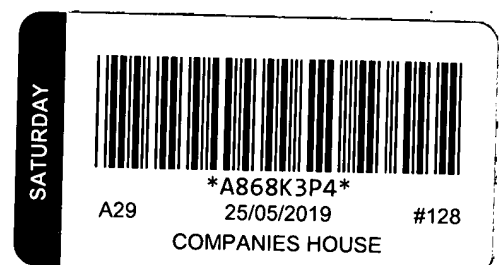


REGISTERED NUMBER: OC389163

Blocwork LLP
Financial Statements
For the year ended
31 December 2018



Blocwork LLP

Financial Statements

Year ended 31 December 2018

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Blocwork LLP

Designated Members and Professional Advisers

Designated members	Network Rail Infrastructure Limited Enbloc Estates Limited
Registered office	2nd Floor 35 South Street London W1K 2XE
Auditor	Chiene + Tait LLP Chartered accountants & Statutory Auditor 61 Dublin Street Edinburgh EH3 6NL
Bankers	National Westminster 250 Regent Street London W1B 3BN

Blocwork 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 activity

The principal activity of the partnership during the year was to maximise value from under-used property assets next to the railway.

Designated members

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

Network Rail Infrastructure Limited
Enbloc Estates Limited

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

Each member is entitled to share in the net profits pro rata to the amount of their respective capital.

No distribution of capital may take place without the prior written consent of all of the members. Any distribution of capital shall be distributed to the members pro rata to the amount of their capital. No capital contribution shall be withdrawn by any member from its capital account with the unanimous consent of all other members.

In the event of winding up or dissolution of the LLP the net assets of the LLP shall be distributed to the members pro rata to their capital contributions.

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.

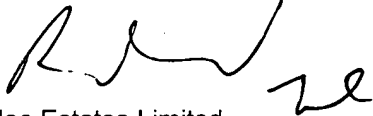
Blocwork LLP

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.

This report was approved by the members on 25/04/2019 and signed on behalf of the members by:



Enbloc Estates Limited
Designated Member

Blocwork LLP

Independent Auditor's Report to the Members of Blocwork LLP

Year ended 31 December 2018

Opinion

We have audited the financial statements of Blocwork LLP (the 'LLP') for the year ended 31 December 2018 which comprise the statement of income and retained earnings, statement of financial position, reconciliation of members' interests 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).

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.

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.

Blocwork LLP

Independent Auditor's Report to the Members of Blocwork LLP *(continued)*

Year ended 31 December 2018

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; or
- the members were not entitled to prepare the financial statements in accordance with the small LLPs regime.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.



Jeremy Chittleburgh CA (Senior Statutory Auditor)

For and on behalf of
Chiene + Tait LLP
Chartered accountants & Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

7 May 2019

Blocwork LLP

Statement of Income and Retained Earnings

Year ended 31 December 2018

	Note	2018 £	2017 £
Turnover		3,842,935	139,608
Cost of sales		2,746,721	139,608
Gross profit		<u>1,096,214</u>	<u>—</u>
Administrative expenses		59,850	68,428
Operating profit/(loss)		<u>1,036,364</u>	<u>(68,428)</u>
Interest payable and similar expenses		4,634	16,696
Profit/(loss) for the financial year before members' remuneration and profit shares available for discretionary division among members		<u><u>1,031,730</u></u>	<u><u>(85,124)</u></u>

All the activities of the LLP are from continuing operations.

Blocwork LLP

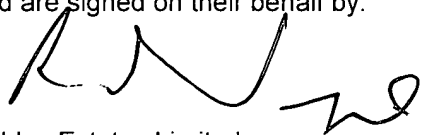
Statement of Financial Position

31 December 2018

	Note	2018 £	2017 £
Current assets			
Stocks		921,597	1,477,184
Debtors	5	754,634	337,305
Cash at bank and in hand		701,416	243,232
		<u>2,377,647</u>	<u>2,057,721</u>
Creditors: amounts falling due within one year	6	351,400	827,883
Net current assets		<u>2,026,247</u>	<u>1,229,838</u>
Total assets less current liabilities		<u>2,026,247</u>	<u>1,229,838</u>
Net assets		<u>2,026,247</u>	<u>1,229,838</u>
Represented by:			
Loans and other debts due to members			
Members' capital	7	1,229,838	1,229,838
Other amounts	7	796,409	—
		<u>2,026,247</u>	<u>1,229,838</u>
Members' other interests			
Other reserves		—	—
		<u>2,026,247</u>	<u>1,229,838</u>
Total members' interests			
Amounts due from members		—	(235,322)
Members' other interests	7	<u>2,026,247</u>	<u>1,229,838</u>
		<u>2,026,247</u>	<u>994,516</u>

These financial statements have been prepared 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'.

