
DELPH 3 LLP

**ACCOUNTS FOR REGISTRAR
FOR THE YEAR ENDED 31 MARCH 2017**



DELPH 3 LLP
REGISTERED NUMBER: OC327013

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	112,031	84,011
Investment property	5	21,065,000	20,039,000
		<u>21,177,031</u>	<u>20,123,011</u>
Current assets			
Debtors	6	298,702	415,257
Cash at bank and in hand		263,864	460,767
		<u>562,566</u>	<u>876,024</u>
Creditors: Amounts Falling Due Within One Year	7	(426,620)	(439,536)
Net current assets		<u>135,946</u>	<u>436,488</u>
Total assets less current liabilities		<u>21,312,977</u>	<u>20,559,499</u>
Creditors: amounts falling due after more than one year	8	(8,455,835)	(8,455,835)
Net assets		<u><u>12,857,142</u></u>	<u><u>12,103,664</u></u>
Represented by:			
Loans and other debts due to members within one year			
Other amounts	9	6,553,455	6,825,977
Members' other interests			
Members' capital classified as equity		2,000	2,000
Revaluation reserve classified as equity		6,301,687	5,275,687
		<u>6,303,687</u>	<u>5,277,687</u>
		<u><u>12,857,142</u></u>	<u><u>12,103,664</u></u>
Total members' interests			
Loans and other debts due to members	9	6,553,455	6,825,977
Members' other interests		6,303,687	5,277,687
		<u>12,857,142</u>	<u>12,103,664</u>

DELPH 3 LLP
REGISTERED NUMBER: OC327013

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2017

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

The members acknowledge their responsibilities for complying with the requirements of the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, with respect to accounting records and the preparation of financial statements.

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

The entity has opted not to file the statement of comprehensive income in accordance with the provisions applicable to entities subject to the small LLPs regime.

The financial statements were approved and authorised for issue by the members and were signed on their behalf by:



P Crocker
Designated member

Date: 13/6/17

The notes on pages 4 to 11 form part of these financial statements.

DELPH 3 LLP

**RECONCILIATION OF MEMBERS' INTERESTS
FOR THE YEAR ENDED 31 MARCH 2017**

	Equity Members' other interests				Debt Loans and other debts due to members less any amounts due from members in debtors	Total members' interests
	Members' capital (classified as equity) £	Re- valuation reserve £	Other reserves £	Total £	Other amounts £	Total £
Amounts due to members					6,825,977	
Balance at 31 March 2016	2,000	5,275,687	-	5,277,687	6,825,977	12,103,664
Members' remuneration charged as an expense	-	-	-	-	427,478	427,478
Profit for the year available for discretionary division among members	-	-	1,026,000	1,026,000	-	1,026,000
Members' interests after profit for the year	2,000	5,275,687	1,026,000	6,303,687	7,253,455	13,557,142
Movement in reserves	-	1,026,000	(1,026,000)	-	-	-
Amounts introduced by members	-	-	-	-	31,794	31,794
Drawings	-	-	-	-	(731,794)	(731,794)
Amounts due to members					6,553,455	
Balance at 31 March 2017	2,000	6,301,687	-	6,303,687	6,553,455	12,857,142

The notes on pages 4 to 11 form part of these financial statements.

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

Members' remuneration charged as an expense comprises solely the non-discretionary allocation of profits under the terms of the LLP members' agreement. The members did not receive any salaried remuneration during the year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. General information

Delph 3 LLP ("the LLP") is a property investment LLP.

The LLP is a limited liability partnership and is incorporated in England and Wales with registration number OC327013.

The Registered Office address is 35 Ballards Lane, London, N3 1XW.

2. Accounting policies

2.1 Basis of preparation of 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".

Information on the impact of first-time adoption of FRS 102 is given in note 12.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the LLP accounting policies.

The following principal accounting policies have been applied:

2.2 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover comprises rent receivable on investment properties.

Revenue is recognised in the period to which the rental income relates.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures & fittings	-	20%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.4 Investment property

Investment property is carried at fair value determined annually by members 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 statement of comprehensive income.

2.5 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

2. Accounting policies (continued)

2.6 Financial instruments

The Company 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.

(i) Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances and investments in commercial paper, are initially recognised at 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 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 the Statement of Comprehensive Income.

If there is 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 Statement of Comprehensive Income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and accruals, 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.

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 transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

2. Accounting policies (continued)

2.7 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

3. Employees

The average monthly number of employees, including members, during the year was 2 (2016 - 2).

