

Unaudited Financial Statements

Liberty Denbigh Limited Liability Partnership

For the Year Ended 31 March 2017



Registered number: OC395715

Liberty Denbigh Limited Liability Partnership

Information

Designated Members

A P Mason
A Prichard
M N Church
P A Morris
E E Williams

LLP registered number
OC395715

Registered office
The Corn Exchange
Brunswick Street
Liverpool
Merseyside
L2 0PJ

Accountants
Grant Thornton UK LLP
Chartered Accountants
Royal Liver Building
Liverpool
L3 1PS

Bankers
Handelsbanken
Exchange Station
Tithebarn Street
Liverpool
L2 2QP

Solicitors
Hill Dickinson LLP
No. 1 St Paul's Square
Liverpool
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Liberty Denbigh Limited Liability Partnership

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Report to the members on the preparation of the unaudited statutory financial statements of Liberty Denbigh Limited Liability Partnership for the year ended 31 March 2017

We have compiled the accompanying financial statements of Liberty Denbigh Limited Liability Partnership based on the information you have provided. These financial statements comprise the Statement of Financial Position of Liberty Denbigh Limited Liability Partnership as at 31 March 2017 and the Statement of changes in equity and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Members of Liberty Denbigh Limited Liability Partnership, as a body, in accordance with the terms of our engagement letter dated 11 October 2017. Our work has been undertaken solely to prepare for your approval the financial statements of Liberty Denbigh Limited Liability Partnership and state those matters that we have agreed to state to the Members of Liberty Denbigh Limited Liability Partnership, as a body, in this report in accordance with our engagement letter dated 11 October 2017. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Liberty Denbigh Limited Liability Partnership and its Members as a body, for our work or for this report.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK & Republic of Ireland. As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Grant Thornton UK LLP

Grant Thornton UK LLP

Chartered Accountants

Liverpool

Date: 13 November 2017

Statement of Financial Position

As at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Investment property	4	2,430,337	837,225
Current assets			
Debtors: amounts falling due within one year	5	278,136	8,160
Cash at bank and in hand		120,671	132,027
		<u>398,807</u>	<u>140,187</u>
Creditors: Amounts Falling Due Within One Year	6	(901,685)	(1,056,859)
Net current liabilities		<u>(502,878)</u>	<u>(916,672)</u>
Total assets less current liabilities		<u>1,927,459</u>	<u>(79,447)</u>
Creditors: amounts falling due after more than one year	7	(2,098,107)	-
		<u>(170,648)</u>	<u>(79,447)</u>
Net liabilities		<u><u>(170,648)</u></u>	<u><u>(79,447)</u></u>
Represented by:			
Loans and other debts due to members within one year			
Members' other interests			
Members' capital classified as equity		500	500
Other reserves classified as equity		(171,148)	(79,947)
		<u>(170,648)</u>	<u>(79,447)</u>
		<u><u>(170,648)</u></u>	<u><u>(79,447)</u></u>
Total members' interests			
Amounts due from members (included in debtors)	5	(500)	(500)
Members' other interests		(170,648)	(79,447)
		<u>(171,148)</u>	<u>(79,947)</u>
		<u><u>(171,148)</u></u>	<u><u>(79,947)</u></u>

Liberty Denbigh Limited Liability Partnership
Registered number:OC395715

Statement of Financial Position (continued)

As at 31 March 2017

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

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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

The Statement of Comprehensive Income and Members' Report have not been delivered to the Registrar of Companies in accordance with the special provisions applicable to companies subject to the small companies regime.

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



A P Mason
Designated member

Date: 9/11/17

The notes on pages 5 to 10 form part of these financial statements.

Liberty Denbigh Limited Liability Partnership

Statement of Changes in Equity

For the Year Ended 31 March 2017

	Members capital (classified as equity) £	Other reserves £	Total equity £
Comprehensive income for the period			
Loss for period for discretionary division among members	-	(79,947)	(79,947)
Total comprehensive income for the period	-	(79,947)	(79,947)
Contributions by and distributions to members			
Capital introduced by members	500	-	500
Total transactions with members	500	-	500
At 1 April 2016	500	(79,947)	(79,447)
Loss for year for discretionary division among members	-	(91,201)	(91,201)
Total comprehensive income for the year	-	(91,201)	(91,201)
Total transactions with members	-	-	-
At 31 March 2017	500	(171,148)	(170,648)

Notes to the Financial Statements

For the Year Ended 31 March 2017

1. General information

Liberty Denbigh Limited Liability Partnership is a limited liability partnership and is registered in England and Wales.

Registered number: OC395715.

Registered office: The Corn Exchange, Brunswick Street, Liverpool, Merseyside, L2 0PJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 11.

