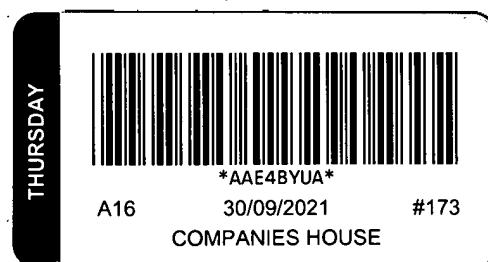


**Registered number: OC413932**

**BIRCHGROVE (SIDCUP) LLP**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**



## **BIRCHGROVE (SIDCUP) LLP**

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## **BIRCHGROVE (SIDCUP) LLP**

### **INFORMATION**

#### **Designated Members**

Birchgrove Care Limited  
Birchgrove Group LLP

#### **LLP registered number**

OC413932

#### **Registered office**

38 Seymour Street, London, W1H 7BP

#### **Independent auditors**

PricewaterhouseCoopers LLP, One Kingsway, Cardiff, CF10 3PW

#### **Bankers**

Royal Bank of Scotland International, 1 Princes St, London, EC2R 8BP

## **BIRCHGROVE (SIDCUP) LLP**

### **MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2021**

The members present their annual report together with the audited financial statements of Birchgrove (Sidcup) LLP (the "LLP") for the year ended 31 March 2021.

#### **Principal activities**

The LLP's principal activity during the year was the letting of assisted living accommodation in Sidcup, Kent.

#### **Review the business and future developments**

The Birchgrove Group (the "Group") was formed in 2016 and is continuing to develop a new rental model for assisted retirement living - creating communities where residents will enjoy a high quality of service and lifestyle in their later years.

The Group has two primary functions during the year, the continued construction of assisted living facilities in Woking and Ewell, and the operational management of its sites at Sidcup and Woking. The Woking site was operational from 16 Oct 2020 so was no longer under construction after this date. Two further sites at Banstead and Godalming were acquired during the year, with construction planned to start at both next year.

At 31 March 2021 the value of the completed facility at Sidcup, including land, buildings, plant & machinery and fixtures & fittings was £22,530,438 (2020: £23,062,830), which is recognised within tangible assets on the Statement of Financial Position. During the year the LLP incurred administrative expenses of £1,570,064 (2020: £1,589,037), which were taken to the Statement of Comprehensive Income.

During the prior year a loan was taken out to finance the construction of the Sidcup facility. At 31 March 2021 the value of the loan and accrued interest was £12,066,992 (2020: £11,673,999).

The restrictions put in place by the UK Government in response to the Covid-19 pandemic forced the Group to adapt its operations during the year. As a result, our residents have remained protected and in good health since the first lockdown. Trading also remained positive, with new residents joining our operating sites in every month of the year, underlining the resilience and versatility of the rental model in the face of such unprecedented challenges.

While some of these restrictions remain in place, the Group has continued to adapt its working practices in order to maintain its operations without interruption. The members do not consider this situation has caused any material change to the LLP's ability to trade, nor affected its status as a going concern.

#### **Designated Members**

Birchgrove Care Limited and Birchgrove Group LLP were designated members of the LLP throughout the year.

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

Members will determine the annual drawings payable by the LLP and are permitted to make drawings in anticipation of profits which will be allocated to them. Profits/(losses) are allocated on the basis as set out in the partnership agreement entered into by the members. No member is entitled to draw out or receive back any part of its capital contribution except on the winding up of the LLP.

## **BIRCHGROVE (SIDCUP) LLP**

### **MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021**

#### **Statement of members' responsibilities in respect of the financial statements**

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

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). Under company law 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 the 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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).

The members 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.

#### **Disclosure of information to auditors**

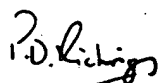
Each of the persons who are members at the time when this Members' Report is approved has confirmed that:

- 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.

#### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. The Designated members will propose a motion re-appointing the auditors at a meeting of the members.

This report was approved by the members and signed on their behalf by:



**P D Richings**  
**on behalf of Birchgrove Group LLP**  
**Designated Member**

Date: 29 September 2021

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIRCHGROVE (SIDCUP) LLP**

**Report on the audit of the financial statements**

**Opinion**

In our opinion, Birchgrove (Sidcup) LLP's financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); 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.

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of Financial Position as at 31 March 2021; the Statement of Comprehensive Income and the Reconciliation of Members' Interests for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We remained independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**Conclusions relating to going concern**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the LLP's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the LLP's ability to continue as a going concern.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIRCHGROVE (SIDCUP) LLP  
(CONTINUED)**

**Responsibilities for the financial statements and the audit**

**Responsibilities of the members for the financial statements**

As explained more fully in the Statement of members' responsibilities in respect of the financial statements, the members are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The members are also responsible for such internal control as they 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.

