

## FRS 102 Layout LLP

Report and Financial Statements

Year ended 31 December 2018

LLP Number: OC

*FRS 102 Layout LLP is a UK registered Limited Liability Partnership ('LLP') so is not required to publish:*

- *A strategic report*
- *A Members' report (although a members' report is often produced to disclose the information that is required)*
- *A Members' Remuneration Report;*

*FRS 102 Layout LLP has no publicly traded debt so, amongst other things, is not required to publish:*

- *EPS information (FRS 102 s1.4); nor*
- *Information on operating segments (FRS 102 s1.5)*

*Nor is FRS 102 Layout LLP a provider of specialised activities covered under FRS 102 s34.*

*These accounts have been prepared in accordance with the LLP Regulations (SI 2008/1911 and SI 2008/1913) as amended by SI 2016/575 (effective for periods beginning on or after 1 January 2016), the LLP SORP (2017), and any FRS 102 amendments that are effective for periods beginning on or after 1 January 2018.*

*No other amendments have been adopted early.*

This publication has been carefully prepared, but it has been written in general terms and should be seen as containing broad statements only. This publication should not be used or relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained in this publication without obtaining specific professional advice. Please contact BDO LLP to discuss these matters in the context of your particular circumstances.

# FRS 102 Layout LLP Guidance Notes

## How to use FRS 102 Layout LLP and general accounts filing tips

### FRS 102 Layout LLP

FRS 102 Layout LLP is a large Limited Liability Partnership (LLP), incorporated in the UK. As a large LLP, it prepares its accounts in accordance with Statutory Instrument 2008/1913 *Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008 (as amended by SI 2016/575)*.

FRS 102 Layout LLP is a qualifying entity for the purposes of FRS 102.

### Applicable regulations

The main body of Companies Act 2006 does not apply to LLPs.

UK LLPs are instead governed by the following statutory instruments within Companies Legislation:

- SI 2008/1911 *Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008*
- SI 2008/1912 *Small Limited Liability Partnerships (Accounts) Regulations 2008*
- SI 2008/1913 *Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008*
- SI 2009/1804 *Limited Liability Partnerships (Application of Companies Act 2006) Regulations*

For LLP's applying UK GAAP, the LLP SORP is also applicable. The SORP is not applicable to accounts prepared under IFRS.

### Abbreviations

The following are examples of the references used to refer to the source of disclosures:

s385	Section 385 of the Companies Act 2006
SI 2008/1913	Statutory Instrument [year/number] SI 2008/1913 is the <i>Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008</i> .
Sch 1	Schedule 1 of SI 2008/1913
SI 2008/1911: 12 (414)	SI 2008/1911 regulation 12 section 414
FRS 102	Financial Reporting Standard 102, as issued by the Financial Reporting Council, applicable to periods beginning on or after 1 January 2018
FRS 102 s1.12	Section 1 paragraph 12 of Financial Reporting Standard 102
SORP 22	Paragraph 22 of the Statement of Recommended Practice (SORP) for Limited Liability Partnerships (2017) (effective periods beginning on or after 1 January 2016)

### Registrar's Rules

A full list of these rules is available on the [gov.uk website](http://gov.uk). Failure to comply will result in the accounts being rejected and, potentially, late filing charges being incurred. Please be aware that the old concession of allowing fourteen days to re-file defective accounts has been withdrawn.

LLP name and registered number	The LLP name and registered number must be included on one of the balance sheet or audit report. It is BDO policy to include the LLP number on the front cover and on the balance sheet.
Ink Colour	Black, including any signatures.
Members' signatures	The balance sheets must be signed by a designated member on behalf of the board of members.
Auditor's signature	The copy of the accounts filed at Companies House does not have to be signed by the auditors (although there must be copies of the signed accounts available). However, it is BDO policy that all audit reports to be filed should have a manual signature.
BDO Logo	Documents filed at Companies House should not contain any corporate logos. The copy of the financial statements to be filed should have the BDO logo removed.

# FRS 102 Layout LLP

## Report and Financial Statements for the year ended 31 December 2018

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### Designated members

### Secretary and registered office

#### LLP number

OC

#### Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

# FRS 102 Layout LLP Guidance Notes

## The Members' Report

SOURCE	COMMENTS
<b>Strategic report</b>	There is no equivalent of s414A in the LLP regulations. The LLP is not required to give the disclosures required by a large limited company's strategic report, however they can choose to disclose this information voluntarily. FRS 102 Layout LLP has not chosen to do so.
<b>Directors' report</b>	There is no equivalent of s415 in the LLP regulations. The LLP is not required to give the disclosures required by a large limited company's directors' report, however they can choose to disclose this information voluntarily, in the form of a members' report.

**The disclosures below required by the SORP may be presented anywhere in the annual report. It is common for a members' report to be prepared to allow communication of these matters and FRS 102 Layout LLP has chosen this method of communication in the annual report.**

### **Principal activity**

SORP 30                      The principal activities of the LLP and its subsidiary undertakings, indicating any significant changes during the year.

### **Existence of branches of the LLP outside of the United Kingdom**

SORP 30                      An indication of the existence of any branches outside the UK (as defined by s1046(3) of Companies Act 2006).

### **Designated Members**

SORP 30                      The identity of anyone who was a designated member during the year.

### **Members' drawings and the subscription and repayment of members' capital**

SORP 30, SORP 69        The policy of the LLP regarding members' drawings and the subscription and repayment of amounts subscribed or otherwise contributed by members. In this example there is both equity and liability elements of capital. If only one category is held – the inapplicable policy is to be deleted (along with the word "principal" or "subsequent").

### **Auditors**

s418(2)                      Whilst not required by Companies Act as applicable to LLPs, it is best practice to include a statement to the effect that, in the case of each of the persons who are Members at the time the report is approved, (a) so far as the Member is aware, there is no relevant audit information of which the LLP's auditor is unaware, and (b) he has taken all the steps that he ought to have taken as a Member in order to make himself aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

Information on the (re)appointment of auditors is not a required disclosure. However, many LLPs choose to disclose this information voluntarily.

### **Approval and signing of Members' report**

There is no requirement for a Members' report but where one is produced, it is customary for this to be approved by the board of Members and signed on behalf of the board by a Designated Member or the secretary of the LLP.

# FRS 102 Layout LLP

## Members' Report for the year ended 31 December 2018

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The members are pleased to present their report and the audited consolidated financial statements of the FRS 102 Layout LLP group for the year ended 31 December 2018.

### **Principal activity and review of the business**

### **Designated Members**

The designated members of the LLP throughout the year were:

### **Members' drawings and the subscription and repayment of members' capital**

### **Auditors**

All of the Members as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The Members are not aware of any relevant audit information of which the LLP's auditor is unaware.

### **Approval**

This Members' Report was approved by order of the Board on .

[Name]

**[Secretary/Designated Member]**

# FRS 102 Layout LLP Guidance Notes

## Statement of Members' responsibilities

### SOURCE

SORP 25

### COMMENTS

Although not specifically required to be disclosed by the LLP regulations, the LLP SORP states that the annual report should include a statement of members' responsibilities in relation to the production of the financial statements.

These responsibilities are set out in SI 2008/1911 regulations 8-10.

# FRS 102 Layout LLP

## Statement of members' responsibilities

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### Members' responsibilities

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

The Limited Liability Partnerships (*Accounts and Audit*) (*Application of the Companies Act 2006*) *Regulations 2008* require the members to prepare financial statements for each financial year. Under these regulations the members have elected to prepare the group and Limited Liability Partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under these regulations 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 group and Limited Liability Partnership and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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, 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 Limited Liability Partnerships (*Accounts and Audit*) (*Application of the 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.

# FRS 102 Layout LLP Guidance Notes

## Independent auditor's report

### SOURCE

### COMMENTS

#### Requirement for audited accounts

SI 2008/1911: 33  
(475)

An LLP's annual accounts for a financial year must be audited unless the LLP is exempt from audit under—

- a) section 477 (small LLPs),
- b) section 479A (subsidiary LLPs), or
- c) section 480 (dormant LLPs)

The section references above are subsections detailed in SI 2008/1911: 34, 34A & 35.

An LLP is not entitled to any such exemption unless its balance sheet contains a statement by the members to that effect.

If the reconciliation of movements in members' interests note is used in place of the statement of changes in equity (SOCIE), the title of the primary statement in the audit report should reflect this.

# FRS 102 Layout LLP

Independent auditor's report

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# FRS 102 Layout LLP Guidance Notes

## General Rules for the Financial Statements

<b>SOURCE</b>	<b>COMMENTS</b>
FRS 102 s3.17	A complete set of financial statements comprises:
SORP 26 & 59	<ul style="list-style-type: none"><li>• A statement of financial position (balance sheet);</li><li>• Either<ul style="list-style-type: none"><li>○ A single statement of comprehensive income; or</li><li>○ A separate income statement and separate statement of comprehensive income beginning with profit or loss available for discretionary division among members;</li></ul></li><li>• A statement of changes in equity (SOCIE);</li><li>• A statement of cash flows (exemption available for qualifying entities); and</li><li>• Notes comprising significant accounting policies and supporting information.</li></ul>
SORP 60A	The SORP allows the reconciliation of members' interests to be presented as a primary statement in place of the SOCIE, as long as prior year comparatives are presented by way of the full table relating to the prior period.
FRS 102 s3.22	Other titles may be used for the financial statements other than those used in FRS 102 as long as they are not misleading.
FRS 102 s3.14	Comparative information should be provided for all amounts presented in the financial statements unless FRS 102 specifically permits or requires its omission (including narrative & descriptive information when it's relevant to an understanding of the current period's financial statements).

## Consolidated Income statement and consolidated statement of comprehensive income

FRS 102 s5.5	The statement of comprehensive income should include those items required by SI 2008/1913 to be included in the profit and loss account. These accounts are presented using Format 1.
Sch 1 (1A (2)) SORP 26B	SI 2016/575 amendments introduced flexibility in the balance sheet format: The members of the LLP may adapt one of the profit and loss account formats in Section B of Sch 1, provided that— (a) the information given is at least equivalent to that which would have been required by the use of such format had it not been thus adapted, and (b) the presentation is in accordance with generally accepted accounting principles or practice.
FRS 102 s5.9	An entity shall present additional line items, headings and subtotals in the statement of comprehensive income (and in the income statement, if presented), when such presentation is relevant to an understanding of the entity's financial performance.
FRS 102 s5.7E	An entity shall also disclose on the face of the income statement (or statement of comprehensive income if presented) an amount comprising the total of: (a) the post-tax profit or loss of discontinued operations; and (b) the post-tax gain or loss attributable to the impairment or on the disposal of the assets or disposal group(s) constituting discontinued operations.  A line-by-line analysis shall be presented in the income statement (or statement of comprehensive income if presented), in a column identified as relating to discontinued operations, ie separately from continuing operations; a total column shall also be presented.
FRS 102 s5.7F	An entity shall re-present the disclosures in paragraph 5.7D for prior periods presented in the financial statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented. <i>Note – this reference should be to 5.7E not 5.7D, this is an error in the Sept 2015 version of FRS 102.</i>
FRS 102 s5 appendix	has examples of discontinued operations disclosures and presentation.

