

Registered number: OC422510

Birchgrove (Surrey) LLP

Annual Report and Financial Statements

for the period to 31 March 2019



Birchgrove (Surrey) LLP

Annual Report and Financial Statements for the period ended 31 March 2019

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Birchgrove (Surrey) LLP

Information

Designated members

Birchgrove Care Limited
Birchgrove Group LLP

Independent auditors

PricewaterhouseCoopers LLP
One Kingsway
Cardiff
CF10 3PW

Bankers

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

Registered office

38 Seymour Street
London
W1H 7BP

Registered number

OC422510

Birchgrove (Surrey) LLP

Members' Report for the period ended 31 March 2019

The members present the Annual Report and Financial Statements (the "Financial Statements") of Birchgrove (Surrey) LLP (the "Partnership") for the period ended 31 March 2019. The Partnership was incorporated on 18 May 2018.

Principal activities

The Partnership's principal activity during the period was the development of assisted living accommodation at Woking, Surrey, which will be offered to let.

Review of the business and future developments

The Birchgrove Group (the "Group") was formed in 2016 and is developing 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.

During the period, the Group's primary operations were the development and construction of three assisted living facilities in Sidcup, Ewell and Woking. The Partnership was incorporated to pursue the development and construction of the Woking facility.

At 31 March 2019 the value of the Partnership's land, development and construction works was £8,887,068, which was recognised as an asset under construction on the Statement of Financial Position. During the period the Partnership incurred expenses of £282,017, which were taken to the Income Statement.

Designated Members

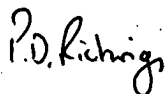
The Designated Members during the period and up to the date of signing the Financial Statements were:

Birchgrove Care Limited
Birchgrove Group LLP

Members' capital and interests

Members will determine the annual drawings payable by the Partnership 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 Partnership.

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



P D Richings
on behalf of Birchgrove Group LLP
Designated Member
23 September 2019

Birchgrove (Surrey) LLP

Members' Responsibilities Statement for the period ended 31 March 2019

OC422510

Statement of Members' Responsibilities in respect of the Financial Statements

The members are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the members to prepare Financial Statements for each financial period. 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", 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 limited liability partnership and of the profit or loss of the limited liability partnership for that period. In preparing the Financial Statements, the members are required to:

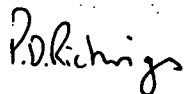
- select suitable accounting policies and then apply them consistently;
- state whether applicable UK Accounting standards, including FRS102 have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the Financial Statements comply with the Companies Act 2006.

The members are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information for auditors

So far as each Designated Member is aware there is no relevant information of which the Partnership's auditors are unaware. Relevant information is defined as information needed by the Partnership's auditors in connection with preparing their report. Each Designated Member has taken all the steps (such as making inquiries of other members of the Partnership and the auditors and any other steps required by their duty to exercise due care, skill and diligence) that they ought to have taken in their duty as a member in order to make themselves aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.



P D Richings
on behalf of Birchgrove Group LLP
Designated Member
23 September 2019

Birchgrove (Surrey) LLP

Independent Auditors' Report to the members of Birchgrove (Surrey) LLP

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2019 and of its loss for the 10 month period (the "period") 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", 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 and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 March 2019; the income statement, the reconciliation of members' interests for the 10 month period 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 limited liability partnership 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

ISAs (UK) require us to report to you when:

- 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 limited liability partnership'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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the limited liability partnership's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the limited liability partnership's trade, customers, suppliers and the wider economy.

Birchgrove (Surrey) LLP

Independent Auditors' Report to the members of Birchgrove (Surrey) LLP (continued)

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.

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 set out on page 3, 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 limited liability partnership'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 limited liability partnership 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.

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. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, 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 this opinion, 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 (Surrey) LLP

Independent Auditors' Report to the members of Birchgrove (Surrey) 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 received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the limited liability partnership, 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
23 September 2019

Birchgrove (Surrey) LLP

Income Statement for the period ended 31 March 2019

	Note	2019 £
Administrative expenses		(282,017)
Operating loss	3	(282,017)
Loss for the financial period before members' remuneration and profit share		(282,017)
Loss for the financial period available for discretionary division among members		(282,017)

The notes on pages 10 - 13 are an integral part of these Financial Statements.

