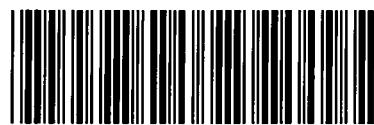


BEDFORD ESTATES LONDON ESTATES LLP
CONSOLIDATED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
5 APRIL 2018

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BEDFORD ESTATES LONDON ESTATES LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members	The 1971 Settlement Trustees: The Hon. Charles Cayzer James Fitzroy Dean Robert Waley-Cohen Edmond Conolly Mahony London Estate Nominees Limited
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Limited liability partnership number	OC383002
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Registered office	29a Montague Street London WC1B 5BL
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Auditors	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
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Bankers	RBS Group 280 Bishopgate London EC2M 4RB
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BEDFORD ESTATES LONDON ESTATES LLP

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BEDFORD ESTATES LONDON ESTATES LLP

MEMBERS' REPORT FOR THE YEAR ENDED 5 APRIL 2018

The members present their report and financial statements for the year ended 5 April 2018.

Principal activities

The principal activities of the group are that of letting investment property and the operation of leisure activities.

Fair review of the business

The performance of the rental portfolio has been in line with budgeted performance and the members are satisfied with the result for the year across its property portfolio. In addition the members are satisfied with their share of profits from the operation of leisure activities.

Principal risks and uncertainties

The members do not perceive any major risks and uncertainties other than the normal commercial risks and uncertainties within the investment property sector including financial stability of tenants and exposure to property value change during the present economic climate.

The members regularly review the performance of the rental portfolio held by the group during meetings of the management board. Void rents, whether the result of rent free periods or periods of vacancy, are carefully monitored and managed to ensure consistent annual performance of the portfolio.

Refurbishment and development projects are assessed during meetings of the management board. Progress and anticipated spend are considered in relation to the operational capital requirement of the group. Compliance with the requirements of health and safety legislation is scrutinised by the management board. Necessary action points to rectify any temporary instances of non-compliance are agreed and implemented swiftly thereon.

The position of the group at the year end

The financial performance and position of the group is set out in the financial statements and accompanying notes that follow. When assessing going concern, the members consider the cash flow effect associated with the risks identified above in conjunction with the economic climate. The group's property portfolio is well diversified with property interests in the commercial, residential and hotel sectors with a mix of shorter and longer term leasing arrangements with occupational tenants. The members consider that the group has adequate resources to continue in operational existence for the foreseeable future and therefore consider the application of the going concern basis of preparation to be appropriate.

Key performance indicators

The company's main key performance indicators (KPI) are property utilisation ratios and rental yields.

Property utilisation for the year to 5 April 2018: 92% (2017: 95%).

Rental yield to 5 April 2018: 2.0% (2017: 2.1%).

Designated Members

The following designated members have held office since 6 April 2017:

The 1971 Settlement Trustees:

The Hon. Charles Cayzer

James Fitzroy Dean

Robert Waley-Cohen

Edmond Conolly Mahony

London Estate Nominees Limited

Auditors

Saffery Champness LLP have expressed their willingness to remain in office as auditors.

BEDFORD ESTATES LONDON ESTATES LLP

MEMBERS' REPORT (continued) FOR THE YEAR ENDED 5 APRIL 2018

Policy on members' drawings

The members' drawings policy provides that no member may draw any sum on account of his share of the unrealised profits of the Limited Liability Partnership. No member may draw any sum on account of realised profits unless and to the extent it is approved by special resolution.

A member's capital requirement is linked to their share of profit and the financing requirement of the limited liability partnership. There is no opportunity for appreciation of the capital subscribed. Just as incoming members introduce their capital at "par", so the retiring members are repaid their capital at "par".

Statement of members' responsibilities

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

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) 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 company law (as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) 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 limited liability partnership and of the profit or loss of the limited liability partnership for that year. In preparing those financial statements, the members are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

The 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 Companies Act 2006 (as applied 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 limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as the members are aware, there is no relevant audit information of which the limited liability partnership auditors are unaware. Additionally, the members have taken all the necessary steps that they ought to have taken as members in order to make themselves aware of all relevant audit information and to establish that the limited liability partnership's auditors are aware of that information.