# FRS 102 Layout LLP

## Consolidated income statement for the year ended 31 December 2018

	Not e	Continuing operations 2018 £'000	Discontinued operations 2018 £'000	Total 2018 £'000	Continuing operations 2017 £'000	Discontinue d operations 2017 £'000	Total 2017 £'000
<b>Turnover</b>	4						
Cost of sales				-			-
<b>Gross profit</b>							
Distribution costs							
Administrative expenses							
Profit on disposal of operations	29						
Other operating income							
Gain from changes in fair value of investment property	15						
				-			-
<b>Group operating profit</b>	5						
Share of profit for the year in:							
- Joint ventures	16						
- Associated undertakings	16						
Income from other fixed asset investments	9						
Other interest receivable and similar income							
Interest payable and similar expenses	10						
Income from current asset investments	9						
Changes in fair value of investments	16,19						
Other finance costs	11						
				-			-
<b>Profit before taxation</b>							
Taxation on profit	12						
				-			-
<b>Profit for the financial year before members' remuneration and profit shares</b>							
Members' remuneration charged as an expense	27						
				-			-
<b>Profit for the financial year available for discretionary division among members</b>							
				-			-

The notes on pages 13 to 54 form part of these financial statements.

## FRS 102 Layout LLP Guidance Notes

### Consolidated statement of comprehensive income

SOURCE	COMMENTS
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**These illustrative accounts are presented with a separate income statement as a matter of accounting policy choice. A single statement of comprehensive income would present all the items in the same order, but in one continuous statement.**

FRS 102 s3.18 and s6.4	As an alternative to presenting a <b>statement of comprehensive income</b> and a <b>statement of changes in equity</b> , an entity may present a <b>statement of income and retained earnings</b> if the only changes to equity in the periods presented arise from profit or loss, payment of dividends, corrections of prior period material errors and changes in accounting policy.
SORP 26A	

The SORP does not recommend this approach for LLPs as it will be of little benefit to users of LLP financial statements in most cases.

FRS 102 s5.5A	An entity shall include, in the statement of comprehensive income, line items that present the following amounts for the period: <ul style="list-style-type: none"><li>(a) Classified by nature (excluding amounts in (b)), the components of other comprehensive income recognised as part of total comprehensive income outside profit or loss as permitted or required by this FRS. An entity may present the components of other comprehensive income either:<ul style="list-style-type: none"><li>(i) net of related tax effects; or</li><li>(ii) before the related tax effects with one amount shown for the aggregate amount of income tax relating to those components.</li></ul></li><li>(b) Its share of the other comprehensive income of associates and jointly controlled entities accounted for by the equity method.</li><li>(c) Total comprehensive income.</li></ul>
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FRS 102 s12.29	If an entity uses hedge accounting for a cash flow hedge it shall disclose the following: <ul style="list-style-type: none"><li>(c) the amount of the change in fair value of the hedging instrument that was recognised in other comprehensive income during the period;</li><li>(d) the amount that was reclassified from other comprehensive income to profit or loss for the period; and</li><li>(e) the amount of any excess of the fair value of the hedging instrument over the change in the fair value of the expected cash flows that was recognised in profit or loss for the period.</li></ul>
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FRS 102 s5.6	The following should be presented in the statement of comprehensive income: <ul style="list-style-type: none"><li>a) Profit or loss for the period attributable to:<ul style="list-style-type: none"><li>i) Non-controlling interest; and</li><li>ii) Owners of the parent.</li></ul></li><li>b) Total comprehensive income for the period attributable to:<ul style="list-style-type: none"><li>i) Non-controlling interest; and</li><li>ii) Owners of the parent.</li></ul></li></ul>
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### Parent's own profit and loss accounts where group accounts are prepared

SI 2008/1911: 10 (408)	The parent LLP's profit and loss account must be approved by members but may be omitted from published and filed group annual accounts, subject to them including disclosure of the parent LLP's profit for the year on the LLP's individual balance sheet, and a statement that the exemption has been taken. This exemption is taken to apply to both the statement of comprehensive income and the income statement.
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# FRS 102 Layout LLP

## Consolidated statement of comprehensive income for the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
<b>Profit for the financial year available for discretionary division among members</b>		_____	_____
Currency translation differences			
Actuarial gains/(losses) on defined benefit pension scheme	24		
Taken to cash flow hedge reserve	22		
Cash flow hedge reserve recycled to profit or loss	22		
Taxation in respect of items of other comprehensive income			
		_____	_____
<b>Other comprehensive income for the year</b>			
		_____	_____
<b>Total comprehensive income for year available for discretionary division among members</b>		_____	_____
		_____	_____
<b>Profit for the financial year attributable to:</b>			
Non-controlling interest			
Owners of the parent LLP			
		_____	_____
		_____	_____
<b>Total comprehensive income attributable to:</b>		_____	_____
Non-controlling interest			
Owners of the parent LLP			
		_____	_____
		_____	_____

The notes on pages 13 to 54 form part of these financial statements.

# FRS 102 Layout LLP Guidance Notes

## Consolidated balance sheet

SOURCE	COMMENTS
FRS 102 s4.2	The statement of financial position should be presented in accordance with the requirements of SI 2008/1913 for a balance sheet.
Sch 1 (1A(1)) SORP 26B	SI 2017/575 amendments introduced flexibility in the balance sheet format: The members of the LLP may adapt one of the balance sheet formats in Section B so as to distinguish between current and non-current items in a different way, provided that— (a) the information given is at least equivalent to that which would have been required by the use of such format had it not been thus adapted, and (b) the presentation of those items is in accordance with generally accepted accounting principles or practice.
FRS 102 s3.22	Although FRS 102 uses the term statement of financial position, other titles may be used as long as it is not misleading. In these illustrative accounts the statement has been entitled the “Balance sheet” consistent with the terminology used in SI 2008/1913.  <b>NB The pension liability has been presented in the balance sheet of FRS 102 Layout LLP after all other net assets, consistent with the presentation previously required by FRS 17 other than it is not presented net of related deferred tax. (Deferred tax relating to defined benefit pension deficits or surpluses is presented with other deferred tax balances.)</b>  <b>Such a presentation is potentially supported by legal advice received by the Accounting Standards Board when developing FRS 17 that such a presentation would not contravene companies legislation.</b>  <b>However, it should be noted that neither FRS 102 or SI 2008/1913 explicitly require or permit such presentation and practice under FRS 102 may develop differently such that net pension deficits are presented within “Provisions for liabilities” and net pension surpluses with other assets.</b>
Sch 1 (4.2) & (4.3)	FRS 102 Layout LLP has taken advantage of the following LLP regulation: 4(2) The members may combine items to which Arabic (i.e. 1, 2, 3...) numbers are given in any of the formats in section B if- a) Their individual amounts are not material to assessing the state of affairs or profit or loss of the LLP for the financial year in question, or b) the combination facilitates that assessment.  4(3) Where sub-paragraph 2b) applies, the individual amounts of any items which have been combined must be disclosed in a note to the accounts.
<b>Goodwill</b> FRS 102 s19.24	Note that where a group has negative goodwill (excess) they will need to present positive goodwill separately on the face of the statement of financial position (rather than within intangibles). The negative goodwill is recognised and separately disclosed on the face of the statement of financial position, immediately below goodwill, and followed by a subtotal of the net amount of goodwill and the excess. (FRS 102 Layout LLP has no “negative goodwill”)

# FRS 102 Layout LLP

Consolidated balance sheet  
at 31 December 2018

<i>Registered number OC</i>	Note	2018 £'000	2018 £'000	2017 £'000	2017 £'000
<b>Fixed assets</b>					
Intangible assets	14				
Tangible assets	15				
Investments	16				
			_____		_____
<b>Current assets</b>					
Stocks	17				
Debtors	18				
Amounts due from members	27				
Investments	19				
Cash at bank and in hand					
		_____		_____	
<b>Creditors: amounts falling due within one year</b>	20				
		_____		_____	
<b>Net current assets</b>					
			_____		_____
<b>Total assets less current liabilities</b>					
<b>Creditors: amounts falling due after more than one year</b>	21				
<b>Provisions for liabilities</b>	23				
			_____		_____
Net assets excluding pension liability					
Pension liability	24				
			_____		_____
<b>Net assets attributable to members</b>					
			_____		_____

The notes on pages 13 to 54 form part of these financial statements.

# FRS 102 Layout LLP Guidance Notes

## Consolidated balance sheet

SOURCE	COMMENTS
<b>Non-controlling interest</b> FRS 102 s9.20	The consolidated balance sheet should show separately the aggregate of the capital and reserves attributable to non-controlling interests at the end of the period.
<b>Represented by</b> SORP Appendix 1	Appendix 1 of the SORP includes example balance sheets, with and without equity. These show the presentation of the balance sheet with the bottom half titled "As represented by", and includes a reconciliation at the bottom of the balance sheet of the "Total members' interests" which also includes the debtor and reconciles to the total members' interests note.
<b>Signatures</b> SI 2008/1911: 12 (414)	Approval and signing of accounts (1) An LLP's annual accounts must be approved by the members and signed on behalf of all of the members by a Designated Member of the LLP. (2) The signature must be on the LLP's balance sheet.  In practice both LLP and group balance sheets are usually signed.
SI 2008/1911: 16 (433)	Every copy of the LLP's balance sheet that is published by or on behalf of the LLP must state the name of the person who signed it on behalf of the members of the LLP.
FRS 102 s32.9	An entity shall disclose the date when the financial statements were authorised for issue and who gave that authorisation.
<b>Registered number</b> SI 2008/1911: 9 (396) / (397)	The LLP registered number must be stated in the accounts. It is BDO policy to include the LLP number on the front cover and on the balance sheet.

# FRS 102 Layout LLP

Consolidated balance sheet  
at 31 December 2018 (*continued*)

	Note	2018 £'000	2017 £'000
<b>Represented by:</b>			
<b>Loans and amounts due to members within one year</b>			
Members' capital classified as a liability			
Other amounts			
<b>Members' other interests</b>			
Members' capital classified as equity			
Cash flow hedge reserve			
Merger reserve			
Other reserves			
		_____	_____
Non-controlling interests			
		_____	_____
		=====	=====
<b>Equity attributable to the members of the parent LLP</b>	27		
<b>Non-controlling interests</b>			
		_____	_____
		=====	=====
<b>Total members' interests</b>			
Amounts due from members			
Loans and other debts due to members			
Members' other interests			
		_____	_____
	27	=====	=====

The financial statements were approved by the members and authorised for issue on

[NAME]  
**Designated Member**

The notes on pages 13 to 54 form part of these financial statements.

