

**Housing Growth Partnership GP LLP**  
(England & Wales: OC399747)

**Financial Statements**

For the year ended 31 March 2017

THURSDAY  
WED



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# **Housing Growth Partnership GP LLP**

(England & Wales: OC399747)

## **Financial Statements**

**For the year ended 31 March 2017**

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**GENERAL INFORMATION**

Designated Members of the General Partner	Lloyds Bank PLC (resigned on 13 October 2017) Uberior Investments Limited LBG Equity Investments Limited (appointed 13 October 2017)
Registered Office	C/o Lloyds Banking Group Plc 25 Gresham Street London, EC2V 7HN
Investment Manager	Housing Growth Partnership Manager Limited C/o Lloyds Banking Group Plc 25 Gresham Street London, EC2V 7HN
Solicitors	Pinsent Masons LLP 30 Crown Place London, EC2A 4ES
Bankers	Lloyds Banking Group Plc 25 Gresham Street London, EC2V 7HN
Independent Auditors	PricewaterhouseCoopers LLP 7 More London Riverside London, SE1 2RT
Administrator	Langham Hall UK Services LLP 5th Floor 5 Old Bailey London, EC4M 7BA

## **MEMBERS' REPORT**

The Members present their report and Financial Statements of Housing Growth Partnership GP LLP (the "Partnership") for the year ended 31 March 2017. The comparatives are for the period 6 May 2015 to 31 March 2016, which are unaudited.

### **Principal Activity of the Partnership**

The Partnership is a limited liability partnership established in the United Kingdom in accordance with the Limited Liability Partnerships Act 2000. The registered office is located at 25 Gresham Street, London, EC2V 7HN. The Partnership was established on 6 May 2015 and registered with the Registrar of Companies for England & Wales on 6 May 2015.

The Partnership has been established to act as the general partner of Housing Growth Partnership LP, and conduct of the business affairs and management of the Partnership as the general partner.

### **Designated Members**

The designated members who served during the year were as follows:

Lloyds Bank Plc (resigned on 13 October 2017)

Uberior Investments Limited

LBG Equity Investments Limited was appointed as a designated member on 13 October 2017.

### **Employees**

The Partnership has no employees. The key management personnel have been identified as the designated members of the partnership. The designated members received no remuneration for their services to the partnership.

### **Going Concern**

As set out in Note 2 'Going concern – Principles underlying going concern assumption' of the notes to the financial statements, the designated members are satisfied that the partnership has adequate resources to continue in business for the foreseeable future and consequently the going concern basis continues to be appropriate in preparing the financial statements.

### **Financial Risk Management Objectives and Policies**

The Partnership is exposed to a variety of financial risks as a result of its activities. These risks include credit risk and liquidity risk. These risks have been considered by the designated members of the partnership in forming their judgement to adopt a going concern basis in preparing the financial statements of the partnership. These risks are further detailed on Note 4.

## MEMBERS' REPORT (continued)

### Statement of Members' Responsibilities in Respect of the Accounts

The members are responsible for preparing the annual report and the accounts in accordance with applicable law and regulations.

Company law requires the members to prepare accounts for each financial year. Under that law the members have elected to prepare the accounts in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and as adopted by the EU. Under company law the members must not approve the accounts 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 these accounts, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting policies have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

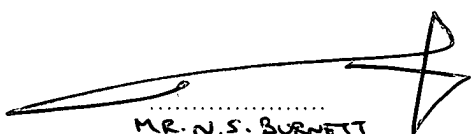
The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the accounts comply with the Companies Act 2006, as applied to limited partnerships 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 Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The members confirm that it has complied with the above requirements in preparing the financial statements.

### Independent Auditors

PricewaterhouseCoopers LLP are deemed to be appointed as auditor under section 487(2) of the Companies Act 2006.

Approved by the members and signed on their behalf



MR. N.S. BURNETT  
FOR SUPERIOR INVESTMENTS LIMITED  
Designated Member  
27 December 2017

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOUSING GROWTH PARTNERSHIP GP LLP**

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**Report on the financial statements**

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**Our opinion**

In our opinion, Housing Growth Partnership GP LLP's financial statements (the "financial statements"):

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2017 and of its result and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; 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.