These financial statements were approved by the members and authorised for issue on 25/04/2019, and are signed on their behalf by:



Enbloc Estates Limited
Designated Member

Registered number: OC389163

Blocwork LLP

Reconciliation of Members' Interests

Year ended 31 December 2018

	Members' other interests		Loans and other debts due to members less any amounts due from members in debtors			Total members' interests
	Other reserves	Total	Members' capital (classified as debt)	Other amounts	Total	Total_2018
	£	£	£	£	£	£
Balance at 1 January 2018	–	–	1,229,838	(235,321)	994,517	994,517
Profit for the financial year available for discretionary division among members	1,031,730	1,031,730	–	–	–	1,031,730
Members' interests after profit for the year	1,031,730	1,031,730	1,229,838	(235,321)	994,517	2,026,247
Other division of profits	(1,031,730)	(1,031,730)	–	1,031,730	1,031,730	–
Balance at 31 December 2018	–	–	1,229,838	796,409	2,026,247	2,026,247

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

The notes on pages 10 to 13 form part of these financial statements.

Blocwork LLP

Reconciliation of Members' Interests *(continued)*

Year ended 31 December 2018

	Members' other interests		Loans and other debts due to members less any amounts due from members in debtors			Total members' interests
	Other reserves	Total	Members' capital (classified as debt)	Other amounts	Total	Total_2017
	£	£	£	£	£	£
Balance at 1 January 2017	–	–	979,838	(150,248)	829,590	829,590
Loss for the financial year available for discretionary division among members	(85,124)	(85,124)	–	–	–	(85,124)
Members' interests after loss for the year	(85,124)	(85,124)	979,838	(150,248)	829,590	744,466
Other division of profits	85,124	85,124	–	(85,124)	(85,124)	–
Introduced by members	–	–	250,000	50	250,050	250,050
Balance at 31 December 2017	–	–	1,229,838	(235,322)	994,516	994,516

The notes on pages 10 to 13 form part of these financial statements.

Blocwork 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 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 January 2017 (SORP 2017).

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 LLP relies on support from its members. 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 £921,597 (2017: £1,477,184).

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 2018

3. Accounting policies *(continued)*

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.

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 income and retained earnings 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 income and retained earnings 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 income and retained earnings 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'.

Blocwork LLP

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

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. Auditor's remuneration

	2018 £	2017 £
Fees payable for the audit of the financial statements	<u>2,750</u>	<u>2,500</u>

5. Debtors

	2018 £	2017 £
Trade debtors	–	83,805
Amounts owed by connected undertakings	750,000	–
Amounts due from members	–	235,322
VAT	<u>4,634</u>	<u>18,178</u>
	<u>754,634</u>	<u>337,305</u>

6. Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	–	712,867
Trade creditors	1,906	95,986
Amounts owed to connected undertakings	345,614	–
Other creditors	<u>3,880</u>	<u>19,030</u>
	<u>351,400</u>	<u>827,883</u>

7. Loans and other debts due to members

	2018 £	2017 £
Amounts owed to members in respect of profits	796,409	–
Other amounts	<u>1,229,838</u>	<u>1,229,838</u>
	<u>2,026,247</u>	<u>1,229,838</u>

Blocwork LLP

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

8. Other financial commitments

	2018 £	2017 £
Development project expenditure contracted for but not provided for in the financial statements	=	<u>391,653</u>

9. Related party transactions

During the year Bloc Limited, a company connected to a designated member, Enbloc Estates Limited, charged the LLP £88,826 (2017: £216,792) in respect of development project fees and £54,508 (2017: £52,920) in respect of administrative services. At the year end the LLP owed Bloc Limited £2,010 (2017: £nil).

During the year the LLP invoiced Network Rail Infrastructure Limited, a designated member, £1,344,935. In prior year, the LLP provided enabling works to the value of £139,608 to the designated member. Network Rail Infrastructure Limited also charged the LLP £1,100,000 in regard to the sale of land and a demolition contribution (2017: £91,375 in respect of development project fees). At the year end the LLP owed Network Rail Infrastructure Limited £343,604 (2017: £83,805 due to the LLP).

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