

REGISTERED NUMBER: OC365732 (England and Wales)

**Report of the Members and
Audited Financial Statements for the Year Ended 31 August 2018
for
Childcare (East Midlands) LLP**

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for the Year Ended 31 August 2018**

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Childcare (East Midlands) LLP

**General Information
for the Year Ended 31 August 2018**

DESIGNATED MEMBERS: Mrs S E Mills
Mr R L Everist
Childcare & Education Limited

REGISTERED OFFICE: Cherubs Childcare Centre
Welbeck Road
Mansfield Woodhouse
Nottinghamshire
NG19 6QA

REGISTERED NUMBER: OC365732 (England and Wales)

AUDITORS: Franklin Underwood, Statutory Auditor
1 Pinnacle Way
Pride Park
Derby
Derbyshire
DE24 8ZS

**Report of the Members
for the Year Ended 31 August 2018**

The members present their report with the financial statements of the LLP for the year ended 31 August 2018.

PRINCIPAL ACTIVITY

The principal activity of the LLP in the year under review was that of children's day nurseries.

DESIGNATED MEMBERS

The designated members during the year under review were:

Mrs S E Mills
Mr R L Everist
Childcare & Education Limited

RESULTS FOR THE YEAR AND ALLOCATION TO MEMBERS

The profit for the year before members' remuneration and profit shares was £968,671 (2017 - £862,160 profit).

MEMBERS' INTERESTS

The capital will be repaid by the LLP on the departure of a member from the LLP.

It is a policy of the LLP to only allow members to withdraw profits to the extent that the LLP retains sufficient working capital to finance its ongoing operations.

STATEMENT OF MEMBERS' RESPONSIBILITIES

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

Legislation applicable to limited liability partnerships 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 (United Kingdom Accounting Standards and applicable law). Under legislation applicable to limited liability partnerships 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 LLP and of the profit or loss of the LLP 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 LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and 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 applied to LLPs 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 LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Report of the Members
for the Year Ended 31 August 2018**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the members are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the LLP's auditors are unaware, and each member has taken all the steps that he or she ought to have taken as a member in order to make himself or herself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

ON BEHALF OF THE MEMBERS:

Mrs S E Mills - Designated member

30 May 2019

Report of the Independent Auditors to the Members of Childcare (East Midlands) LLP

Opinion

We have audited the financial statements of Childcare (East Midlands) LLP (the 'LLP') for the year ended 31 August 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Reconciliation of Members' Interests, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard 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 LLP's affairs as at 31 August 2018 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 LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the LLP 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 LLP'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 members are responsible for the other information. The other information comprises the information in the Report of the Members, but does not include the financial statements and our Report of the Auditors thereon.

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.

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 of 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 LLPs 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.

Report of the Independent Auditors to the Members of Childcare (East Midlands) LLP

Responsibilities of members

As explained more fully in the Statement of Members' Responsibilities set out on page two, 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 control as the members determine 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 members are responsible for assessing the LLP'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 members either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to LLPs 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 LLP's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Collin Franklin (Senior Statutory Auditor)
for and on behalf of Franklin Underwood, Statutory Auditor
1 Pinnacle Way
Pride Park
Derby
Derbyshire
DE24 8ZS

31 May 2019

Childcare (East Midlands) LLP (Registered number: OC365732)

**Statement of Comprehensive Income
for the Year Ended 31 August 2018**

	Notes	2018 £	2017 £
TURNOVER		4,346,341	3,801,459
Cost of sales		<u>163,440</u>	<u>141,613</u>
GROSS PROFIT		4,182,901	3,659,846
Administrative expenses		<u>3,230,301</u>	<u>2,807,460</u>
		952,600	852,386
Other operating income		<u>4,777</u>	<u>6,369</u>
OPERATING PROFIT	4	957,377	858,755
Interest receivable and similar income		<u>11,294</u>	<u>3,405</u>
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		968,671	862,160
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>968,671</u>	<u>862,160</u>

The notes form part of these financial statements

Childcare (East Midlands) LLP (Registered number: OC365732)

