

Linden (Battersea Bridge Road) LLP

Annual report and Financial statements

For the year ended 31 December 2016

Registered number: OC393421

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Members and professional advisers

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Linden (Battersea Bridge Road) LLP

Members and professional advisers

Members

Linden Limited
Wates Developments Limited

Registered office

Cowley Business Park
Cowley
Uxbridge
Middlesex
England
UB8 2AL

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Bankers

HSBC Bank plc
165 High Street
Southampton
SO14 2NZ

Solicitors

Osborne Clarke
2 Temple Back East
Temple Quay
Bristol
BS1 6EG

Linden (Battersea Bridge Road) LLP

Strategic report for the year ended 31 December 2016

The members present their strategic report of Linden (Battersea Bridge Road) LLP ("the LLP"), for the year ended 31 December 2016.

Review of business

The LLP's principal activity is the construction and selling of residential apartments on the former Battersea Police Station site, Battersea Bridge Road, London. The LLP was formed as a joint venture between Linden Limited and Wates Developments Limited.

The site comprises 38 private sector and 11 social housing units. The site is now fully constructed, with completion on 27 units during the year.

Principal risks, uncertainties and key performance indicators

The business and the execution of the LLP's strategy are subject to a number of risks and uncertainties. The key business risks and uncertainties affecting the LLP are considered to relate to the strength and volatility of the UK housing market. This includes changes to the UK housing market and the economic cycle affecting consumer confidence and the availability of mortgage finance. The members monitor Government and Industry data on housing prices, sales volumes and construction commencement data thus enabling anticipation of market changes and facility to adjust build programmes, sales releases and purchaser incentives accordingly. Given the straightforward nature of the business, the members are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

General

The LLP's profit for the financial year was £616,000 (2015: loss £247,000), has been added to reserves.

By order of the board



MR Farnham
Director of Linden Limited

15 June 2017

Linden (Battersea Bridge Road) LLP

Members' report for the year ended 31 December 2016

The members present their report and audited financial statements of Linden (Battersea Bridge Road) LLP ("the LLP"), registered number OC393421 for the year ended 31 December 2016.

Future developments

The LLP plans to complete the development of its site as set out in the strategic report. Unless any further sites are acquired, the LLP will then cease to trade.

Dividends

The members do not recommend the payment of a dividend (2015: £Nil).

Financial risk management

The LLP's operations expose it to a variety of financial risks, including the effects of credit risk, liquidity risk, cash flow risk and interest rate risk. The potential impact of these financial risks are monitored by members during board meetings.

Where appropriate, credit checks are made prior to the acceptance of a new customer and these are reviewed on a periodic basis together with ongoing checks in respect of existing customers. Reviews of the debtors ledger are carried out with the finance and sales teams and action initiated, as appropriate, to collect any overdue amounts, thus optimising the LLP's liquidity position.

The rates of interest earned or paid on the cash balances and loans and overdrafts are monitored on an ongoing basis with regular reviews of the banking arrangements. Deposits, loans and overdrafts are made with reference to these facilities, in conjunction with projections of future cash requirements.

Members

The present members of the LLP are set out on page 1, all of whom served throughout the period from incorporation and up to the date of signing the financial statements.

Statement of members' responsibilities

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

Company law requires the members to prepare financial statements for each financial year. Under that law the members have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law 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 LLP and of the profit or loss of the LLP for that period.

In preparing these financial statements, the members are required to:

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

Linden (Battersea Bridge Road) LLP

Members' Report for the year ended 31 December 2016 (continued)

Statement of members' responsibilities (continued)

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006.

The members are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the members at the date of the approval of this annual report confirms that:

- so far as they are aware, there is no relevant audit information of which the LLP's auditors are unaware: and
- the member has taken all the steps that he /she ought to have been taken as a member in order to make himself / herself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with Section 418 of the Companies Act 2006.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

The report of the members was approved by the board of members on 15 June 2017 and signed on behalf by:



MR Farnham
Director of Linden Limited

15 June 2017

Linden (Battersea Bridge Road) LLP

Independent auditors' report to the members of Linden (Battersea Bridge Road) LLP

Report on the financial statements

Our Opinion

In our opinion, Linden (Battersea Bridge Road) LLP's financial statements (the "financial statements"):

