Members' other interests		<u>12,690,409</u>	<u>8,004,766</u>
		<u>12,690,409</u>	<u>8,004,766</u>

These financial statements were approved by the members and authorised for issue on 25 March 2019, and are signed on their behalf by:



Mr P Harbard
Designated Member

Registered number: OC385056

The notes on pages 12 to 17 form part of these financial statements.

Pocket Living (2013) LLP
Reconciliation of Members' Interests
Year ended 31 December 2018

	Members' other interests		Total members' interests
	Other reserves, including the fair value reserve	Total	Total 2018
	£	£	£
Balance at 1 January 2018	8,004,767	8,004,767	8,004,767
Profit for the financial year available for discretionary division among members	4,685,642	4,685,642	4,685,642
Members' interests after profit for the year	12,690,409	12,690,409	12,690,409
Balance at 31 December 2018	12,690,409	12,690,409	12,690,409

The reconciliation of members' interests
continues on the following page.

The notes on pages 12 to 17 form part of these financial statements.

Pocket Living (2013) LLP

Reconciliation of Members' Interests *(continued)*

Year ended 31 December 2018

	Members' other interests		Total members' interests
	Other reserves, including the fair value reserve	Total	Total 2017
	£	£	£
Balance at 1 January 2017	(1,764,994)	(1,764,994)	(1,764,994)
Profit for the financial year available for discretionary division among members	9,769,760	9,769,760	9,769,760
Members' interests after profit for the year	8,004,766	8,004,766	8,004,766
Balance at 31 December 2017	8,004,766	8,004,766	8,004,766

The notes on pages 12 to 17 form part of these financial statements.

Pocket Living (2013) LLP
Statement of Cash Flows
Year ended 31 December 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	4,685,642	9,769,760
<i>Adjustments for:</i>		
Other interest receivable and similar income	(1,433)	(4,272)
Interest payable and similar expenses	75,056	14,556
Accrued income		–
Other operating cash flow adjustment		–
<i>Changes in:</i>		
Stocks	15,499,680	26,921,002
Trade and other debtors	(5,850,484)	(3,344,372)
Trade and other creditors	(4,532,837)	(3,649,766)
Cash generated from operations	<u>9,875,624</u>	<u>29,706,908</u>
Interest paid	(75,056)	(14,556)
Interest received	1,433	4,272
Net cash from operating activities	<u>9,802,001</u>	<u>29,696,624</u>
Cash flows from investing activities		
Acquisition of subsidiaries	–	(1)
Net cash used in investing activities	<u>–</u>	<u>(1)</u>
Cash flows from financing activities		
Proceeds from borrowings	1,314,339	10,585,492
Repayments of borrowings	(13,205,198)	(48,360,625)
Proceeds from loans from group undertakings		2,536,759
Net cash used in financing activities	<u>(11,890,859)</u>	<u>(35,238,374)</u>
Net decrease in cash and cash equivalents	<u>(2,088,858)</u>	<u>(5,541,751)</u>
Cash and cash equivalents at beginning of year	<u>2,114,496</u>	<u>7,656,247</u>
Cash and cash equivalents at end of year	<u>25,638</u>	<u>2,114,496</u>

The notes on pages 12 to 17 form part of these financial statements.

Pocket Living (2013) LLP
Notes to the Financial Statements
Year ended 31 December 2018

1. General information

The LLP is registered in England and Wales.

The address of the registered office is Tower House, 10 Southampton Street, London, WC2E 7HA.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' issued in January 2017 (SORP 2017).

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The company has effectively ceased trading as the only asset was sold during the year. The Directors intend to wind up the company in 2019.

Judgements and key sources of estimation uncertainty

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. Actual results may differ from these estimates.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from sale of residential properties is recognised on date of completion. Deposits are also recognised on completion.

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).

Pocket Living (2013) LLP

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Members' participation rights *(continued)*

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, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships'. 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 income statement in the relevant year. To the extent that they remain unpaid at the year end, they are shown as liabilities in the statement of financial position.

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 income statement and are equity appropriations in the statement of financial position.

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 statement of financial position within 'Loans and other debts due to members' and are charged to the income statement within 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the statement of financial position within 'Members' other interests'.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Pocket Living (2013) LLP

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Financial instruments

A financial asset or a financial liability is recognised only when the LLP becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Turnover

Turnover arises from:

	2018	2017
	£	£
Sale of residential properties	<u>22,850,059</u>	<u>51,085,957</u>

Pocket Living (2013) LLP

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

4. Turnover *(continued)*

The whole of the turnover is attributable to the principal activity of the LLP wholly undertaken in the United Kingdom.

5. Other operating income

	2018	2017
	£	£
Other operating income	<u>87</u>	<u>2,311</u>

6. Operating profit

Operating profit or loss is stated after charging:

	2018	2017
	£	£
Fees payable for the audit of the financial statements	<u>15,200</u>	<u>16,000</u>

7. Other interest receivable and similar income

	2018	2017
	£	£
Interest on loans and receivables	–	4,272
Interest on cash and cash equivalents	<u>1,433</u>	<u>–</u>
	<u>1,433</u>	<u>4,272</u>

8. Interest payable and similar expenses

	2018	2017
	£	£
Other interest payable and similar charges	<u>75,056</u>	<u>14,556</u>

9. Information in relation to members

	2018	2017
	No.	No.
Average number of members	<u>3</u>	<u>3</u>

Pocket Living (2013) LLP
Notes to the Financial Statements *(continued)*
Year ended 31 December 2018

10. Investments

	Shares in group undertakings £
Cost	
At 1 January 2018 and 31 December 2018	<u>1</u>
Impairment	
At 1 January 2018 and 31 December 2018	<u>-</u>
Carrying amount	
At 31 December 2018	<u>1</u>
At 31 December 2017	<u>1</u>

Subsidiaries, associates and other investments

	Class of share	Percentage of shares held
Subsidiary undertakings		
Pocket Living Mapleton Limited	Ordinary	100

The results and capital and reserves for the year are as follows:

	Capital and reserves		Profit/(loss) for the year
	2018	2017	2018
	£	£	£
Subsidiary undertakings			
Pocket Living Mapleton Limited	<u>301,437</u>	<u>(5,737)</u>	<u>307,174</u>
			<u>(2,738)</u>

11. Stocks

	2018	2017
	£	£
Work in progress	<u>4,250</u>	<u>15,503,930</u>

12. Debtors

	2018	2017
	£	£
Trade debtors	-	206
Amounts owed by group undertakings	12,948,293	7,015,729
Other debtors	<u>76,064</u>	<u>157,938</u>
	<u>13,024,357</u>	<u>7,173,873</u>

Pocket Living (2013) LLP

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

13. Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	–	7,632,898
Trade creditors	35,430	809,701
Amounts owed to group undertakings	–	2,536,759
Accruals and deferred income	178,285	494,500
Other creditors	150,122	5,313,676
	<u>363,837</u>	<u>16,787,534</u>

Greater London Authority loan which is included in other creditors and Lloyds Bank loans are secured by way of fixed and floating charge over all the assets of the company.

14. Related party transactions

The partnership was owed an amount of £10,406,198 (2017: liability of £2,536,759) by Pocket Living Limited, a designated member, at the year end.