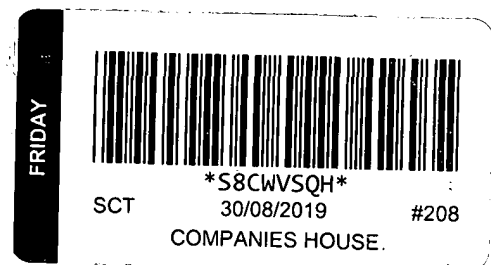


Limited Liability Partnership Registration No. SO303444 (Scotland)

LEITH LINKS NHT 2011 LLP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019



LEITH LINKS NHT 2011 LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members	The City of Edinburgh Council Scottish Futures Trust Investments Limited Hillcrest Housing Association
Limited liability partnership number	SO303444
Registered office	1 Explorer Road Dundee Technology Park Dundee DD2 1EG
Auditor	Bird Simpson & Co 144 Nethergate Dundee DD1 4EB
Bankers	Royal Bank of Scotland 42 St Andrew Square Edinburgh EH2 2YE
Solicitors	Thorntons W.S. Whitehall House 33 Yeaman Shore Dundee DD1 4BJ

LEITH LINKS NHT 2011 LLP

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Profit and loss account	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 – 14

LEITH LINKS NHT 2011 LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The members present their report and financial statements for the year ended 31 March 2019.

Principal activities

The principal activity of the Limited Liability Partnership is the provision of mid-market rented accommodation.

The Limited Liability Partnership started trading on 21st December 2013.

Business review and outlook

The Partnership will continue to provide properties for the mid-market sector. From the 5th anniversary of the Partnership commencing trading, current tenants within the properties are eligible to purchase a property within the development. The selling strategy for the 145 units is currently under review by the members

Members' drawings, contributions and repayments

All the members subscribe to the LLP by way of an equity contribution of £1 initial capital.

Members are entitled to receive payments as set out in the members agreement, but only when the cash requirements of the business have been met.

The repayment of loans and equity subscriptions are to be paid out of the receipts from the sales of the properties from the development as set out in the members agreement and when surplus funds held are identified.

All income profits will accrue to and be held for the developer. Capital profits shall accrue and be held for the developer so long as they do not result in the developers return exceeding 20%. Any capital profits in excess of the developers return shall be accrued and held for the Local Authority being The City of Edinburgh Council.

Principal Risks and Uncertainties

The main financial risks for the Partnership relate to having high void levels or loss from bad debts. These risks are mitigated by the Partnership ensuring the managing agents maintain the properties to a high standard, voids are filled quickly and debts are managed effectively.

Designated members

The designated members who held office during the year and up to the date of signature of the financial statements were as follows:

The City of Edinburgh Council
Scottish Futures Trust Investments Limited
Hillcrest Housing Association

MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Auditor

Bird Simpson & Co were appointed auditor to the Limited Liability Partnership and in accordance with section 485 of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of members' responsibilities

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

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. 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 limited liability partnership and of the profit or loss of the limited liability partnership 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 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 the limited liability partnership and enable them to ensure that the financial statements comply with Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

Each of the members in office at the date of approval of this annual report confirms that:

- So far as the members are aware, there is no relevant audit information of which the limited liability partnership's auditor is unaware, and
- The members have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the limited liability partnership's auditor is aware of that information.

LEITH LINKS NHT 2011 LLP

MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the members



.....
Angela Linton (on behalf of)
Hillcrest Housing Association
Designated Member


.....

LEITH LINKS NHT 2011 LLP

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LEITH LINKS NHT 2011 LLP

Opinion

We have audited the financial statements of Leith Links NHT 2011 LLP (the 'limited liability partnership') for the year ended 31 March 2019 set out on pages 7 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standards 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 limited liability partnership's affairs as at 31 March 2019 and of its profit for the year 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 partnership by the Limited Liability Partnerships (Accounts and audit)(Application of companies Act 206) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

Other information

The other information comprises the information included in the members' report, other than the financial statements and auditor's report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

LEITH LINKS NHT 2011 LLP

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LEITH LINKS NHT 2011 LLP

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 in 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 where 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.

