

**Boulton Brooks (Prospect House) Limited Liability
Partnership**

Unaudited Financial Statements

31st December 2017



Boulton Brooks (Prospect House) Limited Liability Partnership

Financial Statements

Year ended 31st December 2017

Contents	Page
Members' report	1
Statement of comprehensive income	2
Statement of financial position	3
Reconciliation of members' interests	5
Notes to the financial statements	7
The following pages do not form part of the financial statements	
Detailed income statement	13
Notes to the detailed income statement	14

Boulton Brooks (Prospect House) Limited Liability Partnership

Members' Report

Year ended 31st December 2017

The members present their report and the unaudited financial statements of the LLP for the year ended 31st December 2017.

Principal activities

The principal activity of the company during the year was property investment.

Designated members

The designated members who served the LLP during the year were as follows:

Retail Growth LLP
Boulton Brooks (Prospect House
2) LLP

Policy regarding members' drawings and the subscription and repayment of amounts subscribed or otherwise contributed by members

Members are permitted to make drawings when profits have been allocated to them, subject to sufficient maintenance of working capital. Drawings are determined after the end of each calendar quarter.

New members are required to subscribe a minimum level of capital and any subsequent capital requirements may be determined by unanimous consent of the members. Withdrawal of capital may be allowed on refinance of the investment property or upon sale.

This report was approved by the members on 13th September 2018 and signed on behalf of the members by:



L. Roberts; Director of member of designated member Boulton Brooks (Prospect House 2) LLP

Registered office:
Broadway House
32-35 Broad Street
Hereford
HR4 9AR

Boulton Brooks (Prospect House) Limited Liability Partnership

Statement of Comprehensive Income

Year ended 31st December 2017

	Note	2017 £	2016 £
Turnover		255,040	255,094
Fair value adjustment investment property		(160,000)	—
Other operating expenses		<u>21,020</u>	<u>17,563</u>
Operating profit	4	394,020	237,531
Other interest receivable and similar income		30	128
Interest payable and similar expenses		<u>81,035</u>	<u>84,951</u>
Profit for the financial year before members' remuneration and profit shares available for discretionary division among members		<u>313,015</u>	<u>152,708</u>

All the activities of the LLP are from continuing operations.

The notes on pages 7 to 11 form part of these financial statements.

Boulton Brooks (Prospect House) Limited Liability Partnership

Statement of Financial Position

31st December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	3,660,000	3,500,000
Current assets			
Debtors	6	82,469	77,130
Cash at bank and in hand		16,650	82,923
		99,119	160,053
Creditors: amounts falling due within one year	7	1,978,311	181,820
Net current liabilities		1,879,192	21,767
Total assets less current liabilities		1,780,808	3,478,233
Creditors: amounts falling due after more than one year	8	–	1,878,924
Net assets		1,780,808	1,599,309
Represented by:			
Loans and other debts due to members			
Other amounts	10	208,988	187,489
Members' other interests			
Members' capital classified as equity		1,411,820	1,411,820
Other reserves		160,000	–
		1,780,808	1,599,309
Total members' interests			
Loans and other debts due to members	10	208,988	187,489
Members' other interests		1,571,820	1,411,820
		1,780,808	1,599,309

These financial statements have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

For the year ending 31st December 2017 the LLP was entitled to exemption from audit under section 477 of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) relating to small LLPs.

The members acknowledge their responsibilities for complying with the requirements of the Act (as applied to LLPs) with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.

The notes on pages 7 to 11 form part of these financial statements.

Boulton Brooks (Prospect House) Limited Liability Partnership

Statement of Financial Position *(continued)*

31st December 2017

These financial statements were approved by the members and authorised for issue on 13th September 2018, and are signed on their behalf by:

A handwritten signature in black ink, consisting of a stylized 'L' followed by a large, oval-shaped loop and a trailing line.

L. Roberts; Director of member of designated member Boulton Brooks (Prospect House 2) LLP

Registered number: oc396234

The notes on pages 7 to 11 form part of these financial statements.

Boulton Brooks (Prospect House) Limited Liability Partnership

Reconciliation of Members' Interests

Year ended 31st December 2017

	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors		Total members' interests
	Members' capital (classified as equity)	Other reserves	Total	Other amounts	Total	Total 2017
	£	£	£	£	£	£
Balance at 1st January 2017	1,411,820	–	1,411,820	187,489	187,489	1,599,309
Profit for the financial year available for discretionary division among members		313,015	313,015			313,015
Members' interests after profit for the year	1,411,820	313,015	1,724,835	187,489	187,489	1,912,324
Other division of profits		(153,015)	(153,015)	153,015	153,015	–
Drawings				(131,516)	(131,516)	(131,516)
Balance at 31st December 2017	1,411,820	160,000	1,571,820	208,988	208,988	1,780,808

The reconciliation of members' interests continues on the following page.

