

MILL WHARF BPRA PROPERTY FUND LLP

Report and Financial Statements

For the year ended 5 April 2018



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PARTNERSHIP INFORMATION

Limited Liability Partnership number	OC343713
Designated members	Downing Corporate Finance Limited Downing Members Limited
Registered office	6 th Floor, St Magnus House 3 Lower Thames Street London EC3R 6HD
Operator	Downing LLP 6 th Floor, St Magnus House 3 Lower Thames Street London EC3R 6HD
Administration manager	Downing LLP 6 th Floor, St Magnus House 3 Lower Thames Street London EC3R 6HD
Principal bankers	The Co-Operative Bank Lyceum Bldg 1 Bold St Liverpool L1 4NW

MILL WHARF BPRA PROPERTY FUND LLP**MEMBERS' REPORT****Year ended 5 April 2018****Principal Activity**

Mill Wharf BPRA Property Fund LLP ("the LLP") was incorporated on 2 March 2009 as a limited liability partnership, and commenced trading on 25 March 2009 upon the purchase of a property at Mill Wharf in Birmingham, which has been redeveloped under the business property renovation allowance, and is now fully let.

Designated Members

The following members were designated members during the year:

Downing Corporate Finance Limited
Downing Members Limited

Review for the year

The LLP owns a training centre in Birmingham (the "Property"). The Property was leased under an occupational lease to the Employment Needs and Training Agency ("ENTA"). Following a period of financial difficulties, ENTA entered administration on 7 February 2013 and subsequently forfeited the lease of the property. On 9 August 2013, JTL entered into a 5 year lease of the property, with an option to buy the Property at the end of the lease. The LLP continues to receive rent from JTL.

Results and distributions

The loss for the year was £24,407 (2017: £9,659 profit). No distributions are due to be paid for the year under review in accordance with the distribution policy shown below.

Policy with respect to Member's Capital

The initial Member's capital contribution is £1,272,920. If Downing Members Limited, acting as Operator, determines that the LLP requires additional funds (in excess of the initial capital contribution) for the purposes of the business, it shall consider the most appropriate source of funding including the use of third party financing and/or additional funding provided by some or all of the Members.

The Members acknowledge that third party finance is required for the acquisition and refurbishment of the property.

Policy with respect to Members' Distributions

Following the sale of the property, the LLP shall, in priority to any distribution made to Members, pay to Downing Corporate Finance Limited a sales fee of an amount equal to 1.5% (plus VAT if applicable) of the proceeds realised from the sale of the property, before the deduction of selling costs, following which the balance of the sale proceeds, net of all expenses, will be distributed to Members. Such fee shall be payable whether or not Downing Corporate Finance Limited is then a Designated Member or the Operator of the LLP.

All distributions shall be paid to the Members pro rata to their respective capital contribution as at the date of such distribution, save as varied in accordance with the Members Agreement. The timing of Distributions shall be made at the discretion of Downing LLP.

Notwithstanding the above no sums shall be distributed from the LLP which would result in the LLP being unable to meet its obligations to third parties (in the ordinary course of business) and pursuant to any facility agreement entered into from time to time or which could render the LLP insolvent.

MILL WHARF BPRA PROPERTY FUND LLP**MEMBERS' REPORT (continued)****Year ended 5 April 2018****Designated Members' Responsibilities**

The Designated Members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulations.

Legislation applicable to limited liability partnerships requires the Designated 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The financial statements are required by law to 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 those financial statements, the Designated Members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 Designated Members are responsible for keeping proper accounting records that 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 modified by the Limited Liability Partnerships Regulations 2008. Designated 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.

Small LLP Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 (as applied to limited liability partnerships by regulations within the Limited Liability Partnerships Regulations 2008).



