

**Registered number: OC402270**

**CHATHAM LLP**

**ANNUAL REPORT AND FINANCIAL  
STATEMENTS**

**FOR THE YEAR ENDED  
31 MARCH 2018**

TUESDAY



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COMPANIES HOUSE

# **CHATHAM LLP**

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# **CHATHAM LLP**

## **INFORMATION**

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### **Designated Members**

Emreka Investments GP Limited, Corporate  
Bridges Property Alternatives Fund III (General Partner) LLP, Corporate

### **LLP registered number**

OC402270

### **Registered office**

38 Seymour Street  
London  
W1H 7BP

### **Independent auditors**

Creaseys Group Limited  
Chartered Accountants  
Brockbourne House  
77 Mount Ephraim  
Tunbridge Wells  
Kent  
TN4 8BS

# **CHATHAM LLP**

## **MEMBERS' REPORT FOR THE PERIOD ENDED 31 MARCH 2018**

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The members present their annual report together with the audited financial statements of Chatham LLP (the "LLP") for the ended 31 March 2018.

### **Designated Members**

Emreka Investments GP Limited and Bridges Property Alternatives Fund III (General Partner) LLP were designated members of the LLP throughout the period.

### **Members' capital and interests**

Each member's subscription to the capital of the LLP is determined by their share of the profit and is repayable following retirement from the LLP.

Details of changes in members' capital in the ended 31 March 2018 are set out in the financial statements.

Members are remunerated from the profits of the LLP. Profits are allocated and divided between members after finalisation of the financial statements.

### **Members' responsibilities statement**

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law, (as applied 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 by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) 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 of 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 judgements 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.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the 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.

## CHATHAM LLP

### MEMBERS' REPORT (continued) FOR THE PERIOD ENDED 31 MARCH 2018

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#### Disclosure of information to auditors

Each of the persons who are members at the time when this members' report is approved has confirmed that:

- so far as that member is aware, there is no relevant audit information of which the LLP's auditors are unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

*P. D. Richards*  
.....  
**Bridges Property Alternatives Fund III**  
**(General Partner) LLP**

Date: 23/07/2018

# **CHATHAM LLP**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHATHAM LLP**

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### **Opinion**

We have audited the financial statements of Chatham LLP (the 'LLP') for the period ended 31 March 2018, which comprise the statement of comprehensive income, the balance sheet, the statement of cash flows, the statement of changes in equity 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 Financial Reporting Standard 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 March 2018 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

### **Use of our report**

This report is made solely to the LLP's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Applications 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 auditors' 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 for our audit work, for this report, or for the opinions we have formed.

### **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

# **CHATHAM LLP**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHATHAM LLP (CONTINUED)**

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### **Other information**

The members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and 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; or
- the members were not entitled to prepare the financial statements in accordance with the small limited liability partnerships regime.

### **Responsibilities of members**

As explained more fully in the members' responsibilities statement on page 2, 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.

## CHATHAM LLP

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHATHAM LLP (CONTINUED)

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#### **Auditors' 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 auditors' 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

*Creaseys Group Limited*

Matthew Neill BA (Hons) MA ACA (senior statutory auditor)

for and on behalf of

**Creaseys Group Limited**

Chartered Accountants

Statutory Auditors

Brockbourne House

77 Mount Ephraim

Tunbridge Wells

Kent

TN4 8BS

Date: *23 July 2018*



# CHATHAM LLP

## STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2018

		Year ended 31 March 2018	16 months ended 31 March 2017 £
	Note		
Turnover		4,018,794	5,412,008
<b>Gross profit</b>		4,018,794	5,412,008
Administrative expenses		(1,101,004)	(1,709,427)
Fair value movements on investment property		(3,401,431)	(2,784,083)
<b>Operating (loss)/profit</b>	4	(483,641)	918,498
Interest receivable and similar income		123	1,230
Interest payable and similar charges	7	(867,249)	(1,177,452)
Fair value movement in interest rate cap		(11,745)	(212,383)
<b>Loss for the period</b>		(1,362,512)	(470,107)
Profit/(loss) for the year before members' remuneration and profit shares		(1,362,512)	(470,107)
Members' remuneration charged as an expense		(2,038,919)	(2,313,976)
<b>Loss for the financial period available for discretionary division among members</b>		<u>(3,401,431)</u>	<u>(2,784,083)</u>

There was no other comprehensive income for 2018 (2017: £NIL).

