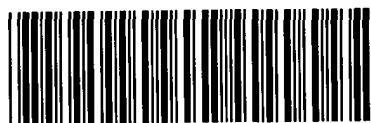


Registered number: OC402270

CHATHAM LLP
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2020

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COMPANIES HOUSE

CHATHAM LLP
REGISTERED NUMBER:OC402270

BALANCE SHEET
AS AT 31 MARCH 2020

			2020	As restated
	Note		£	2019
				£
Fixed assets				
Investment property	6		-	32,600,000
Current assets				
Debtors: amounts falling due after more than one year	7	1,872,999	-	
Debtors: amounts falling due within one year	7	695,730	1,417,238	
Cash at bank and in hand		48,512	533,462	
		<u>2,617,241</u>	<u>1,950,700</u>	
Creditors: amounts falling due within one year	8	(36,242)	(24,723,790)	
Net current assets/(liabilities)			<u>2,580,999</u>	<u>(22,773,090)</u>
Total assets less current liabilities			<u>2,580,999</u>	<u>9,826,910</u>
Net assets			<u><u>2,580,999</u></u>	<u><u>9,826,910</u></u>
Represented by:				
Other amounts	10		2,580,999	2,912,124
Members' other interests				
Members' capital classified as equity		-	19,680,722	
Other reserves classified as equity		-	(12,765,936)	
		<u>-</u>	<u>-</u>	<u>6,914,786</u>
			<u><u>2,580,999</u></u>	<u><u>9,826,910</u></u>
Total members' interests				
Loans and other debts due to members	10		2,580,999	2,912,124
Members' other interests			-	6,914,786
			<u><u>2,580,999</u></u>	<u><u>9,826,910</u></u>

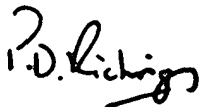
The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small LLPs regime.

CHATHAM LLP
REGISTERED NUMBER:OC402270
BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2020

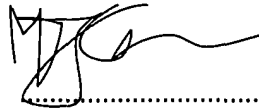
The financial statements have been delivered in accordance with the provisions applicable to LLPs subject to the small LLPs regime.

The entity has opted not to file the statement of comprehensive income in accordance with the provisions applicable to entities subject to the small LLPs regime.

The financial statements were approved and authorised for issue by the members and were signed on their behalf by:



.....
Bridges Property Alternatives Fund III
(General Partner) LLP
Designated member



.....
Emreka Investments GP Limited
Designated member

Date: 26/10/2020

The notes on pages 4 to 12 form part of these financial statements.

CHATHAM LLP

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Members capital (classified as equity)	Other reserves	Total equity
	£	£	£
At 1 April 2018	19,680,722	(6,185,514)	13,495,208
Comprehensive income for the year			
Loss for year for discretionary division among members	-	(6,580,422)	(6,580,422)
Total comprehensive income for the year	-	(6,580,422)	(6,580,422)
At 1 April 2019	19,680,722	(12,765,936)	6,914,786
Total comprehensive income for the year	-	-	-
Contributions by and distributions to members			
Capital repayment	(6,914,786)	-	(6,914,786)
Transfer from other reserves	(12,765,936)	-	(12,765,936)
Transfer to members' capital	-	12,765,936	12,765,936
At 31 March 2020	-	-	-

CHATHAM LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. General information

Chatham LLP (the "LLP") is a Limited Liability Partnership domiciled and incorporated in England and Wales.

The address of its registered office and its place of business is 38 Seymour Street, London, W1H 7BP.

The principal activity of the LLP up until 26 April 2019 was the investment in a shopping centre from which rental income was received. Following the sale of the shopping centre, the LLP continues to exist in order to receive the deferred consideration included within the sales contract.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

Monetary amounts in these financial statements are rounded to the nearest whole £1 except where otherwise indicated.

The financial statements are presented in sterling which is the functional currency of the LLP.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the LLP's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements are prepared on a going concern basis which assumes the LLP will continue in operational existence and will be able to meet its liabilities as they fall due up to 12 months from the date of these financial statements.