**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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the LLP and industry, we identified that the principal risks of non-compliance with laws and regulations related to The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management to enquire of any known instances of non-compliance with Laws and Regulations and Fraud
- Reading board minutes for evidence of breaches of regulations and reading relevant correspondence
- Challenging assumptions and judgements made by management in their significant accounting estimates
- Identifying and testing journal entries, in particular, journal entries posted with unexpected account combinations
- Incorporating unpredictability into the nature, timing and/or extent of our testing

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

**Use of this report**

This report, including the opinions, has been prepared for and only for the members of the partnership as a body in accordance 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 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **BIRCHGROVE (SIDCUP) LLP**

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

#### **Other required reporting**

##### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the LLP, 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.

We have no exceptions to report arising from this responsibility.

##### **Entitlement to exemptions**

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion, the members were not entitled to: prepare financial statements in accordance with the small limited liability partnerships regime. We have no exceptions to report arising from this responsibility.



Jason Clarke (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cardiff  
29 September 2021



**BIRCHGROVE (SIDCUP) LLP****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
Turnover	1,354,506	654,187
Cost of sales	(46,550)	(34,175)
	<u>1,307,956</u>	<u>620,012</u>
Gross profit		
Administrative expenses	(1,570,064)	(1,589,037)
	<u>(262,108)</u>	<u>(969,025)</u>
Operating loss		
Interest payable and similar expenses	(207,993)	(272,968)
	<u>(470,101)</u>	<u>(1,241,993)</u>
Loss for the financial year before members' remuneration and profit shares		
	<u>(470,101)</u>	<u>(1,241,993)</u>
Loss for the financial year available for discretionary division among members		
	<u>(470,101)</u>	<u>(1,241,993)</u>
Total comprehensive expense for the financial year	<u>(470,101)</u>	<u>(1,241,993)</u>

The notes on pages 10 to 16 form part of these financial statements.

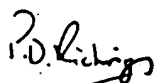
**BIRCHGROVE (SIDCUP) LLP**  
**REGISTERED NUMBER: OC413932**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	6	22,530,438	23,062,830
<b>Current assets</b>			
Stocks	7	-	1,937
Debtors	8	260,763	392,496
Cash at bank and in hand		502,508	88,217
		<u>763,271</u>	<u>482,650</u>
Creditors: amounts falling due within one year	9	(727,176)	(901,839)
<b>Net current assets/(liabilities)</b>		<u>36,095</u>	<u>(419,189)</u>
<b>Total assets less current liabilities</b>		<u>22,566,533</u>	<u>22,643,641</u>
Creditors: amounts falling due after more than one year	10	(12,066,992)	(11,673,999)
<b>Net assets</b>		<u><u>10,499,541</u></u>	<u><u>10,969,642</u></u>
<b>Represented by:</b>			
<b>Members' other interests</b>			
Members' capital classified as equity		12,797,622	12,797,622
Other reserves classified as equity		(2,298,081)	(1,827,980)
		<u>10,499,541</u>	<u>10,969,642</u>
<b>Total members' interests</b>		<u><u>10,499,541</u></u>	<u><u>10,969,642</u></u>

The financial statements have been prepared 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:



**P D Richings**  
**on behalf of Birchgrove Group LLP**  
 Designated Member  
 Date: 29 September 2021

The notes on pages 10 to 16 form part of these financial statements.

**BIRCHGROVE (SIDCUP) LLP****RECONCILIATION OF MEMBERS' INTERESTS  
FOR THE YEAR ENDED 31 MARCH 2021**

	<b>Members' capital (classified as equity) £</b>	<b>Other reserves £</b>	<b>Total members' interests £</b>
<b>Balance at 1 April 2019</b>	<b>12,797,622</b>	<b>(585,987)</b>	<b>12,211,635</b>
Loss for the financial year available for discretionary division among members	-	(1,241,993)	(1,241,993)
<b>Members' interests after loss for the financial year</b>	<b>12,797,622</b>	<b>(1,827,980)</b>	<b>10,969,642</b>
<b>Balance at 31 March 2020 and 1 April 2020</b>	<b>12,797,622</b>	<b>(1,827,980)</b>	<b>10,969,642</b>
Loss for the financial year available for discretionary division among members	-	(470,101)	(470,101)
<b>Members' interests after loss for the financial year</b>	<b>12,797,622</b>	<b>(2,298,081)</b>	<b>10,499,541</b>
<b>Balance at 31 March 2021</b>	<b>12,797,622</b>	<b>(2,298,081)</b>	<b>10,499,541</b>

The notes on pages 10 to 16 form part of these financial statements.

Birchgrove (Sidcup) LLP has no equity and, in accordance with the provisions contained within the Statement of Recommended Practice "Accounting by Limited Liability Partnerships", has not presented a Statement of Changes in Equity.

## **BIRCHGROVE (SIDCUP) LLP**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

#### **1. General information**

Birchgrove (Sidcup) LLP (the "LLP") is an entity within the Birchgrove Group, which is involved in the development, construction and operation of assisted living accommodation. The entity is a limited liability partnership incorporated in the United Kingdom and its registered office is at 38 Seymour Street, London, W1H 7BP.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis, under the historical cost convention 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".

The following principal accounting policies have been applied consistently throughout the year:

##### **2.2 Going concern**

The LLP has a loss for the financial year and the members have therefore carried out an assessment to evaluate the going concern status of the LLP.