On behalf of the members:



The Hon. Charles Cayzer

5 October 2018

BEDFORD ESTATES LONDON ESTATES LLP

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BEDFORD ESTATES LONDON ESTATES LLP

Opinion

We have audited the financial statements of Bedford Estates London Estates LLP (the "limited liability partnership") and its subsidiaries (the "group") for the year ended 5 April 2018 which comprise the Consolidated Statement of Total Comprehensive Income, Consolidated Statement of Financial Position, Limited Liability Partnership Statement of Financial Position, Consolidated Statement of Changes in Equity, Limited Liability Partnership Statement of Changes in Equity, Consolidated Cash Flow Statement and 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 group's and the limited liability partnership's affairs as at 5 April 2018 and its profit for the period 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.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the limited liability partnership 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 group's or the limited liability partnership'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 included in the annual report, other than the financial statements and our auditor's report 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.

BEDFORD ESTATES LONDON ESTATES LLP

INDEPENDENT AUDITORS' REPORT (continued) TO THE MEMBERS OF BEDFORD ESTATES LONDON ESTATES LLP

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Members' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Members' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the limited liability partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Members' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully 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, and for such internal control as the members determine is 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 group's and the limited liability partnership'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 group or the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

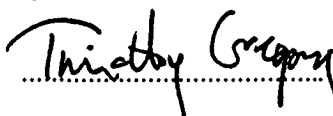
Auditor's responsibilities for the audit of the financial statements

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 an auditor's report 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 auditor's report.

Use of our report

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. Our audit work has been undertaken so that we might state to the 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.

 25 October 2018

Timothy Gregory (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP
Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London
EC4V 4BE

BEDFORD ESTATES LONDON ESTATES LLP

**CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME
FOR THE YEAR ENDED 5 APRIL 2018**

	Notes	2018 £	2017 £
Turnover	3	26,553,536	23,795,869
Cost of sales		(11,724,587)	(10,889,648)
Gross profit		<u>14,828,949</u>	<u>12,906,221</u>
Administrative expenses		(1,726,087)	(2,625,863)
Other operating income	3	179,397	199,497
Operating profit	4	<u>13,282,259</u>	<u>10,479,855</u>
Other interest receivable and similar income	3	11,496	180,724
Interest payable and similar charges	5	(3,515,572)	(4,152,364)
Fair value gains/(losses) on investment properties	7	10,946,946	9,945,061
Profit on ordinary activities before taxation		<u>20,725,129</u>	<u>16,453,276</u>
Tax on profit on ordinary activities of subsidiary		(4,113,633)	(462,601)
Profit/(loss) for the financial year before members' remuneration and profit shares		<u>16,611,496</u>	<u>15,990,675</u>
Profit/(loss) for the financial year after tax and before members' remuneration and profit shares		16,611,496	15,990,675
Members' remuneration charged as an expense		(5,664,550)	(6,045,614)
Fair value movement taken to revaluation reserve		(10,946,946)	(9,945,061)
Retained profit for the financial year available for discretionary division among members		<u>-</u>	<u>-</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>-</u>	<u>-</u>

The statement of total comprehensive income has been prepared on the basis that all operations are continuing operations.

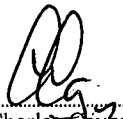
The notes on pages 11 to 23 form part of these financial statements.


BEDFORD ESTATES LONDON ESTATES LLP

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 5 APRIL 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	6		138,733		91,221
Investment properties	7		227,423,000		215,460,000
Investment	8		500,000		500,000
			<u>228,061,733</u>		<u>216,051,221</u>
Current assets					
Debtors	10	4,540,424		3,907,857	
Cash at bank and in hand		<u>18,247,504</u>		<u>9,357,062</u>	
			<u>22,787,928</u>		<u>13,264,919</u>
Creditors: amounts falling due within one year	11	<u>(19,060,095)</u>		<u>(11,559,900)</u>	
Net current assets			3,727,833		1,705,019
Total assets less current liabilities			<u>231,789,566</u>		<u>217,756,240</u>
Creditors: amounts falling due after more than one year	13		(70,000,000)		(75,000,000)
Provisions for liabilities	14		(2,421,830)		-
Net assets attributable to members			<u>159,367,736</u>		<u>142,756,240</u>
Represented by:					
Loans and other debts due to members within one year	16		20,762,974		15,098,424
Members' other interests:					
Members' capital	16	102,568,025		102,568,025	
Other reserve	16	24,259,261		25,089,791	
Revaluation reserve	16	<u>11,777,476</u>	<u>138,604,762</u>	-	<u>127,657,816</u>
			<u>159,367,736</u>		<u>142,756,240</u>
Total members' interests					
Loans and other debts due to members	16		20,762,974		15,098,424
Members' other interests	16		<u>138,604,762</u>		<u>127,657,816</u>
			<u>159,367,736</u>		<u>142,756,240</u>

