

# Horley Business Park Development LLP

Annual Report and Financial Statements

For the year ended 31 December 2019

# Horley Business Park Development LLP

## Limited Liability Partnership Information

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**Designated members** Reigate & Banstead Borough Council  
Berwick Hill Properties Limited  
Millhill Properties (Horley) Limited

**Limited liability partnership number** OC407343

**Registered office** Reigate & Banstead Borough Council  
Town Hall  
Castlefield Road  
Reigate  
Surrey  
RH2 0SH

**Auditor** Moore Kingston Smith LLP  
Betchworth House  
57-65 Station Road  
Redhill  
Surrey  
RH1 1DL

**Business address** Reigate & Banstead Borough Council  
Town Hall  
Castlefield Road  
Reigate  
Surrey  
RH2 0SH

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# Horley Business Park Development LLP

## Members' Report

For the year ended 31 December 2019

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The members present their annual report and financial statements for the year ended 31 December 2019.

### **Principal activities**

The principal activity of the Limited Liability Partnership ("LLP") continued to be the development of a business park.

### **Members' drawings, contributions and repayments**

Each member's subscription to the capital of the LLP and its conditions for repayment are determined by the members' agreement.

Members capital is classified as a liability and on ceasing to be a member of the LLP, a member is entitled to a return of their capital.

Details of changes in members' capital in the year ended 31 December 2019 are set out in the Reconciliation of Members' Interests.

Certain members have also provided loans to the LLP in accordance with loan agreements and the members' agreement. The loans have been treated as a liability and included as 'members' capital classified as a liability' rather than as loans made to the LLP which would be included as part of creditors. The members' consider this accounting treatment more accurately reflects the substance of the loan transactions. The loans are repayable in accordance with the member's agreement. On ceasing to be a member of the LLP, a member is entitled to a return of any loan amount and interest which have not previously been repaid.

The availability of drawings is dependent on the cash requirements of the LLP. The member's agreement makes provision for certain members to receive development management fees and other service fees prior to the allocation of the remaining profits among the members. There is no requirement for the members to make good losses.

### **Designated members**

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

Reigate & Banstead Borough Council  
Berwick Hill Properties Limited  
Millhill Properties (Horley) Limited

### **Auditor**

The auditor, Moore Kingston Smith LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

# Horley Business Park Development LLP

## Members' Report (Continued)

For the year ended 31 December 2019

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### Statement of members' responsibilities

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

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the limited liability partnership and of the profit or loss of the limited liability partnership for that period. In preparing these financial statements, the members are required to:

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

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure to auditor

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

- so far as the members are aware, there is no relevant audit information of which the limited liability partnership'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 limited liability partnership's auditor is aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

This report was approved by the members on

and signed on their behalf by:

.....  
Reigate & Banstead Borough Council  
**Designated Member**

.....  
Berwick Hill Properties Limited  
**Designated Member**

.....  
Millhill Properties (Horley) Limited  
**Designated Member**

# Horley Business Park Development LLP

## Independent Auditor's Report

### To the Members of Horley Business Park Development LLP

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#### **Opinion**

We have audited the financial statements of Horley Business Park Development LLP (the 'limited liability partnership') for the year ended 31 December 2019 which comprise the Profit And Loss Account, the Balance Sheet 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 FRS 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 December 2019 and of its loss for the year 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 by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

#### **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.

#### **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.

# Horley Business Park Development LLP

## Independent Auditor's Report (Continued)

### To the Members of Horley Business Park Development LLP

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#### **Other information**

The members are responsible for the other information. The other information comprises the information included in the members' 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, except to the extent otherwise explicitly stated in our report, 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 where 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; or
- the members were not entitled to prepare the financial statements in accordance with the small limited liability partnerships regime.

#### **Responsibilities of members**

As explained more fully in the Members' Responsibilities Statement, 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 directors are responsible for assessing the company'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 directors 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.

# Horley Business Park Development LLP

## Independent Auditor's Report (Continued)

### To the Members of Horley Business Park Development LLP

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As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the limited liability partnership's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the limited liability partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the limited liability partnership to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Use of our report**

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 by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. 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.

**Ian Matthews (Senior Statutory Auditor)**  
for and on behalf of Moore Kingston Smith LLP

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**Chartered Accountants**  
**Statutory Auditor**

Betchworth House  
57-65 Station Road  
Redhill  
Surrey  
RH1 1DL

# Horley Business Park Development LLP

## Profit and loss account

For the year ended 31 December 2019

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	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Administrative expenses	(10,088)	(8,542)
Interest receivable and similar income	54	-
	<u>          </u>	<u>          </u>
<b>Loss for the financial year before taxation</b>	<b>(10,034)</b>	<b>(8,542)</b>
	<u>          </u>	<u>          </u>
<b>Loss for the financial year before members' remuneration and profit shares</b>	<b>(10,034)</b>	<b>(8,542)</b>
	<u>          </u>	<u>          </u>
Loss for the financial year before members' remuneration and profit shares	(10,034)	(8,542)
Members' remuneration charged as an expense	-	-
	<u>          </u>	<u>          </u>
<b>Loss for the financial year available for discretionary division among members</b>	<b>(10,034)</b>	<b>(8,542)</b>
	<u>          </u>	<u>          </u>



