

1 Shorrolds Road LLP

REPORT AND FINANCIAL STATEMENTS

For the year ended

31 August 2014



# 1 Shorrolds Road LLP

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# 1 Shorrolds Road LLP

## LIMITED LIABILITY PARTNERSHIP INFORMATION

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### DESIGNATED MEMBERS

Mura Estates (London) Limited  
Mura Estates LLP

### MEMBERS

Hemnall Limited  
Woodford Land Developments Limited

### REGISTERED OFFICE

First Floor Kirkdale House  
Kirkdale Road  
Leytonstone  
London  
E11 1HP

### AUDITOR

Baker Tilly UK Audit LLP  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

### REGISTRATION NUMBER

OC368088

# 1 Shorrolds Road LLP

## DESIGNATED MEMBERS' REPORT

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The designated members present their annual report and financial statements for the year ended 31 August 2014.

### PRINCIPAL ACTIVITIES

The principal activity of the partnership is residential property development.

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Limited Liability Partnership is presently engaged in the development of residential property for sale.

### MEMBERS' DRAWINGS, SUBSCRIPTIONS AND REPAYMENTS

Members' drawings, subscriptions and repayments are governed by the provisions of a limited liability partnership deed in respect of the LLP. The deed provides for returns of subscriptions (which were required upon commencement of its activities) upon the occurrence of certain events, including retirement of a member, or a member's death. The LLP deed also provides that all profits and losses of the LLP shall be allocated to the members, based on specific allocation rules. Accordingly, as required by the Statement of Recommended Practice "Accounting by Limited Liability Partnerships", both the contributions made to the LLP by members, and profits due to the members, are treated as liabilities within the financial statements.

### DESIGNATED MEMBERS

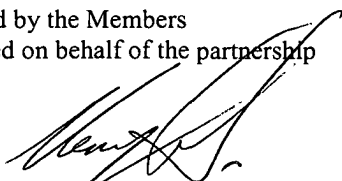
The following designated members have held office since 1 September 2013:

Mura Estates LLP  
Mura Estates (London) Limited

### AUDITOR

A resolution to reappoint Baker Tilly UK Audit LLP, Chartered Accountants as auditor will be proposed at the next members meeting.

Approved by the Members  
and signed on behalf of the partnership



H Smith on behalf of Mura Estates LLP  
Designated Member

Date: 21/5/2015

# 1 Shorrolds Road LLP

## DESIGNATED MEMBERS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) requires the designated members to prepare financial statements for each financial year. Under that law the designated 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 the 2008 Regulations, the designated 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 partnership and of the profit or loss of the partnership for that period.

In preparing those financial statements, the designated members are required to:

- a) Select suitable accounting policies and then apply them consistently;
- b) Make judgements and accounting estimates that are reasonable and prudent; and
- c) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Limited Liability Partnership will continue in business.

Under the 2008 Regulations the designated members are responsible for keeping adequate accounting records that are sufficient to show and explain the Limited Liability Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Limited Liability Partnership and to enable them to ensure that the financial statements comply with the requirements of those Regulations. They are also responsible for safeguarding the assets of the Limited Liability Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

These responsibilities are exercised by the designated members on behalf of the members.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 1 SHORROLDS ROAD LLP

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We have audited the financial statements on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Limited Liability Partnership's members, as a body, in accordance with Chapter 3 of Part 16 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. Our audit work has been undertaken so that we might state to the Limited Liability Partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Limited Liability Partnership and the Limited Liability Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of members and auditors**

As more fully explained in the Members' Responsibilities Statement set out on page 3, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on the financial statements**

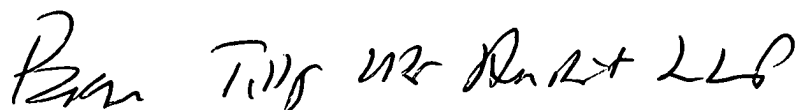
In our opinion the financial statements:

- give a true and fair view of the state of the Limited Liability Partnership's affairs as at 31 August 2014 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 limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

### **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 limited liability partnerships 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; or
- the members were not entitled to prepare the financial statements in accordance with the small limited liability partnerships' regime.