The notes on pages 7 to 11 form part of these financial statements.

Boulton Brooks (Prospect House) Limited Liability Partnership

Reconciliation of Members' Interests *(continued)*

Year ended 31st December 2017

	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors		Total members' interests
	Members' capital (classified as equity)	Other reserves	Total	Other amounts	Total	Total 2016
	£	£	£	£	£	£
Balance at 1st January 2016	1,411,820	–	1,411,820	155,997	155,997	1,567,817
Profit for the financial year available for discretionary division among members		152,708	152,708			152,708
Members' interests after profit for the year	1,411,820	152,708	1,564,528	155,997	155,997	1,720,525
Other division of profits		(152,708)	(152,708)	152,708	152,708	–
Drawings				(121,216)	(121,216)	(121,216)
Balance at 31st December 2016	1,411,820	–	1,411,820	187,489	187,489	1,599,309

The notes on pages 7 to 11 form part of these financial statements.

Boulton Brooks (Prospect House) Limited Liability Partnership

Notes to the Financial Statements

Year ended 31st December 2017

1. General information

The LLP is registered in England and Wales.

The address of the registered office is Broadway House, 32-35 Broad Street, Hereford, HR4 9AR.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' issued in January 2017 (SORP 2017).

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Revenue recognition

Turnover represents rent receivable stated net of Value Added Tax.

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 Section 22 of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships'. 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 statement of comprehensive income in the relevant year. To the extent that they remain unpaid at the year end, they are shown as liabilities in the statement of financial position.

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 statement of comprehensive income and are equity appropriations in the statement of financial position.

Boulton Brooks (Prospect House) Limited Liability Partnership

Notes to the Financial Statements *(continued)*

Year ended 31st December 2017

3. Accounting policies *(continued)*

Members' participation rights *(continued)*

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 statement of financial position within 'Loans and other debts due to members' and are charged to the statement of comprehensive income within 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the statement of financial position within 'Members' other interests'.

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost.

4. Operating profit

Operating profit or loss is stated after crediting:

	2017	2016
	£	£
Fair value adjustments to investment property	(160,000)	—

Boulton Brooks (Prospect House) Limited Liability Partnership

Notes to the Financial Statements *(continued)*

Year ended 31st December 2017

5. Tangible assets

	Freehold property £
Cost or valuation	
At 1st January 2017	3,500,000
Revaluations	160,000
At 31st December 2017	<u>3,660,000</u>
Depreciation	
At 1st January 2017 and 31st December 2017	<u>—</u>
Carrying amount	
At 31st December 2017	<u>3,660,000</u>
At 31st December 2016	<u>3,500,000</u>
Included within the above is investment property as follows:	
	£
At 1st January 2017	3,500,000
Fair value adjustments	160,000
At 31st December 2017	<u>3,660,000</u>

The investment property was valued at its open market value by a director of an ultimate designated member. He is a member of the Royal Institute of Chartered Surveyors.

Boulton Brooks (Prospect House) Limited Liability Partnership

Notes to the Financial Statements (continued)

Year ended 31st December 2017

5. Tangible assets (continued)

Tangible assets held at valuation

In respect of tangible assets held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Freehold property £
At 31st December 2017	
Aggregate cost	3,499,154
Aggregate depreciation	—
Carrying value	<u>3,499,154</u>
At 31st December 2016	
Aggregate cost	3,499,154
Aggregate depreciation	—
Carrying value	<u>3,499,154</u>

6. Debtors

	2017 £	2016 £
Trade debtors	76,512	76,512
Other debtors	5,957	618
	<u>82,469</u>	<u>77,130</u>

7. Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	1,878,924	80,355
Trade creditors	31	104
Social security and other taxes	22,986	24,539
Other creditors	76,370	76,822
	<u>1,978,311</u>	<u>181,820</u>

8. Creditors: amounts falling due after more than one year

	2017 £	2016 £
Bank loans and overdrafts	—	1,878,924

Boulton Brooks (Prospect House) Limited Liability Partnership

Notes to the Financial Statements *(continued)*

Year ended 31st December 2017

The bank loan is secured by a charge over the investment property and is repayable by instalments in less than five years.

9. Financial instruments at fair value

Financial assets and liabilities are accounted for on an amortised cost basis.

10. Loans and other debts due to members

	2017	2016
	£	£
Amounts owed to members in respect of profits	<u>208,988</u>	<u>187,489</u>

11. Controlling party

The parent LLP is Boulton Brooks (Prospect House 2) LLP whose registered office is at Broadway House, 32-35 Broad Street, Hereford, HR4 9AR.