- give a true and fair view of the state of the LLP's affairs as at 31 December 2016 and of its profit 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 Annual report and Financial statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2016;
- the Income Statement and Statement of Comprehensive Income for the year then ended;
- the Statement of Cash Flows for the year then ended;
- the Statement of Changes in Equity 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, they have made assumptions and considered future events.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 as applicable to LLPs we are required to report to you if, in our opinion:

- 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 by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the members

As explained more fully in the Statement of members' responsibilities set out on page 3 - 4, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Linden (Battersea Bridge Road) LLP

Independent auditors' report to the members of Linden (Battersea Bridge Road)

LLP(continued)

Responsibilities for the financial statements and the audit (continued)

Our responsibilities and those of the members (continued)

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 LLPs 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.

What an audit of financial statements involves

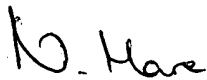
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the LLP's circumstances and have been consistently applied and adequately disclosed;
- 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 with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Nick Hare (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

15 June 2017

Linden (Battersea Bridge Road) LLP
Income statement for the year ended 31 December 2016

	Note	2016 £'000	2015 £'000
Revenue		18,026	3,010
Cost of sales		(16,815)	(2,606)
Gross profit		1,211	404
Administrative expenses		(10)	(4)
Operating profit		1,201	400
Finance costs	3	(585)	(647)
Profit/(loss) for the financial year before members' remuneration and profit shares available for discretionary division among members'		616	(247)

There are no recognised gains and losses other than those shown in the income statement above and therefore no separate statement of comprehensive income has been presented.

There is no material difference between the results shown in the income statement above and their historical cost equivalents for the financial year stated above.

All results are derived from continuing operations.

Linden (Battersea Bridge Road) LLP

Statement of comprehensive income for the year ended 31 December 2016

	2016	2015
	£'000	£'000
<u>Profit/(loss) for the financial year</u>	<u>616</u>	<u>(247)</u>
<u>Total comprehensive income/(expense)</u>	<u>616</u>	<u>(247)</u>

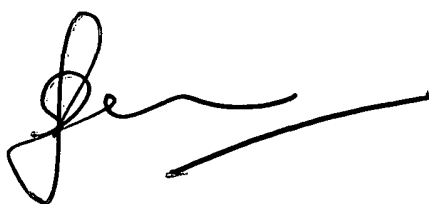
There is no other comprehensive income in the year. Total comprehensive income/(expense) therefore equals the profit for the year.

Linden (Battersea Bridge Road) LLP
Balance sheet as at 31 December 2016

	Note	2016 £'000	2015 £'000
Assets			
Current assets			
Developments	6	5,672	19,494
Trade and other receivables	7	519	139
Cash and cash equivalents	8	1,300	126
Total current assets		7,491	19,759
Total assets		7,491	19,759
Liabilities			
Current liabilities			
Trade and other payables	9	(7,092)	(19,976)
Total current liabilities		(7,092)	(19,976)
Net current assets		399	(217)
Total liabilities		(7,092)	(19,976)
Net assets / (liabilities)		399	(217)
Equity			
Members' capital	11	—	—
Accumulated profits / (losses)		399	(217)
Total equity		399	(217)
Total members' interests			
Amounts due from members		—	—
Loans and other debts due to members		6,710	19,130
		6,710	19,130

The notes on pages 12 to 18 are an integral part of these financial statements.

The financial statements on pages 7 to 18 were approved by the members on 15 June 2017 and signed on its behalf by M Farnham, a director of Linden Limited:



MR Farnham
Director of Linden Limited
Member of Linden (Battersea Bridge Road) LLP
 LLP registered number: OC393421

Linden (Battersea Bridge Road) LLP**Statement of changes in equity for the year ended 31 December 2016**

	Members' capital £'000	Accumulated profits £'000	Total equity £'000
As at 01 January 2015	–	30	30
Total comprehensive expense and loss for the financial year before members' remuneration and profit shares available for discretionary division among members'	–	(247)	(247)
As at 01 January 2016	–	(217)	(217)
Total comprehensive income and profit for the financial year before members' remuneration and profit shares available for discretionary division among members'	–	616	616
At 31 December 2016	–	399	399

