

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

FOR

K2 EQUITY PARTNERS LLP

DTE Business Advisers Limited
Chartered Accountants
The Exchange
5 Bank Street
Bury
BL9 0DN

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

	Page
General Information	1
Balance Sheet	2
Notes to the Financial Statements	4

K2 EQUITY PARTNERS LLP
GENERAL INFORMATION
FOR THE YEAR ENDED 31 MARCH 2023

DESIGNATED MEMBERS:	M D Spence Z Spence
REGISTERED OFFICE:	The Exchange 5 Bank Street Bury BL9 0DN
REGISTERED NUMBER:	OC323527 (England and Wales)
ACCOUNTANTS:	DTE Business Advisers Limited Chartered Accountants The Exchange 5 Bank Street Bury BL9 0DN

K2 EQUITY PARTNERS LLP (REGISTERED NUMBER: OC323527)**BALANCE SHEET
31 MARCH 2023**

	Notes	2023 £	2022 £
ASSETS			
CURRENT ASSETS			
Debtors	5	118,315	115,953
Cash at bank		218	8,751
		<u>118,533</u>	<u>124,704</u>
		<u>118,533</u>	<u>124,704</u>
CAPITAL, RESERVES AND LIABILITIES			
LOANS AND OTHER DEBTS DUE TO MEMBERS			
	6	-	-
MEMBERS' OTHER INTERESTS			
Capital accounts		(760,307)	(756,559)
CREDITORS			
	7	878,840	881,263
		<u>118,533</u>	<u>124,704</u>
TOTAL MEMBERS' INTERESTS			
Members' other interests		(760,307)	(756,559)
Amounts due from members	5	(115,015)	(109,670)
		<u>(875,322)</u>	<u>(866,229)</u>

The LLP is entitled to exemption from audit under Section 477 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 for the year ended 31 March 2023.

The members acknowledge their responsibilities for:

- (a) ensuring that the LLP keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the LLP as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 relating to financial statements, so far as applicable to the LLP.

The notes form part of these financial statements

K2 EQUITY PARTNERS LLP (REGISTERED NUMBER: OC323527)

BALANCE SHEET - continued
31 MARCH 2023

The financial statements have been prepared and delivered in accordance with the provisions applicable to LLPs subject to the small LLPs regime.

In accordance with Section 444 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the Income Statement has not been delivered.

The financial statements were approved by the members of the LLP and authorised for issue on 14 December 2023 and were signed by:

M D Spence - Designated member

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. STATUTORY INFORMATION

K2 Equity Partners LLP is a limited liability partnership incorporated in England and Wales. The registered number is OC323527 and registered office is The Exchange, 5 Bank Street, Bury, BL9 0DN.

The LLP's principal activities and nature of its operations are disclosed in the Report of the Members'.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the requirements of the Statement of Recommended Practice, Accounting by Limited Liability Partnerships. The financial statements have been prepared under the historical cost convention.

Going concern

At the year end the LLP had net liabilities of £760,307 (2022 - £756,559). Included in creditors falling due after more than one year are amounts due to related parties totalling £760,307 (2022 - £756,559) for which there is no requirement for the Limited LLP to repay. It is anticipated that these liabilities will be satisfied from the LLP's share of future profits from these entities.

Turnover

Turnover represents the amounts recoverable for the services provided to clients, excluding value added tax, under contractual obligations which are performed gradually over time.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings and equipment 33 1/3% p.a on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Financial instruments

The LLP has elected to apply the provisions of Section 11 'Basic Financial Instruments of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the LLP's statement of financial position when the LLP becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023**

2. 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 section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

Where they exists as an asset and liability component in respect of an individual member's participation rights, they are presented on a gross basis unless the LLP has both a legally enforceable right to set off the recognised amounts, and it intends either to settle on a net basis or to settle and realise these amounts simultaneously, in which case they are presented net.

Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES - continued**Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Impairment of financial assets

Financial assets, other than those held at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the LLP after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at 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.

Equity instruments

Equity instruments issued by the LLP are recorded at the fair value of the proceeds received, net of direct issue costs.

3. EMPLOYEE INFORMATION

The average number of employees during the year was NIL (2022 - NIL).

4. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery etc £
COST	
At 1 April 2022	
and 31 March 2023	<u>320</u>
DEPRECIATION	
At 1 April 2022	
and 31 March 2023	<u>320</u>
NET BOOK VALUE	
At 31 March 2023	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	1,800	-
Other debtors	<u>116,515</u>	<u>115,953</u>
	<u>118,315</u>	<u>115,953</u>

6. LOANS AND OTHER DEBTS DUE TO MEMBERS

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors.

7. CREDITORS

	2023	2022
	£	£
Amounts falling due within one year:		
Bank loans and overdrafts	10,406	10,406
Trade creditors	7,684	4,131
Taxation and social security	(212)	385
Other creditors	<u>77,901</u>	<u>86,283</u>
	<u>95,779</u>	<u>101,205</u>

Amounts falling due after more than one year:

Bank loans	22,754	23,498
Other creditors	<u>760,307</u>	<u>756,560</u>
	<u>783,061</u>	<u>780,058</u>

Aggregate amounts	<u>878,840</u>	<u>881,263</u>
-------------------	-----------------------	-----------------------

8. CONTROL

The LLP is controlled by its designated member M D Spence.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.