# FRS 102 Layout LLP Guidance Notes

## Consolidated statement of changes in equity

SOURCE	COMMENTS
FRS 102 s6.3	An entity shall present a statement of changes in equity showing in the statement: (a) total comprehensive income for the period, showing separately the total amounts attributable to owners of the parent and to non-controlling interests; (b) for each component of equity, the effects of retrospective application or retrospective restatement recognised; and (c) for each component of equity, a reconciliation between the carrying amount at the beginning and the end of the period, separately disclosing changes resulting from: (i) profit or loss; (ii) other comprehensive income; and (iii) the amounts of investments by, and dividends and other distributions to, owners, showing separately issues of shares, purchase of own share transactions, dividends and other distributions to owners, and changes in ownership interests in subsidiaries that do not result in a loss of control.
FRS 102 s6.3A	For each component of equity, an entity shall present, either in the statement of changes in equity or in the notes, an analysis of other comprehensive income by item.
SORP 60A	The SORP allows the reconciliation of members' interests to be presented as a primary statement in place of the SOCIE, as long as prior year comparatives are presented by way of the full table relating to the prior period.
SORP 59A	Where an LLP has no equity, they do not need to prepare a statement of changes in equity as long as a statement to this effect is made on either the face of one of the other primary statements, or in the notes.
<b>This statement satisfies the disclosure requirements of SI 2008/1913 in respect of reserves</b>	
Sch 1 (57)(2)	Give a reconciliation of all movements on reserves, <u>in tabular form</u> , showing: <ul style="list-style-type: none"><li>• balance brought forward;</li><li>• transfers to and from reserves;</li><li>• source and application respectively of such transfers; and</li><li>• balance carried forward.</li></ul>
Sch 1 (35)(2)	Any revaluation reserve (for example, if a policy of revaluing tangible fixed assets other than investment property was followed) must be shown in the LLP's balance sheet under a separate sub-heading in the position given for the "revaluation reserve" in format 1 or 2 under 'Members' other interests', but need not be shown under that name. <i>NB no such reserve is presented in these financial statements as FRS 102 Layout LLP measures its tangible fixed assets other than investment property at historic cost less accumulated depreciations and impairments.</i>
SORP Appendix 5.5	Note - An LLP could only have a revaluation reserve if there was no agreement between the members for the automatic division of profit. This is because the old common law rules regarding distributions would apply to LLPs and under these rules a revaluation reserve was distributable.
Sch 3 (14)	State the cumulative amount of goodwill in relation to acquisitions in previous years which has been eliminated against reserves. Show the figure net of goodwill attributable to businesses disposed of before the balance sheet date. Any negative goodwill should be disclosed separately. <i>FRS 102 Layout LLP has no such disclosure to make.</i>
Sch 1 (43)	Any amount set aside or proposed to be set aside to, or withdrawn or proposed to be withdrawn from, reserves must be stated.

## FRS 102 Layout LLP

### Consolidated statement of changes in equity For the year ended 31 December 2018

	Members' capital classified as equity £'000	Cash flow hedge reserve £'000	Merger reserve £'000	Other reserve £'000	Equity attributable to the members of the parent LLP £'000	Non- controlling interests £'000	Total equity £'000
<b>1 January 2018 – as restated</b>							
<b>Comprehensive income for the year</b>							
<b>Profit for the year</b>							
Currency translation differences							
Actuarial gains on pension scheme							
Hedge effective portion taken to cash flow hedge reserve							
Cash flow hedge reserve recycled to profit or loss							
Taxation in respect of other comprehensive income							
<b>Other comprehensive income for the year</b>							
<b>Total comprehensive income for the year</b>							
<b>Contributions by and distributions to members</b>							
Allocation of profits							
Dividends to non-controlling interests							
Introduction of capital							
<b>Total contributions by and distributions to members</b>							
<b>31 December 2018</b>							

The notes on pages 13 to 54 form part of these financial statements.

# FRS 102 Layout LLP Guidance Notes

## Consolidated statement of changes in equity

### SOURCE

### COMMENTS

No further comments. See above for guidance.

## FRS 102 Layout LLP

### Consolidated statement of changes in equity For the year ended 31 December 2017

	Members' capital classified as equity £'000	Cash flow hedge reserve £'000	Merger reserve £'000	Other reserve £'000	Equity attributable to the members of the parent LLP £'000	Non- controlling interests £'000	Total equity £'000
1 January 2017 – as previously stated							
Prior year restatement (note 3)							
<b>1 January 2017 – as restated</b>							
<b>Comprehensive income for the year</b>							
<b>Profit for the year</b>							
Currency translation differences							
Actuarial gains on pension scheme							
Hedge effective portion taken to cash flow hedge reserve							
Cash flow hedge reserve recycled to profit or loss							
Taxation in respect of other comprehensive income							
<b>Other comprehensive income for the year</b>							
<b>Total comprehensive income for the year</b>							
<b>Contributions by and distributions to members</b>							
Allocation of profits							
Dividends to non-controlling interests							
Introduction of capital							
<b>Total contributions by and distributions to members</b>							
<b>31 December 2017 – as restated</b>							

The notes on pages 13 to 54 form part of these financial statements.

# FRS 102 Layout LLP Guidance Notes

## Consolidated statement of cash flows

SOURCE	COMMENTS
FRS 102 s7.1/s7.2	The statement of cash flows provides information about the changes in cash <i>and</i> cash equivalents, being short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.
FRS 102 s7.3	The statement should list the inflows and outflows of cash classified under the following standard headings: <ul style="list-style-type: none"><li>• Operating activities</li><li>• Investing activities</li><li>• Financing activities</li></ul>
SORP 74A	Transactions with members (and former members) must be allocated appropriately between the three categories. Guidance on allocation is provided in the SORP.
SORP 74B	The LLP should disclose transactions with members (and former members) separately from transactions with non-members.
FRS 102 s7.18	An entity shall exclude from the statement of cash flows investing and financing transactions that do not require the use of cash or cash equivalents and shall disclose such transactions elsewhere in the financial statements in a way that provides all the relevant information about those activities.
FRS 102 s1.8 & s1.12	<p>A qualifying entity may take advantage of an exemption from presenting its own statement of cash flows.</p> <p>A qualifying entity is defined as a member of a group (including the parent) where the parent of that group prepares publicly available consolidated financial statements which are intended to give a true and fair view (of the assets, liabilities, financial position and profit or loss) and that member is included in the consolidation.</p>
FRS 102 s7.20	An entity shall present the components of cash and cash equivalents and a reconciliation of the amounts presented in the statement of cash flows to the equivalent items presented in the statement of financial position (balance sheet). The reconciliation is not needed if the amount presented in the statement of cash flows is identical to the amount similarly described in the statement of financial position.
FRS 102 s7.21	<p>An entity shall disclose, together with a commentary by management, the amount of significant cash and cash equivalents held by the entity that are not available for use by the entity. Reasons might include foreign exchange controls or legal restrictions.</p> <p><b>FRS 102 does not require any further additional notes to explain or support the cash flow statement. However, users may find it useful if the entity were to voluntarily provide information reconciling cash and cash equivalents to net debt. If such disclosure is given net debt should be clearly defined and the term used consistently.</b></p>

# FRS 102 Layout LLP

## Consolidated statement of cash flows for the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
<b>Cash flows from operating activities</b>			
<b>Profit for the financial year before members' remuneration and profit shares</b>			
Adjustments for:			
Depreciation, impairment and amortisation of fixed assets	14/15		
Share of profit for the year of equity accounted investments	16		
Net fair value losses/(gains) recognised in profit or loss	15/16/19		
Net interest payable/(receivable)			
Dividend income from fixed and current asset investments	9		
Taxation expense	12		
Difference between net pension expense and cash contribution	24		
Decrease / (increase) in trade and other debtors			
Decrease / (increase) in stocks			
Increase / (decrease) in trade and other creditors			
Increase / (decrease) in provisions			
Foreign exchange			
Profit on disposal of tangible fixed assets			
<b>Cash from operations</b>			
Taxation paid			
Interest paid			
Annuity payments to former members			
Members' drawings in relation to remuneration			
<b>Net cash generated from operating activities</b>			
<b>Cash flows from investing activities</b>			
Proceeds from sale of tangible fixed assets	15		
Purchases of tangible fixed assets	15		
Purchases of intangible assets	14		
Interest received			
Dividends received on fixed and current asset investments			
Sale of business operations	29		
Cash disposed of with business operation	29		
Purchase of subsidiary undertaking	28		
Cash acquired with subsidiary undertaking	28		
Investment in associated undertaking	16		
Purchase of current asset investments	19		
Sale of current asset investments	19		
<b>Net cash from investing activities</b>			
<b>Cash flows from financing activities</b>			
Capital element of lease repaid	21		
Capital introduced by members	27		
Capital repaid to members	27		
New bank loans	21		
Debt issue costs incurred	21		
Bank loans repaid	21		
Dividends to non-controlling interests			
<b>Net cash used in financing activities</b>			
<b>Net increase / (decrease) in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of year			
Foreign exchange gains and losses			
<b>Cash and cash equivalents at end of year</b>			
<b>Cash and cash equivalents comprise:</b>			
Cash at bank and in hand			
Bank overdrafts	20		

The notes on page 13 to 54 form part of these financial statements.

# FRS 102 Layout LLP Guidance Notes

## LLP balance sheet

### SOURCE

### COMMENTS

**Represented by**  
SORP Appendix 1

Appendix 1 of the SORP includes example balance sheets, with and without equity. These show the presentation of the balance sheet with the bottom half titled "As represented by", and includes a reconciliation at the bottom of the balance sheet of the "Total members' interests" which also includes the debtor and reconciles to the total members' interests note.

**Parent LLP profit**  
SI 2008/1911: 10  
(408)

Where a parent LLP omits its own profit and loss account in its annual report that includes its consolidated financial statements it must disclose:

- On the LLP's individual balance sheet, the LLP's profit or loss for the financial year determined in accordance with this Act; and
- That this exemption is being applied. [This is given in note 13 in FRS 102 Layout LLP but can also be given on the balance sheet]

**General**  
FRS 102 s3.22

Although FRS 102 uses the term statement of financial position, other titles may be used as long as it is not misleading. In these illustrative accounts the statement has been entitled the "Balance sheet" consistent with the terminology used in SI 2008/1913.

**Signatures**  
SI 2008/1911: 12  
(414)

Approval and signing of accounts

- (1) An LLP's annual accounts must be approved by the members, and signed on behalf of all the members by a Designated Member of the LLP.
- (2) The signature must be on the LLP's balance sheet.

In practice both LLP and group balance sheets are usually signed.

SI 2008/1911: 16  
(433)

Every copy of the LLP's balance sheet that is published by or on behalf of the LLP must state the name of the person who signed it on behalf of the members of the LLP.

FRS 102 s32.9

An entity shall disclose the date when the financial statements were authorised for issue and who gave that authorisation.

# FRS 102 Layout LLP

## LLP balance sheet at 31 December 2018

<i>Registered number OC</i>	Not e	2018 £'000	2018 £'000	2017 £'000	2017 £'000
<b>Fixed assets</b>					
Tangible assets	15		_____		_____
Investments	16				
<b>Current assets</b>					
Stocks	17				
Debtors	18				
Amounts due from members	27				
Investments	19				
Cash at bank and in hand			_____	_____	
<b>Creditors: amounts falling due within one year</b>	20		_____	_____	
<b>Net current assets</b>			_____	_____	
<b>Total assets less current liabilities</b>					
<b>Creditors: amounts falling due after more than one year</b>	21				
<b>Provision for liabilities</b>	23		_____	_____	
<b>Net assets attributable to members</b>			_____	_____	
<b>Represented by:</b>					
<b>Loans and amounts due to members within one year</b>					
Members' capital classified as a liability					
Other amounts					
<b>Members' other interests</b>					
Members' capital classified as equity					
Merger reserve					
Other reserves			_____	_____	
	27		_____	_____	
<b>Total members' interests</b>					
Amounts due from members					
Loans and other debts due to members					
Members' other interests			_____	_____	
	27		_____	_____	

The profit available for discretionary division among members of the parent LLP for the year was £ (2017 - £ ).

The financial statements were approved by the Board of Members and authorised for issue on

[NAME]  
Designated Member

The notes on pages 13 to 54 form part of these financial statements.