**What we have audited**

The financial statements, included within the Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 March 2017;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Cash Flows for the year then ended;
- the Statement of Members' Capital for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law.

In applying the financial reporting framework, the members have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

**Other matters on which we are required to report by exception**

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**Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

**Prior period financial statements unaudited**

The financial statements for the period ended 31 March 2016, forming the corresponding figures of the financial statements for the year ended 31 March 2017, are unaudited.

**Responsibilities for the financial statements and the audit**

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**Our responsibilities and those of the members**

As explained more fully in the Statement of Members' Responsibilities set out on page [4], 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the members of the partnership as a body in accordance with 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 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOUSING GROWTH PARTNERSHIP GP LLP (continued)**

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**What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts

- whether the accounting policies are appropriate to the limited liability partnership's circumstances and have been consistently applied
- the reasonableness of significant accounting estimates made by the members; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the members' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies



Jonathan Hinchliffe (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
27 December 2017



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

		Year Ended 31 March 2017	Period Ended 31 March 2016 (Unaudited)
	Note	£	£
General Partner Profit Share	5	1,886,513	-
Management fees	6	(1,886,513)	-
<b>Result before tax</b>		-	-
Taxation		-	-
<b>Result after tax for the year/period</b>		-	-
Other comprehensive income		-	-
<b>Total comprehensive loss for the year/period</b>		-	-

The accompanying Notes to the Financial Statements on pages 12 to 15 form an integral part of these Financial Statements.

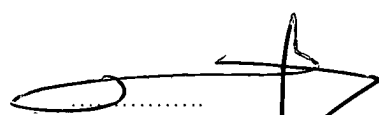
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

		As at 31 March 2017	As at 31 March 2016 (Unaudited)
ASSETS	Note	£	£
<b>Current assets</b>			
Trade and other receivables	7	1,106,259	10
<b>Total current assets</b>		<u>1,106,259</u>	<u>10</u>
<b>Total assets</b>		<u>1,106,259</u>	<u>10</u>
<b>Current liabilities</b>			
Trade and other payables	9	(1,106,249)	-
<b>Total current liabilities</b>		<u>(1,106,249)</u>	<u>-</u>
<b>Net current assets</b>		<u>10</u>	<u>10</u>
<b>Total assets less current liabilities</b>		<u>10</u>	<u>10</u>
<b>Net assets</b>		<u>10</u>	<u>10</u>
<b>Represented by</b>			
Net assets attributable to Members	8	10	10
		<u>10</u>	<u>10</u>

The members acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The accounts have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and as adopted by the EU, and in accordance with the Companies Act 2006 as applied to limited partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

The accompanying Notes to the Financial Statements on pages 12 to 15 form an integral part of these Financial Statements. The Financial Statements on pages 8 to 15 were approved by the Members on 27 DECEMBER 17 and were signed on its behalf by:

  
Designated Member  
MR. N.S. BURNETT  
FOR SUPERIOR INVESTMENTS LIMITED  
DESIGNATED MEMBER.

**STATEMENT OF MEMBERS' CAPITAL FOR YEAR ENDED 31 MARCH 2017**

	<b>CAPITAL ACCOUNT</b>	<b>TOTAL</b>
	<b>£</b>	<b>£</b>
<b>As at 6 May 2015</b>	-	-
Contributions from Members	10	10
Total comprehensive income for the period	-	-
<b>As at 31 March 2016 (Unaudited)</b>	<b>10</b>	<b>10</b>
Contributions from Members	-	-
Total comprehensive income for the period	-	-
<b>As at 31 March 2017</b>	<b>10</b>	<b>10</b>

The accompanying Notes to the Financial Statements on pages 12 to 15 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