4. Tangible fixed assets

	Other fixed assets £
Cost or valuation	
At 1 April 2016	261,967
Additions	60,259
Disposals	(28,181)
At 31 March 2017	<u>294,045</u>
Depreciation	
At 1 April 2016	177,956
Charge for the period on owned assets	30,986
Disposals	(26,928)
At 31 March 2017	<u>182,014</u>
Net book value	
At 31 March 2017	<u>112,031</u>
At 31 March 2016	<u>84,011</u>

DELPH 3 LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

5. Investment property

	Freehold investment property £
Valuation	
At 1 April 2016	20,039,000
Surplus on revaluation	1,026,000
At 31 March 2017	21,065,000

The 2017 valuations were made by the designated members, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2017 £	2016 £
Historic cost	14,763,313	14,763,313

6. Debtors

	2017 £	2016 £
Due after more than one year		
Prepayments and accrued income	59,372	81,086
Due within one year		
Trade debtors	18,507	12,896
Other debtors	153,106	262,359
Prepayments and accrued income	67,717	58,916
	298,702	415,257

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

7. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	-	1,974
Other creditors	256,905	283,560
Accruals and deferred income	169,715	154,002
	<u>426,620</u>	<u>439,536</u>

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

	2017 £	2016 £
Bank loans	<u>8,455,835</u>	<u>8,455,835</u>

Secured loans

The bank borrowing is secured by fixed charges over certain of the LLP's investment properties.

The aggregate amount of secured liabilities at the year end totalled £8,455,835 (2016 - £8,455,835)

9. Loans and other debts due to members

	2017 £	2016 £
Other amounts due to members	<u>6,553,455</u>	<u>6,825,977</u>

Loans and other debts due to members rank equally with debts due to ordinary creditors in the event of a winding up.

10. Contingent liabilities

The LLP has entered into an unlimited multilateral guarantee for bank facility arrangements, together with other related party entities. The borrowing on the facility at 31 March 2017 was £15,455,835. The total facility is secured by a number of properties owned by the LLP and other related party entities, with an aggregate market value in excess of this sum.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

11. First time adoption of FRS 102

The LLP transitioned to FRS 102 from previously extant UK GAAP as at 1 April 2015. The impact of the transition to FRS 102 is as follows:

		As previously stated 1 April 2015 £	Effect of transition 1 April 2015 £	FRS 102 (as restated) 1 April 2015 £	As previously stated 31 March 2016 £	Effect of transition 31 March 2016 £	FRS 102 (as restated) 31 March 2016 £
	Note						
Fixed assets	1	14,832,528	4,326,687	19,159,215	14,847,324	5,275,687	20,123,011
Current assets		728,357	-	728,357	876,025	-	876,025
Creditors: amounts falling due within one year		(450,223)	-	(450,223)	(439,537)	-	(439,537)
Net current assets		278,134	-	278,134	436,488	-	436,488
Total assets less current liabilities		15,110,662	4,326,687	19,437,349	15,283,812	5,275,687	20,559,499
Creditors: amounts falling due after more than one year		(8,455,835)	-	(8,455,835)	(8,455,835)	-	(8,455,835)
Net assets		6,654,827	4,326,687	10,981,514	6,827,977	5,275,687	12,103,664
Capital and reserves		6,654,827	4,326,687	10,981,514	6,827,977	5,275,687	12,103,664

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

11. First time adoption of FRS 102 (continued)

	Note	As previously stated 31 March 2016 £	Effect of transition 31 March 2016 £	FRS 102 (as restated) 31 March 2016 £
Turnover		1,257,204	-	1,257,204
Cost of sales		(417,394)	-	(417,394)
		839,810	-	839,810
Administrative expenses		(254,620)	-	(254,620)
Other operating income	1	-	949,000	949,000
Operating profit		585,190	949,000	1,534,190
Interest receivable and similar income		1,232	-	1,232
Interest payable and similar charges		(208,861)	-	(208,861)
Profit on ordinary activities after taxation and for the financial year		377,561	949,000	1,326,561

Explanation of changes to previously reported profit and equity:

1 FRS102(1A) requires fair value adjustments to investment property to be reflected as a movement through the Statement of comprehensive income, where previously this was shown as a movement in the statement of total recognised and unrealised gains and losses. As a result, £949,000 representing the fair value movement on the properties during the year to 31 March 2016 has been shown as a movement on the face of the income and expenditure account.

12. Auditors' information

The accounts have been audited in accordance with applicable law and International Standards on Auditing (UK and Ireland).

The audit report expressed an unqualified opinion and was signed by Lee Brook, the Senior Statutory Auditor of Berg Kaprow Lewis LLP.