## FRS 102 Layout LLP Guidance Notes

### LLP statement of changes in equity

SOURCE	COMMENTS
FRS 102 s6.3	An entity shall present a statement of changes in equity showing in the statement: (a) total comprehensive income for the period, showing separately the total amounts attributable to owners of the parent and to non-controlling interests; (b) for each component of equity, the effects of retrospective application or retrospective restatement recognised; and (c) for each component of equity, a reconciliation between the carrying amount at the beginning and the end of the period, separately disclosing changes resulting from: (i) profit or loss; (ii) other comprehensive income; and (iii) the amounts of investments by, and dividends and other distributions to, owners, showing separately issues of shares, purchase of own share transactions, dividends and other distributions to owners, and changes in ownership interests in subsidiaries that do not result in a loss of control.
FRS 102 s6.3A	For each component of equity, an entity shall present, either in the statement of changes in equity or in the notes, an analysis of other comprehensive income by item.
SORP 60A	The SORP allows the reconciliation of members' interests to be presented as a primary statement in place of the SOCIE, as long as prior year comparatives are presented by way of the full table relating to the prior period.
SORP 59A	Where an LLP has no equity, they do not need to prepare a statement of changes in equity as long as a statement to this effect is made on either the face of one of the other primary statements, or in the notes.
<b>This statement satisfies the disclosure requirements of SI 2008/1913 in respect of reserves</b>	
Sch 1 (57)(2)	Give a reconciliation of all movements on reserves in <u>tabular form</u> showing: <ul style="list-style-type: none"><li>• balance brought forward;</li><li>• transfers to and from reserves;</li><li>• source and application respectively of such transfers; and</li><li>• balance carried forward.</li></ul>
Sch 1 (35)(2)	Any revaluation reserve (for example, if a policy of revaluing tangible fixed assets other than investment property was followed) must be shown in the LLP's balance sheet under a separate sub-heading in the position given for the "revaluation reserve" in format 1 or 2 under 'Members' other interests', but need not be shown under that name. <i>NB no such reserve is presented in these financial statements as FRS 102 Layout LLP measures its tangible fixed assets other than investment property at historic cost less accumulated depreciations and impairments.</i>
SORP Appendix 5.5	Note - An LLP could only have a revaluation reserve if there was no agreement between the members for the automatic division of profit. This is because the old common law rules regarding distributions would apply to LLPs and under these rules a revaluation reserve was distributable.
Sch 3 (14)	State the cumulative amount of goodwill in relation to acquisitions in previous years which has been eliminated against reserves. Show the figure net of goodwill attributable to businesses disposed of before the balance sheet date. Any negative goodwill should be disclosed separately.
Sch 1 (43)	Any amount set aside or proposed to be set aside to, or withdrawn or proposed to be withdrawn from, reserves must be stated.

**FRS 102 Layout LLP**  
**LLP statement of changes in equity**  
**For the year ended 31 December 2018**

	<b>Members' capital classified as equity</b> £'000	<b>Merger reserve</b> £'000	<b>Other reserve</b> £'000	<b>Equity attributable to the members</b> £'000
1 January 2017 – as previously stated Prior year restatement (note 3)				
<b>1 January 2017 – as restated</b>				
<b>Comprehensive income for the year</b>				
<b>Profit for the year and total comprehensive income for the year</b>				
<b>Contributions by and distributions to members</b>				
Allocation of profits				
Introduction of capital				
<b>Total contributions by and distributions to members</b>				
<b>31 December 2017 – as restated</b>				
<b>Comprehensive income for the year</b>				
<b>Profit for the year and total comprehensive income for the year</b>				
<b>Contributions by and distributions to members</b>				
Allocation of profits				
Introduction of capital				
<b>Total contributions by and distributions to members</b>				
<b>31 December 2018</b>				

The notes on pages 13 to 54 form part of these financial statements

## FRS 102 Layout LLP Guidance Notes

### SOURCE

### COMMENTS

No further comments. See above for guidance.

# FRS 102 Layout LLP

Notes forming part of the financial statements  
for the year ended 31 December 2018

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## FRS 102 Layout LLP Guidance Notes

The accounting policies set out in these financial statements are included merely for illustrative purposes and should not be considered applicable to any specific case. Accounting policies should be drafted on a case by case basis so as to fully explain the specific significant policies applied.

SOURCE	COMMENTS
<b>Accounting policies</b>	
FRS 102 s3.24 SI 2008/1911: 9 (396) / (397)	An entity shall disclose in the notes the legal form of the entity, its country of incorporation and the address of its registered office (and principal place of business if different), and a description of the nature of the entity's operations and its principal activities unless this is disclosed in the business review (or similar statement) accompanying the financial statements. It must also state within the accounts the LLP's registered number, the part of the UK in which it is registered and where appropriate, the fact that the LLP is being wound up. [FRS 102 Layout LLP shows its number on the balance sheet].
SI 2008/1911: 10 (404) / (406)	
FRS 102 s3.3, FRS 103 s1.12	FRS 102 & 103: An entity whose financial statements comply with this FRS shall make an explicit and unreserved statement of such compliance in the notes. FRS 102 only: Financial statements shall not be described as complying with this FRS unless they comply with all the requirements of this FRS.
SORP 132	Financial statements which are designed to comply with the SORP should state that fact in the note to financial statements which deals with accounting policies, or detail areas of non-compliance and any reasons therefor.
FRS 102 s8.5	An entity shall disclose the measurement basis (or bases) used in preparing the financial statements and the other accounting policies used that are relevant to an understanding of the financial statements.
<b>Reduced disclosures</b>	
FRS 102 s1.11	A qualifying entity (for the purposes of FRS 102) may take advantage of the disclosure exemptions in FRS 102 s1.12, in accordance with FRS 102 s1.8 to 1.10, provided that: a) [Deleted] (see s1.17 below) b) It otherwise applies the recognition, measurement and disclosure requirements of FRS 102. c) It discloses in the notes to its financial statements: (i) a brief narrative summary of the disclosure exemptions adopted; and (ii) the name of the parent of the group in whose consolidated financial statements its financial statements are consolidated, and from where those financial statements may be obtained.
FRS 102 s1.17	In December 2016 an amendment was made to FRS 102 to delete paragraph 1.11(a), and therefore remove the requirement for a qualifying entity to notify its shareholders about the proposed use of disclosure exemptions. A qualifying entity shall apply this amendment for accounting periods beginning on or after 1 January 2016.
<b>Basis of consolidation</b>	
FRS 102 s3.23 (b)	It shall be clearly identified if the financial statements cover the individual entity or a group of entities.

# FRS 102 Layout LLP

## Notes forming part of the financial statements for the year ended 31 December 2018

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### 1 Accounting policies *[AMEND AS APPROPRIATE TO THE ENTITY]*

FRS 102 Layout LLP is a Limited Liability Partnership ('LLP') incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the members' report. The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and FRS 103 Insurance Contracts, including the Statement of Recommended Practice (2017), 'Accounting by Limited Liability Partnerships'.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 2).

#### *Parent LLP disclosure exemptions*

In preparing the separate financial statements of the parent LLP, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent LLP;
- Disclosures in respect of the parent LLP's income, expense, net gains and net losses on financial instruments measured at amortised cost have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent LLP as their remuneration is included in the totals for the group as a whole.

*[Note that the specific disclosure exemptions taken, particularly in relation to financial instruments, should be tailored to the individual entity – the above does not represent a complete list]*

The following principal accounting policies have been applied:

#### *Basis of consolidation*

The consolidated financial statements present the results of FRS 102 Layout LLP and its subsidiaries ("the Group") as if they formed a single entity. Intergroup transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 January 2014. Therefore, the group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time, and on transition of the original partnership into the LLP.

# FRS 102 Layout LLP Guidance Notes

The accounting policies set out in these financial statements are included merely for illustrative purposes and should not be considered applicable to any specific case. Accounting policies should be drafted on a case by case basis so as to fully explain the specific significant policies applied.

SOURCE	COMMENTS
<b>Accounting policies</b>	
FRS 102 s3.5	<p>When an entity departs from a requirement of this FRS or from a requirement of applicable legislation for 'true &amp; fair' reasons, it shall disclose the following:</p> <ul style="list-style-type: none"><li>(a) that management has concluded that the financial statements give a true &amp; fair view of the entity's financial position, financial performance and cash flows;</li><li>(b) that it has complied with the FRS or applicable legislation, except that it has departed from a particular requirement of the FRS or applicable legislation to the extent necessary to give a true &amp; fair view; and</li><li>(c) the nature &amp; effect of the departure, including the treatment that the FRS or applicable legislation would require, the reason why that treatment would be so misleading in the circumstances that it would conflict with the objective of financial statements and the treatment adopted.</li></ul>
FRS 102 s3.6	<p>When an entity has departed from a requirement of this FRS or applicable legislation in a prior period, and that departure affects the amounts recognised in the financial statements for the current period, it shall make the disclosures set out in paragraph 3.5(c).</p>
<b>Going concern</b>	
FRS 102 s3.9	<p>When management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the entity's ability to continue as a going concern, the entity shall disclose those uncertainties. When an entity does not prepare financial statements on a going concern basis, it shall disclose that fact, together with the basis on which it prepared the financial statements and the reason why the entity is not regarded as a going concern.</p>
<b>Changes in accounting policies</b>	
FRS 102 s10.14	<p>When a voluntary change in accounting policy has an effect on the current period or any prior period, an entity shall disclose the following:</p> <ul style="list-style-type: none"><li>a) the nature of the change in accounting policy;</li><li>b) the reasons why applying the new accounting policy provides reliable and more relevant information;</li><li>c) to the extent practicable, the amount of the adjustment for each financial statement line item affected, shown separately:<ul style="list-style-type: none"><li>i. for the current period;</li><li>ii. for each prior period presented; and</li><li>iii. in the aggregate for periods before those presented; and</li></ul></li><li>d) an explanation if it is impracticable to determine the amounts to be disclosed in (c) above.</li></ul> <p>Financial statements of subsequent periods need not repeat these disclosures.</p>
FRS 102 s6.3	<p>The SOCIE must show for each component of equity, the effects of retrospective application or retrospective restatement recognised.</p>
<p><i>Not relevant to this example as no changes in accounting policies, but noted here for reference.</i></p>	
<b>Notes to the accounts</b>	
Sch 1 (42) (2)	<p>The notes must be presented in the order in which, where relevant, the items to which they relate are presented in the balance sheet and in the profit and loss account.</p>

# FRS 102 Layout LLP

## Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

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### 1 Accounting policies (*continued*)

#### *Associates and joint ventures*

An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

An entity is treated as a joint venture where the group is party to a contractual agreement with one or more parties from outside the group to undertake an economic activity that is subject to joint control. All joint ventures of the group are classified as jointly controlled entities.

In the consolidated accounts, interests in associated undertakings and jointly controlled entities are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the associate or jointly controlled entity. The consolidated statement of comprehensive income includes the group's share of the post tax profits and other comprehensive income of such undertakings applying accounting policies consistent with those of the group. In the consolidated balance sheet, the interests in associated undertakings and jointly controlled entities are shown as the group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is included within the equity method accounted figure in the financial statements as goodwill. This goodwill is amortised over                      years. Where there are indicators of impairment, the investment as a whole is tested for impairment.

#### *Revenue*

Revenue from the sales of goods is recognised when the Group has transferred the significant risks and rewards of ownership to the buyer and it is probable that the Group will receive the previously agreed upon payment. These criteria are considered to be met when the goods are delivered to the buyer. Where the buyer has a right of return, the Group defers recognition of revenue until the right to return has lapsed. However, where high volumes of sales are made to established wholesale customers, revenue is recognised in the period where the goods are delivered less an appropriate provision for returns based on past experience.