The LLP has received confirmation from Bridges Fund Management Limited of its intention to continue its financial support for a period of at least 12 months from the date of approval of these financial statements and a review of the cash flow forecasts of the LLP for the 18 months following the year-end has provided the members with a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The restrictions put in place by the UK Government in response to the Covid-19 pandemic forced the Group to adapt its operations during the year. As a result, our residents have remained protected and in good health since the first lockdown. Trading also remained positive, with new residents joining our operating sites in every month of the year, underlining the resilience and versatility of the rental model in the face of such unprecedented challenges.

While some of these restrictions remain in place, the Group has continued to adapt its working practices in order to maintain its operations without interruption. The members do not consider this situation has caused any material change to the LLP's ability to trade, nor affected its status as a going concern.

##### **2.3 Functional and presentation currency**

The LLP's functional and presentational currency is the pound sterling.

##### **2.4 Current taxation**

Tax payable on the LLP's profits is solely the liability of the individual members and consequently is not dealt with in these Financial Statements. The Partnership is not taxed as a corporate entity.

##### **2.5 Allocation of profits and drawings**

Members will determine the annual drawings payable by the LLP and are permitted to make drawings in anticipation of profits which will be allocated to them. Profits/(losses) are allocated on the basis as set out in the partnership agreement entered into by the members.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**2. Accounting policies (continued)**

**2.6 Tangible assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Land	- Not depreciated
Buildings	- 10 - 60 years
Plant and machinery	- 15 - 60 years
Fixtures and fittings	- 5 - 60 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**2.7 Impairment of assets**

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the Statement of Comprehensive Income.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**2. Accounting policies (continued)**

**2.8 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the LLP and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

**Sale of goods**

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the LLP has transferred the significant risks and rewards of ownership to the buyer;
- the LLP retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the LLP will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the LLP will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.9 Operating leases: the LLP as lessee**

Rentals paid under operating leases are charged to Statement of Comprehensive Income on a straight line basis over the lease term.

**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. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.11 Borrowing costs**

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**2. Accounting policies (continued)**

**2.12 Pensions**

**Defined contribution pension plan**

The LLP operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the LLP pays fixed contributions into a separate entity. Once the contributions have been paid the LLP has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the LLP in independently administered funds.

**2.13 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in-first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.14 Cash at bank and cash in hand**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

**2.15 Financial instruments**

The LLP has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

***(i) Financial assets***

Basic financial assets, including trade and other debtors, cash and bank balances, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flow discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**2. Accounting policies (continued)**

**2.15 Financial instruments (continued)**

**(ii) Financial liabilities**

Basic financial liabilities, including trade and other creditors, amounts owed by group undertakings and bank loans, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**3. Auditors' remuneration**

	2021 £	2020 £
Fees payable to the LLP's auditors for the audit of the LLP's annual financial statements	9,950	3,600
Preparation of financial statements	1,880	1,790
Tax services	2,200	2,100
	<u>          </u>	<u>          </u>

**4. Employees**

The average monthly number of staff employed by the LLP during the financial year was 15 (2020: 14).

**5. Average number of members**

The average number of members in the financial year was two (2020: two).



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**6. Tangible assets**

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 April 2020	18,806,149	2,945,477	1,858,598	23,610,224
Additions	-	-	16,397	16,397
At 31 March 2021	18,806,149	2,945,477	1,874,995	23,626,621
<b>Accumulated depreciation</b>				
At 1 April 2020	225,988	108,364	213,042	547,394
Charge for the year	226,001	108,364	214,424	548,789
At 31 March 2021	451,989	216,728	427,466	1,096,183
<b>Net book value</b>				
At 31 March 2021	18,354,160	2,728,749	1,447,529	22,530,438
At 31 March 2020	18,580,161	2,837,113	1,645,556	23,062,830

**7. Stocks**

	2021 £	2020 £
Finished goods and goods for resale	-	1,937

**BIRCHGROVE (SIDCUP) LLP****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021****8. Debtors**

	2021 £	2020 £
Trade debtors	91,889	192,280
Amounts owed by group undertakings	7,306	1,178
Other debtors	65,997	103,888
Prepayments and accrued income	95,571	95,150
	<u>260,763</u>	<u>392,496</u>

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

**9. Creditors: amounts falling due within one year**

	2021 £	2020 £
Trade creditors	86,866	102,648
Amounts owed to group undertakings	192,259	317,761
Taxation and social security	2,220	13,059
Other creditors	8,034	224,829
Accruals and deferred income	437,797	243,542
	<u>727,176</u>	<u>901,839</u>

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

**10. Creditors: amounts falling due after more than one year**

	2021 £	2020 £
Loans	<u>12,066,992</u>	<u>11,673,999</u>

A loan has been provided to the LLP by Bridges Property Alternatives Fund IV LP, a fund under the control of the LLP's ultimate controlling party. The loan matures in July 2022, is unsecured and carries an interest rate of LIBOR +1.65%.

**11. Ultimate parent undertaking and controlling party**

The immediate parent company is Birchgrove Group LLP.

The ultimate controlling party is Bridges Fund Management Limited, a company registered in the United Kingdom.