Linden (Battersea Bridge Road) LLP

Statement of cash flows for the year ended 31 December 2016

	Note	2016 £'000	2015 £'000
Cash flows from operating activities			
Continuing operations			
Operating profit		1,201	400
Net cash generated from operations before changes in working capital		1,201	400
Decrease / (increase) in developments	6	13,822	(5,739)
(Increase)/decrease in trade and other receivables	7	(380)	420
(Decrease)/increase in trade and other payables	9	(12,884)	5,808
Net cash generated from operations		1,759	889
Interest paid		(585)	(647)
Net cash generated from operating activities		1,174	242
Cash flows from financing activities			
S106 obligation		–	(260)
Net cash from financing activities		–	(260)
Net increase / (decrease) in cash and cash equivalents		1,174	(18)
Cash and cash equivalents at 1 January 2016 / 1 January 2015		126	144
Cash and cash equivalents at 31 December 2016 / 31 December 2015		1,300	126

Linden (Battersea Bridge Road) LLP

Notes to the financial statements for the year ended 31 December 2016

1. Accounting policies

General Information

Linden (Battersea Bridge Road) LLP ('the LLP') is an LLP incorporated, and domiciled in England and Wales (Registered number: OC393421). The address of the registered office is Linden (Battersea Bridge Road) LLP, Cowley Business Park, Cowley, Uxbridge, Middlesex, UB8 2AL.

The financial statements are measured and presented in pounds sterling as that is the currency of the primary economic environment in which the LLP operates. The amounts stated are denominated in thousands (£'000).

Basis of preparation

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared on a going concern basis under the historical cost convention, and financial assets and liabilities (including derivative financial instruments) at fair value through profit and loss. The LLP has consistently applied all accounting standards and interpretations issued by the International Accounting Standards Board and International Financial Reporting Interpretations Committee, and endorsed by the EU, relevant to its operations and effective on 1 July 2015.

(a) New standards, amendments and interpretations:

No new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1 January 2016 have had a material impact on the LLP.

(b) New standards, amendments and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these financial statements.

- IFRS 9 - 'Financial instruments'
- IFRS 16 - 'Leases'
- IFRS 15 - 'Revenue from contracts with customers'

The LLP has yet to assess the full impact of new standards and amendments issued but not yet effective, but does not consider that any will significantly impact the financial statements of the LLP.

Critical accounting estimates and judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities which are not readily apparent from other sources. Actual results may differ from these estimates.

Linden (Battersea Bridge Road) LLP

Notes to the financial statements for the year ended 31 December 2016 (continued)

1. Accounting policies (continued)

Critical accounting estimates and judgments (continued)

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 if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Material estimates and assumptions are made in particular with regards to establishing the following policies:

(i) Estimation of costs to complete and loss provisions

In order to determine the profit and loss that the LLP is able to recognise on its developments and in a specific period, the LLP has to allocate total costs of the developments between the proportion completing in the period and the proportion to complete in a future period. The assessment of the total costs to be incurred requires a degree of estimation. However, the LLP has established internal controls to review and ensure the appropriateness of estimates made.

Revenue and profit

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the purchaser. Revenue comprises the fair value of the consideration received or receivable net of rebates, discounts and value added tax. The LLP's revenue relates to one class of business and is almost all generated in the UK.

Revenue and profit are recognised as follows:

House building and land sales

Revenue from private housing sales is recognised at legal completion, net of incentives. Revenue from land sales is recognised on the unconditional exchange of contracts. Profit is recognised by reference to the expected result of each site. Contracting development sales for affordable housing are accounted for as construction contracts.

Construction contracts

Revenue comprises the value of construction executed during the year and contracting development sales for affordable housing. The results for the year include adjustments for the outcome of contracts, executed in both the current and preceding years.

(a) Fixed price contracts - Revenue is recognised based upon an internal assessment of the value of works carried out. This assessment is arrived at after due consideration of the performance against the programme of works, measurement of the works, detailed evaluation of the costs incurred and comparison to external certification of the work performed. The amount of profit to be recognised is calculated based on the proportion that costs to date bear to the total estimated costs to complete. Revenue and profit are not recognised in the income statement until the outcome of the contract is reasonably certain. Adjustments arise from claims by customers or third parties in respect of work carried out and claims and variations on customers or third parties for variations on the original contract. Provision for claims against the LLP is made as soon as it is believed that a liability will arise, but claims and variations made by the LLP are not recognised in the income statement until the outcome is virtually certain. Provision will be made against any potential loss as soon as it is identified.