On behalf of the Members

Downing Members Limited
Designated Member for:
MILL WHARF BPRA PROPERTY FUND LLP
6th Floor, St Magnus House
3 Lower Thames Street
London EC3R 6HD
Registered in England No: OC343713

Dated 12 December 2018

MILL WHARF BPRA PROPERTY FUND LLP**BALANCE SHEET**

As at 5 April 2018

	Note	2018	2017
		£	£
FIXED ASSETS	4	1,375,000	1,375,000
CURRENT ASSETS			
Debtors	5	3,522	25,589
Cash		29,104	48,761
		<u>32,626</u>	<u>74,350</u>
CREDITORS: amounts falling due within one year	6	<u>(28,142)</u>	<u>(1,010,037)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>4,484</u>	<u>(935,687)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,379,484	439,313
CREDITORS: amounts falling due after one year	7	<u>(1,493,838)</u>	<u>(529,260)</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>(114,354)</u>	<u>(89,947)</u>
REPRESENTED BY:			
Loans and other debts due to members due after one year			
Members capital classified as a liability		1,272,920	1,272,920
Other reserves		<u>(1,387,274)</u>	<u>(1,362,867)</u>
		<u>(114,354)</u>	<u>(89,947)</u>
TOTAL MEMBERS' INTERESTS			
Loans and other debts due to members		(114,354)	(89,947)
Revaluation reserve		-	-
		<u>(114,354)</u>	<u>(89,947)</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 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 relating to small LLPs and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Audit Exemptions

For the financial year in question the Limited Liability Partnership was entitled to exemption under section 477 of the Companies Act 2006 (as applied by Limited Liability Partnerships (Accounts and Audit)(Application of Companies Act 2006) Regulations 2008) relating to small LLPs.

The members acknowledge their responsibility for complying with the requirements of the Companies Act 2006 (as applied to limited liability partnerships) with respect to accounting records and the preparation of accounts.

MILL WHARF BPRA PROPERTY FUND LLP

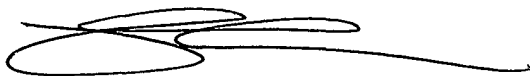
BALANCE SHEET (continued)

As at 5 April 2018

These accounts have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs regime.

The designated members of the partnership have elected not to include a copy of the income statement within the financial statements.

These financial statements were approved by the members and authorised for issue on 6 December 2018 and are signed on their behalf by:

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke.

12 December 2018
Downing Members Limited
Designated Member

The notes form an integral part of the Report and Accounts.

MILL WHARF BPRA PROPERTY FUND LLP
RECONCILIATION OF MEMBERS' INTERESTS

For the year ended 5 April 2018

	EQUITY			DEBT	Total
	Members' other interests			Amounts due to members	members' interests
	Revaluation reserve	Other reserves	Total	Other amounts	Total
	£	£	£	£	£
Balance at 5 April 2016	-	(1,797,526)	(1,797,526)	-	(1,797,526)
Profit/(loss) for the year available for discretionary division among members	-	434,659	434,659	-	434,659
Members' interests after profit for the year	-	(1,362,867)	(1,362,867)	-	(1,362,867)
Amounts due to members	-	-	-	1,272,920	1,272,920
Balance at 5 April 2017	-	(1,362,867)	(1,362,867)	1,272,920	(89,947)
Profit/(loss) for the year available for discretionary division among members	-	(24,407)	(24,407)	-	(24,407)
Members' interests after profit for the year	-	(1,387,274)	(1,387,274)	-	(1,387,274)
Amounts due to members	-	-	-	1,272,920	1,272,920
Balance at 5 April 2018	-	(1,387,274)	(1,387,274)	1,272,920	(114,354)

MILL WHARF BPRA PROPERTY FUND LLP
NOTES TO THE FINANCIAL STATEMENTS
Year ended 5 April 2018

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below:

Basis of preparation of the financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in January 2017 (SORP 2017).

The following principal accounting policies have been applied:

Going Concern

The partnership meets its day to day working capital requirements through the financial support of its investors. The members believe that it is appropriate to prepare the financial statements on a going concern basis which assumes that the partnership will continue in operational existence for the foreseeable future.

If the partnership is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of the assets to their recoverable amounts, provide for further liabilities that might arise and reclassify fixed assets as current assets.

Turnover

Turnover recognised the LLP represents amounts receivable during the year exclusive of Value Added Tax.