The financial statements were approved by the members and authorised for issue on 5 October 2018 and signed on their behalf by:


The Hon. Charles Gayzer
For the Trustees of the 1971 Settlement


Paul Vere Lindon
For London Estate Nominees Limited

Limited Liability Partnership Registration No. OC383002

The notes on pages 11 to 23 form part of these financial statements.

BEDFORD ESTATES LONDON ESTATES LLP

**STATEMENT OF FINANCIAL POSITION
AS AT 5 APRIL 2018**

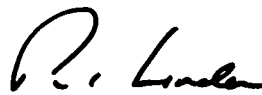
	Notes	2018 £	£	2017 £	£
Fixed assets					
Investments	8		140,134,344		140,134,344
Current assets					
Debtors	10	56,221		971,431	
Cash at bank and in hand		<u>275,720</u>		<u>75,270</u>	
		331,941		1,046,701	
Creditors: amounts falling due within one year	11	<u>(13)</u>		<u>(769,136)</u>	
Net current assets			331,928		277,565
Total assets less current liabilities			<u>140,466,272</u>		<u>140,411,909</u>
Net assets attributable to members			<u>140,466,272</u>		<u>140,411,909</u>
Represented by:					
Loans and other debts due to members within one year	17		13,638,986		13,584,623
Members' other interests:					
Members' capital	17	102,568,025		102,568,025	
Other reserve	17	24,259,261		24,259,261	
Revaluation reserve	17	- 126,827,286		- 126,827,286	
		<u>140,466,272</u>		<u>140,411,909</u>	
Total members' interests	17				
Loans and other debts due to members	17		13,638,986		13,584,623
Members' other interests	17		<u>126,827,286</u>		<u>126,827,286</u>
			<u>140,466,272</u>		<u>140,411,909</u>

As permitted by Section 408 of the Companies Act 2006, the limited liability partnership has not presented its own statement of comprehensive income in these financial statements. The limited liability partnership's profit for the year was £54,363 (2017: £4,673,730).

The financial statements were approved by the members and authorised for issue on 5 October 2018 and signed on their behalf by:



The Hon. Charles Cayzer
For the Trustees of the 1971 Settlement



Paul Vere London
For London Estate Nominees Limited

Limited Liability Partnership Registration No. OC383002

The notes on pages 11 to 23 form part of these financial statements.

BEDFORD ESTATES LONDON ESTATES LLP**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 5 APRIL 2018**

	Members' Capital	Revaluation reserve	Other Reserve	Total
	£	£	£	£
Balance at 6 April 2017	102,568,025	-	25,089,791	127,657,816
Profit and total comprehensive income for the year	-	-	-	-
Fair value movement taken to revaluation reserve	-	10,946,946	-	10,946,946
Other movement - realisation of revaluation reserve	-	830,530	(830,530)	-
Balance at 5 April 2018	<u>102,568,025</u>	<u>11,777,476</u>	<u>24,259,261</u>	<u>138,604,762</u>

BEDFORD ESTATES LONDON ESTATES LLP

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 5 APRIL 2018**

	Members' Capital	Revaluation reserve	Other Reserve	Total
	£	£	£	£
Balance at 6 April 2017	102,568,025	-	24,259,261	126,827,286
Balance at 5 April 2018	<u>102,568,025</u>	<u>-</u>	<u>24,259,261</u>	<u>126,827,286</u>