Amounts recoverable on contracts and payments on account are calculated as cost plus attributable profit less any foreseeable losses and cash received to date and are included in receivables or payables as appropriate.

Linden (Battersea Bridge Road) LLP

Notes to the financial statements for the year ended 31 December 2016 (continued)

1. Accounting policies (continued)

Finance income and cost

Interest income and expense is recognised on a time proportion basis using the effective interest method.

Dividends

Final dividend distribution to the LLP's members is recognised as a liability in the LLP's financial statements in the year in which the dividends are approved by the LLP's members. Interim dividends are recognised when paid.

Income tax

LLP's are not subject to income tax. Any tax liabilities arising on profits made by the LLP is paid by its members.

Inventories and developments

Inventories are valued at the lower of cost and net realisable value. Work in progress is valued at the lower of cost, including direct costs and directly attributable overheads, and net realisable value.

Where a development is in progress, net realisable value is assessed by considering the expected future revenues and the total costs to complete the development including direct costs and directly attributable overheads.

To the extent that the LLP anticipates selling a development in its current state then net realisable value is taken as open market value at the balance sheet date less any anticipated selling costs.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the LLP will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (typically more than 30 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the provision is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within cost of sales.

When a trade receivable is uncollectible, it is written off against the impairment provision for trade receivables. Subsequent recoveries of amounts previously written off are credited against cost of sales in the income statement. Short term trade receivables do not carry any interest and are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at nominal value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand, including bank deposits with original maturities of three months or less. Bank overdrafts are also included as they are an integral part of the LLP's cash management.

Bank deposits with an original term of more than three months are classified as short term deposits where the cash can be withdrawn on demand and the penalty for early withdrawal is not significant.

Linden (Battersea Bridge Road) LLP**Notes to the financial statements for the year ended 31 December 2016 (continued)****1. Accounting policies (continued)****Trade payables**

Trade payables on normal terms are not interest bearing and are stated at their nominal value. Trade payables on extended terms, are recorded at their fair value at the date of acquisition of the asset to which they relate. The discount to nominal value is amortised over the period of the credit term and charged to finance costs using the effective interest rate.

2. Employees and members

There were no employees during the year (2015: nil) The members did not receive any remuneration for their services during the year (2015: £nil) other than detailed in note 12.

3. Finance costs

	2016 £'000	2015 £'000
Interest payable and similar charges		
- to joint venture partners	(585)	(647)
Total finance costs	(585)	(647)

4. Profit/(Loss) on ordinary activities before taxation

The following items have been included in arriving at the profit / (loss) on ordinary activities before taxation:

	2016 £'000	2015 £'000
Developments recognised as cost of sales	16,815	2,606

Services provided by the LLP's auditors

During the year, the LLP obtained the following services from the LLP's auditors at costs as detailed below:

	2016 £'000	2015 £'000
Fees payable to the LLP's auditors for the audit of the financial statements	8	4

5. Distribution to members

There were 2 members during the year (2015:2).

Profits are allocated in line with the members' agreements. There was no profit distribution in the year (2015: £nil).

The requirement for distributions is agreed with the members. This enables the LLP to make distributions to the members.

Linden (Battersea Bridge Road) LLP

Notes to the financial statements for the year ended 31 December 2016 (continued)

6. Developments

	2016 £'000	2015 £'000
Land	2,787	11,029
Work in progress	2,885	8,465
	5,672	19,494

7. Trade and other receivables

	2016 £'000	2015 £'000
Amounts falling due within one year:		
Trade receivables	504	78
Recoverable value-added tax	15	61
	519	139

Trade receivables are reviewed for impairment. The LLP has overdue trade receivables of £nil (2015: £nil) in terms of payment.

The LLP's maximum exposure to credit risk is the receivables and financial borrowings balances, but no significant concentration of credit risk.

8. Cash and cash equivalents

	2016 £'000	2015 £'000
Cash and cash equivalents	1,300	126

The effective interest rate received on cash balances is nil% (2015: nil%).