# Horley Business Park Development LLP

## Balance Sheet

As at 31 December 2019

	Notes	2019 £	£	2018 £	£
<b>Current assets</b>					
Stocks		1,218,467		1,086,314	
Debtors	3	21,317		49,637	
Cash and cash equivalents		244		17,482	
		<u>1,240,028</u>		<u>1,153,433</u>	
<b>Creditors: amounts falling due within one year</b>	4	<u>(201,216)</u>		<u>(256,169)</u>	
<b>Net current assets</b>			<u>1,038,812</u>		<u>897,264</u>
<b>Represented by:</b>					
<b>Loans and other debts due to members</b>					
Members' capital classified as a liability			1,079,728		928,146
<b>Members' other interests</b>					
Other reserves classified as equity			(40,916)		(30,882)
			<u>1,038,812</u>		<u>897,264</u>
<b>Total members' interests</b>					
Amounts due from members			(20,100)		(20,100)
Loans and other debts due to members			1,079,728		928,146
Members' other interests			(40,916)		(30,882)
			<u>1,018,712</u>		<u>877,164</u>

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

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

.....  
Reigate & Banstead Borough Council  
**Designated member**

.....  
Berwick Hill Properties Limited  
**Designated Member**

.....  
Millhill Properties (Horley) Limited  
**Designated Member**

Limited Liability Partnership Registration No. OC407343

# Horley Business Park Development LLP

## Reconciliation of Members' Interests

For the year ended 31 December 2019

<i>Current financial year</i>	EQUITY		DEBT		TOTAL
	Members' other interests	Loans and other debts due to members less any amounts due from members in debtors	Members' capital (classified as debt)	Other amounts	MEMBERS' INTERESTS
	Other reserves			Total	Total 2019
	£		£	£	£
Amounts due to members			(20,100)		
Members' interests at 1 January 2019	(30,882)	928,146	(20,100)	908,046	877,164
Loss for the financial year available for discretionary division among members	(10,034)	-	-	-	(10,034)
Members' interests after loss for the year	(40,916)	928,146	(20,100)	908,046	867,130
Introduced by members	-	51,775	-	51,775	51,775
Interest on capital	-	99,807	-	99,807	99,807
Members' interests at 31 December 2019	(40,916)	1,079,728	(20,100)	1,059,628	1,018,712
Amounts due to members			(20,100)		
			(20,100)		

# Horley Business Park Development LLP

## Reconciliation of Members' Interests (Continued)

For the year ended 31 December 2019

<i>Prior financial year</i>	EQUITY		DEBT		TOTAL
	Members' other interests	Loans and other debts due to members less any amounts due from members in debtors	Members' capital (classified as debt)	Other amounts	MEMBERS' INTERESTS
	Other reserves		Total		Total 2018
	£		£	£	£
Amounts due to members			(20,100)		
Members' interests at 1 January 2018	(22,340)	587,374	(20,100)	567,274	544,934
Loss for the financial year available for discretionary division among members	(8,542)	-	-	-	(8,542)
Members' interests after loss for the year	(30,882)	587,374	(20,100)	567,274	536,392
Introduced by members	-	259,400	-	259,400	259,400
Interest on capital	-	81,372	-	81,372	81,372
Members' interests at 31 December 2018	(30,882)	928,146	(20,100)	908,046	877,164
Amounts due to members			(20,100)		
			(20,100)		

# Horley Business Park Development LLP

## Notes to the Financial Statements

For the year ended 31 December 2019

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### 1 Accounting policies

#### Limited liability partnership information

Horley Business Park Development LLP is a Limited Liability Partnership incorporated in England and Wales. The registered office is Reigate & Banstead Borough Council, Town Hall, Castlefield Road, Reigate, Surrey, United Kingdom, RH2 0SH.

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 principle accounting policies adopted are set out below.

#### 1.2 Going concern

The LLP is in the process of developing a new business park with all directly attributable project costs incurred to date being carried forward as work in progress in the balance sheet. The development is currently in the approval phase and has yet to reach the stage where an application can be submitted for planning consent. The members are not aware of any matters that will prevent a planning application being made although there can be no certainty in this regard. The members have confirmed that sufficient funds will be made available to the LLP to enable it to continue with the development process and that the LLP has no capital commitments at the Balance Sheet date. The majority of current liabilities at the Balance Sheet date are represented by a deferred government grant and will be recognised over the useful economic life of the development once complete. The LLP has met the pre-conditions associated with the grant and so the members do not believe the grant is repayable. Based on these factors, the members therefore consider that it is reasonable for the financial statements to be prepared on a going concern basis

# Horley Business Park Development LLP

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

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### 1 Accounting policies

(Continued)

#### 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.

Where there exists an asset and liability component in respect of an individual member's participation rights, they are presented on a gross basis unless the LLP has both a legally enforceable right to set off the recognised amounts, and it intends either to settle on a net basis or to settle and realise these amounts simultaneously, in which case they are presented net.