**Balance Sheet
31 August 2018**

	Notes	2018 £	£	2017 £	£
FIXED ASSETS					
Intangible assets	6		1,067,868		1,183,604
Tangible assets	7		<u>2,007,938</u>		<u>1,638,496</u>
			3,075,806		2,822,100
CURRENT ASSETS					
Stocks	8	14,391		12,847	
Debtors	9	24,793		32,820	
Cash at bank and in hand		<u>3,177,931</u>		<u>2,659,018</u>	
		3,217,115		2,704,685	
CREDITORS					
Amounts falling due within one year	10	<u>272,485</u>		<u>263,134</u>	
NET CURRENT ASSETS			<u>2,944,630</u>		<u>2,441,551</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			6,020,436		5,263,651
CREDITORS					
Amounts falling due after more than one year	11		<u>10,747</u>		<u>14,330</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS			<u>6,009,689</u>		<u>5,249,321</u>
LOANS AND OTHER DEBTS DUE TO MEMBERS					
	13		2,509,689		1,749,321
MEMBERS' OTHER INTERESTS					
Capital accounts			<u>3,500,000</u>		<u>3,500,000</u>
			<u>6,009,689</u>		<u>5,249,321</u>
TOTAL MEMBERS' INTERESTS					
Loans and other debts due to members	13		2,509,689		1,749,321
Members' other interests			<u>3,500,000</u>		<u>3,500,000</u>
			<u>6,009,689</u>		<u>5,249,321</u>

The financial statements were approved by the members of the LLP on 30 May 2019 and were signed by:

Mrs S E Mills - Designated member

Mr R L Everist - Designated member

The notes form part of these financial statements

**Reconciliation of Members' Interests
for the Year Ended 31 August 2018**

	EQUITY		
	Members' capital (classified as equity)	Members' other interests	Total
	£	£	£
Balance at 1 September 2017	3,500,000	-	3,500,000
Profit for the financial year available for discretionary division among members	-	968,671	968,671
Members' interests after profit for the year	3,500,000	968,671	4,468,671
Other divisions of profit	-	(968,671)	(968,671)
Drawings	-	-	-
Balance at 31 August 2018	<u>3,500,000</u>	<u>-</u>	<u>3,500,000</u>
DEBT			TOTAL MEMBERS' INTERESTS
Loans and other debts due to members less any amounts due from members in debtors			
	Other amounts		Total
	£		£
Amount due to members	1,749,321		
Amount due from members	-		
Balance at 1 September 2017	1,749,321		5,249,321
Profit for the financial year available for discretionary division among members	-		968,671
Members' interests after profit for the year	1,749,321		6,217,992
Other divisions of profit	968,671		-
Drawings	(208,303)		(208,303)
Amount due to members	2,509,689		
Amount due from members	-		
Balance at 31 August 2018	<u>2,509,689</u>		<u>6,009,689</u>

The notes form part of these financial statements

**Reconciliation of Members' Interests
for the Year Ended 31 August 2018**

	EQUITY		
	Members' other interests		Total
	Members' capital (classified as equity)	Other reserves	
	£	£	£
Balance at 1 September 2016	632,447	-	632,447
Profit for the financial year available for discretionary division among members	-	862,160	862,160
Members' interests after profit for the year	632,447	862,160	1,494,607
Other divisions of profit	-	(862,160)	(862,160)
Introduced by members	2,867,553	-	2,867,553
Drawings	-	-	-
Balance at 31 August 2017	3,500,000	-	3,500,000
	DEBT		TOTAL MEMBERS' INTERESTS
	Loans and other debts due to members less any amounts due from members in debtors		Total
	Other amounts		
	£		£
Amount due to members	4,211,757		
Amount due from members	-		
Balance at 1 September 2016	4,211,757		4,844,204
Profit for the financial year available for discretionary division among members	-		862,160
Members' interests after profit for the year	4,211,757		5,706,364
Other divisions of profit	862,160		-
Introduced by members	(2,867,553)		-
Drawings	(457,043)		(457,043)
Amount due to members	1,749,321		
Amount due from members	-		
Balance at 31 August 2017	1,749,321		5,249,321

**Cash Flow Statement
for the Year Ended 31 August 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	<u>1,209,654</u>	<u>999,637</u>
Net cash from operating activities		<u>1,209,654</u>	<u>999,637</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(49,999)	-
Purchase of tangible fixed assets		(452,733)	(86,689)
Sale of tangible fixed assets		9,000	20,483
Interest received		<u>11,294</u>	<u>3,405</u>
Net cash from investing activities		<u>(482,438)</u>	<u>(62,801)</u>
Cash flows from financing activities			
Transactions with members and former members			
Payments to members		<u>(208,303)</u>	<u>(457,043)</u>
Net cash from financing activities		<u>(208,303)</u>	<u>(457,043)</u>
Increase in cash and cash equivalents		<u>518,913</u>	<u>479,793</u>
Cash and cash equivalents at beginning of year	2	2,659,018	2,179,225
Cash and cash equivalents at end of year	2	<u>3,177,931</u>	<u>2,659,018</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 August 2018