The notes on pages 12 to 19 form part of these financial statements.

**CHATHAM LLP**  
**REGISTERED NUMBER: OC402270**

**BALANCE SHEET**  
**AS AT 31 MARCH 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Investment property	8	39,000,000	41,400,000
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	488,840	656,728
Cash at bank and in hand	10	1,369,461	1,331,276
		<u>1,858,301</u>	<u>1,988,004</u>
Creditors: amounts falling due within one year	11	(880,777)	(1,284,337)
<b>Net current assets</b>		<u>977,524</u>	<u>703,667</u>
<b>Total assets less current liabilities</b>		<u>39,977,524</u>	<u>42,103,667</u>
Creditors: amounts falling due after more than one year	12	(24,940,465)	(24,854,096)
<b>Net assets attributable to members</b>		<u><u>15,037,059</u></u>	<u><u>17,249,571</u></u>
<b>Represented by:</b>			
Other amounts	15	1,541,851	352,932
<b>Members' other interests</b>			
Members' capital classified as equity		19,680,722	19,680,722
Other reserves classified as equity		<u>(6,185,514)</u>	<u>(2,784,083)</u>
		<u>13,495,208</u>	<u>16,896,639</u>
		<u><u>15,037,059</u></u>	<u><u>17,249,571</u></u>
<b>Total members' interests</b>			
Loans and other debts due to members	15	1,541,851	352,932
Members' other interests		<u>13,495,208</u>	<u>16,896,639</u>
		<u><u>15,037,059</u></u>	<u><u>17,249,571</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 2018**

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

*P. D. Richards*

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

*A. J. Tanner*

.....  
**Emreka Investments GP Limited**  
Designated member

Date: 23/07/2018

The notes on pages 12 to 19 form part of these financial statements.

# CHATHAM LLP

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2018

	Members capital (classified as equity) £	Other reserves £	Total equity £
<b>Comprehensive income for the year</b>			
Loss for year for discretionary division among members	-	(2,784,083)	(2,784,083)
<b>Total comprehensive income for the year</b>	-	(2,784,083)	(2,784,083)
<b>Contributions by and distributions to members</b>			
Capital introduced by members	19,680,722	-	19,680,722
<b>At 1 April 2017</b>	19,680,722	(2,784,083)	16,896,639
<b>Comprehensive income for the period</b>			
Loss for period for discretionary division among members	-	(3,401,431)	(3,401,431)
<b>Total comprehensive income for the period</b>	-	(3,401,431)	(3,401,431)
Capital introduced by members	-	-	-
<b>At 31 March 2018</b>	19,680,722	(6,185,514)	13,495,208

# CHATHAM LLP

## STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2018

	Year ended 31 March 2018 £	16 months ended 31 March 2017 £
<b>Cash flows from operating activities</b>		
Loss for the financial period	(1,362,512)	(470,107)
<b>Adjustments for:</b>		
Interest paid	867,249	1,177,452
Interest received	(123)	(1,230)
Increase/(decrease) in debtors	253,957	(656,728)
(Decrease)/increase in creditors	(403,260)	1,370,466
Net fair value losses recognised in Statement of Comprehensive Income	3,401,431	2,784,083
<b>Net cash generated from operating activities</b>	<u>2,756,742</u>	<u>4,203,936</u>
<b>Cash flows from investing activities</b>		
Improvements to investment properties	(1,001,431)	(44,184,083)
Interest received	123	1,230
<b>Net cash from investing activities</b>	<u>(1,001,308)</u>	<u>(44,182,853)</u>
<b>Cash flows from financing activities</b>		
New secured loans	-	24,767,967
Interest paid	(867,249)	(1,177,452)
Members' capital contributed	-	19,680,722
Distribution paid to members	(850,000)	(1,961,044)
<b>Net cash used in financing activities</b>	<u>(1,717,249)</u>	<u>41,310,193</u>
<b>Net increase in cash and cash equivalents</b>	38,185	1,331,276
Cash and cash equivalents at beginning of period	1,331,276	-
<b>Cash and cash equivalents at the end of period</b>	<u>1,369,461</u>	<u>1,331,276</u>
<b>Cash and cash equivalents at the end of period comprise:</b>		
Cash at bank and in hand	1,369,461	1,331,276
	<u>1,369,461</u>	<u>1,331,276</u>

# **CHATHAM LLP**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018**

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### **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 is the investment in a shopping centre from which rental income is received.