BEDFORD ESTATES LONDON ESTATES LLP

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 5 APRIL 2018**

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	22	13,948,454		20,522,632	
Interest paid		(3,515,572)		(4,152,364)	
Tax paid		(1,005,638)		-	
Net cash inflow from operating activities		<u>9,427,244</u>		<u>16,370,268</u>	
Investing activities					
Purchase of tangible fixed assets		(73,514)		(24,687)	
Proceeds on disposal of tangible fixed assets		541,270		-	
Purchase of investment property		(1,016,054)		(38,822,939)	
Purchase of other investments		-		(500,000)	
Interest received		<u>11,496</u>		<u>180,724</u>	
Net cash used in investing activities		(536,802)		(39,166,902)	
Financing activities					
New long term finance		-		<u>25,000,000</u>	
Net cash inflow from financing activities		<u>-</u>		<u>25,000,000</u>	
Net increase/(decrease) in cash and cash equivalents		8,890,442		2,203,366	
Cash and cash equivalents at beginning of year		<u>9,357,062</u>		<u>7,153,696</u>	
Cash and cash equivalents at end of year		<u><u>18,247,504</u></u>		<u><u>9,357,062</u></u>	

BEDFORD ESTATES LONDON ESTATES LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2018

1 Accounting policies

Limited liability partnership information

Bedford Estates London Estates LLP is a limited liability partnership domiciled and incorporated in England and Wales. The registered office is 29a Montague Street, London, WC1B 5BL.

1.1 Accounting convention

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in July 2014, together with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the limited liability partnership. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the members have a reasonable expectation that the limited liability partnership has adequate resources to continue in operational existence for the foreseeable future. Thus the members continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Basis of consolidation

The group financial statements consolidate those of the limited liability partnership and all entities over which the limited liability partnership has control, further details are set out in note 23. Acquisition of subsidiary undertakings are accounted for under the acquisition method. The acquisition method requires that, at the date of acquisition, the identifiable assets and liabilities of the entity acquired are included in the statement of financial position at their fair value. Where the fair value of the consideration paid exceeds the fair value of the net assets acquired, this excess is required as goodwill.

1.4 Turnover

Turnover represents amounts receivable for rent and a profit share from Woburn Enterprises Partnership.

BEDFORD ESTATES LONDON ESTATES LLP

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 5 APRIL 2018

1 Accounting policies (continued)

1.5 Members' participating interests

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.

Once an unavoidable obligation has been created in favour of members through allocation of profits or other means, any undrawn profits remaining at the reporting date are shown as 'Loans and other debts due to members' to the extent they exceed debts due from a specific member.

1.6 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:

Plant and machinery	20% reducing balance
Fixtures and fittings	20% reducing balance
Computers	20% reducing balance

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 recognised in the income statement.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the income statement.

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 5 APRIL 2018**

1 Accounting policies (continued)

1.8 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.9 Financial instruments

The limited liability partnership has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the limited liability partnership's statement of financial position when the limited liability partnership 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.

Basic financial assets

Basic financial assets, which include trade and other receivables 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 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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and 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.

If there is a 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.

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 5 APRIL 2018**

1 Accounting policies (continued)

1.9 Financial instruments (continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the limited liability partnership transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow limited liability partnership companies and preference shares that are classified as debt, 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.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the limited liability partnership's obligations expire or are discharged or cancelled.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the limited liability partnership is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 5 APRIL 2018

1 Accounting policies (continued)

1.12 Taxation

The taxation payable on the partnership profits is the personal liability of the members. Consequently, neither partnership taxation nor related deferred taxation are accounted for in the financial statements. Amounts identified as taxation in these financial statements relate to corporate subsidiaries. The total tax expense of £4,113,633 (2017 - £462,601) represents both current and deferred tax arising on the activities of such subsidiaries of the Limited Liability Partnership, that are subject to corporation tax.

The UK corporation tax charge arising on profits in the current period is £1,691,803 (2017 - £462,601). The deferred tax charge, being in relation to the origination and reversal of timing differences, is £2,421,830 (2017 - £nil). The difference between the tax expense included in profit or loss and the expected tax charged based on the standard rate of corporation tax in the UK of 19% is £304,558 and primarily comprises: permanent capital allowances in excess of depreciation of £(77,427), non-deductible expenses of £(93,123) and an accelerated deferred tax charge of £460,280.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The are no judgements or key sources of estimation uncertainty to disclose.

3 Turnover

An analysis of the group's turnover is as follows:

	2018 £	2017 £
Turnover		
Rents received	<u>26,042,035</u>	<u>23,378,201</u>
Other significant revenue		
Interest income	11,496	180,724
Share of Woburn Enterprises Partnership profits	56,146	-
Management fees	455,355	417,668
Commissions received	<u>179,397</u>	<u>199,497</u>

Turnover is derived wholly from activities undertaken in the UK.

