

Registered number: OC398021

**MG FLATS LLP**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**



## **MG FLATS LLP**

### **INFORMATION**

#### **Designated Members**

Dunmoore Ventures Limited  
Middlegreen Limited

#### **LLP registered number**

OC398021

#### **Registered office**

Brightwalton House, Brightwalton, Newbury, Berkshire, RG20 7BZ

#### **Accountants**

James Cowper Kreston, Mill House, Overbridge Square, Hambridge Lane, Newbury, Berkshire, RG14 5UX

## **MG FLATS LLP**

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**MG FLATS LLP**  
**REGISTERED NUMBER: OC398021**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2016**

|                                                             | <b>Note</b> | <b>2016<br/>£</b>       | <b>As restated<br/>2015<br/>£</b> |
|-------------------------------------------------------------|-------------|-------------------------|-----------------------------------|
| <b>Fixed assets</b>                                         |             |                         |                                   |
| Investment property                                         | 4           | 3,300,000               | 1,500,000                         |
|                                                             |             | <u>3,300,000</u>        | <u>1,500,000</u>                  |
| <b>Current assets</b>                                       |             |                         |                                   |
| Debtors: amounts falling due within one year                | 5           | 2,168                   | 44,839                            |
| Cash at bank and in hand                                    |             | 51                      | 9,512                             |
|                                                             |             | <u>2,219</u>            | <u>54,351</u>                     |
| Creditors: Amounts Falling Due Within One Year              | 6           | (587,710)               | (579,607)                         |
| <b>Net current liabilities</b>                              |             | <u>(585,491)</u>        | <u>(525,256)</u>                  |
| <b>Total assets less current liabilities</b>                |             | <u>2,714,509</u>        | <u>974,744</u>                    |
| Creditors: amounts falling due after more than one year     | 7           | -                       | (734,736)                         |
|                                                             |             | <u>2,714,509</u>        | <u>240,008</u>                    |
| <b>Net assets</b>                                           |             | <u><u>2,714,509</u></u> | <u><u>240,008</u></u>             |
| <b>Represented by:</b>                                      |             |                         |                                   |
| <b>Loans and other debts due to members within one year</b> |             |                         |                                   |
| Other amounts                                               |             | 2,062,368               | -                                 |
|                                                             |             | <u>2,062,368</u>        | <u>-</u>                          |
| <b>Members' other interests</b>                             |             |                         |                                   |
| Other reserves classified as equity                         |             | 652,141                 | 240,008                           |
|                                                             |             | <u>2,714,509</u>        | <u>240,008</u>                    |
| <b>Total members' interests</b>                             |             |                         |                                   |
| Amounts due from members (included in debtors)              | 5           | (2,168)                 | (44,839)                          |
| Loans and other debts due to members                        |             | 2,062,368               | -                                 |
| Members' other interests                                    |             | 652,141                 | 240,008                           |
|                                                             |             | <u>2,712,341</u>        | <u>195,169</u>                    |

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

**MG FLATS LLP**  
**REGISTERED NUMBER: OC398021**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2016**

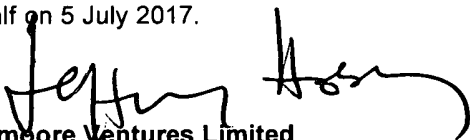
The entity was entitled to exemption from audit under section 477 of the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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

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

The entity has opted not to file the statement of comprehensive income in accordance with the provisions applicable to entities subject to the small LLPs regime.

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 5 July 2017.

  
**Dunmoore Ventures Limited**  
Designated member

MG FLATS LLP

RECONCILIATION OF MEMBERS' INTERESTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