On 26 April 2019, the LLP sold the shopping centre that was held as an investment property on the Balance Sheet. The terms of the sale contract included deferred consideration which would be released to the LLP if certain specific conditions were met over a period of up to 5 years after the disposal date. This deferred consideration is shown in full within debtors on the Balance Sheet although its recoverability is outside the control of the LLP and is therefore uncertain.

As the deferred consideration is the only asset of the LLP, when it has either been recovered or is deemed to be irrecoverable, the members will seek to dissolve the LLP. Since the disposal, the LLP only incurs certain administrative costs which have been met by the scheduled releases of the deferred consideration. Should no further releases be received, the LLP would require the support of the members to be able to meet its liabilities. There is a material uncertainty associated with the recoverability of the deferred consideration which may cast significant doubt on the LLP's ability to continue as a going concern.

CHATHAM LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.3 Revenue

Revenue represents amounts receivable for rent, net of value added tax (VAT). Rental income that was invoiced in the prior year but which related to the current period was treated as deferred income in the prior year. Accrued income in respect of operating lease incentives has been released on disposal of the shopping centre and the LLP's effective termination of the leases held as lessor.

2.4 Operating leases: the LLP as lessor

Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease. Rent free periods or other incentives given to the lessee are accounted for as a reduction to the rental income and recognised on a straight-line basis over the lease term.

2.5 Investment property

Investment property is initially measured at cost and subsequently measured at fair value determined annually by external valuers, or members of the LLP, and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

2.6 Debtors

Short term debtors are measured at the transaction price, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

CHATHAM LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.8 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the LLP would receive for the asset if it were to be sold at the balance sheet date.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest rate method.

2.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount.

2.11 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest rate method.

2.12 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the LLP but are presented separately due to their size or incidence.

CHATHAM LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant accounting estimates include the recoverability and ageing of the deferred consideration included within other debtors at 31 March 2020. The deferred consideration amounts to £1,872,999 within non-current debtors and a further £585,428 included within current debtors.

4. Employees

The entity has no employees.

5. Information in relation to members

	2020	2019
The average number of members during the period was	2	2

6. Investment property

	Long term leasehold investment property £
At 1 April 2019	32,600,000
Disposals	(32,600,000)
At 31 March 2020	-
Comprising	
Cost	45,365,935
Annual revaluation deficit: 2018 and prior	(6,185,514)
2019	(6,580,421)
Disposal	(32,600,000)

The investment property was sold on 26 April 2019.

CHATHAM LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

7. Debtors: amounts falling due within one year

	2020 £	2019 £
Due after more than one year		
Other debtors	1,872,999	-
	<u>1,872,999</u>	<u>-</u>
	2020 £	As restated 2019 £
Due within one year		
Trade debtors	-	394,366
Amounts owed by members	-	635,895
Other debtors (See note 11)	695,730	129,066
Prepayments and accrued income	-	255,039
Financial instruments	-	2,872
	<u>695,730</u>	<u>1,417,238</u>

8. Creditors: amounts falling due within one year

	2020 £	2019 £
Loan facility (See note 10)	-	23,886,862
Trade creditors	14,855	-
Other taxation and social security	10,356	224,654
Other creditors	-	46,132
Accruals and deferred income	11,031	566,142
	<u>36,242</u>	<u>24,723,790</u>

The loan facility was repaid in April 2019 from the proceeds from the sale of the investment property.

CHATHAM LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

9. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Loan facility	-	23,886,862
	<u>-</u>	<u>23,886,862</u>

The loan facility was repaid in April 2019 from the proceeds from the sale of the investment property.

10. Loans and other debts due to members

	2020 £	2019 £
Other amounts due to members	2,580,999	2,912,124
	<u>2,580,999</u>	<u>2,912,124</u>

Loans and other debts due to members rank equally with debts due to ordinary creditors in the event of a winding up.

11. Prior year adjustment

Following a service charge reconciliation performed by the company managing the shopping centre on the LLP's behalf, members identified that landlord service charges were overstated by £69,575. This amount was received by way of a credit note within the current year and subsequently the reduction in service charge expense has been restated to reduce the prior year loss before members' remuneration and profit shares by £69,575. The prior period balances for other debtors and amounts due to members have increased by £69,575.