Revenue from consultancy services is recognised by reference to the stage of completion of the contract determined by the value of the services provided at the balance sheet date as a proportion of the total value of the engagement. Where the amount of revenue is contingent on future events, this is only recognised where the amount of revenue can be measured reliably and it is probable that the economic benefits will be received. When this cannot be estimated reliably, revenue is only recognised to the extent of the expenses recognised that are recoverable, with a "catch-up" element of revenue recognised based on stage of completion once the uncertain events no longer exist. Consultancy services provided to the client which at the balance sheet date have not been billed have been recognised as revenue and are included in debtors as accrued income.

#### *Tangible fixed assets*

Tangible fixed assets, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

## FRS 102 Layout LLP Guidance Notes

The accounting policies set out in these financial statements are included merely for illustrative purposes and should not be considered applicable to any specific case. Accounting policies should be drafted on a case by case basis so as to fully explain the specific significant policies applied.

### SOURCE

### COMMENTS

#### Valuation of investments

FRS 102 s11.48A (b) For financial instruments at fair value through profit or loss that are not held as part of a trading portfolio and are not derivatives, disclose the method used to establish the amount of change attributable to changes in own credit risk, or, if the change cannot be measured reliably or is not material, that fact.

# FRS 102 Layout LLP

## Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

### 1 Accounting policies (*continued*)

#### *Depreciation*

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Freehold buildings - showrooms	-	years
Freehold buildings – other	-	years
Leasehold land and buildings	-	The term of the lease
Plant, machinery and vehicles	-	years
Fixtures, fittings, tools and equipment	-	years
Computers	-	years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income or losses' in the statement of comprehensive income.

Previously the group depreciated its computer equipment and related assets over a period of years. During the year the members reassessed the useful economic life of these assets to years. This has resulted in an additional depreciation charge for the year of £ . Computers are included within fixtures, fittings, tools and equipment.

#### *Website development costs*

Where group companies' websites are expected to generate future revenues in excess of the costs of developing those websites and all other capitalisation criteria are met, expenditure on the functionality of the website is capitalised and treated as an intangible fixed asset. Expenditure incurred on maintaining websites and expenditure incurred on developing websites used only for advertising and promotional purposes are written off as incurred.

#### *Investment properties*

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 profit or loss.

#### *Valuation of investments*

In the LLP's individual accounts, investments in subsidiaries, associates and joint ventures are measured at cost less accumulated impairment.

Investments in unlisted company shares, which have been classified as fixed asset investments as the Group intends to hold them on a continuing basis, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

Investments in listed company shares, which have been classified as current asset investments, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

## FRS 102 Layout LLP Guidance Notes

**The accounting policies set out in these financial statements are included merely for illustrative purposes and should not be considered applicable to any specific case. Accounting policies should be drafted on a case by case basis so as to fully explain the specific significant policies applied.**

### **Stock**

SORP 101

The cost of members' time will include only those elements that would be expensed in the profit and loss account (or statement of comprehensive income). However, regardless of whether the time input by a member is a cost to be included in inventories, any overhead related to that time should be included in the cost of inventories.

### **Impairment**

FRS 102 s27.28

An impairment loss recognised for goodwill shall not be reversed in a subsequent period.

# FRS 102 Layout LLP

## Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

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### 1 Accounting policies (*continued*)

#### *Hedge accounting*

The group has entered into variable to fixed rate interest swaps to manage its exposure to interest rate cash flow risk on its variable rate debt. These derivatives are measured at fair value at each reporting date. To the extent the hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. This amount is reclassified from the cash flow hedge reserve to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss. Any ineffective portions of those movements are recognised in profit or loss for the period.

#### *Impairment of fixed assets and goodwill*

Fixed assets and goodwill are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Fixed assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased, except for goodwill where impairment losses previously recognised are not reversed.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads. The cost of members' labour includes only those elements that would otherwise be expenses in 'members' remuneration charged as an expense'.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

## FRS 102 Layout LLP Guidance Notes

The accounting policies set out in these financial statements are included merely for illustrative purposes and should not be considered applicable to any specific case. Accounting policies should be drafted on a case by case basis so as to fully explain the specific significant policies applied.

SOURCE	COMMENTS
<b>Foreign Currency</b> Sch 1 (68)	Where any sums originally denominated in foreign currencies have been brought into account under any items shown in the balance sheet format or profit and loss account formats, the basis on which those sums have been translated into sterling (or the currency in which the accounts are drawn up) must be stated.
FRS 102 s30.26	An entity shall disclose the currency in which the financial statements are presented. When the presentation currency is different from the functional currency, an entity shall state that fact and shall disclose the functional currency and the reason for using a different presentation currency.
FRS 102 s30.27	When there is a change in the functional currency of either the reporting entity or a significant foreign operation, the entity shall disclose that fact and the reason for the change.
<b>Reserves</b> FRS 102 s4.12(b)	An entity shall disclose, either in the statement of financial position or in the notes, a description of each reserve within equity.

# FRS 102 Layout LLP

## Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

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### 1 Accounting policies (*continued*)

#### *Foreign currency translation*

##### *(a) Functional and presentation currency*

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'sterling', which is the LLP's functional and the group's presentation currency.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date, including any goodwill in relation to that entity. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

##### *(b) Transactions and balances*

Foreign currency transactions are translated into the group entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income or expense'.

#### *Financial assets*

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment.

#### *Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

#### *Finance costs*

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### *Merger reserve*

This arose through the application of merger accounting on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time, and on transfer of the original partnership into the LLP.

# FRS 102 Layout LLP Guidance Notes

**The accounting policies set out in these financial statements are included merely for illustrative purposes and should not be considered applicable to any specific case. Accounting policies should be drafted on a case by case basis so as to fully explain the specific significant policies applied.**

## **Drawings and Capital**

SORP 69

This SORP requires LLPs to disclose the overall policy followed in relation to members' drawings, including an indication of the policy applicable where the cash requirements of the business compete with the need to allow cash drawings by members. Such disclosures should include any transfers of members' interests from equity to debt (and vice versa) during the year and up to the date the accounts are approved. The policy under which members contribute or subscribe amounts to the LLP by way of equity or debt and the policy under which their contributions and subscriptions are repayable by the LLP, should also be disclosed.

In this example there are both equity and liability elements of capital. If only one category is held – the inapplicable policy is to be deleted (along with the word "principal" or "subsequent" throughout the accounts).

*Note – the liability element of members' capital of FRS 102 Layout LLP meets the criteria of a basic financial instrument, and is not a financing transaction (as it is repayable on demand).*

## **Reserves and Appropriations**

Sch 1 (43)

Any amount set aside or proposed to be set aside to, or withdrawn or proposed to be withdrawn from, reserves must be stated.

Sch 1 (70B)

Particulars must be given of the proposed appropriation of profit or treatment of loss or, where applicable, particulars of the actual appropriation of the profits or treatment of the losses.

## **Intangibles Assets**

Sch 1 (21) (2)

If any amount is included in an LLP's balance sheet in respect of development costs, the note on accounting policies (see paragraph 44 of this Schedule) must include the following information –

- a) the period over which the amount of those costs originally capitalised is being or is to be written off, and
- b) the reasons for capitalising the development costs in question.

## **Amortisation**

FRS 102 s18.27(d)

An entity shall disclose the following for each class of intangible assets:  
The line item(s) in the statement of comprehensive income (or in the income statement, if presented) in which any amortisation of intangible assets is included.

Sch 1 (22) (2) & (4)  
FRS 102 s18.20

Where in exceptional cases the useful life of intangible assets cannot be reliably estimated, such assets must be written off over a period chosen by the members of the LLP, which shall not exceed 10 years.

There must be disclosed in a note to the accounts the period referred to in sub-paragraph (2) and the reasons for choosing that period.

## **Goodwill**

FRS 102 s19.23(a)  
FRS 102 s19.25(g)  
Sch 1 (22) (3)

If, in exceptional cases, an entity is unable to make a reliable estimate of the useful life of goodwill, the life shall not exceed 10 years.

There must be disclosed in a note to the accounts the period chosen and the reasons for choosing that period.

# FRS 102 Layout LLP

## Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

### 1 Accounting policies (*continued*)

#### *Profit allocations*

Profit allocations are recognised in the year in which they are declared and become a present obligation of the LLP. Unallocated profits are recognised in equity ('other reserves'). The statutory profit for the financial year available for discretionary division among members will be allocated subsequent to the approval of the financial statements, subject to the discretion of the Board. This will be allocated based upon the number of 'points' held by each equity member after considering, based on the recommendation of the Senior Partner, factors which among others include the quality of work and client and management responsibilities in the determination of the allocation of profits to the individual members. Any losses are not allocated to members but must be eliminated by future profits before profit allocations recommence.

#### *Drawings*

Drawings represent payments on account of profits which may be allocated to members. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the LLP and may be reclaimed from members until profits have been allocated to them. Unallocated profits are included within members' other interests, classified as equity, advanced drawings in excess of allocated profits are included within 'Amounts due from members' in debtors, and allocated profits in excess of drawings are included within 'Amounts due to members' as a liability.

#### *Members' capital*

Initial capital contributions ('principal capital') of each of the members are amounts as set out in the LLP agreement. Further members shall contribute upon admission to the LLP such capital as determined by the Board.

No member can withdraw or receive back any part of their principal capital contribution account except for in specific circumstances as detailed in the LLP deed and approved by the Board. Members' principal capital is therefore classified as equity. Subsequent capital is repaid to members shortly after ceasing to be a member of the LLP, or at such other time as is determined by the Board. Members' subsequent capital is therefore classified as a liability due within one year. There is no opportunity for the appreciation of capital subscribed.

#### *Holiday pay accrual*

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

#### *Intangible assets*

##### *a) Goodwill*

Goodwill represents the excess of the cost of a business combination over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life. If a reliable estimate cannot be made, the useful life of goodwill is presumed to be 10 years. Goodwill is being amortised to 'administrative expenses' over periods ranging from to years.

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

## FRS 102 Layout LLP Guidance Notes

The accounting policies set out in these financial statements are included merely for illustrative purposes and should not be considered applicable to any specific case. Accounting policies should be drafted on a case by case basis so as to fully explain the specific significant policies applied.

### SOURCE

### COMMENTS

#### Tax treatment

The notes must disclose the treatment for taxation purposes of amounts credited or debited to the:

Sch 1 (35) (3)

- Revaluation reserve

Sch 1 (41) (2)

- Fair value reserve (includes cash flow hedge reserve)

*As this differs depending on specifics – the policy is left open ended on the following page.*

# FRS 102 Layout LLP

## Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

### 1 Accounting policies (*continued*)

#### *Intangible assets (continued)*

##### *b) Research and development costs*

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised to 'administrative expenses' on a straight line basis over their expected useful economic lives, which range from to years.

The expected useful economic life of development costs are estimated based on business plans which set out the development plan and time to market for the associated project.

If it is not possible to distinguish between the research phase and the development phase of an internal project the expenditure is treated as if it were all incurred in the research phase only.

#### *Current and deferred taxation*

Taxation on a members' share of the LLP's profits is solely the personal liability of the individual members and consequently is not dealt with in these financial statements. The tax within these consolidated financial statements relate to the corporate subsidiaries of the group.

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the LLP's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Amounts charged or credited to the cash flow hedge reserve are treated for tax purposes as [insert details].