9. Trade and other payables

	2016 £'000	2015 £'000
Amounts owed to joint venture partners	6,710	19,130
Other creditors	382	846
	7,092	19,976

Interest is charged on the loans from related parties as a fixed rate of 4% per annum. The loans can be repaid early if the LLP has surplus funds, but no later than the date of completion of the sale of the last unit.

Developments of £nil (2015: £nil) have been pledged as security for land payables. Other payables are unsecured.

Linden (Battersea Bridge Road) LLP

Notes to the financial statements for the year ended 31 December 2016 (continued)

10. Financial Instruments

The business and the execution of the LLP's strategy are subject to a number of risks and uncertainties. The key business risks and uncertainties affecting the LLP are considered to relate to the strength and volatility of the UK housing market. This includes changes to the UK housing market and the economic cycle affecting consumer confidence and the availability of mortgage finance. The members monitor Government and Industry data on housing prices, sales volumes and construction commencement data thus enabling anticipation of market changes and facility to adjust build programmes, sales releases and purchaser incentives accordingly. Given the straightforward nature of the business, the members are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Capital risk management

The LLP's objectives when managing capital are to safeguard the LLP's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

Financial risk factors

(a) Market risk

(i) Foreign exchange risk

All material activities of the LLP take place within the UK and consequently there is little direct exchange risk.

Financial risk factors (continued)

(ii) Price risk

The LLP is affected by the level of UK house prices. These are in turn affected by factors such as mortgage availability, employment levels, interest rates, consumer confidence.

(iii) Interest rate risk

The LLP's income and operating cash flows are substantially independent of changes in market interest rates.

The LLP's interest rate risk arises from movement in cash and cash equivalents and long-term borrowings. Borrowings issued at variable rates expose the LLP to cash flow interest rate risk.

(b) Credit risk

Credit risk arises from cash and cash equivalents, deposits and borrowings with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The LLP has a credit risk exposure to the providers of its banking facilities. These are primarily provided by HSBC Bank plc and management does not expect any material losses from non-performance of any counterparties, including in respect of receivables not yet due.

(c) Liquidity risk

In accordance with IAS 39 'Financial instruments: recognition and measurement', the LLP has reviewed all contracts for embedded derivatives that are required to be separately accounted for if they do not meet certain requirements set out in the standard. No such embedded derivatives have been identified.

Linden (Battersea Bridge Road) LLP

Notes to the financial statements for the year ended 31 December 2016 (continued)

10. Financial Instruments (continued)

Fair value of financial instruments

The LLP's financial instruments comprise of trade and other receivables excluding prepayments, financial liabilities – borrowings, trade and other payables excluding deferred income, VAT and social security taxes.

There is no difference between the book value and the fair value of the LLP's financial assets and financial liabilities.

11. Members' capital

	2016
	£
Subscribed capital	
As at 01 January 2016	2
Capital subscribed	–
At 31 December 2016	2

The LLP was incorporated on 30 June 2014 and each member contributed £1 to the capital of the LLP.

12. Related party transactions

At the end of the year, there was £6,710,381 (2015: £19,129,830) loan payable due to both Linden Limited £3,355,191 (2015: £9,564,915) and Wates Developments Limited £3,355,190. (2015: £9,564,915). Loan payable interest of £584,550 (2015: £647,000) was accrued in the year, split equally between both of the JV Partners.

During the year Linden Limited received fees for the project management of the Joint Venture of £8,874 (2015: £456,000).

13. Guarantees and contingent liabilities

Linden Limited and Wates Developments Limited have entered into financial guarantees and counter indemnities in respect of bank and performance bond issued in the normal course of business amounting to £nil (2015: £nil).

Disputes arise in the normal course of business, some of which lead to litigation or arbitration procedures. The members make proper provision in the financial statements when they believe a liability exists. Whilst the outcome of disputes and arbitration is never certain, the members believe that the resolution of all existing actions will not have a material adverse effect on the LLP's financial position.

14. Post balance sheet events

No matters have arisen since the year end that requires disclosure in the financial statements.

15. Controlling party

Linden (Battersea Bridge Road) LLP is jointly owned by Linden Limited and Wates Developments Limited with both companies sharing equal control.