1. **RECONCILIATION OF PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS TO CASH GENERATED FROM OPERATIONS**

	2018 £	2017 £
Profit for the financial year before members' remuneration and profit shares available for discretionary division among members	968,671	862,160
Depreciation charges	237,214	194,481
Loss on disposal of fixed assets	2,812	3,222
Finance income	(11,294)	(3,405)
	<u>1,197,403</u>	<u>1,056,458</u>
(Increase)/decrease in stocks	(1,544)	85
Decrease/(increase) in trade and other debtors	8,027	(3,523)
Increase/(decrease) in trade and other creditors	5,768	(53,383)
Cash generated from operations	<u><u>1,209,654</u></u>	<u><u>999,637</u></u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 August 2018

	31.8.18 £	1.9.17 £
Cash and cash equivalents	<u>3,177,931</u>	<u>2,659,018</u>

Year ended 31 August 2017

	31.8.17 £	1.9.16 £
Cash and cash equivalents	<u>2,659,018</u>	<u>2,179,225</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

1. **STATUTORY INFORMATION**

Childcare (East Midlands) LLP is registered in England and Wales. The LLP's registered number and registered office address can be found on the General Information page.

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" 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 as modified by the use of fair values for certain financial instruments in accordance with the accounting policies set out below.

Turnover

Turnover represents net invoiced sales of child care services, excluding value added tax. Turnover is recognised when the likelihood of economic benefits flowing to the LLP is probable.

Goodwill

Goodwill, is being amortised evenly over its estimated useful life of ten years. This reflects a change of the economic useful life of the goodwill. The previous estimated useful life was twenty years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Freehold property	- No depreciation charged
Short leasehold	- 2% on cost
Improvements to property	- 2% on cost
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value. No stocks are purchased for resale.

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.

Pension costs and other post-retirement benefits

The LLP operates a defined contribution pension scheme. Contributions payable to the LLP's pension scheme are charged to profit or loss in the period to which they relate.

Taxation

Taxation on all of the LLP's profits are solely the personal liabilities of individual members. Consequently, neither taxation nor related deferred taxation arising in the LLP are accounted for in these financial statements. Amounts retained for tax are treated in the same way as other profits of the LLP and so are included in members' other interests or in loans and other debts due to members depending on whether or not division of profits has occurred.

Financial instruments

The LLP enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors, loans from and to related parties.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

2. ACCOUNTING POLICIES - continued

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand.

Trade debtors

Trade debtors are amounts due for services rendered in the ordinary course of business.

Trade debtors are recognised at the transaction price. A provision for the impairment of trade debtors is established when there is objective evidence that the LLP will not be able to collect all amounts due according to the original terms of the debtor.

Trade creditors

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 of the LLP and does not have an unconditional right, at the end of the reporting date, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised at the transaction price.

3. EMPLOYEE INFORMATION

	2018	2017
	£	£
Wages and salaries	2,242,255	1,957,022
Social security costs	83,879	95,576
Other pension costs	20,290	13,221
	<u>2,346,424</u>	<u>2,065,819</u>

The average number of employees during the year was as follows:

	2018	2017
Nursery staff	<u>198</u>	<u>191</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2018	2017
	£	£
Hire of plant and machinery	14,033	13,741
Depreciation - owned assets	71,479	62,969
Loss on disposal of fixed assets	2,812	3,222
Goodwill amortisation	165,735	131,512
Auditors' remuneration	<u>7,500</u>	<u>7,500</u>

5. INFORMATION IN RELATION TO MEMBERS

	2018	2017
	£	£
The amount of profit attributable to the member with the largest entitlement was	<u>451,836</u>	<u>369,830</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

	2018	2017
The average number of members during the year was	<u>3</u>	<u>3</u>
	2018	2017
	£	£
The average members' remuneration during the year was	<u>-</u>	<u>-</u>
This remuneration has been allocated in accordance with members equity interests, following prior profit share allocations.		

6. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 September 2017	1,835,400
Additions	<u>49,999</u>
At 31 August 2018	<u>1,885,399</u>
AMORTISATION	
At 1 September 2017	651,796
Amortisation for year	<u>165,735</u>
At 31 August 2018	<u>817,531</u>
NET BOOK VALUE	
At 31 August 2018	<u>1,067,868</u>
At 31 August 2017	<u>1,183,604</u>

7. TANGIBLE FIXED ASSETS

	Freehold property £	Short leasehold £	Improvements to property £
COST			
At 1 September 2017	1,434,390	83,588	98,853
Additions	<u>347,560</u>	<u>-</u>	<u>-</u>
At 31 August 2018	<u>1,781,950</u>	<u>83,588</u>	<u>98,853</u>
DEPRECIATION			
At 1 September 2017	135,107	10,031	11,158
Charge for year	-	1,672	1,977
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>
At 31 August 2018	<u>135,107</u>	<u>11,703</u>	<u>13,135</u>
NET BOOK VALUE			
At 31 August 2018	<u>1,646,843</u>	<u>71,885</u>	<u>85,718</u>
At 31 August 2017	<u>1,299,283</u>	<u>73,557</u>	<u>87,695</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

7. **TANGIBLE FIXED ASSETS - continued**

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 September 2017	322,648	149,576	2,089,055
Additions	42,054	63,119	452,733
Disposals	-	(21,000)	(21,000)
At 31 August 2018	<u>364,702</u>	<u>191,695</u>	<u>2,520,788</u>
DEPRECIATION			
At 1 September 2017	227,348	66,915	450,559
Charge for year	34,338	33,492	71,479
Eliminated on disposal	-	(9,188)	(9,188)
At 31 August 2018	<u>261,686</u>	<u>91,219</u>	<u>512,850</u>
NET BOOK VALUE			
At 31 August 2018	<u>103,016</u>	<u>100,476</u>	<u>2,007,938</u>
At 31 August 2017	<u>95,300</u>	<u>82,661</u>	<u>1,638,496</u>

It has been agreed that the freehold property introduced and recognised on the balance sheet of the LLP on 31st August 2011 is not intended to be an asset of the LLP but it is agreed that each of the members will retain and ringfence their respective ownership of the freehold property after 31st August 2011.

8. **STOCKS**

	2018 £	2017 £
Stocks	<u>14,391</u>	<u>12,847</u>

Costs of stocks recognised as an expense in the year amounted to £130,494 (2017: £110,502)

9. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Trade debtors	18,727	23,580
Provision for bad debts	(14,122)	(8,180)
Prepayments and accrued income	<u>20,188</u>	<u>17,420</u>
	<u>24,793</u>	<u>32,820</u>

10. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Trade creditors	15,665	25,011
Social security and other taxes	17,378	13,426
Deposits held	199,174	184,393
Other creditors	8,027	6,027
Accruals and deferred income	<u>32,241</u>	<u>34,277</u>
	<u>272,485</u>	<u>263,134</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

11. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018	2017
	£	£
Accruals and deferred income	<u>10,747</u>	<u>14,330</u>

12. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£	£
Within one year	42,381	42,381
Between one and five years	80,995	113,755
In more than five years	<u>11,255</u>	<u>20,876</u>
	<u>134,631</u>	<u>177,012</u>

13. **LOANS AND OTHER DEBTS DUE TO MEMBERS**

	2018	2017
	£	£
Amounts owed to members in respect of profits	<u>2,509,689</u>	<u>1,749,321</u>
Falling due within one year	<u>2,509,689</u>	<u>1,749,321</u>

14. **RELATED PARTY DISCLOSURES**

During the year a company under common control with common directors/members is also a member of the LLP. At the end of the year the LLP owed a balance of £3,982,004 (2017: £3,884,484) to the related party. The outstanding balance has been provided free from interest and is repayable on demand.

During the year the LLP traded with a company in which Mrs S E Mills controls and is also a director. The balance owed to the company at the year end was £4,663 (2017: £2,661). This amount is included within other creditors. The outstanding loan has been provided free from interest and is repayable on demand.

15. **MEMBERS INTERESTS**

Loans and other debts due to members rank pari passu with unsecured creditors and may be set off against amounts due from members included in debtors. Members' other interest rank pari passu with unsecured creditors.

16. **BANK SECURITY**

The bank has a debenture including Fixed Charge over all present freehold and leasehold property, book and other debts, chattels, goodwill and uncalled capital, and a First Floating Charge over all assets and undertaking, both present and future.

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.