BEDFORD ESTATES LONDON ESTATES LLP

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 5 APRIL 2018**

4 Operating profit	2018	2017
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	26,002	20,333
Loss/(Profit) on disposal of tangible assets	(541,270)	-
Impairment of Goodwill	-	8,000
Operating lease rentals	9,041,926	8,766,685
Auditors' remuneration	16,650	26,000

5 Interest payable	2018	2017
	£	£
Interest on financial liabilities at amortised cost		
On bank loans and other long term finance	3,515,572	4,152,364

6 Tangible fixed assets		
Limited Liability Partnership and Group		Limited Liability Partnership
	Group	
	£	£
Cost		
At 6 April 2017	101,382	-
Additions	73,514	-
Disposals	-	-
At 5 April 2018	174,896	-
Depreciation and impairment		
At 6 April 2017	10,161	-
Depreciation charged in the year	26,002	-
Eliminated in respect of disposals	-	-
At 5 April 2018	36,163	-
Carrying amount		
At 5 April 2018	138,733	-
At 5 April 2017	91,221	-

BEDFORD ESTATES LONDON ESTATES LLP**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 5 APRIL 2018****7 Investment property**

	Group £	Limited Liability Partnership £
Fair value		
At 6 April 2017	215,460,000	-
Additions through external acquisition	1,016,054	-
Net gains or losses through fair value adjustments	10,946,946	-
Disposals	-	-
	<u> </u>	<u> </u>
At 5 April 2018	<u>227,423,000</u>	<u> </u>

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 5 April 2018 by Gerald Eve LLP on an open market existing use basis.

On a historical cost basis, for the group, these properties would have been included at an original cost of £191,229,620 (2017: £190,213,566).

On a historical cost basis, for the Limited Liability Partnership, these properties would have been included at an original cost of £nil (2017: £nil).

8 Investments

	Group £	Limited Liability Partnership £
Cost		
At 6 April 2017	500,000	140,134,344
Revaluation	-	-
Disposals	-	-
Additions	-	-
At 5 April 2018	<u>500,000</u>	<u>140,134,344</u>
Provisions		
At 6 April 2017	-	-
Provided in the year	-	-
At 5 April 2018	<u> </u>	<u> </u>
Net book value		
At 5 April 2018	<u>500,000</u>	<u>140,134,344</u>
At 5 April 2017	<u>500,000</u>	<u>140,134,344</u>

BEDFORD ESTATES LONDON ESTATES LLP

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 5 APRIL 2018

9 Financial instruments

	Group		LLP	
	2018	2017	2018	2017
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	<u>3,929,845</u>	<u>3,254,447</u>	<u>56,221</u>	<u>971,431</u>
Carrying amount of financial liabilities				
Measured at amortised cost	<u>84,431,484</u>	<u>81,248,242</u>	<u>13</u>	<u>727,247</u>

	Group		LLP	
	2018	2017	2018	2017
	£	£	£	£
10 Debtors				
Trade debtors	2,776,888	2,056,258	75	-
Amounts owed by related undertakings	56,146	196	56,146	787,322
Other debtors	<u>1,707,390</u>	<u>1,851,403</u>	<u>-</u>	<u>184,109</u>
	<u>4,540,424</u>	<u>3,907,857</u>	<u>56,221</u>	<u>971,431</u>

	Group		LLP	
	2018	2017	2018	2017
	£	£	£	£
11 Creditors: amounts falling due within one year				
Trade creditors	6,853,316	4,073,871	-	13,334
Taxation and social security	1,521,112	1,086,515	13	41,889
Other creditors	5,685,667	6,399,514	-	713,913
Bank loan due within one year	<u>5,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>19,060,095</u>	<u>11,559,900</u>	<u>13</u>	<u>769,136</u>

12 Loans and other debts due to members

	Group		LLP	
	2018	2017	2018	2017
	£	£	£	£
Analysis of loans				
Amounts falling due within one year	<u>20,762,974</u>	<u>15,098,424</u>	<u>13,638,986</u>	<u>13,584,623</u>

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

BEDFORD ESTATES LONDON ESTATES LLP

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 5 APRIL 2018

13 Creditors: amounts falling due after more than one year

	Group		LLP	
	2018	2017	2018	2017
	£	£	£	£
Bank loans	<u>70,000,000</u>	<u>75,000,000</u>	<u>-</u>	<u>-</u>
Loan maturity analysis				
In more than one year but not more than five years	-	5,000,000	-	-
In more than five years but not more than ten years	8,375,000	8,375,000	-	-
In more than ten years	<u>61,625,000</u>	<u>61,625,000</u>	<u>-</u>	<u>-</u>

On 30 September 2013 the members completed a Note Purchase Agreement with MetLife and M&G for loans totalling £50,000,000 which are unsecured.