## **FRS 102 Layout LLP Guidance Notes**

**The accounting policies set out in these financial statements are included merely for illustrative purposes and should not be considered applicable to any specific case. Accounting policies should be drafted on a case by case basis so as to fully explain the specific significant policies applied.**

# FRS 102 Layout LLP

## Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

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### 1 Accounting policies (*continued*)

#### *Leased assets: Lessor*

Where assets are leased to a third party and give rights approximating to ownership (finance leases), the assets are treated as if they have been sold outright. The amount removed from the fixed assets is the net book value on disposal of the asset. The profit on disposal, being the excess of the present value of the minimum lease payments over net book value is credited to profit or loss.

Finance lease payments are analysed between capital and interest components so that the interest element of the payment is credited to profit or loss over the term of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts owed by the lessee.

All other leases are treated as operating leases. Their annual rentals are credited to profit or loss on a straight-line basis over the term of the lease.

On transition to FRS 102, the group took advantage of the optional transition exemption available which allowed lease incentives on leases entered into before the date of transition to the standard (1 January 2014) to continue to be charged over the shorter period to the first market rent review rather than the term of the lease.

For leases entered into on or after 1 January 2014, reverse premiums and similar incentives granted to enter into lease agreements are released to profit or loss over the term of the lease.

#### *Leased assets: Lessee*

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

On transition to FRS 102, the group took advantage of the optional transition exemption available which allowed lease incentives on leases entered into before the date of transition to the standard (1 January 2014) to continue to be charged over the shorter period to the first market rent review rather than the term of lease.

For leases entered into on or after 1 January 2014, reverse premiums and similar incentives received to enter into operating lease agreements are released to profit or loss over the term of the lease.

Where the Group has a legal obligation, a dilapidations provision is created on inception of a lease. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease. Where the obligation arises from 'wear and tear', the provision is accrued as the 'wear and tear' occurs.

## FRS 102 Layout LLP Guidance Notes

### Professional indemnity insurance

FRS 102 s21.9

If the full claim amount remains a liability of the LLP, the full claim liability and recovery insurance debtor (where virtually certain) should be shown gross in the balance sheet, and not netted off.

For FRS 102 Layout LLP, the insured portion of the claim is no longer a liability of the LLP but the insurers and their under-writers.

### Annuities

FRS 103 s4.2

FRS 103 requires for insurance contracts, in the summary of significant accounting policies:

- a) The measurement basis (or bases) used; and
- b) The other accounting policies used that are relevant to an understanding of the financial statements.

FRS 103 s4.8

An entity with insurance contracts must disclose:

- a) Its objectives, policies and processes for managing risks arising from insurance contracts and the methods used to manage those risks;
- b) information about insurance risk (both before and after risk mitigation by reinsurance), including information about:
  - (i) sensitivity to insurance risk (see paragraph 4.9); [see note 23]
  - (ii) Concentrations of insurance risk....
  - (iii) Actual claims compared with previous estimates...

.....

SORP 87A

This paragraph provides guidance on the accounting for different types of annuity.

### Insurance contracts

FRS 103 A2.29

Insurance contracts are covered by FRS 103 and apply to entities other than just insurance companies (and may include annuities).

Similarly, an annuity contract that pays out regular sums for the rest of a policyholder's life is an insurance contract, unless the aggregate life-contingent payments are insignificant.

SORP 80

Annuities are likely in many cases to be subject to uncertainties. This will be the case, for example, where the payments are dependent on future profits or there is significant mortality risk. It should be noted that uncertainty of timing or amount per se is not the factor that determines whether section 21 of FRS 102 is applicable. Instead, it is important to establish whether the liability is or is not an unconditional contractual liability. An unconditional contractual liability will meet the definition of a financial liability and will, therefore, be excluded from the scope of section 21 of FRS 102.

SORP 80A

*Mortality risk*

An unconditional contractual obligation will meet the definition of an insurance contract under FRS 103 if the LLP accepts significant insurance risk (typically mortality risk). This will be the case if the total amount payable by the LLP may be significantly affected by how long the former member lives (eg, the LLP agrees to make payments only for as long as the former member is alive, and there is no terminal payment). For accounting purposes, such annuities fall within the scope of FRS 103, unless they are conditional on future service (in which case section 21 of FRS 102 applies).

SORP 80B

*Mortality risk*

In practice, obligations to make post-retirement payments to members will often be set out in the members' agreement, and will often reflect significant mortality risk (eg, because the LLP agrees to make payments only for as long as the former member is alive, and there is no terminal payment). Where this is the case, it is likely that the LLP will historically have accounted for the obligations as provisions within the scope of FRS 12 *Provisions, Contingent Liabilities and Contingent Assets*. On adoption of FRS 102, the obligations will fall within the scope of FRS 103; however FRS 103 will permit the LLP to continue its previous accounting policies. Nevertheless, the LLP should consider whether it needs to provide any additional disclosures in order to meet the requirements of FRS 103.

# FRS 102 Layout LLP

## Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

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### 1 Accounting policies (*continued*)

#### *Sale and leaseback*

When a sale and leaseback transaction results in a finance lease no gain is immediately recognised for any excess of sales proceeds over the carrying amount of the asset. Instead, the proceeds are deferred and presented as a liability, amortised over the lease term.

When a sale and leaseback transaction results in an operating lease, and it is clear that the transaction is established at fair value, any profit or loss is recognised immediately. If the sale price is below fair value, any profit or loss is recognised immediately unless the loss is compensated for by future lease payments at below market price. In that case any such loss is amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is amortised over the period for which the asset is expected to be used.

#### *Pension costs*

Contributions to the group's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

Some of the subsidiaries of the group jointly operate a group defined benefit pension plan. There is a stated policy for charging the net defined benefit scheme between those group companies that are a party to the scheme and hence a proportion of the defined benefit scheme assets, liabilities, income and costs are recognised by individual group companies in accordance with that policy. However, as FRS 102 Layout LLP is not itself a party to the scheme and none of its own employees are members of that scheme, no proportion of the scheme is recognised in its individual LLP financial statements.

The difference between the fair value of the assets held in the group's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the group's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

#### *Onerous leases*

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease. This is released over the remaining lease term.

#### *Professional indemnity insurance*

Insurance premiums are expensed to the profit and loss account over the period of the insurance cover. Provision is made for any uninsured excess that is likely to be payable in respect of claims made. These are based on best estimates of the expected cash outflows, discounted to present value where appropriate.

#### *Annuities*

Annuities payable to certain former partners of the predecessor partnership are provided for in full. The amount provided is recognised as the best estimate of the expenditure required to settle that obligation, and is discounted to present value. The annuity is payable to certain former partners at a fixed amount per annum for their remaining life, with no terminal payment. The annuity is accounted for as an insurance contract in accordance with FRS 103. The increase of discounted amount in the period is charged to the profit and loss account as interest payable, changes due to changes in assumptions are charged to the profit and loss account as administrative expenses.

As these are historic transactions and no new annuities are entered into, the Group does not have specific policies to manage the risks arising from these contracts.

## FRS 102 Layout LLP Guidance Notes

### SOURCE

### COMMENTS

#### Key judgements and other key sources of estimation uncertainty

FRS 102 s8.6 An entity shall disclose, in the summary of accounting policies or other notes, the judgements, apart from those involving estimations, that management has made in the process of applying the entity's accounting policies that have the most significant impact on the amounts recognised in the financial statements.

FRS 102 s8.7 An entity shall disclose in the notes information about the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. In respect of those assets and liabilities the notes shall include details of:

- a) their nature; and
- b) their carrying value as at the end of the reporting period. [FRS 102 Layout LLP covers this requirement by cross-referencing the disclosures to the relevant note].

FRS 102 s16.10 An entity shall disclose the following for all investment property accounted for at fair value through profit or loss:

- (a) the methods and significant assumptions applied in determining the fair value of investment property;

....

(See note 15 for remaining disclosure requirements)

#### Financial instruments at fair value through profit or loss

FRS 102 s11.43 For all financial assets and financial liabilities measured at fair value, the entity shall disclose the basis for determining fair value, eg quoted market price in an active market or a valuation technique. When a valuation technique is used, the entity shall disclose the assumptions applied in determining fair value for each class of financial assets or financial liabilities. For example, if applicable, an entity discloses information about the assumptions relating to prepayment rates, rates of estimated credit losses, and interest rates or discount rates.

# FRS 102 Layout LLP

## Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

### 2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the members have made the following judgements:

- Determine whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

#### *Other key sources of estimation uncertainty*

- *Tangible fixed assets (see note 15)*

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Investment properties are professionally valued annually using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself. Key inputs into the valuations were:

- Annual rent per square metre: £ - £ , with a weighted average of £
- Capitalisation rate: .% - .%, with a weighted average of .%.

- *Investments (see notes 16 and 19)*

The most critical estimates, assumptions and judgements relate to the determination of carrying value of unlisted investments at fair value through profit and loss. In determining this amount, the Group applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstance of the investment drives the valuation methodology.

Listed investments are valued at the quoted bid price at the reporting date. Unquoted investments are valued using a price/earnings multiple methodology. The relevant price/earnings multiple is determined by reference to those applying to quoted companies in similar industries after adjustment for the reduced liquidity of unquoted companies. This multiple is then applied to the earnings of the investee company in the period, after adjustments for one-off unusual income or expenditure in the period.

Key inputs include a price earnings multiple of – , applied to the average EBITDA forecasts for the next [number] years.

# FRS 102 Layout LLP Guidance Notes

## SOURCE

## COMMENTS

### Prior period adjustments

FRS 102 s10.23

An entity shall disclose the following about material prior period errors:

- a) the nature of the prior period error;
- b) for each prior period presented, to the extent practicable, the amount of the correction for each financial statement line item affected;
- c) to the extent practicable, the amount of the correction at the beginning of the earliest prior period presented; and
- d) an explanation if it is not practicable to determine the amounts to be disclosed in (b) or (c) above.

Financial statements of subsequent periods need not repeat these disclosures.

Note – There are no requirements for a third statement of financial position where prior period adjustments have been made.

FRS 102 s10.13/14

These paragraphs cover disclosure requirements for changes in policies rather than adjustments due to errors.

FRS 102 s6.3 (b)

The SOCIE must show for each component of equity, the effects of retrospective application or retrospective restatement recognised.

### Particulars of turnover

Sch 1 (65)

(1) If in the course of the financial year the LLP has carried on business of two or more classes that, in the opinion of the members, differ substantially from each other, the amount of the turnover attributable to each class must be stated and the class described.

(2) If in the course of the financial year the LLP has supplied markets that, in the opinion of the members, differ substantially from each other, the amount of the turnover attributable to each such market must also be stated. In this paragraph “market” means a market delimited by geographical bounds.

...

(5) Where in the opinion of the members the disclosure of any information required by this paragraph would be seriously prejudicial to the interests of the LLP, that information need not be disclosed, but the fact that any such information has not been disclosed must be stated.

*[Note – Sch 1 (65)(1) refers to regulation 4(3)(b) for medium sized exemptions, however regulation 4(3)(b) no longer exists.]*

FRS 102 s23.30

An entity shall disclose:

- (a) .....
- (b) The amount of each category of revenue recognised during the period, showing separately, at a minimum, revenue arising from:
  - (i) The sale of goods;
  - (ii) The rendering of services;
  - (iii) Interest;
  - (iv) Royalties;
  - (v) Dividends;
  - (vi) Commissions;
  - (vii) Grants; and
  - (viii) Any other significant types of revenue.

