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Limited Liability Partnership Registration No. OC370021 (England and Wales)

FALKNER HOUSE LLP

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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FALKNER HOUSE LLP

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FALKNER HOUSE LLP

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	3	10,465,934		10,626,875	
Current assets					
Stocks		247		320	
Debtors	4	84,765		110,805	
Investments	5	-		5,720	
Cash at bank and in hand		560,804		284,028	
		<u>645,816</u>		<u>400,873</u>	
Creditors: amounts falling due within one year	6	<u>(1,898,551)</u>		<u>(1,392,955)</u>	
Net current liabilities			<u>(1,252,735)</u>		<u>(992,082)</u>
Total assets less current liabilities			9,213,199		9,634,793
Creditors: amounts falling due after more than one year	7		<u>(5,550,000)</u>		<u>(5,850,000)</u>
Net assets attributable to members			<u>3,663,199</u>		<u>3,784,793</u>
Represented by:					
Loans and other debts due to members within one year					
Amounts due in respect of profits			3,663,199		3,784,793
Total members' interests			<u>3,663,199</u>		<u>3,784,793</u>
Loans and other debts due to members			<u>3,663,199</u>		<u>3,784,793</u>

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 August 2018 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.

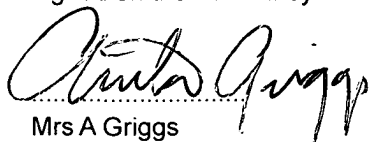
These financial statements have been prepared and delivered in accordance with the provisions applicable to limited liability partnerships subject to the small limited liability partnerships regime.

FALKNER HOUSE LLP

BALANCE SHEET (CONTINUED)

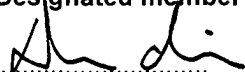
AS AT 31 AUGUST 2018

The financial statements were approved by the members and authorised for issue on 7/12/18 and are signed on their behalf by:



Mrs A Griggs

Designated member



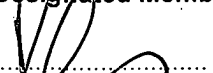
Mrs E L Dixon

Designated Member



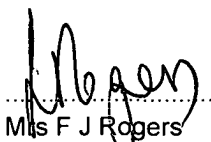
Mrs C R Colec

Designated Member



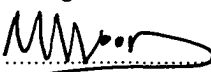
Mr R Griggs

Designated Member



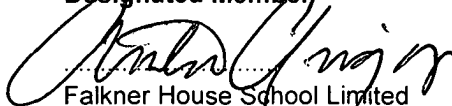
Mrs F J Rogers

Designated Member



Mrs M E Wood

Designated Member



Falkner House School Limited

Designated Member

Limited Liability Partnership Registration No. OC370021

FALKNER HOUSE LLP

RECONCILIATION OF MEMBERS' INTERESTS FOR THE YEAR ENDED 31 AUGUST 2018

Current financial year

	DEBT		TOTAL
	Loans and other debts due to members less any amounts due from members in debtors		MEMBERS' INTERESTS
	Other amounts	Total	Total 2018
	£	£	£
Amounts due to members	3,784,793		
Members' interests at 1 September 2017	3,784,793	3,784,793	3,784,793
Members' remuneration charged as an expense, including employment costs and retirement benefit costs	687,823	687,823	687,823
Result for the financial year available for discretionary division among members	-	-	-
Members' interests after loss and remuneration for the year	4,472,616	4,472,616	4,472,616
Introduced by members	224,544	224,544	224,544
Drawings	(1,033,961)	(1,033,961)	(1,033,961)
Members' interests at 31 August 2018	3,663,199	3,663,199	3,663,199

FALKNER HOUSE LLP

RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Prior financial year

	DEBT		TOTAL
	Loans and other debts due to members less any amounts due from members in debtors		MEMBERS' INTERESTS
	Other amounts	Total	Total 2017
	£	£	£
Amounts due to members	3,859,662		
Members' interests at 1 September 2016	3,859,662	3,859,662	3,859,662
Members' remuneration charged as an expense, including employment costs and retirement benefit costs	(205,133)	(205,133)	(205,133)
Result for the financial year available for discretionary division among members	-	-	-
Members' interests after loss and remuneration for the year	3,654,529	3,654,529	3,654,529
Introduced by members	1,623,536	1,623,536	1,623,536
Drawings	(1,493,272)	(1,493,272)	(1,493,272)
Members' interests at 31 August 2017	3,784,793	3,784,793	3,784,793

FALKNER HOUSE LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

Limited liability partnership information

Falkner House LLP is a limited liability partnership incorporated in England and Wales. The registered office is Falkner House, 19 Brechin Place, South Kensington, London, SW7 4QB.

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 companies 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.

1.2 Turnover

Turnover represents amounts receivable for goods and services.

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.

1.4 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:

Freehold land and buildings	Buildings - 2% straight line
Musical instruments	20% reducing balance
Fixtures, fittings & equipment	20% reducing balance
Computer equipment	30% reducing balance

FALKNER HOUSE LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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 profit and loss account.

1.5 Impairment of fixed assets

At each reporting period end date, the limited liability partnership reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the limited liability partnership estimates the recoverable amount of the cash-generating unit to which the asset belongs.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 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 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. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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.

FALKNER HOUSE LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(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.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the limited liability partnership after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.8 Equity instruments

Equity instruments issued by the limited liability partnership are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the limited liability partnership.

1.9 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.

FALKNER HOUSE LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.10 Retirement benefits and post retirement payments to members

The company operates a defined contribution scheme for the benefit of its employees. Additionally the limited liability partnership are a member of the Teachers Pension Scheme (TPS) which is a defined benefit scheme. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The scheme is therefore treated as a defined contribution scheme for accounting purposes.

Contributions payable for both schemes are charged to the profit and loss account in the year they are payable.

2 Employees

The average number of persons (excluding members) employed by the partnership during the year was 49 (2017 - 39).

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 September 2017	10,234,456	587,513	10,821,969
Additions	-	58,800	58,800
Disposals	-	(8,489)	(8,489)
At 31 August 2018	10,234,456	637,824	10,872,280
Depreciation and impairment			
At 1 September 2017	26,810	168,284	195,094
Depreciation charged in the year	109,912	108,030	217,942
Eliminated in respect of disposals	-	(6,690)	(6,690)
At 31 August 2018	136,722	269,624	406,346
Carrying amount			
At 31 August 2018	10,097,734	368,200	10,465,934
At 31 August 2017	10,207,646	419,229	10,626,875

4 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	62,703	85,888
Other debtors	22,062	24,917
	84,765	110,805

FALKNER HOUSE LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

5 Current asset investments

	2018	2017
	£	£
Investments	-	5,720
	<u> </u>	<u> </u>

6 Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	300,000	150,000
Trade creditors	56,932	47,761
Taxation and social security	57,018	37,687
Other creditors	1,484,601	1,157,507
	<u> </u>	<u> </u>
	<u>1,898,551</u>	<u>1,392,955</u>

7 Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Bank loans and overdrafts	5,550,000	5,850,000
	<u> </u>	<u> </u>

Bank loans are secured by two separate charges over the LLP freehold premises. A fixed and floating charge over the LLP's assets also exists.

8 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.