

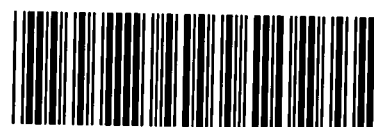
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Registered Number OC414694

Hilbre Projects LLP

Financial Statements
for the period ended
31 March 2018

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Hilbre Projects LLP

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Information

Designated Members Wirral Partnership Homes (Developments) Limited
Partnership Building
Hamilton Street
Birkenhead
CH41 5AA

Starfish Commercial Ltd
Unit 23, The Bridge Business Park
Beresford Way
Chesterfield
Derbyshire
S41 9FG

		Date Appointed
Management Board	P. Anson	18 November 2016
	J. Fedden	18 November 2016
	K. Russell	18 November 2016
	S. Woodward	18 November 2016
	M. Gerrelli	18 November 2016

Registered Office Partnership Building
Hamilton Square
Birkenhead
CH41 5AA

Registered Number OC414694

External Auditors Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
4 Hardman Square, Spinningfields,
Manchester M3 3EB

Bankers The Royal Bank of Scotland
280 Bishopsgate
London
EC2M 4RB

Members Report

The members present their report and the audited financial statements for the period ended 31 March 2018.

Structure

Hilbre Projects is a registered LLP with two partners. The controlling partner is Wirral Partnership Homes (Developments) Limited (registered no. 07882199), a wholly owned subsidiary of Wirral Partnership Homes Limited, trading as Magenta Living (registered no. 04912562), holding 60% of the capital invested. The second partner is Starfish Commercial Ltd (registered no. 07590261) holding 40% of the capital invested.

Hilbre Projects LLP trading as Hilbre Homes was incorporated in England on 18 November 2016 (Registered no. OC414694).

Principal Activity

The principal activity of Hilbre Homes ('the LLP') is the development of residential and commercial property, including social housing and housing to be sold on the open market, and to undertake refurbishment and/or maintenance work in the northwest of England and North Wales, principally the areas of Wirral, Cheshire, Flintshire, Wrexham and Conway.

Business review and future developments

The financial statements for the LLP cover the 16 month period from 18 November 2016 to 31 March 2018.

During the period 3 sites were purchased and are at various stages of development at 31 March 2018. No units were completed and no units were sold as at 31 March 2018, however deposits have been received on 10 plots and sundry sales of white goods have been made. The LLP made an operating loss in the period of £302,781, primarily arising from the initial set up costs of the LLP.

The business plan, which has been agreed by board, contains provision for the development and sale of 326 units over the next 5 years.

The profits which will be generated over the forthcoming years will be distributed between Wirral Partnership Homes (Developments) Limited and Starfish Commercial Ltd based on the equity ratio. Wirral Partnership Homes (Developments) Limited will gift aid any future share of its profits back to Magenta Living so that this profit can be reinvested in the core business of social housing.

Designated Members

The designated members during the period and up to the date of the approval of the financial statements are set out on page 3.

Members' Responsibilities Statement

The members are responsible for preparing the report to the members and the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) require the members to prepare financial statements for each financial year. Under the law the members have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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:

Members Report

Members' Responsibilities Statement (continued)

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

The members are responsible for keeping adequate accounting records that 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 2008 Regulations. They 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.

The members confirm that:

- so far as each member is aware, there is no relevant audit information of which the LLP's auditor is unaware; and
- the members have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The members are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going Concern

The members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future being a period of not less than 12 months from the date of approval of these financial statements. The LLP therefore continues to adopt the going concern basis in preparing its financial statements. Although the LLP is in a net liability position, future funding will be provided by the members whilst a 5 year business plan has been approved.

Auditors

The external audit contract term is for a period of 3 years. A resolution to appoint the External Auditors in accordance with section 487(2) of the Companies Act 2006 will be proposed at the forthcoming annual general meeting.

Approval

The Report of the Members' was approved by the Board on 31 July 2018 and signed on its behalf by:



Patrick McCarthy
Company Secretary, Wirral Partnership Homes (Developments) Limited

Independent auditor's report to the members of Hilbre Projects LLP

Opinion

We have audited the financial statements of Hilbre Projects LLP (the 'limited liability partnership') for the period from 18 November 2016 to 31 March 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2018 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- 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; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members for the financial statements

As explained more fully in the members' responsibilities statement set out on pages 4 to 5, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Grant Thornton UK LLP .

Joanne Love
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester

Date: 16 August 2018 .

Statement of Comprehensive Income


	Note	16 months to 31 March 2018 £
Turnover	3	7,799
		<u>7,799</u>
Operating expenses		(308,229)
Operating Loss	4	(300,430)
Interest and financing costs	16	(2,351)
Loss on activities before taxation		(302,781)
Tax		-
		<u>(302,781)</u>
Loss for the year after tax and before members' remuneration and profit shares		(302,781)
		<u>(302,781)</u>
Loss and total comprehensive income for the year		(302,781)
		<u><u>(302,781)</u></u>

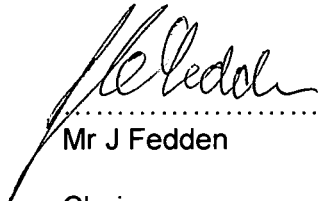
The notes on pages 12 to 15 form part of these financial statements.