On 16 June 2016 the members completed a Note Purchase Agreement with MetLife for a loan of £20,000,000 which is unsecured.

£8,375,000 4.66% Guaranteed Series A Senior Notes due 30 September 2023.

£8,375,000 5.15% Guaranteed Series B Senior Notes due 30 September 2028.

£8,250,000 5.57% Guaranteed Series C Senior Notes due 30 September 2038.

£25,000,000 5.69% Guaranteed Series D Senior Notes due 30 September 2043.

£20,000,000 3.68% Guaranteed Series E Senior Notes due 16 June 2036.

On 27 September 2016 the members completed a revolving credit facility with Royal Bank of Scotland for £5,000,000 which is unsecured.

14 Deferred taxation

Deferred tax assets and liabilities are offset where the group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liability 2018	Liability 2017
	£	£
Unrealised gains on fair value of investment property	<u>2,421,830</u>	<u>-</u>
Movements in the year	2018	
	£	
Liability at 6 April 2017	-	
Unrealised gains on fair value of investment property	2,421,830	
Liability at 5 April 2018	<u>2,421,830</u>	

The deferred tax liability set out above is not expected to reverse until such time when the investment properties are sold and the gains are realised.

Deferred tax has been calculated using a corporation tax rate of 19%.

15 Pension and other post-retirement benefit commitments

Defined contribution

	2018	2017
	£	£
Contributions payable by the limited liability partnership for the year	<u>67,504</u>	<u>63,822</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 5 APRIL 2018

16 Reconciliation of members' interests

Group

Current financial year

	EQUITY				DEBT		TOTAL
	Members' other interests						MEMBERS'
	Members'	Revaluation	Other	Total	Other	Total	INTERESTS
	capital (classified	Reserve	Reserve		amounts		Total
	as equity)						2018
	£	£	£	£	£	£	£
Amount due to members					15,098,424		
Members' interests at 6 April 2017	102,568,025	-	25,089,791	127,657,816	15,098,424	15,098,424	142,756,240
Members' remuneration charged as an expense, including employment costs and retirement benefit costs	-	-	-	-	5,664,550	5,664,550	5,664,550
Other profit/(loss) for the year	-	10,946,946	-	10,946,946	-	-	10,946,946
Members' interests after profit and remuneration for the year	102,568,025	10,946,946	25,089,791	138,604,762	20,762,974	20,762,974	159,367,736
Drawings	-	-	-	-	-	-	-
Other movement - realisation of revaluation reserve	-	830,530	(830,530)	-	-	-	-
Members' interests at 5 April 2018	102,568,025	11,777,476	24,259,261	138,604,762	20,762,974	20,762,974	159,367,736
Amounts due to members					20,762,974		

17 Members' interests

Limited Liability Partnership

Current financial year

	EQUITY				DEBT		TOTAL
	Members' other interests						MEMBERS'
	Members'	Revaluation	Other	Total	Other	Total	INTERESTS
	capital (classified	Reserve	Reserve		amounts		Total
	as equity)						2018
	£	£	£	£	£	£	£
Amount due to members					13,584,623		
Members' interests at 6 April 2017	102,568,025	-	24,259,261	126,827,286	13,584,623	13,584,623	140,411,909
Members' remuneration charged as an expense, including employment costs and retirement benefit costs	-	-	-	-	54,363	54,363	54,363
Other profit/(loss) for the year	-	-	-	-	-	-	-
Members' interests after profit and remuneration for the year	102,568,025	-	24,259,261	126,827,286	13,638,986	13,638,986	140,466,272
Drawings	-	-	-	-	-	-	-
Other movement - realisation of revaluation reserve	-	-	-	-	-	-	-
Members' interests at 5 April 2018	102,568,025	-	24,259,261	126,827,286	13,638,986	13,638,986	140,466,272
Amounts due to members					13,638,986		