FRS 102 s23.31

An entity shall disclose the following for construction contracts:

- (a) the amount of contract revenue recognised as revenue in the period;
- (b) the methods used to determine the contract revenue recognised in the period; and
- (c) the methods used to determine the stage of completion of contracts in progress.

# FRS 102 Layout LLP

## Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

### 3 Prior year adjustment

In the prior year financial statements

The incorrect            resulted in            being overstated, and            being understated, by £            at 1 January 2017 and £            at 31 December 2017, and had £nil impact on the profit for the year ended 31 December 2017.

### 4 Analysis of Turnover

	2018 £'000	2017 £'000
Analysis by class of business:		
[Division 1]	_____	_____
[Division 2]		
[Division 3]		
	=====	=====
Analysis of turnover by country of destination:		
United Kingdom		
Rest of Europe		
Rest of the world	_____	_____
	=====	=====

## FRS 102 Layout LLP Guidance Notes

SOURCE	COMMENTS
<b>The following expenses charged in arriving at profit before tax should be disclosed in the notes</b> FRS 102 s18.29	An entity shall disclose the aggregate amount of research and development expenditure recognised as an expense during the period (ie the amount of expenditure incurred internally on research and development that has not been capitalised as an intangible asset or as part of the cost of another asset that meets the recognition criteria).
Sch 1 (67) (2)	The amount, nature and effect of any individual items of income or expenditure which are of exceptional size or incidence must be stated.
Sch 1 P&L format note 15	For each class of fixed asset, disclose the amount charged for depreciation and diminution in value of tangible and intangible fixed assets.
FRS 102 s13.22(c)	Disclose the amount of inventories recognised as an expense during the period.
FRS 102 s13.22(d)	Disclose the amount of impairment losses or reversal of inventories
FRS 102 s20.16(b)	A lessee shall disclosure operating lease payments recognised as an expense.
FRS 102 s30.25	Disclose the amount of exchange differences recognised in profit or loss during the period, except for those arising on financial instruments measured at fair value through profit or loss...
FRS 102 s5.9A	When items included in total comprehensive income are material, an entity shall disclose their nature and amount separately, in the statement of comprehensive income (and in the income statement, if presented) or in the notes.
FRS 102 s26.23	An entity shall disclose the effect of share-based payment transactions on the entity's profit or loss for the period. ..
<b>Auditor remuneration</b>	
SI 2008/1911: 38 [SI 2008/489 (4)]	<i>Medium-sized LLPs disclose:</i> <ul style="list-style-type: none"> <li>• the amount receivable by the LLP's auditor for the audit of the accounts.</li> <li>• The nature and estimated money value of benefits in kind</li> <li>• Separate disclosure for each auditor if there has been more than one auditor</li> </ul>
SI 2008/1911: 38 [SI 2008/489 (5)]	<i>An LLP which is not a small or medium-sized LLP must disclose separately:</i> <ol style="list-style-type: none"> <li>(1) remuneration for the LLP's auditor or an associate of the LLP's auditor for the auditing of those accounts; AND other remuneration receivable by – <ol style="list-style-type: none"> <li>(i) the LLP's auditor (disclose each auditor separately); or</li> <li>(ii) an associate of the LLP's auditor.</li> </ol> </li> <li>(2) The nature and estimated money-value of benefits in kind</li> <li>(3) Separate disclosure is required of each type of service specified below: <ol style="list-style-type: none"> <li>1. The auditing of accounts of any associate of the LLP</li> <li>2. Audit-related assurance services</li> <li>3. Taxation compliance services</li> <li>4. All taxation advisory services not falling within paragraph 3</li> <li>5. Internal audit services</li> <li>6. All assurance services not falling within paragraphs 1 to 5</li> <li>7. All services relating to corporate finance transactions entered into, or proposed to be entered into, by or on behalf of the LLP or any of its associates not falling within paragraphs 1 to 6</li> <li>8. All non-audit services not falling within paragraphs 2 to 7</li> </ol> </li> </ol>
SI 2008/1911: 38 [SI 2008/489 (6)]	(1) <i>Group accounts</i> must comply with the regulations in SI 2008/489 (5) (as above) as if the undertakings included in the consolidation were a single LLP except for when the group is small or medium-sized (and not ineligible) (2) A note to the individual accounts of a parent company which is required to prepare and does prepare group accounts in accordance with the Act; and a subsidiary company where its parent is required to prepare and does prepare group accounts in accordance with the Act and the company is included in the consolidation does not have to disclose the information required by regulation 5(1)(b) if they satisfy the conditions that: the group accounts are required to comply with paragraph (1); and the individual accounts state that the group accounts are so required.

# FRS 102 Layout LLP

## Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

### 5 Operating profit

	2018 £'000	2017 £'000
This is arrived at after charging/(crediting):		
Research and development - current year's expenditure		
Reorganisation costs following acquisition of subsidiary (note 6)		
Inventory recognised as an expense		
Impairment of inventory		
Depreciation of tangible fixed assets		
Impairment of tangible fixed assets		
Amortisation of intangible assets, including goodwill		
Operating lease expense		
Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual accounts		
Fees payable to the LLP's auditor and its associates for other services to the group:		
The audit of the LLP's subsidiaries pursuant to legislation		
Taxation compliance services		
Exchange differences		
Confiscation of stock		
Defined contribution pension cost		
Defined benefit pension cost (see note 24)		

The confiscation of stock relates to

## FRS 102 Layout LLP Guidance Notes

SOURCE	COMMENTS
FRS 102 s5.9A	When items included in total comprehensive income are material, an entity shall disclose their nature and amount separately, in the statement of comprehensive income (and in the income statement, if presented) or in the notes.
<b>Employee numbers and costs</b>	
SI 2008/1911: 11 (411.1 & 1A)	State the average number of employees (wherever employed) in the year, analysed into categories appropriate to the business. <i>Small LLPs are exempt from this requirement.</i>
SI 2008/1911: 10 (408.2)	[Removed] A parent LLP now has to provide information about its own employee numbers and costs in accordance with s411 of regulation 10 of SI 2008/1911, even if it has not presented its own profit and loss account.
SI 2008/1911: 11 (411.5)	Disclose aggregate of: <ul style="list-style-type: none"><li>• wages and salaries paid or payable in respect of the year;</li><li>• social security costs incurred by the LLP on their behalf; and</li><li>• other pension costs incurred.</li></ul> <p>This is now required for the parent LLP as well as group. [Note – per Sch 4 paragraph 12(3), wages and salaries would include benefits in kind]</p>
SI 2008/1911: 11 (411.7)	This section applies in relation to group accounts as if the undertakings included in the consolidation were a single LLP.
FRS 102 s28.40	An entity shall disclose the amount recognised in profit or loss as an expense for defined contribution plans.
FRS 102 s28.41(g)	An entity shall disclose the total cost relating to defined benefit plans for the period, disclosing separately the amounts: <ul style="list-style-type: none"><li>i. recognised in profit or loss as an expense; and</li><li>ii. included in the cost of an asset</li></ul> (see note 24 for further disclosure of total cost)

# FRS 102 Layout LLP

## Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

### 6 Costs of post-acquisition reorganisation

On 2018, the group acquired . The reorganisation costs of £ (2017 - £ ) relate to its integration within the division and comprise the costs of a redundancy programme affecting the functions, together with associated asset write downs to expected recoverable amount (see note 15). The costs have been charged to operating profit and included in administrative expenses in the statement of comprehensive income.

### 7 Employees

	Group 2018 £'000	Group 2017 £'000	LLP 2018 £'000	LLP 2017 £'000
Staff costs consist of:				
Wages and salaries				
Social security costs				
Cost of defined benefit scheme (see note 24)				
Cost of defined contribution scheme				
	_____	_____	_____	_____
	=====	=====	=====	=====

The average number of employees during the year was as follows:

	Group 2018 Number	Group 2017 Number	LLP 2018 Number	LLP 2017 Number
[Division 1]				
[Division 2]				
[Division 3]				
Administration				
	_____	_____	_____	_____
	=====	=====	=====	=====

A defined contribution pension scheme is operated by the group on behalf of the employees of one of the subsidiary undertakings. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge represents contributions payable by the group to the fund and amounted to £ (2017 - £ ), including contributions payable by the LLP to the fund amounting to £ (2017 - £ ). Group contributions amounting to £ (2017 - £ ) were payable to the fund at year end and are included in creditors. LLP contributions amounting to £ (2017 - £ ) were payable to the fund at year end and are included in creditors.

## FRS 102 Layout LLP Guidance Notes

SOURCE	COMMENTS
<b>Members' remuneration</b>	
Sch 1 (66) (1), SORP 70	Particulars must be given of the average number of members of the LLP
Sch 1 (66) (3), SORP 71	If the members' remuneration (calculated below) totals more than £200,000, for the highest paid Member disclose the amount of profit (including remuneration) which is attributable to the member with the largest entitlement to profit (including remuneration).
Sch 1 (66) (4)	<p>For the purpose of determining the amount to be disclosed under sub-paragraph (3), "remuneration" includes any emoluments specified in the following list, receivable from- (a) the LLP, (b) the LLP's subsidiary undertakings, and (c) any other person.</p> <p>Remuneration includes:</p> <ul style="list-style-type: none"><li>• the aggregate amount of remuneration paid to or receivable by members in respect of qualifying services;</li><li>• the aggregate of the amount of money paid to or receivable by members, and the net value of assets (other than money and share options) received or receivable by members, under long term incentive schemes in respect of qualifying services; and</li><li>• the aggregate value of any LLP/company contributions<ul style="list-style-type: none"><li>(i) paid, or treated as paid, to a pension scheme in respect of members' qualifying services, and</li><li>(ii) by reference to which the rate or amount of any money purchase benefits that may become payable will be calculated.</li></ul></li></ul>
SORP 72	When determining the disclosable amount, ... A consistent policy should be applied. Where the LLP has an unconditional right to avoid paying an amount of remuneration or profit, the policy for determining the disclosable amount should be disclosed and should explain how current year unallocated profits and current year allocations of both current and prior year profits are treated.
SORP 73	Where LLPs choose to disclose average members' remuneration, this should be calculated by dividing the 'Profit before members' remuneration and profit shares' by the average number of members (as discussed in paragraph 70 above), these being the two items that are required to be disclosed by the LLP Regulations. If any other figure for average members' remuneration is given, it should be reconciled to the figure calculated in accordance with this paragraph.
	<i>Note – FRS 102 Layout LLP does not choose to disclose average members' remuneration.</i>

# FRS 102 Layout LLP

## Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

### 8 Members' remuneration

Profits are shared among the members in accordance with agreed profit sharing arrangements. Members are required to make their own provision for pensions from their profit shares.

	<b>2018 Number</b>	<b>2017 Number</b>
Average number of members during the year	=====	=====
	<b>£'000</b>	<b>£'000</b>
Profit attributable to the member with the largest entitlement	=====	=====

Profit attributable to the member with the largest entitlement is calculated based upon any remuneration included within 'members' remuneration charged as an expense' this year plus [any previously unallocated profits that were allocated within the current year].

