

REGISTERED NUMBER: OC389163

**Blocwork LLP**  
**Filleted Financial Statements**  
**For the year ended**  
**31 December 2019**



## Blocwork LLP

### Statement of Financial Position *(continued)*

31 December 2019

	Note	2019 £	2018 £
<b>Current assets</b>			
Stocks		1,023,604	921,597
Debtors	4	781,049	754,634
Cash at bank and in hand		1,243,197	701,416
		<u>3,047,850</u>	<u>2,377,647</u>
<b>Creditors: amounts falling due within one year</b>	5	<u>367,376</u>	<u>351,400</u>
<b>Net current assets</b>		<u>2,680,474</u>	<u>2,026,247</u>
<b>Total assets less current liabilities</b>		<u>2,680,474</u>	<u>2,026,247</u>
<b>Net assets</b>		<u>2,680,474</u>	<u>2,026,247</u>
<b>Represented by:</b>			
<b>Loans and other debts due to members</b>			
Members' capital classified as a liability	6	1,229,838	1,229,838
Other amounts	6	1,450,636	796,409
		<u>2,680,474</u>	<u>2,026,247</u>
<b>Members' other interests</b>			
Other reserves		—	—
		<u>2,680,474</u>	<u>2,026,247</u>
<b>Total members' interests</b>			
Loans and other debts due to members	6	2,680,474	2,026,247
Members' other interests		—	—
		<u>2,680,474</u>	<u>2,026,247</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to LLPs subject to the small LLPs' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006 (as applied to LLPs), the statement of comprehensive income has not been delivered.

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.

These financial statements were approved by the members and authorised for issue on 31 June 2020, and are signed on their behalf by:



Enbloc Estates Limited  
Designated Member

Registered number: OC389163

The notes on pages 2 to 5 form part of these financial statements.

# **Blocwork LLP**

## **Notes to the Financial Statements**

**Year ended 31 December 2019**

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### **1. General information**

The LLP is registered in England and Wales. The address of the registered office is 2nd Floor, 35 South Street, London, W1K 2XE.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with Section 1A 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' issued in December 2018 (SORP 2018).

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis.

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

#### **Going Concern**

The financial statements have been prepared on a going concern basis. The impact of the post year end Covid-19 measures on the LLP has been disclosed in note 8 to the financial statements. On the basis of projected results and the continued support of the members, the members consider it appropriate to prepare the LLP's financial statements on a going concern basis.

#### **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.

#### **Significant judgements**

There are no significant judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies.

#### **Key sources of estimation uncertainty**

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

#### **Estimation of the carrying value of work in progress**

The LLP has made key assumptions regarding the stage of completion of development projects and future costs to complete these projects. The balance of work in progress at the year end date is £1,023,604 (2018: £921,597).

#### **Revenue recognition**

Profit is included in the financial statements in connection with property developments when a legally binding contract for the sale of the development has been entered into and legal conclusion has taken place before the period end. When a legally binding contract exists, profits on the construction and refurbishment elements of the development are determined only when the outcome can be assessed with reasonable certainty. Provisions are made in full for foreseeable losses. Other profits arising from developments are included in the financial statements only when the legal completion of the sale of the development has been effected.

# Blocwork LLP

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

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### 3. Accounting policies *(continued)*

#### 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).

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 statement of comprehensive income 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 statement of comprehensive income 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 statement of comprehensive income 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'.

#### Stock and work in progress

Development properties are stated at the lower of cost and net realisable value. Cost is computed on the total consideration paid. Net realisable value is based on estimated selling price less the estimated costs of disposal.

# Blocwork LLP

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

### 3. Accounting policies *(continued)*

#### Financial instruments

A financial asset or a financial liability is recognised only when the entity 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.

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.

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. Debtors

	2019	2018
	£	£
Amounts owed by connected undertakings	750,000	750,000
VAT	31,049	4,634
	<u>781,049</u>	<u>754,634</u>

### 5. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	1,441	1,906
Amounts owed to connected undertakings	349,825	345,614
Other creditors	16,110	3,880
	<u>367,376</u>	<u>351,400</u>

### 6. Loans and other debts due to members

	2019	2018
	£	£
Amounts owed to members in respect of profits	1,450,636	796,409
Other amounts	1,229,838	1,229,838
	<u>2,680,474</u>	<u>2,026,247</u>

### 7. Other financial commitments

	2019	2018
	£	£
Development project expenditure contracted for but not provided for in the financial statements	—	391,653

# Blocwork LLP

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

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### 8. Events after the end of the reporting period

Post year end, the LLP has been impacted by the wide-reaching effects of Covid-19 restrictions on people, businesses and the economy as a whole. Fortunately, the LLP currently has sufficient reserves to continue with its current pipeline of development schemes. Management will be carefully monitoring cashflow and expenditure to ensure the LLP has sufficient reserves to progress current development projects. The LLP can also rely on support from members if necessary. The LLP will therefore be able to continue trading for a at least 12 months from signing the financial statements.

### 9. Summary audit opinion

The auditor's report for the year dated 31 December 2019 was unqualified.

The senior statutory auditor was Jeremy Chittleburgh CA, for and on behalf of Chiene + Tait LLP.

### 10. Related party transactions

During the year Bloc Limited, a company connected to a designated member, Enbloc Estates Limited, charged the LLP £105,746 (2018: £88,826) in respect of development project fees and £56,143 (2018: £54,508) in respect of administrative services. At the year end the LLP owed Bloc Limited £1,527 (2018: £2,010).

During the year the LLP invoiced Network Rail Infrastructure Limited, a designated member, £1,468,261 (2018: £1,344,935). Network Rail Infrastructure Limited charged the LLP £550,640 (2018: £1,100,000) in regard to the sale of land and property overages. At the year end the LLP owed Network Rail Infrastructure Limited £348,298 (2018: £343,604).

During the year 2018, the LLP provided funding for a bond of £750,000 to EBW Developments Limited, a connected undertaking. At the year end, £750,000 (2018: £750,000) was outstanding.