Company No. OC414694
Balance sheet

	Note	2018 £
Current assets		
Inventories and work in progress	6	3,931,241
Debtors	7	405,035
Cash at bank	8	708,686
		<u>5,044,962</u>
Creditors: amounts falling due within one year	9	(847,743)
Net Assets/(Liabilities) attributable to members		<u><u>4,197,219</u></u>
 Represented by		
Loans and other amounts due to members	10	4,300,000
Total members interests:		
Members other interests		(302,781)
Members' capital classified as equity	11	200,000
		<u><u>4,197,219</u></u>

Approved by the members on 31 July 2018 and signed on their behalf by:


.....
Mr P McCarthy
Company Secretary


.....
Mr J Fedden
Chair

The notes on pages 12 to 15 form an integral part of these financial statements

Statement of Changes in Equity

	Members' capital classified as equity £	Members' Other Interest £	Total £
At Incorporation			
Loss for the financial period	-	(302,781)	(302,781)
Other comprehensive income	-	-	-
Total comprehensive income for the year	<u>-</u>	<u>(302,781)</u>	<u>(302,781)</u>
Capital introduced	200,000	-	200,000
At 31 March 2018	<u>200,000</u>	<u>(302,781)</u>	<u>(102,781)</u>

Notes to the Financial Statements

1. Legal Status

The Company is a registered LLP under the Companies Act 2006. The address of the registered office is Partnership Building, Hamilton Street, Birkenhead CH41 5AA

2. Accounting Policies

Basis of Preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), Companies Act 2006 as applied by LLPs and the Statement of Recommended Practice (SORP), Accounting by Limited Liability Partnerships 2017.

The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

This is the first period in which the financial statements have been prepared.

The financial statements are presented in sterling (£)

Basis of accounting

The financial statements are prepared on an accruals basis and on a going concern basis.

Going concern

The LLP's business activities, its current financial position and factors likely to affect its future development are set out within the Members Report. The LLP will be financed by a £20m loan facility, which will provide the working capital. The 5 year business plan and cash flow forecast provide assurance that the company will be able to meet its financial obligations as they fall due.

On this basis, the Members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements

Disclosure exemptions

The LLP has taken advantage of the exemption available under FRS 102 from the disclosure of cash flow and related notes on the basis that it qualifies as a small entity

Significant judgments and estimates

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. There have been no significant judgments or estimates made.

Notes to the Financial Statements

2. Accounting Policies continued

Interest payable

Interest payable is capitalised on borrowing to finance the development of properties for sale and released to the Statement of Comprehensive income as properties are sold.

Other interest payable is charged to the Statement of Comprehensive Income in the year.

Inventories and work in progress

Inventories are valued at the lower of cost and net realisable value. Cost of work in progress comprises direct materials and direct labour costs that have been incurred in bringing the inventories to their present location and condition.

Land held for development, including land in the course of development, is valued at the lower of cost and net realisable value.

Debtors

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

Creditors

Short term trade 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 rate method.

3. Turnover

All turnover in the current period is derived from the Company's principal activity and relates to the development of residential and commercial property in the United Kingdom.

4. Operating Loss

Contained within the auditor's remuneration in respect of the financial statements of the LLP of £4,000 is borne by the members and charged as part of a service level agreement.

5. Board Members Remuneration

Two board Members received emoluments during the financial period.

	16 months to 31 March 2018 £
Board member emoluments	<u>11,995</u>
The LLP has no employees	

Notes to the Financial Statements

6. Inventories and work in progress

	2018 £
Inventories and work in progress	<u>3,931,241</u>

Inventories and work in progress consist of land purchased for development and the direct costs incurred in developing those sites. The cost of land purchased at 31 March 2018 totalled £1,744k.

7. Debtors

	2018 £
Amounts due from related entities	14,834
Other Debtors	<u>390,201</u>
	<u>405,035</u>

8. Cash and Bank

	2018 £
Cash at bank	<u>708,686</u>

9. Creditors: amounts falling due within one year

	2018 £
Trade creditors	35,268
Accruals and deferred income	319,456
Amounts due to related entities	328,190
Amounts due to members – WPH Developments	75,064
Amounts due to members – Starfish	89,765
	<u>847,743</u>

10. Loans and other amounts due to members

	2018 £
Loan	<u>4,300,000</u>

The loan has been received from Wirral Partnership Homes (Developments) Ltd and is repayable by 31 March 2023. Interest is charged at a fixed rate of 6%.

11. Members' Capital Classified as Equity

Investment in the LLP as at 31 March 2018:

	£
Wirral Partnership Homes (Developments) Ltd	120,000
Starfish Commercial Ltd	<u>80,000</u>
Total	<u>200,000</u>

Notes to the Financial Statements

12. Contingent liabilities

The LLP had no contingent liabilities to disclose at 31 March 2018.

13. Related party transactions

Wirral Partnership Homes (Developments) Ltd invested £120k and Starfish commercial Ltd invested £80k in the LLP. The LLP also has a loan due to Wirral Partnership Homes (Developments) Ltd of 4,300k. During the course of the period, costs incurred from the partners totaled:

Wirral Partnership Homes (Developments) Ltd	£75k
Starfish commercial	£285k

The period end creditor balances as at 31 March 2018 totaled:

Wirral Partnership Homes (Developments) Ltd	£75k
Starfish commercial Ltd	£83k
Wirral Partnership Homes Limited	£328k

Wirral Partnership Homes Limited is a related entity as it is the parent of Wirral Partnership Homes (Developments Ltd). Costs incurred from Wirral Partnership Homes Limited in the period totaled £328k.

14. Controlling parties

The LLP is a subsidiary of Wirral Partnership Homes (Developments Ltd). The ultimate controlling party of the LLP is Wirral Partnership Homes Limited.

15. Financial Instruments

Financial assets that are held as amortised comprise cash at bank and in hand, other debtors and debtors from related entities.

Financial liabilities measured at amortised cost comprise trade creditors, amounts due to related entities, accruals and loans.

	2018
	£
Financial assets at amortised cost	779,691
Financial liabilities measured at amortised cost	(5,147,743)