12. Contingent liabilities

Included within the contract for the sale of the investment property is a clause relating to one tenant of the shopping centre. In the event this tenant vacates the shopping centre, the LLP will have to settle an amount of £548,052 by a reduction in the existing retention debtor. At the date of signing the financial statements the tenant remains, however, due to uncertainty imposed by Covid-19, the future residency of this tenant is uncertain. In the event the tenant remains in occupancy for a period of 5 years from 26 April 2019, no amount will be paid.

CHATHAM LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

13. Commitments under operating leases

As at 31 March 2020, the LLP had contracted with tenants, under non-cancellable operating leases, for future minimum lease payments as follows:

	2020 £	2019 £
The LLP as lessor		
Not later than 1 year	-	2,463,302
Later than 1 year and not later than 5 years	-	4,803,521
Later than 5 years	-	2,302,254
	<hr/>	<hr/>
	-	9,569,077
	<hr/>	<hr/>

During the year, the investment property was disposed of and all leases were effectively terminated by the LLP.

14. Discontinued operations

On 26 April 2019, the LLP's investment property and associated trade was sold. The income and expenses associated with the discontinued operations have been shown in the Statement of Comprehensive Income separately from the continuing operations in both the current and comparative period.

CHATHAM LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

15. Reconciliation of members' interests

	EQUITY			DEBT	Total
	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors	members' interests
	Members' capital (classified as equity) £	Other reserves £	Total £	Other amounts £	Total £
Amounts due to members				1,541,851	
Balance at 1 April 2018	19,680,722	(6,185,514)	13,495,208	1,541,851	15,037,059
Members' remuneration charged as an expense (as restated)	-	-	-	1,370,273	1,370,273
Loss for the year available for discretionary division among members	-	(6,580,422)	(6,580,422)	-	(6,580,422)
Members' interests after profit for the year	19,680,722	(12,765,936)	6,914,786	2,912,124	9,826,910
Amounts due to members				2,912,124	
Balance at 31 March 2019	19,680,722	(12,765,936)	6,914,786	2,842,549	9,757,335
Prior year adjustment (See note 12)	-	-	-	69,575	69,575
Balance at 31 March 2019 (as restated)	19,680,722	(12,765,936)	6,914,786	2,912,124	9,826,910
Members' remuneration charged as an expense	-	-	-	741,270	741,270
Members' interests after profit for the year	19,680,722	(12,765,936)	6,914,786	3,653,394	10,568,180
Transfer to members' capital	-	12,765,936	12,765,936	-	12,765,936
Repayment of capital	(6,914,786)	-	(6,914,786)	-	(6,914,786)
Transfer from other reserves	(12,765,936)	-	(12,765,936)	-	(12,765,936)
Drawings	-	-	-	(1,072,395)	(1,072,395)
Amounts due to members				2,580,999	
Balance at 31 March 2020	-	-	-	2,580,999	2,580,999

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

CHATHAM LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

16. Auditors' information

The auditors' report on the financial statements for the period ended 31 March 2020 was qualified.

The qualification in the audit report was as follows:

Within debtors at 31 March 2020 is an amount of £2,458,427, relating to a deferred consideration from the sale of the investment property. This balance is included within other debtors, with £1,872,999 included in non-current debtors, and £585,428 within current debtors. We were unable to obtain sufficient, appropriate audit evidence regarding the recoverability and the maturity of this balance, due to uncertainties beyond the control of the LLP. Consequently, owing to this limitation of scope, we were unable to determine whether an impairment should have been posted in the statement of comprehensive income, in relation to this debtor.

In their report, the auditors disclosed Material Uncertainties in Relation to Going Concern, as follows:

In addition, we draw attention to note 2.2 in the financial statements, which indicates that the recoverability of the deferred consideration due on the sale of the investment property, included within other debtors, is outside the control of the LLP and should this be recovered or deemed irrecoverable, the members would seek to dissolve the LLP. As stated in note 2.2, these events, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the LLP's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The audit report was signed on 02/11/2020 by Matthew Neill BA (Hons) MA FCA (senior statutory auditor) on behalf of Creaseys Group Limited.