Loan interest

Loan interest is recognised on an accruals basis.

Tangible fixed assets

All fixed assets are initially recorded at cost. Investment properties are then restated at their market values at the period end as described in the accounting policy below.

Investment property

Investment property is carried 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 Profit and Loss Account.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Other debtors and other creditors

Other debtors (including accrued income) and other creditors are included within the accounts at amortised cost.

MILL WHARF BPRA PROPERTY FUND LLP**NOTES TO THE FINANCIAL STATEMENTS (continued)**

Year ended 5 April 2018

1. ACCOUNTING POLICIES (continued)**Members' remuneration**

A Member's share in the profit or loss for the period is accounted for as an allocation of profits or losses. Unallocated profits and losses are included within 'Other reserves'.

Financial Instruments

The LLP only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

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 Profit and Loss Account.

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.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

MILL WHARF BPRA PROPERTY FUND LLP**NOTES TO THE FINANCIAL STATEMENTS (continued)**

Year ended 5 April 2018

1. ACCOUNTING POLICIES (continued)**Members' participation rights**

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with FRS 25 (IAS 32) Financial Instruments: Disclosure and Presentation and UITF abstract 39 Members' shares in co operative entities and similar instruments. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the LLP.

Amounts subscribed or otherwise contributed by members, for example members' capital, are classed as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

Where profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the Profit and Loss Account in the relevant year. To the extent that they remain unpaid at the year end, they are shown as liabilities in the Balance Sheet.

Conversely, where profits are divided only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the Profit and Loss Account and are equity appropriations in the Balance Sheet.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment.

All amounts due to members that are classified as liabilities are presented in the Balance Sheet within 'Loans and other debts due to members' and are charged to the Profit and Loss Account within 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the Balance Sheet within 'Members' other interests'.

Members' drawings

Members are not permitted to make drawings in anticipation of profits allocated to them. New members are required to subscribe a minimum level of capital.

Taxation

Any tax payable on profits of the Limited Liability Partnership is the personal liability of the members. No provisions are made in these accounts for any such amounts payable.

2. TURNOVER

The turnover and profit before profit share available for discretionary division among members, for the period under review, is attributable to the principal activities of the LLP and arises wholly within the United Kingdom.

MILL WHARF BPRA PROPERTY FUND LLP
NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 5 April 2018

3. OPERATING EXPENSES

	2018 £	2017 £
Professional fees	16,870	750
Other running costs	677	51
	<u>17,547</u>	<u>801</u>

4. INVESTMENT PROPERTY

	Freehold investment property £
Valuation	
At 6 April 2017	1,375,000
Movement in fair value	-
Valuation at 5 April 2018	<u>1,375,000</u>

In 2017 a valuation was made by Lambert Smith Hampton, a national commercial property consultancy firm, on an open market value for existing use basis.

5. DEBTORS

	2018 £	2017 £
Rental debtors	1,500	23,340
Other debtors	2,022	2,249
	<u>3,522</u>	<u>25,589</u>

6. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	3,600	3,600
Other creditors	24,542	56,437
JTL Loan	-	950,000
	<u>28,142</u>	<u>1,010,037</u>

The JTL loan was fully repaid on the 28th September 2017 as part of a re-finance deal. A new loan was obtained from Bridging Trading LLP with annual interest chargeable at 10%.

7. CREDITORS: Amounts falling due after one year

	2018 £	2017 £
Other loan	964,578	-
Developer loan	529,260	529,260
	<u>1,493,838</u>	<u>529,260</u>

MILL WHARF BPRA PROPERTY FUND LLP**NOTES TO THE FINANCIAL STATEMENTS (continued)**

Year ended 5 April 2018

7. CREDITORS: Amounts falling due after one year

The other loan is payable at the earliest of eight years from draw down or the sale of the property. Interest rolls up on the loan using the interest rate applicable to the historic bank loan and is payable upon redemption.

	2018	2017
	£	£
Due between one and five years	-	-
Due after more than five years	1,349,578	399,580
Loan interest	144,260	129,680
	<u>1,493,838</u>	<u>529,260</u>