DAVID FENTON (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London EC4A 4AB

Date: 2.11.2015

**1 Shorrolds Road LLP**  
**PROFIT AND LOSS ACCOUNT**  
For the year ended 31 August 2014

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	Notes	2014 £	2013 £
TURNOVER		3,126,500	-
Cost of sales		(1,705,205)	-
GROSS PROFIT		<u>1,421,295</u>	<u>-</u>
Administrative expenses		(150)	-
OPERATING PROFIT		<u>1,421,145</u>	<u>-</u>
Interest payable	2	(190,337)	(127,567)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT		<u>1,230,808</u>	<u>(127,567)</u>
Members' remuneration charged as an expense		(1,230,808)	127,567
RESULT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		<u>-</u>	<u>-</u>

The profit/(loss) for the year arises from the Limited Liability Partnership's continuing operations.

No separate Statement of Recognised Gains and Losses has been made as all such gains and losses have been dealt with in the Profit and Loss Account.

# 1 Shorrolds Road LLP

## BALANCE SHEET

At 31 August 2014

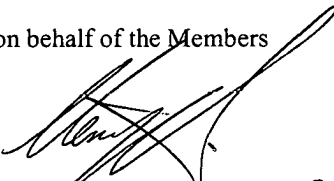
LLP Registration No: OC368088

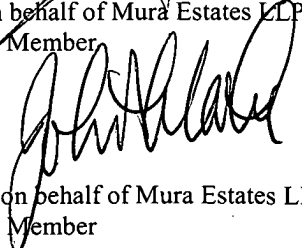
	Notes	2014 £	2013 £
<b>CURRENT ASSETS</b>			
Stock		2,232,489	2,127,358
Debtors	3	15,503	215,925
Cash at bank and in hand		20,867	2,443
		<u>2,268,859</u>	<u>2,345,726</u>
<b>CREDITORS: Amounts falling due within one year</b>			
	4	(88,856)	(92,550)
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<u>2,180,003</u>	<u>2,253,176</u>
<b>REPRESENTED BY:</b>			
Loans and other debts due to members	5	2,180,003	2,253,176
Members' capital classified as liability	5	-	-
		<u>2,180,003</u>	<u>2,253,176</u>
<b>TOTAL MEMBERS' INTERESTS</b>			
Amount due to/(from) members	5	1,088,283	(142,525)
Members' project and trading loan balances	5	1,091,720	2,253,176
		<u>2,180,003</u>	<u>2,110,651</u>

These accounts have been prepared in accordance with the special provisions of the Companies Act 2006 (as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008) applicable to LLPs subject to the small LLPs regime.

The financial statements on pages 5 to 10 were approved by the Members and authorised for issue on 21/5/2015

Signed on behalf of the Members

  
H Smith on behalf of Mura Estates LLP  
Designated Member

  
J A Clarke on behalf of Mura Estates LLP  
Designated Member



# 1 Shorrolds Road LLP

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" March 2010.

### GOING CONCERN

The financial statements have been prepared on the going concern basis. The directors of Hemnall Limited and Woodford Land Developments Limited, designated members of the ultimate controlling party Mura Estates LLP, have confirmed that they will continue to provide financial support for the foreseeable future to enable the partnership to meet its obligations as they fall due and will not request payment of amounts owed until the partnership is in a position to do so.

### TURNOVER

Turnover represents the total invoice value, excluding value added tax, of residential property sales during the year. Revenue is recognised on exchange of contract where the sale is unconditional and the property construction has been substantially completed.

### STOCK

Trading and development properties are stock and are included in the balance sheet at the lower of cost and net realisable value. Net realisable value is the expected net sales proceeds of the developed property in the ordinary course of business less the estimated costs to completion and associated selling costs. A provision is made to the extent that projected costs exceed projected revenues.

All costs directly associated with the purchase and construction of a development property are capitalised up to the date that the property is ready for its intended use. Property acquisitions are recognised when legally binding contracts which are irrevocable and effectively unconditional are exchanged.

### TAXATION

The taxation payable on the partnerships profits is solely the personal liability of its individual members. Consequently neither partnership taxation nor related deferred taxation arising in respect of the partnerships are accounted for in these financial statements.

### CASH FLOW STATEMENT

The partnership has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small limited liability partnership.

# 1 Shorrolds Road LLP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2014

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### 1 INFORMATION REGARDING MEMBERS AND EMPLOYEES

The average number of members in the year was 4.