		Year ended 31 March 2017	Period ended 31 March 2016 (Unaudited)
	Note	£	£
<b>Operating activities</b>			
Result before tax for the year		-	-
Increase in trade and other receivables	7	(1,106,249)	-
Increase in trade and other payables	9	1,106,249	-
<b>Cash flow from operating activities</b>		<u>-</u>	<u>-</u>
Taxation paid		-	-
<b>Net cash flow from operating activities</b>		<u>-</u>	<u>-</u>
<b>Net cash flow used in investment activities</b>		<u>-</u>	<u>-</u>
<b>Net cash flow from financing activities</b>		<u>-</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>		-	-
Cash and cash equivalents at the beginning of the year/period		-	-
<b>Cash and cash equivalents at the end of the year/period</b>		<u>-</u>	<u>-</u>

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

**1 GENERAL INFORMATION**

The Partnership is a Limited Liability Partnership incorporated in United Kingdom under the Companies Act 2006. The registered office is located at 25 Gresham Street, London, EC2V 7HN. The Partnership was established on 6 May 2015.

The business of the Partnership is and shall be its participation as the General Partner in Housing Growth Partnership LP ("the LP") and the conduct of the business, affairs and management of the LP as the General Partner of the same in accordance with the Partnership Agreement and all matters ancillary to such business.

**2 ACCOUNTING POLICIES**

**a) Preparation of the financial statements**

The Financial Statements of the Partnership have been prepared on a going concern basis, applying the historical cost basis. The Financial Statements are presented in Great British Pounds (£), which is the functional currency. The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and as adopted by the EU, and in accordance with the Companies Act 2006 as applied to limited partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

All references to "net assets" throughout these financial statements refer to the net assets attributable to the members unless otherwise stated.

These Financial statements are prepared for the year ended 31 March 2017.

**b) Cash Flow Statement**

The Partnership reports cash flows from operating activities using the indirect method.

**c) New and amended standards adopted by the Partnership**

In the opinion of the Members there are no new or amended standards or interpretations that have been issued and are mandatory for the Partnership's accounting period beginning after 1 April 2016 that are expected to be relevant to the Partnership.

**d) Going concern - Principles underlying going concern assumption**

The financial statements have been prepared on a going concern basis as detailed in the Members' report and under the historical cost convention.

**e) Income**

Income in the Statement of Comprehensive Income represents general partner profit share recognised as it accrues.

**f) Expenditure**

All expenses are accounted for on an accruals basis and charged through the Statement of Comprehensive Income as and when incurred. Expense in the Statement of Comprehensive Income represents management fee payable.

**g) Trade and other receivables**

Trade and other receivables are carried at amortised cost, less any provision for impairment. Provision is made when there is objective evidence that the Partnership will not be able to recover balances in full.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (continued)

2 ACCOUNTING POLICIES (Continued)

h) Trade and other payables

Trade and other payables are recognised initially at amortised cost. Where the time value of money is material, payables are subsequently carried at amortised cost.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Partnership's Financial Statements requires the Members to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected.

In the process of applying the Partnership's accounting policies, the Members have made the following judgements, which have the most significant effect on the amounts recognised in the Financial Statements:

**Accruals**

The main accounting estimates relating to the Partnership are accruals for management fee and administration expenses. The Members monitor the level of expenditure incurred against the Partnership's service agreements and accruals are provided for when necessary. The accruals are recognised initially at amortised cost. Where the time value of money is material, accruals are subsequently carried at amortised cost.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

In the opinion of the Members the Partnership is exposed to credit risk and liquidity risk as result of its activities. These risks have been considered by the Members in forming their judgement to adopt a going concern basis in preparing the financial statements of the Partnership. The Members continue to monitor the Partnership's exposure to financial risks and will put in place controls to mitigate risk as they see necessary.

a) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Partnership has not yet made any sales and its exposure to credit risk is therefore limited to cash deposits with banks and financial institutions.

b) Liquidity risk

The Partnership monitors its risk of a shortage of funds using detailed cash flow monitoring. Liquidity risk is managed by ensuring that the level and maturity of shareholder loans used to finance the investments matches the forecast operational or capital cash flows from its portfolio.