|                                                                           | EQUITY<br>Members' other<br>interests |                | DEBT<br>Loans and other<br>debts due to<br>members less any<br>amounts due from<br>members in debtors |                  | Total<br>members'<br>interests |
|---------------------------------------------------------------------------|---------------------------------------|----------------|-------------------------------------------------------------------------------------------------------|------------------|--------------------------------|
|                                                                           | Other<br>reserves<br>£                | Total<br>£     | Other<br>amounts<br>£                                                                                 | Total<br>£       | Total<br>£                     |
| Profit for the year available for discretionary<br>division among members | 240,008                               | 240,008        | -                                                                                                     | -                | 240,008                        |
| <b>Members' interests after profit for the year</b>                       | <b>240,008</b>                        | <b>240,008</b> | <b>-</b>                                                                                              | <b>-</b>         | <b>240,008</b>                 |
| Amounts introduced by members                                             | -                                     | -              | 44,839                                                                                                | 44,839           | 44,839                         |
| Amounts due from members                                                  |                                       |                | (44,839)                                                                                              | (44,839)         |                                |
| <b>Balance at 31 December 2015</b>                                        | <b>20,536</b>                         | <b>20,536</b>  | <b>(44,839)</b>                                                                                       | <b>(44,839)</b>  | <b>(24,303)</b>                |
| Prior year adjustment                                                     | 219,472                               | 219,472        | -                                                                                                     | -                | 219,472                        |
| <b>Balance at 31 December 2015 (as restated)</b>                          | <b>240,008</b>                        | <b>240,008</b> | <b>(44,839)</b>                                                                                       | <b>(44,839)</b>  | <b>195,169</b>                 |
| Profit for the year available for discretionary<br>division among members | 412,133                               | 412,133        | -                                                                                                     | -                | 412,133                        |
| <b>Members' interests after profit for the year</b>                       | <b>652,141</b>                        | <b>652,141</b> | <b>(44,839)</b>                                                                                       | <b>(44,839)</b>  | <b>607,302</b>                 |
| Amounts introduced by members                                             | -                                     | -              | 2,019,697                                                                                             | 2,019,697        | 2,019,697                      |
| Amounts due to members                                                    |                                       |                | 2,062,368                                                                                             | 2,062,368        |                                |
| Amounts due from members                                                  |                                       |                | (2,168)                                                                                               | (2,168)          |                                |
| <b>Balance at 31 December 2016</b>                                        | <b>652,141</b>                        | <b>652,141</b> | <b>2,060,200</b>                                                                                      | <b>2,060,200</b> | <b>2,712,341</b>               |

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

## **MG FLATS LLP**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

#### **1. General information**

The LLP is a limited liability partnership and is incorporated in England and Wales with a registered office at Brightwalton House, Brightwalton, Newbury, RG20 7BZ.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

##### **2.2 Revenue**

Turnover comprises revenue recognised by the LLP in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Rentals income from operating leases is credited to the statement of comprehensive income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

The LLP has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard, 1 January 2015, to continue to be charged over the period to the first market rent review rather than the term of the lease

##### **2.3 Investment property**

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

##### **2.4 Debtors**

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

##### **2.5 Cash and cash equivalents**

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

##### **2.6 Financial instruments**

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

## **MG FLATS LLP**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

#### **2. Accounting policies (continued)**

##### **2.6 Financial instruments (continued)**

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

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

##### **2.7 Creditors**

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

#### **3. Employees**

The average monthly number of employees during the year was 0 (2015 - 0).

**MG FLATS LLP**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**4. Investment property**

|                                       | Long term<br>leasehold<br>investment<br>property<br>£ |
|---------------------------------------|-------------------------------------------------------|
| <b>Valuation</b>                      |                                                       |
| At 1 January 2016                     | 1,500,000                                             |
| Surplus on revaluation                | 300,000                                               |
| Transfers intra group                 | 1,500,000                                             |
| <b>At 31 December 2016</b>            | <b>3,300,000</b>                                      |
| <b>Comprising</b>                     |                                                       |
| Cost                                  | 2,780,528                                             |
| Annual revaluation surplus/(deficit): |                                                       |
| 2015                                  | 219,472                                               |
| 2016                                  | 300,000                                               |
| <b>At 31 December 2016</b>            | <b>3,300,000</b>                                      |

The 2016 valuations were made by the members, on an open market value for existing use basis.

**5. Debtors**

|                          | 2016<br>£    | 2015<br>£     |
|--------------------------|--------------|---------------|
| Amounts due from members | 2,168        | 44,839        |
|                          | <b>2,168</b> | <b>44,839</b> |

**6. Creditors: Amounts falling due within one year**

|                                    | 2016<br>£      | 2015<br>£      |
|------------------------------------|----------------|----------------|
| Amounts owed to group undertakings | 583,280        | 578,107        |
| Accruals and deferred income       | 4,430          | 1,500          |
|                                    | <b>587,710</b> | <b>579,607</b> |

**MG FLATS LLP**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

|            | 2016<br>£       | 2015<br>£             |
|------------|-----------------|-----------------------|
| Bank loans | -               | 734,736               |
|            | <u>-</u>        | <u>734,736</u>        |
|            | <u><u>-</u></u> | <u><u>734,736</u></u> |

**Secured loans**

The bank loans were secured with a debenture over the LLP's investment property.