Where members incur expenses on behalf of the LLP and then recharge those expenses to the LLP at cost, the costs are treated as administrative expenses and, if applicable, capitalised as work in progress. The recharged costs do not fall to be treated by the LLP as 'members' remuneration charged as an expense'. This accounting policy represents a departure from the SORP, which sets out the accounting principles of classifying amounts paid to members as 'members' remuneration charged as an expense'. The members consider that this accounting policy adopted represents the substance of the underlying transaction and is necessary in order that the financial statements give a true and fair view.

The profit and losses due to or from members, which have not been allocated until after the balance sheet date, are treated in these financial statements as unallocated at the balance sheet date and included within other reserves. In accordance with the members' agreement, there is no requirement for the members to make good any losses or negative balances on 'other reserves'.

#### 1.4 Stocks

Work in progress comprises the development of a new business park. It is valued at the lower of cost and estimated net realisable value of the completed project. Cost includes all direct costs.

Borrowing costs which are directly attributable to the work in progress project are capitalised as work in progress and carried forward as an asset on the balance sheet. In the year borrowing costs of £99,807 (2018: £81,372) were capitalised in work in progress.

#### 1.5 Cash and cash equivalents

Cash and cash equivalents 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.

#### 1.6 Financial instruments

The LLP only has financial instruments classified as basic and measured at amortised cost. The LLP has no financial instruments that are classified as 'other' or financial instruments measured at fair value.

# Horley Business Park Development LLP

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

### 1 Accounting policies (Continued)

#### 1.7 Equity instruments

Equity instruments issued by the limited liability partnership are recorded at the proceeds received, net of direct issue costs.

#### 1.8 Taxation

No provision has been made for taxation in the financial statements. Each member is exclusively liable for any tax liabilities arising out of their interest in the LLP, which will be assessed on the individual member and not on the LLP.

#### 1.9 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred it is recognised as deferred income and not deducted from the carrying value of the asset.

### 2 Judgements and key sources of estimation uncertainty

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

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 the revision and future periods if the revision affects both current and future periods.

#### Realisation of work in progress

The members estimate the net realisable value of work in progress, taking into account all available information at the reporting date. The work in progress is not forecast to be completed in the short to medium term and its ultimate successful completion may be affected by the outcome of uncertain future events. The success of the development is not currently assured. Having made appropriate enquiries, the members have a reasonable expectation that the development will progress to completion and that sufficient funding will be available to enable this to happen. On this basis, work in progress has been carried forward at cost.

### 3 Debtors

	2019	2018
	£	£
<b>Amounts falling due within one year:</b>		
Amounts due from members	20,100	20,100
Other debtors	1,217	29,537
	<u>21,317</u>	<u>49,637</u>
	<u><u>21,317</u></u>	<u><u>49,637</u></u>

# Horley Business Park Development LLP

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

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### 4 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	-	116,204
Other creditors	201,216	139,965
	<u>201,216</u>	<u>256,169</u>

### 5 Loans and other debts due to members

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

### 6 Events after the reporting date

The Members recognise that since the Balance Sheet date the worldwide COVID-19 pandemic has taken hold. The Members have assessed the impact of this on the LLP and consider any impact or delays to be short term only. As a result the Members believe that the LLP will be able to continue in business and meet its liabilities as they fall due for a period of at least twelve months from the date of approval of the financial statements.

### 7 Related party transactions

All members are considered to be related parties of the LLP.

# Horley Business Park Development LLP

Management Information

For the year ended 31 December 2019



# Horley Business Park Development LLP

## Detailed Trading Profit and Loss Account

For the year ended 31 December 2019

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	£	2019 £	£	2018 £
<b>Cost of sales</b>				
Opening work in progress - long term	1,086,314		636,595	
Direct costs	132,153		449,719	
Closing work in progress - long term	<u>(1,218,467)</u>		<u>(1,086,314)</u>	
<b>Gross loss</b>		-		-
<b>Administrative expenses</b>		<u>(10,088)</u>		<u>(8,542)</u>
<b>Operating loss</b>		(10,088)		(8,542)
<b>Investment revenues</b>				
Bank interest received	<u>54</u>		<u>-</u>	
		<u>54</u>		<u>-</u>
<b>Loss before taxation</b>		<u><u>(10,034)</u></u>		<u><u>(8,542)</u></u>

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# Horley Business Park Development LLP

## Schedule of Administrative Expenses

For the year ended 31 December 2019

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	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Administrative expenses</b>		
Legal and professional fees	208	-
Accountancy	2,020	-
Audit fees	4,595	5,542
Bank charges	182	-
Insurances	333	-
Telecommunications	2,750	3,000
	<hr/>	<hr/>
	<b>10,088</b>	<b>8,542</b>
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