### **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 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 also the functional currency of the LLP.

The previous reporting period was for the 16 months ended 31 March 2017.

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 be able to meet its liabilities as they fall due 12 months from the date of these financial statements.

The LLP maintains a detailed forecast cash flow to ensure that the LLP can continue to meet its liabilities as they fall due. These show that the LLP will continue to have adequate cash resources to meet its liabilities as they fall due.

#### **2.3 Revenue**

Revenue represents amounts receivable for rent, net of VAT. Rental income that has been invoiced in the year but relates to the subsequent year has been treated as deferred income.

#### **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.

# **CHATHAM LLP**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018**

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

#### **2.5 Investment property**

Investment property is initially measured at cost and subsequently measured at fair value determined annually by external valuers 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 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.

#### **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.

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.

The LLP uses an interest rate cap in order to reduce its exposure to rising interest rates on a variable rate loan. The premium paid to enter into the cap reflects the fair value of the cap at inception. The cap is subsequently measured at fair value through the Statement of Comprehensive Income and due to the cap being an option the fair value will always be an asset. If the strike rate is not achieved then the cap is not exercised and there is no net settlement.

#### **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 method.

# CHATHAM LLP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

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### 2. Accounting policies (continued)

#### 2.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest 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 method.

### 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.

#### Critical areas of judgement

Investment properties are stated at fair value. The fair value of investment properties is estimated based on the price that would be received when selling an asset in an orderly transaction between marketplace participants at the measurement date. Valuation techniques include (i) discounted cash flow analysis, (ii) prevailing market capitalisation rates or earnings multiples applied to earnings from the investment, (iii) analysis of recent comparable sales transactions, actual sales negotiations and bona fide purchase offers received from third parties, (iv) consideration of the amount that currently would be required to replace the asset, as adjusted for obsolescence, and (v) independent external appraisals. Multiple valuation techniques may be considered when measuring the fair value of the investment property. Key inputs and assumptions include rental income and expense, related rental income and expense growth rates, occupancy levels, capital improvement costs, discount rates and capitalisation rates.

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the lessee, where the LLP is a lessor.

### 4. Operating profit

The operating profit is stated after charging:

	<b>Year ended 31 March 2018</b>	<b>16 months ended 31 March 2017</b>
	£	£
Fees payable to the LLP's auditor for the audit of the LLP's annual financial statements	9,750	10,500

### 5. Employees

The entity has no employees.



# CHATHAM LLP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

### 6. Information in relation to members

	2018 Number	2017 Number
The average number of members during the period was	2	2

### 7. Interest payable and similar expenses

	Year ended 31 March 2018 £	16 months ended 31 March 2017 £
Bank loan interest payable	867,249	1,177,452

### 8. Investment property

	Long term leasehold investment property £
<b>Valuation</b>	
At 1 April 2017	41,400,000
Additions at cost	1,001,431
Deficit on revaluation	(3,401,431)
<b>At 31 March 2018</b>	<b>39,000,000</b>
<b>Comprising</b>	
Cost	45,185,514
Annual revaluation deficit:	
2017	(2,784,083)
2018	(3,401,431)
At 31 March 2018	39,000,000

The fair value of the LLP's investment property as at 31 March 2018 has been arrived at on the basis of a valuation carried out at that date by Cushman and Wakefield, chartered surveyors, on an open market value basis. The valuation was arrived at by reference to market evidence.