The following principal accounting policies have been applied:

2.2 Going concern

Notwithstanding the loss for the year and the net deficit on the statement of financial position the members believe it is appropriate for the financial statements to be prepared on a going concern basis.

The LLP's forecast and projections, taking account of reasonable possible changes in its trading performance, show that the LLP will be able to operate within the level of its current facilities.

A further loan from A Pritchard has been secured during the year of £1,005,053, which is repayable on 30 November 2018.

Also during the year a new loan facility was signed up with Nationwide in December 2016 for £3.5m which was drawn down in April 2017 and is due for repayment in April 2019.

The members have an expectation that the LLP has adequate resources to continue in existence for the foreseeable future. Accordingly, the members continue to adopt the going concern basis in preparing the financial statements.

2.3 Cash flow

The financial statements do not include a Cash flow statement because the LLP, as a small reporting entity, is exempt from the requirements to prepare such a statement under Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

2.4 Investment property

Investment property is carried at fair value determined annually by the members, and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

Notes to the Financial Statements

For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.5 Taxation

The taxation payable on the LLP's profits is the personal liability of the members during the year and consequently neither taxation nor related deferred taxation are accounted for in relation to the LLP. Amounts retained for tax are treated in the same way as other profits of the LLP and are so included in "Members' interests" or "Loans and other debts due to members" depending on whether or not division of profits has occurred.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Financial instruments

The LLP only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the Financial Statements

For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.10 Finance costs

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

2.11 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

3. Employees

The average monthly number of persons (including members with contracts of employment) employed during the year was as follows:

	Year ended	Period ended
	31	31
	March	March
	2017	2016
	No.	No.
The average number of employees during the year was	5	5

4. Investment property

	Freehold investment property £
Cost and Valuation	
At 1 April 2016	837,225
Additions at cost	1,593,112
At 31 March 2017	2,430,337

The members consider the valuation of the freehold investment property to be at cost which they also consider to be its fair value for existing use basis at 31 March 2017.

Notes to the Financial Statements

For the Year Ended 31 March 2017

5. Debtors

	2017 £	2016 £
Other debtors	182,832	7,660
Prepayments and accrued income	94,804	-
Amounts due from members	500	500
	<u>278,136</u>	<u>8,160</u>

6. Creditors: Amounts falling due within one year

	2017 £	2016 £
Other loans	120,478	1,012,285
Trade creditors	779,148	35,254
Accruals and deferred income	2,059	9,320
	<u>901,685</u>	<u>1,056,859</u>

The other loans are repayable upon demand, interest free and unsecured.

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

	2017 £	2016 £
Other loans	1,950,000	-
Accruals and deferred income	148,107	-
	<u>2,098,107</u>	<u>-</u>

Secured loans

The other loans relate to two loans from A Pritchard, a designated member of the LLP. The loans are secured by a debenture, repayable on 30 November 2018 and interest is accruing at 5% and 10% above bank base rate respectively.

Notes to the Financial Statements

For the Year Ended 31 March 2017

8. Reconciliation of members' interests

	Equity Members' other interests		Debt Loans and members' other debts		Total members' interests due to members less any amounts due from members in debtors
	Members' capital (classified as equity) £	Other reserves £	Total members' other interest £	Other amounts £	Total £
Amounts due from members				(500)	
Balance at 31 March 2016	500	(79,947)	(79,447)	(500)	(79,947)
Loss for the year available for discretionary division among members	-	(91,201)	(91,201)	-	(91,201)
Members' interests after profit for the year	500	(171,148)	(170,648)	(500)	(171,148)
Amounts due from members				(500)	
Balance at 31 March 2017	500	(171,148)	(170,648)	(500)	(171,148)

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

Notes to the Financial Statements

For the Year Ended 31 March 2017

9. Related party transactions

A Pritchard is a designated member of the LLP.

The LLP owes £1,950,000 (2016: £944,886) to A Pritchard at 31 March 2017. This is included in other loans. Interest payable amounting to £148,106 (2016: £67,399) is also included in accruals and deferred income at 31 March 2017 and included in other loans at 31 March 2016.

The transactions between the LLP and Mason Partners LLP, an LLP of which A P Mason is a designated member were as follows:

Acquisition and disposal fees relating to the purchase and sale of property amount to £2,350 (2016: £13,625).

Accountancy fees amounting to £3,000 (2016: £2,000).

Included in trade creditors and other creditors is £5,950 (2016: £2,350) owed to Mason Partners LLP.

Included in other debtors is £106 (2016: £29) owed by Mason Partners LLP client account.

10. Post balance sheet events

In December 2016 the LLP signed terms on a new facility with Nationwide Building Society of £3.5m for a period of 2 years. The loan was drawn down in April 2017.

11. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.