The maturity analysis of financial instruments is as follows:

As at 31 March 2017	Less than 1 year	From 1 to 5 years	After 5 years	Total
	£	£	£	£
<b>Financial assets</b>				
Trade and other receivables	1,106,259	-	-	1,106,259
	<u>1,106,259</u>	<u>-</u>	<u>-</u>	<u>1,106,259</u>
<b>Financial liabilities</b>				
Trade and other payables	1,106,249	-	-	1,106,249
	<u>1,106,249</u>	<u>-</u>	<u>-</u>	<u>1,106,249</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

b) Liquidity risk (continued)

As at 31 March 2016 (Unaudited)	Less than 1 year	From 1 to 5 years	After 5 years	Total
	£	£	£	£
<b>Financial assets</b>				
Trade and other receivables	10	-	-	10
	<u>10</u>	<u>-</u>	<u>-</u>	<u>10</u>

5 GENERAL PARTNER PROFIT SHARE

	Year ended 31 March 2017	Period ended 31 March 2016 (Unaudited)
	£	£
General Partner Profit Share	1,886,513	-
<b>Total General Partner Profit Share</b>	<u>1,886,513</u>	<u>-</u>

General Partner Profit Share is received from Housing Growth Partnership Limited Partnership for management services.

6 MANAGEMENT FEE

	Year ended 31 March 2017	Period ended 31 March 2016 (Unaudited)
	£	£
Management fee	(1,886,513)	-
<b>Total management fee</b>	<u>(1,886,513)</u>	<u>-</u>

Management fee is payable to Housing Growth Partnership Manager Limited for management services. This year's audit fee has not been accrued in the partnerships' accounts as it will be borne by Housing Growth Partnership Manager Limited. The amount is £16,000.

7 TRADE AND OTHER RECEIVABLES

	As at 31 March 2017	As at 31 March 2016 (Unaudited)
	£	£
Amounts due from Members	10	-
Amounts due from related undertakings	1,106,249	-
<b>Total trade and other receivables</b>	<u>1,106,259</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (continued)

8 NET ASSETS ATTRIBUTABLE TO MEMBERS

	As at 31 March 2017	As at 31 March 2016 (Unaudited)
	£	£
Net assets attributable to Members	10	10
<b>Total</b>	<b>10</b>	<b>10</b>

9 TRADE AND OTHER PAYABLES

	As at 31 March 2017	As at 31 March 2016 (Unaudited)
	£	£
Amounts due to related undertakings	(1,106,249)	-
<b>Total trade and other payables</b>	<b>(1,106,249)</b>	<b>-</b>

10 TRANSACTIONS WITH RELATED PARTIES

All cash at bank is held with Lloyds Banking Group Plc.

**Transactions with Housing Growth Partnership LP**

During the year, management fee income of £1,886,513 (2016 unaudited: £nil) was earned from Housing Growth Partnership LP. As at the year end £1,106,249 was included in trade and other payables, of this amount £741,429 relates to management fees received in advance for the period from 1 April to 30 June 2017. The remaining £364,820 relates to the 2016/17 management fee surplus due back due to previous outpayment.

**Transactions with Housing Growth Partnership Manager Limited ("the Manager")**

During the year, management fee expense of £1,886,513 (2016 unaudited: £nil) was accrued to the Manager. As at the year end £1,106,249 was included in trade and other receivables, of this amount £741,429 relates to management fees paid in advance for the period from 1 April to 30 June 2017. The remaining £364,820 relates to the 2016/17 management fee surplus.

11 SUBSEQUENT EVENTS

On 13 October 2017 the immediate parent and designated member of the Partnership changed from being Lloyds Bank Plc to LBG Equity Investments Limited. There have been no other changes to the structure and the ultimate parent continues to be Lloyds Banking Group Plc.

12 ULTIMATE CONTROLLING ENTITY

The company regarded by the members as the ultimate parent company and controlling party is Lloyds Banking Group Plc (incorporated in Scotland), which is also the parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the Company is a member. As at 31 March 2017, Lloyds Bank Plc is immediate parent company and parent undertaking of the smallest such group of undertakings. Copies of the group financial statements of both companies may be obtained from Group Secretariat, Lloyds Banking Group Plc, 25 Gresham Street, London, EC2V 7HN.