BEDFORD ESTATES LONDON ESTATES LLP

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 5 APRIL 2018**

18 Operating lease commitments

Lessee

At the reporting end date the limited liability partnership had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	Group		Limited Liability Partnership	
	2018	2017	2018	2017
	£	£	£	£
Within one year	9,216,331	8,766,685	-	-
Between two and five years	29,125,324	29,758,018	-	-
In over five years	72,813,310	69,971,110	-	-
	<u>111,154,965</u>	<u>108,495,813</u>	<u>-</u>	<u>-</u>

Lessor

At the reporting end date the limited liability partnership had contracted with tenants for the following minimum lease payments:

	Group		Limited Liability Partnership	
	2018	2017	2018	2017
	£	£	£	£
Within one year	20,469,313	17,856,583	-	-
Between two and five years	81,877,252	71,426,332	-	-
In over five years	204,693,130	178,565,830	-	-
	<u>307,039,695</u>	<u>267,848,745</u>	<u>-</u>	<u>-</u>

19 Information in relation to members

	2018	2017
	£	£
Remuneration to members charged as an expense	<u>5,664,550</u>	<u>6,045,614</u>

	2018	2017
	£	£
The average number of members during the period was	<u>2</u>	<u>2</u>

The Trustees of the 1971 Settlement who are also members of the limited liability partnership have been classed as a single member for the purposes of these accounts.

	2018	2017
	£	£
The average profit per member during the period was:	<u>2,832,275</u>	<u>3,022,807</u>

	2018	2017
	£	£
The share of profit to the member with the largest entitlement was:	<u>8,096,690</u>	<u>5,945,509</u>

Members' remuneration charged as an expense wholly relates to amounts arising from participation rights.

BEDFORD ESTATES LONDON ESTATES LLP**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 5 APRIL 2018**

20 Related party transactions**Remuneration of key management personnel**

Key management personnel includes the directors and senior management. The remuneration paid or payable to key management personnel is shown below:

	2018	2017
	£	£
Aggregate compensation	<u>277,895</u>	<u>284,388</u>

During the year management fees amounting to £nil (2017: £32,460) were receivable from the Trustees of the 1971 Settlement. As at 5 April 2018 £56,146 was due from Woburn Enterprises Partnership (2017: £nil).

21 Employees

Number of employees	2018	2017
The average monthly number of employees of the group during the year was:	<u>25</u>	<u>25</u>

Employment costs during the year were as follows:

	2018	2017
	£	£
Wages and salaries	1,050,533	1,069,844
Social security costs	112,681	104,015
Other pension costs	67,504	63,822
	<u>1,230,718</u>	<u>1,237,681</u>

BEDFORD ESTATES LONDON ESTATES LLP**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 5 APRIL 2018****22 Cash generated from operations**

	2018 £	2017 £
Profit/(loss) for the year	16,611,496	15,990,675
Adjustments for:		
Tax charge	4,113,633	462,601
Finance costs recognised in profit or loss	3,515,572	4,152,364
Investment income recognised in profit or loss	(11,496)	(180,724)
Gain on disposal of tangible fixed assets	(541,270)	-
Fair value gains and losses on investment properties	(10,946,946)	(9,945,061)
Depreciation and impairment of tangible fixed assets	26,002	20,333
Impairment of goodwill	-	8,000
Movement in working capital:		
Decrease/(Increase) in debtors	(632,567)	8,776,166
Increase in creditors	1,814,030	1,238,278
Cash generated from operations	13,948,454	20,522,632

23 Subsidiaries

Details of the limited liability partnership's subsidiaries at 5 April 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shareholding	% Held Direct
West Central Investments Limited (Indirect)	29a Montague Street, London, WC1B 5BL	Property rental	Ordinary	100.00
Bedford Estates Bloomsbury Limited (Direct)	29a Montague Street, London, WC1B 5BL	Property rental	Ordinary	100.00

Investments in subsidiaries are stated at cost.

24 Exemption from audit by parent guarantee

For the year ended 5 April 2018 West Central Investments Limited, company number 00722088, the subsidiary, is exempt from the requirements relating to the audit of accounts under Section 479A of the Companies Act 2006 to the extent that the parent undertaking guarantees all outstanding liabilities to which the subsidiary company is subject at the end of the financial period, to which the guarantee relates, until they are satisfied in full.