Birchgrove (Surrey) LLP

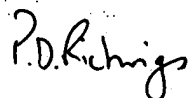
Statement of Financial Position as at 31 March 2019

	Note	2019 £
Fixed assets		
Tangible assets	4	8,887,068
		8,887,068
Current assets		
Cash at bank and in hand		322,697
Creditors: amounts falling due within one year	5	(860,021)
Net current liabilities		(537,324)
Total assets less current liabilities		8,349,744
Creditors: amounts falling due after more than one year	6	(3,341,427)
Net assets attributable to members		5,008,317
Represented by:		
Members' other interests		
Members' capital		5,290,334
Other reserves		(282,017)
Total members' interests		5,008,317

The notes on pages 10 - 13 are an integral part of these Financial Statements.

These Financial Statements have been delivered in accordance with the provisions of the Companies Act 2006 (as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) applicable to LLPs subject to the small LLPs regime.

The Financial Statements on pages 7 - 13 were approved and authorised for issue by the members and were signed on their behalf on 23 September 2019.



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

Birchgrove (Surrey) LLP

Reconciliation of Members' Interests for the period ended 31 March 2019

	Members' capital £	Other reserves £	Total of members' interests £
Members' interests balance at 18 May 2018	-	-	-
Capital introduced by members	5,290,334	-	5,290,334
Loss for the period available for discretionary division among members	-	(282,017)	(282,017)
Members' interests after loss for the period	5,290,334	(282,017)	5,008,317
Balance at 31 March 2019	5,290,334	(282,017)	5,008,317

The notes on pages 10 - 13 are an integral part of these Financial Statements.

Birchgrove (Surrey) LLP

Notes to the Financial Statements for the period ended 31 March 2019

1 Accounting policies

General information

Birchgrove (Surrey) 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.

Statement of compliance

The individual Financial Statements of Birchgrove (Surrey) LLP have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), the Companies Act 2006 (as it is applied to Limited Liability Partnerships) and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (the "SORP"). A summary of the accounting policies is set out below:

Basis of preparation

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". The following principal accounting policies have been applied:

Related party transactions

The Partnership has taken advantage of the exemption, under FRS 102 paragraph 33.2, from disclosing transactions with members of the same group that are wholly owned.

Cash flow

The Financial Statements do not include a cash flow statement because the Partnership, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Companies Act 2006 (as it applies to limited liability partnerships).

Cash and cash equivalents

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.

Functional and presentation currency

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

Taxation

Tax payable on the Partnership'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.

Birchgrove (Surrey) LLP

Notes to the Financial Statements for the period ended 31 March 2019 (continued)

1 Accounting policies (continued)

Allocation of profits and drawings

Members will determine the annual drawings payable by the Partnership 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.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land and associated costs, over their expected useful lives. Depreciation commences upon practical completion of any assets under construction. The Partnership had no tangible fixed assets subject to depreciation in the period.

Assets under construction

Assets under construction are measured at cost. At practical completion, assets under construction are transferred to the relevant category of assets in use. Land in Woking, Surrey was purchased in May 2018 with extant planning permission for the construction of assisted living retirement apartments. Construction commenced in January 2019 and is proceeding according to schedule. Upon completion, the Partnership will offer for let the assisted living retirement apartments.

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 Income Statement.

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 Income Statement.

Birchgrove (Surrey) LLP

Notes to the Financial Statements for the period ended 31 March 2019 (continued)

1 Accounting policies (continued)

Financial instruments

The Partnership 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 flows 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.

(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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Birchgrove (Surrey) LLP

Notes to the Financial Statements for the period ended 31 March 2019 (continued)

2 Employee information

The Partnership had no employees during the period.

3 Operating loss

Period ended
31 March
2019
£

Operating loss is stated after charging:

Auditors' remuneration	3,230
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4 Tangible assets

	Assets Under Construction £	Total £
Cost or valuation		
Additions	8,887,068	8,887,068
At 31 March 2019	8,887,068	8,887,068

5 Creditors: amounts falling due within one year

	2019 £
Trade creditors	388,016
Amounts owed to group undertakings	375,420
Other creditors	96,585
	860,021

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

6 Creditors: amounts falling due after one year

	2019 £
Bank loans	3,310,471
Other creditors	30,956
	3,341,427

Bank loans represent a loan facility entered into with GreenOak Real Estate to support the development and construction of the Woking site. The facility matures in February 2021, carries an interest rate of LIBOR + 5% and is secured against the Partnership's land and construction works at Woking. Interest costs are capitalised and recognised within assets under construction.

7 Average number of members

The average number of members in the financial period was two.

8 Controlling party

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