

Limited Liability Partnership Registration No. OC314127 (England and Wales)

H & R ESTATES LLP

**ANNUAL REPORT
AND UNAUDITED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2017

PAGES FOR FILING WITH REGISTRAR



H & R ESTATES LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members Mr H Bilton
Mr A J Norton

Limited liability partnership number OC314127

Registered office Thorney Fen
Rosslyn Lane
Cuddington
CW8 2JZ

Accountants Barlow Andrews LLP
Carlyle House
78 Chorley New Road
Bolton
BL1 4BY

Bankers NatWest Bank Plc
40 Horsemarket Street
Warrington
WA1 1XN

H & R ESTATES LLP

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MEMBERS' REPORT

FOR THE YEAR ENDED 31 JULY 2017

The members present their annual report and financial statements for the year ended 31 July 2017.

Principal activities

The principal activity of the limited liability partnership continued to be that of property investment and development.

Members' drawings, contributions and repayments

The members' drawing policy allows each member to draw a proportion of their profit share, subject to the cash requirements of the business.

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".

Designated members

The designated members who held office during the year and up to the date of signature of the financial statements were as follows:

Mr H Bilton

Mr A J Norton

Statement of members' responsibilities

The members are responsible for preparing the annual report and 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. 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 period. In preparing these financial statements, the members are required to:

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

This report has been prepared in accordance with the special provisions within Part 15 of the Companies Act 2006 as applied to limited liability partnerships (by the Limited Liability Partnership (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008).

Approved by the members on 30 March 2018 and signed on behalf by:

Mr A J Norton

Designated Member

H & R ESTATES LLP

BALANCE SHEET

AS AT 31 JULY 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Investment properties	2		420,000		420,000
Current assets					
Cash at bank and in hand		924		2,959	
Creditors: amounts falling due within one year	3	(3,640)		(4,500)	
Net current liabilities			(2,716)		(1,541)
Total assets less current liabilities			417,284		418,459
Creditors: amounts falling due after more than one year	4		(57,444)		(85,841)
Net assets attributable to members			359,840		332,618
Represented by:					
Loans and other debts due to members within one year					
Amounts due in respect of profits			18,722		(7,372)
Other amounts			341,118		339,990
			359,840		332,618
Total members' interests			359,840		332,618
Loans and other debts due to members			359,840		332,618

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BALANCE SHEET (CONTINUED)

AS AT 31 JULY 2017

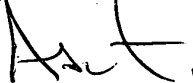
The members of the limited liability partnership have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 July 2017 the limited liability partnership 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) relating to small limited liability partnerships.

The members acknowledge their responsibilities for complying with the requirements of the Act (as applied to limited liability partnerships) with respect to accounting records and the preparation of accounts.

These financial statements have been prepared and delivered in accordance with the provisions applicable to limited liability partnerships subject to the small limited liability partnerships regime.

The financial statements were approved by the members and authorised for issue on 30 March 2018 and are signed on their behalf by:



Mr A J Norton
Designated member

Limited Liability Partnership Registration No. OC314127

H & R ESTATES LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies

Limited liability partnership information

H & R Estates LLP is a limited liability partnership incorporated in England and Wales. The registered office is Thorney Fen, Rosslyn Lane, Cuddington, CW8 2JZ.

The limited liability partnership's principal activities are disclosed in the Members' Report.

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 January 2017, 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 as applicable to companies subject to the small limited liability partnership's regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 July 2017 are the first financial statements of H & R Estates LLP prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 August 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 6.

1.2 Turnover

Turnover represents income derived from properties occupied by tenants during the year. Income that is invoiced in advance or arrears is apportioned so that only that relating to the period of the financial statements is included in turnover.

1.3 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies

(Continued)

1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.5 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include deposits held at call with banks.

1.6 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 debtors and cash and bank balances, are initially measured at transaction price including transaction costs. Financial assets classified as receivable within one year are not amortised.

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. The impairment reversal is recognised in or .

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.

Classification of financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction. Financial liabilities classified as payable within one year are not amortised.

Derecognition of financial liabilities

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

2 Investment property

2017
£

Fair value

At 1 August 2016 and 31 July 2017

420,000

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 July 2017 by the directors. The valuation was made on an open market value basis by reference to market evidence.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2017 £	2016 £
Cost	481,103	481,103
Accumulated depreciation	-	-
Carrying amount	481,103	481,103

3 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	2,500	2,500
Other creditors	1,140	2,000
	3,640	4,500

4 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Bank loans and overdrafts	57,444	85,841

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

4 Creditors: amounts falling due after more than one year (Continued)

The bank loans is secured by a first legal charge over all properties of the limited liability partnership, and a personal guarantee of £50,000 by the members.

5 Loans and other debts due to members

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

6 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

Reconciliation of members' interests

	Notes	1 August 2015 £	31 July 2016 £
Members' interests as reported under previous UK GAAP		353,826	393,721
Adjustments arising from transition to FRS 102:			
Investment property revaluation loss	1	-	(61,103)
Members' interests reported under FRS 102		<u>353,826</u>	<u>332,618</u>

Reconciliation of profit or loss

	2016 £
Profit or loss as reported under previous UK GAAP and under FRS 102	<u>(7,372)</u>

Notes to reconciliations on adoption of FRS 102

1. Investment property revaluation

On transition to FRS102, all gains on investment property revaluations are to be reported in the LLP's statement of profit and loss, rather than via a separate revaluation reserve held in equity.

As there was a revaluation loss in the prior year, this has been adjusted on transition accordingly. There was no overall net impact on the LLP equity, as the loss was previously recognised as a revaluation reserve movement and included in members other interests.