**8. Loans**

Analysis of the maturity of loans is given below:

|                                      | 2016<br>£       | 2015<br>£             |
|--------------------------------------|-----------------|-----------------------|
| <b>Amounts falling due 1-2 years</b> |                 |                       |
| Bank loans                           | -               | 734,736               |
|                                      | <u>-</u>        | <u>734,736</u>        |
|                                      | <u><u>-</u></u> | <u><u>734,736</u></u> |

**9. Loans and other debts due to members**

|                              | 2016<br>£               | 2015<br>£       |
|------------------------------|-------------------------|-----------------|
| Other amounts due to members | 2,062,368               | -               |
|                              | <u>2,062,368</u>        | <u>-</u>        |
|                              | <u><u>2,062,368</u></u> | <u><u>-</u></u> |

Loans and other debts due to members may be further analysed as follows:

|                             | 2016<br>£               | 2015<br>£       |
|-----------------------------|-------------------------|-----------------|
| Falling due within one year | 2,062,368               | -               |
|                             | <u>2,062,368</u>        | <u>-</u>        |
|                             | <u><u>2,062,368</u></u> | <u><u>-</u></u> |

Loans and other debts due to members rank equally with debts due to ordinary creditors in the event of a winding up.

# MG FLATS LLP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

### 10. Controlling party

The ultimate parent company at the balance sheet date was Dunmoore Group Limited.

Dunmoore Group Limited is not required to prepare group accounts.

The controlling party is J R Hobby by virtue of his shareholding in Dunmoore Group Limited.

### 11. First time adoption of FRS 102

The LLP transitioned to FRS 102 from previously extant UK GAAP as at 5 February 2015. The impact of the transition to FRS 102 is as follows:

|                                                         |      | As previously<br>stated<br>31 December<br>2015<br>£ | Effect of<br>transition<br>31 December<br>2015<br>£ | FRS 102<br>(as restated)<br>31 December<br>2015<br>£ |
|---------------------------------------------------------|------|-----------------------------------------------------|-----------------------------------------------------|------------------------------------------------------|
|                                                         | Note |                                                     |                                                     |                                                      |
| Fixed assets                                            |      | 1,500,000                                           | -                                                   | 1,500,000                                            |
| Current assets                                          |      | 54,351                                              | -                                                   | 54,351                                               |
| Creditors: amounts falling due within one year          |      | (579,607)                                           | -                                                   | (579,607)                                            |
| <b>Net current assets/(liabilities)</b>                 |      | <b>(525,256)</b>                                    | <b>-</b>                                            | <b>(525,256)</b>                                     |
| <b>Total assets less current liabilities</b>            |      | <b>974,744</b>                                      | <b>-</b>                                            | <b>974,744</b>                                       |
| Creditors: amounts falling due after more than one year |      | (734,736)                                           | -                                                   | (734,736)                                            |
| <b>Net assets</b>                                       |      | <b>240,008</b>                                      | <b>-</b>                                            | <b>240,008</b>                                       |
| Capital and reserves                                    |      | 240,008                                             | -                                                   | 240,008                                              |

MG FLATS LLP

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

11. First time adoption of FRS 102 (continued)

|                                                                                      | Note | As previously<br>stated<br>31 December<br>2015<br>£ | Effect of<br>transition<br>31 December<br>2015<br>£ | FRS 102<br>(as restated)<br>31 December<br>2015<br>£ |
|--------------------------------------------------------------------------------------|------|-----------------------------------------------------|-----------------------------------------------------|------------------------------------------------------|
| Turnover                                                                             |      | 73,745                                              | -                                                   | 73,745                                               |
| Cost of sales                                                                        |      | (6,476)                                             | -                                                   | (6,476)                                              |
|                                                                                      |      | <hr/>                                               | <hr/>                                               | <hr/>                                                |
|                                                                                      |      | 67,269                                              | -                                                   | 67,269                                               |
| Administrative expenses                                                              |      | (22,836)                                            | -                                                   | (22,836)                                             |
| Fair value movements                                                                 | 1    | -                                                   | 219,472                                             | 219,472                                              |
|                                                                                      |      | <hr/>                                               | <hr/>                                               | <hr/>                                                |
| <b>Operating profit</b>                                                              |      | 44,433                                              | 219,472                                             | <b>263,905</b>                                       |
| Interest payable and similar charges                                                 |      | (23,897)                                            | -                                                   | (23,897)                                             |
|                                                                                      |      | <hr/>                                               | <hr/>                                               | <hr/>                                                |
| <b>Profit on ordinary activities after taxation and for<br/>the financial period</b> |      | 20,536                                              | 219,472                                             | <b>240,008</b>                                       |
|                                                                                      |      | <hr/>                                               | <hr/>                                               | <hr/>                                                |

Explanation of changes to previously reported profit and equity:

- 1 The LLP previously accounted for changes in fair value to investment properties through the Statement of Total Recognised Gains and Losses. Following adoption of FRS102 the prior year comparatives have been restated to account for the change in fair value through profit and loss. There is no impact on net assets as a result of this change.