	2014 £	2013 £
Average profit/(loss) per member	307,702	(31,892)
	<u>          </u>	<u>          </u>
<b>2 INTEREST PAYABLE</b>	2014 £	2013 £
Interest payable on Hemnall Limited loan	189,054	126,586
Interest payable on Woodford Land Developments Limited loan	1,283	981
	<u>190,337</u>	<u>127,567</u>
	<u>          </u>	<u>          </u>
<b>3 DEBTORS</b>	2014 £	2013 £
Amounts due from members	-	142,525
VAT	15,503	3,400
Other debtors	-	70,000
	<u>15,503</u>	<u>215,925</u>
	<u>          </u>	<u>          </u>
<b>4 CREDITORS: Amounts falling due within one year</b>	2014 £	2013 £
Trade creditors	78,024	91,400
Amounts due to group entities	147	-
Other creditors	10,685	-
Accruals	-	1,150
	<u>88,856</u>	<u>92,550</u>
	<u>          </u>	<u>          </u>

# 1 Shorrolds Road LLP

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 August 2014

5	MEMBERS' INTERESTS	Loans and other debts due to/(from) members £	Project and trading loan balances £	Total £
	Amount due to members at 1 September 2013	(142,525)	2,253,176	2,110,651
	Members' remuneration charged as expense	1,230,808	-	1,230,808
	Members' interests after profit for the year	1,088,283	2,253,176	3,341,459
	Project trading and loan advances	-	2,194,026	2,194,026
	Project trading and loan reimbursements	-	(3,355,482)	(3,355,482)
	Members' interests at 31 August 2014	1,088,283	1,091,720	2,180,003

## 6 RELATED PARTY TRANSACTIONS

During the year ended 31 August 2014, 1 Shorrolds Road LLP received loans and advances totalling £1,421,562 (2013: £1,644,037) and repaid £3,355,482 (2013: £Nil) to Hemnall Limited which is a designated member of Mura Estates LLP which holds 99.9% of the interest in 1 Shorrolds Road LLP. The amount outstanding at 31 August 2014 was £113,921 (2013: £1,858,787). Interest accrued at a rate of 7% plus 3 months LIBOR on group loans below £10m between 1 September 2012 and 31 May 2013. Where the aggregate value of the loans to the Project LLPs and the monies advanced to the LLP collectively exceeded £10m, interest accrued at a rate of 9% plus 3 months LIBOR on transactions between 9 May 2012 and 31 May 2013 and a rate of 8% plus Bank of England Base Rate on all balances subsequent to 1 June 2013. Interest is calculated on a daily basis and compounded each quarter. Interest payable on the loan during the year amounted to £189,054 (2013: £126,586). This loan is secured on the stock assets.

During the year ended 31 August 2014, 1 Shorrolds Road LLP received loans totalling £Nil (2013: £981) and repaid £Nil (2013: £147,500) to Woodford Land Developments Limited which is a designated member of Mura Estates LLP which holds 99.9% of the interest in 1 Shorrolds Road LLP. The amount still outstanding at 31 August 2014 was £13,534 (2013: £12,251). Interest accrued at a rate of 7% plus 3 months LIBOR on group loans below £10m between 1 September 2012 and 31 May 2013. Where the aggregate value of the loans to the Project LLPs and the monies advanced to the LLP collectively exceeded £10m, interest accrued at a rate of 9% plus 3 months LIBOR on transactions between 9 May 2012 and 31 May 2013 and a rate of 8% plus Bank of England Base Rate on all balances subsequent to 1 June 2013. Interest is calculated on a daily basis and compounded each quarter. Interest payable on the loan during the year amounted to £1,283 (2013: £981).

The accountancy and audit fees of £2,300 (2013: £2,900) were borne by the parent, Mura Estates LLP.

The limited liability partnership has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated accounts are prepared by the ultimate parent company.

# 1 Shorrolds Road LLP

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 August 2014

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### 7 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mura Estates LLP, a company registered in England and Wales. Mura Estates LLP prepares group accounts and copies can be obtained from First Floor Kirkdale House, Kirkdale Road, Leytonstone, London, E11 1HP.

### 8 OTHER FINANCIAL COMMITMENTS

The limited liability partnership was committed to a further amount of £1,679,336 (2013: £1,432,600) in respect of contracts to develop properties.