# CHATHAM LLP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

### 9. Debtors: amounts falling due within one year

	2018 £	2017 £
Trade debtors	190,428	63,566
Other debtors	48,194	431,354
Prepayments and accrued income	247,345	147,191
Financial instruments	2,872	14,617
	<u>488,839</u>	<u>656,728</u>

### 10. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>1,369,461</u>	<u>1,331,276</u>

### 11. Creditors: Amounts falling due within one year

	2018 £	2017 £
Loan facility - See note 13	(86,430)	(86,129)
Other taxation and social security	252,811	235,022
Other creditors	47,729	402,600
Accruals and deferred income	666,667	732,844
	<u>880,777</u>	<u>1,284,337</u>

### 12. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Loan facility - See note 13	<u>24,940,465</u>	<u>24,854,096</u>

#### Secured loans

Hatfield Philips Agency Services Limited, the Security Agent, holds both a fixed and floating charge over the freehold and leasehold property owned by the LLP as well as any cash balances in relation to the loan issued. The amount owed by the LLP under this charge at 31 March 2018 was £25,000,000 (2017: £25,000,000). The bank loan is due for repayment on 7 December 2035, and bears interest of 2.75% plus LIBOR.

# CHATHAM LLP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

### 13. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
<b>Amounts falling due within one year</b>		
Loan facility	(86,430)	(86,129)
<b>Amounts falling due 1-2 years</b>		
Bank loans	451,389	-
<b>Amounts falling due 2-5 years</b>		
Loan facility	5,357,132	3,916,596
<b>Amounts falling due after more than 5 years</b>		
Loan facility	19,131,944	20,937,500
	<u>24,854,035</u>	<u>24,767,967</u>

The above bank loan is shown net of transaction costs which are being unwound over the expected life of the loan. As there are no capital repayments due within the next year the result is a debit balance of £86,430 (2017: £86,129) in relation to the current element of the transaction costs that are to be unwound.

### 14. Financial instruments

	2018 £	2017 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	2,872	14,617
Debt instruments measured at amortised cost	1,855,428	1,893,202
	<u>1,858,300</u>	<u>1,907,819</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>25,107,171</u>	<u>25,426,013</u>

Financial assets measured at fair value through profit or loss comprise the fair value of interest rate caps.

Debt instruments measured at amortised cost comprise cash and cash equivalents, trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise the bank loan, other creditors and accruals.

# CHATHAM LLP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

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

	2018 £	2017 £
Other amounts due to members	1,541,851	352,932

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

### 16. Commitments under operating leases

At 31 March 2018 the LLP had contracted with tenants, under non-cancellable operating leases, for the future minimum lease payments as follows:

	2018 £	2017 £
<b>The LLP as Lessor</b>		
Not later than 1 year	2,798,779	3,102,493
Later than 1 year and not later than 5 years	8,478,462	9,055,114
Later than 5 years	3,987,348	5,265,189
	15,264,589	17,422,796

### 17. Controlling party

Bridges Property Alternatives Fund III (General Partner) LLP is the controlling party by virtue of having the majority of membership units. Bridges Fund Management Limited, a company incorporated in England and Wales, is the ultimate controlling party.

# CHATHAM LLP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

### 18. Reconciliation of members' interests

	EQUITY Members' other interests			DEBT Loans and other debts due to members less any amounts due from members in debtors	Total members' interests
	Members' capital (classified as equity) £	Other reserves £	Total £	Other amounts £	Total £
At incorporation	-	-	-	-	-
Members' remuneration charged as an expense	-	-	-	2,313,976	2,313,976
Loss for the period available for discretionary division among members	-	(2,784,083)	(2,784,083)	-	(2,784,083)
<b>Members' interests after profit for the period</b>	-	(2,784,083)	(2,784,083)	2,313,976	(470,107)
Amounts introduced by members	19,680,722	-	19,680,722	-	19,680,722
Drawings	-	-	-	(1,961,044)	(1,961,044)
Amounts due to members				352,932	
<b>Balance at 31 March 2017</b>	19,680,722	(2,784,083)	16,896,639	352,932	17,249,571
Members' remuneration charged as an expense	-	-	-	2,038,919	2,038,919
Loss for the period available for discretionary division among members	-	(3,401,431)	(3,401,431)	-	(3,401,431)
<b>Members' interests after profit for the period</b>	19,680,722	(6,185,514)	13,495,208	2,391,851	15,887,059
Drawings	-	-	-	(850,000)	(850,000)
Amounts due to members				1,541,851	
<b>Balance at 31 March 2018</b>	19,680,722	(6,185,514)	13,495,208	1,541,851	15,037,059

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.