Responsibilities of members

As explained more fully in the Member's Responsibilities Statement set out 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 controls 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 directors are responsible for addressing the company'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 directors either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

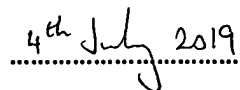
LEITH LINKS NHT 2011 LLP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF LEITH LINKS NHT 2011 LLP

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited liability partnership and limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.


Murray A Dalgety (Senior Statutory Auditor)
for and on behalf of Bird Simpson & Co

Chartered Accountants
Statutory Auditor


.....

144 Nethergate
Dundee
DD1 4EB

LEITH LINKS NHT 2011 LLP

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

		2019	2018
	Notes	£	£
Turnover		1,199,006	1,147,486
Administrative expenses		(231,947)	(228,968)
Operating Profit	2	<u>967,059</u>	<u>918,518</u>
Profit for the financial year before taxation		<u>967,059</u>	<u>918,518</u>
Profit for the financial year before members' remuneration and profit shares		<u>967,059</u>	<u>918,518</u>
Profit for the financial year before members' remuneration and profit shares		967,059	918,518
Members' remuneration charged as an expense		<u>(967,059)</u>	<u>(918,518)</u>
Profit for the financial year available for discretionary division among members		<u>-</u>	<u>-</u>

LEITH LINKS NHT 2011 LLP

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	£	2019 £	2018 £
Current assets				
Stocks	3	21,845,946	21,815,790	
Debtors	4	14,193	8,226	
Cash at bank and in hand		987,959	761,879	
		<u>22,848,098</u>	<u>22,585,895</u>	
Creditors: amounts falling due within one year	5	<u>(61,046)</u>	<u>(24,075)</u>	
Net current assets			<u>22,787,052</u>	<u>22,561,820</u>
Represented by:				
Loans and other debts due to members after one year	6			
Amounts due in respect of profits		702,129	476,897	
Other amounts		<u>16,639,920</u>	<u>16,639,920</u>	
		17,342,049	17,116,817	
Members' other interests	6			
Members' capital classified as equity		3	3	
Other reserves classified as equity		<u>5,445,000</u>	<u>5,445,000</u>	
		<u>22,787,052</u>	<u>22,561,820</u>	
Total members' interests	6			
Loans and other debts due to members		17,342,049	17,116,817	
Members' other interests		<u>5,445,003</u>	<u>5,445,003</u>	
		<u>22,787,052</u>	<u>22,561,820</u>	

These financial statements have been prepared in accordance with the provisions applicable to limited liability partnerships subject to the small limited liability partnership's regime.

The financial statements were approved by the members and authorised for issue on 4/7/19 and are signed on their behalf by:



Angela Linton (on behalf of)
Hillcrest Housing Association
Designated member

Limited Liability Partnership Registration No. SO303444

LEITH LINKS NHT 2011 LLP

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	Members' capital £	Other reserves £	Total £
Balance at 1st April 2017		<u>3</u>	<u>5,445,000</u>	<u>5,445,003</u>
Profit and total comprehensive income for the year		<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 March 2018		<u>3</u>	<u>5,445,000</u>	<u>5,445,003</u>
Profit and total comprehensive income for the year		<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 March 2019		<u>3</u>	<u>5,445,000</u>	<u>5,445,003</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. Accounting policies

Limited liability partnership information

Leith Links NHT 2011 LLP is a limited liability partnership incorporated in Scotland. The registered office is 1 Explorer Road, Dundee Technology Park, Dundee, DD2 1EG.

The limited liability partnership's principal activities are disclosed in the Members' Report.

1.1. Accounting convention

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in January 2017, together with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

1.2. Turnover

Turnover represents the amounts recoverable for the provision of rental accommodation, excluding value added tax, under contractual obligations which are performed gradually over time.

1.3. Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present condition.

1.4. Taxation

In most jurisdictions, including the UK, the tax on profits earned by the LLP is the personal liability of the members and is not shown in the profit and loss account. A retention is made from members' profits to fund payments of such tax and these retentions are contained within "Other reserves" within members' interest.

2. Operating profit

	2019	2018
Operating profit for the year is stated after charging/(crediting):	£	£
Fees payable to the LLP's auditor for the audit of the LLP's annual accounts	<u>3,150</u>	<u>3,060</u>

LEITH LINKS NHT 2011 LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

3. Stocks

	2019	2018
	£	£
Housing properties	<u>21,845,946</u>	<u>21,815,790</u>

4. Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	13,452	7,259
Due from members	<u>741</u>	<u>967</u>
	<u>14,193</u>	<u>8,226</u>

5. Creditors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade creditors	57,128	20,443
Other creditors	<u>3,918</u>	<u>3,632</u>
	<u>61,046</u>	<u>24,075</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

6. Reconciliation of Members' Interests

	EQUITY		DEBT		TOTAL
	Member's other interests		Loans and other debts due to/(from) members		MEMBERS' INTERESTS
	Members' capital (classified as equity)	Other reserves	Total	Other amounts	Total 2019
	£	£	£	£	£
Amount due to members				<u>17,116,817</u>	
Members' interests at 1 April 2018	3	5,445,000	5,445,003	17,116,817	22,561,820
Members' remuneration charged as an expense	-	-	-	967,059	967,059
Profit for the financial year available for discretionary division among members	-	-	-	-	-
Members' interests after profit for the year	3	5,445,000	5,445,003	18,083,876	23,528,879
Drawings	-	-	-	(741,827)	(741,827)
Members' interests at 31 March 2019	<u>3</u>	<u>5,445,000</u>	<u>5,445,003</u>	<u>17,342,049</u>	<u>22,787,052</u>
Amounts due to members (see note 7)				<u>17,342,049</u>	
				<u>17,342,049</u>	

LEITH LINKS NHT 2011 LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

7. Loans and other debts due to members

	2019 £	2018 £
Loans from members (See below)	16,639,920	16,639,920
Amounts owed to members in respect of profits	702,129	476,897
	<u>17,342,049</u>	<u>17,116,817</u>

Loans from members is analysed as follows;

The City of Edinburgh Council	£15,550,920
Hillcrest Housing Association Ltd	<u>£ 1,089,000</u>
	£16,639,920

The City of Edinburgh Council loan is repayable once the sale of the units begin to take place after 5 years (2019/20) in accordance with the business strategy. In the event of a winding up, CEC hold security via a first ranking bond and a floating charge.

The loan note of £1,089,000 is due to the developer, Hillcrest Housing Association Limited. Interest is charged at 11% on the loan note and is payable to HHA (as agreed by the members) when Hillcrest Housing Association became a member of the LLP.

8. Related party transactions

During the year, interest payments as described in note 6, were due to two members of Leith Links LLP. They amounted to:

The City of Edinburgh Council	£622,037 (2018: £622,037)
Hillcrest Housing Association	£119,790 (2018: £119,790)

On 31st March 2019, Hillcrest Housing Association were due to pay Leith Links LLP £738 (2018: £964) relating to rent and deposits collected on their behalf.

Northern Housing Company Limited are a charitable company wholly owned by Hillcrest Housing Association who provided management, administrative and insurance services to Leith Links LLP during the period at a total cost of £222,598 (2018: £215,701). During the year, major repairs to the units were carried out by Northern Housing Company at a total cost of £30,156 (2018: £nil). £54,342 (2018: £17,975) was due to Northern Housing Company Limited as at 31st March 2019.

On 31st March 2019, Northern Housing Company Limited were due to pay Leith Links LLP £23 (2018: £nil) relating to compensation paid to a tenant.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

9. Controlling party

Hillcrest Housing Association are the ultimate controlling party as they hold the casting vote.

LEITH LINKS NHT 2011 LLP

**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2019**

	2019		2018	
	£	£	£	£
Turnover				
Rent receivable		1,199,006		1,147,486
Administrative expenses		<u>(231,947)</u>		<u>(228,968)</u>
Operating profit		<u>967,059</u>		<u>918,518</u>

LEITH LINKS NHT 2011 LLP

**SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 31 MARCH 2019**

	2019	2018
	£	£
Administrative expenses		
Premises insurance	28,936	28,031
Consultancy fees	193,662	187,669
Audit fees	3,090	3,060
Bank charges	2,293	1,731
Bad and doubtful debts	3,918	8,429
Sundry expenses	48	48
	<u>231,947</u>	<u>228,968</u>