# FRS 102 Layout LLP Guidance Notes

SOURCE	COMMENTS
<b>Income from investments</b>	
Sch 1 P&L format note 13	<i>Individual P&amp;L for Parent and Subsidiaries:</i> Income and interest derived from group undertakings must be shown separately from income and interest derived from other sources. Interest payable to members must not be included under this item. <i>This is not applicable for FRS 102 Layout LLP accounts as s408 exemption taken to not show individual LLP P&amp;L.</i>
<b>Interest payable and similar expenses</b>	
Sch 1 (63)	Disclose interest or similar charges on: <ul style="list-style-type: none"><li>• all bank loans and overdrafts; and</li><li>• all other loans.</li><li>• This does not apply to loans from group undertakings, but with that exception it applies to all loans ....</li></ul>
Sch 1 P&L format note 14	<i>Individual P&amp;L for Parent and Subsidiaries:</i> The amount payable to group undertakings must be shown separately. Interest payable to members must not be included under this item. <i>This is not applicable for FRS 102 Layout LLP accounts as s408 exemption taken to not show individual LLP P&amp;L.</i>
FRS 102 s11/s12	The classification of a financial instrument as a financial liability or an equity instrument determines whether interest, dividends, losses and gains relating to that instrument are recognised as income or expense in profit or loss or as changes recognised directly in equity. Thus, dividend payments on shares wholly recognised as liabilities are recognised as expenses in the same way as interest on a bond. Dividends classified as an expense may be presented in the income statement either with interest on other liabilities or as a separate item.
Sch 1 (27) (3)	“Cost” may include overheads and interest, but the amount of interest capitalised must be disclosed.
FRS 102 s11.48	An entity shall disclose the following items of income, expense, gains or losses:  (a) income, expense, net gains or net losses, including changes in fair value, recognised on: <ul style="list-style-type: none"><li>(i) financial assets measured at fair value through profit or loss;</li><li>(ii) financial liabilities measured at fair value through profit or loss (with separate disclosure of movements on those which are not held as part of a trading portfolio and are not derivatives;</li><li>(iii) financial assets measured at amortised cost; and</li><li>(iv) financial liabilities measured at amortised cost;</li></ul> (b) total interest income and total interest expense (calculated using the effective interest method) for financial assets or financial liabilities that are not measured at fair value through profit or loss; and (c) the amount of any impairment loss for each class of financial asset. A class of financial asset is a grouping that is appropriate to the nature of the information disclosed and that takes into account the characteristics of the financial assets.

# FRS 102 Layout LLP

Notes forming part of the financial statements  
for the year ended 31 December 2018 (*continued*)

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<b>9</b>	<b>Income from investments</b>	<b>2018</b>	<b>2017</b>
		<b>£'000</b>	<b>£'000</b>
	Income from fixed asset investments held at fair value through profit or loss (unlisted shares)	_____	_____
	Income from current asset investments held at fair value through profit or loss (listed shares)	_____	_____
<b>10</b>	<b>Interest payable and similar expenses</b>	<b>2018</b>	<b>2017</b>
		<b>£'000</b>	<b>£'000</b>
	Bank loans and overdrafts		
	Finance leases and hire purchase contracts		
	Unwinding of annuity provision	_____	_____
		_____	_____
<b>11</b>	<b>Other finance costs</b>	<b>2018</b>	<b>2017</b>
		<b>£'000</b>	<b>£'000</b>
	Net interest on net defined benefit liability	_____	_____

## FRS 102 Layout LLP Guidance Notes

### SOURCE

### COMMENTS

#### Taxation

Sch 1 (64)

Disclose the following major components of the current tax charge:

- UK corporation tax
- Disclose the amount of UK tax that would have been charged but for “double taxation” relief
- UK income tax
- Non-UK tax.

Distinguishing estimated amounts for the current year and any adjustments recognised in respect of prior periods.

FRS 102 s29.25

An entity shall disclose information that enables users of its financial statements to evaluate the nature and financial effect of the current and deferred tax consequences of recognised transactions and other events.

FRS 102 s29.26

An entity shall disclose separately the major components of tax expense including:

- (a) current tax expense
- (b) any adjustments recognised in the period for current tax of prior periods
- (c) the amount of deferred tax expense relating to the origination and reversal of timing differences
- (d) the amount of deferred tax expense relating to changes in tax rates or the imposition of new taxes
- (e) adjustments to deferred tax expense arising from a change in the tax status of the entity or its shareholders and
- (f) the amount of tax expense relating to changes in accounting policies and material errors.

*There is no need to show tax on discontinued operations separately in the tax note but FRS 102 s5.7E requires this to be shown separately on the face of the P&L so it has also been disclosed separately here in the note for consistency.*

# FRS 102 Layout LLP

Notes forming part of the financial statements  
for the year ended 31 December 2018 (*continued*)

## 12 Taxation on profit

	2018 £'000	2018 £'000	2017 £'000	2017 £'000
<i>UK corporation tax</i>				
Current tax on profits of the year				
Adjustment in respect of previous periods				
Tax on discontinued operations		_____		_____
Double taxation relief		_____		_____
<i>Foreign tax</i>				
Current tax on foreign income for the year		_____		_____
Total current tax				
<i>Deferred tax</i>				
Origination and reversal of timing differences				
Changes to tax rates	_____		_____	
Taxation on profit		=====		=====

## FRS 102 Layout LLP Guidance Notes

### SOURCE

#### Taxation

Sch 1(64)

FRS 102 s29.27

### COMMENTS

An entity shall disclose the following separately:

- (a) the aggregate current and deferred tax relating to items that are recognised as items of other comprehensive income or equity;
- (b) a reconciliation between:
  - (i) the tax expense included in profit or loss and
  - (ii) the profit or loss on ordinary activities before tax multiplied by the applicable tax rate;
- (c) the amount of the net reversal of deferred tax assets and deferred tax liabilities expected to occur during the year beginning after the reporting period together with a brief explanation for the expected reversal;
- (d) an explanation of changes in the applicable tax rate(s) compared with the previous reporting period;
- (e) the amount of deferred tax liabilities and deferred tax assets at the end of the reporting period for each type of timing difference and the amount of unused tax losses and tax credits;
- (f) the expiry date, if any, of timing differences, unused tax losses and unused tax credits; and
- (g) an explanation of the nature of the potential income tax consequences that would result from the payment of dividends to its shareholders.

*Note – some of these deferred tax disclosures are provided in note 15.*

# FRS 102 Layout LLP

## Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

### 12 Taxation on profit (continued)

The tax assessed for the year is [higher/lower] than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2018 £'000	2017 £'000
Profit before tax		
Less: amounts subject to personal taxation	_____	_____
Profits subject to taxation	_____	_____
Profits subject to taxation at the standard rate of corporation tax in the UK of % (2017 – %)	=====	=====
Effects of:		
Expenses not deductible for tax purposes		
Higher tax rates on overseas earnings	_____	_____
Total tax charge for period	=====	=====

The aggregate current and deferred tax relating to items recognised in other comprehensive income is a charge of £ (2017: a credit of £ ).

The group's overseas tax rates are higher than those in the UK primarily because profits earned in Australia and Singapore are taxed at a rate in excess of %. There is no indication that these rates are likely to change in the near future.

For further information on deferred tax balances see notes 23 and 25.

# FRS 102 Layout LLP Guidance Notes

## SOURCE

## COMMENTS

### Profit for the financial year

SI 2008/1911: 10  
(408)

Where a parent LLP omits its own profit and loss account in its annual report that includes its consolidated financial statements it must disclose:

- On the LLP's individual balance sheet, the LLP's profit or loss for the financial year determined in accordance with this Act; and
- That this exemption is being applied. This disclosure that the exemption is being taken may be presented on either the face of the balance sheet or in the notes.

### Intangible assets

FRS 102 s18.27  
Sch 1 (49)

An entity shall disclose the following for each class of intangible assets:

- (a) the useful lives or the amortisation rates used and the reasons for choosing those periods;
- (b) the amortisation methods used;
- (c) the gross carrying amount and any accumulated amortisation (aggregated with accumulated impairment losses) at the beginning and end of the reporting period;
- (d) the line item(s) in the statement of comprehensive income (or in the income statement, if presented) in which any amortisation of intangible assets is included; and
- (e) a reconciliation of the carrying amount at the beginning and end of the reporting period showing separately:
  - (i) additions, indicating separately those from internal development and those acquired separately;
  - (ii) disposals;
  - (iii) acquisitions through business combinations;
  - (iv) revaluations;
  - (v) amortisation;
  - (vi) impairment losses; and
  - (vii) other changes.

This reconciliation need not be presented for prior periods.

FRS 102 s19.26

An acquirer shall disclose a reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period, showing separately:

- (a) changes arising from new business combinations;
- (b) amortisation;
- (c) impairment losses;
- (d) disposals of previously acquired businesses; and
- (e) other changes.

This reconciliation need not be presented for prior periods.

FRS 102 s19.26A

See paragraph 26A for disclosure requirements in relation to negative goodwill.

Sch 1 (50)

Where any intangible fixed assets (other than goodwill) are included at current cost, following information must be given -

- (a) the years in which the assets were severally valued and the several values, and
- (b) in the case of assets that have been valued during the financial year, the names of the persons who valued them or particulars of their qualifications for doing so and (whichever is stated) the bases of valuation used by them.

FRS 102 s18.28(a)

An entity shall also disclose a description, the carrying amount and remaining amortisation period of any individual intangible asset that is material to the entity's financial statements.

# FRS 102 Layout LLP

## Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

### 13 Parent LLP profit for the year

The LLP has taken advantage of the exemption allowed under the Companies Act 2006 as applied to LLPs and has not presented its own statement of comprehensive income in these financial statements.

### 14 Intangible assets

Group	Development costs £'000	Goodwill on consolidation £'000	Total £'000
<i>Cost or valuation</i>			
At 1 January 2018	_____	_____	_____
Additions On acquisition of subsidiary	_____	_____	_____
At 31 December 2018	_____	_____	_____
<i>Amortisation</i>			
At 1 January 2018	_____	_____	_____
Provision for year	_____	_____	_____
At 31 December 2018	_____	_____	_____
<i>Net book value</i>			
At 31 December 2018	=====	=====	=====
At 31 December 2017	=====	=====	=====

All development costs are internally generated.

Goodwill arising on consolidation is being amortised over the members' estimate of its useful life of years. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

# FRS 102 Layout LLP Guidance Notes

SOURCE	COMMENTS
<b>Tangible fixed assets</b> Sch 1 (51)	Show separately: <ul style="list-style-type: none"><li>• freehold land and buildings;</li><li>• long leasehold land and buildings;</li><li>• short leasehold land and buildings.</li></ul> "Long lease" means a lease in the case of which the portion remaining unexpired at the end of the financial year is not less than 50 years. A "Short lease" means a lease which is not a long lease.
FRS 102 s17.31 (d) & (e) Sch 1 (49)	An entity shall disclose the following for each class of property, plant and equipment: <ul style="list-style-type: none"><li>(d) the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the reporting period;</li><li>(e) a reconciliation of the carrying amount at the beginning and end of the reporting period showing separately:<ul style="list-style-type: none"><li>(i) additions;</li><li>(ii) disposals;</li><li>(iii) acquisitions through business combinations;</li><li>(iv) revaluations;</li><li>(v) transfers to or from investment property if a reliable measure of fair value becomes available or unavailable;</li><li>(vi) impairment losses recognised or reversed in profit or loss;</li><li>(vii) depreciation; and</li><li>(viii) other changes.</li></ul></li></ul> <p>This reconciliation need not be presented for prior periods.</p>
FRS 102 s17.32 (a)	The entity shall disclose the existence and carrying amounts of property, plant and equipment to which the entity has restricted title or that is pledged as security for liabilities;
FRS 102 s17.32A Sch 1 (50)	If items of property, plant and equipment are stated at revalued amounts, the following shall be disclosed: <ul style="list-style-type: none"><li>(a) the effective date of the revaluation;</li><li>(b) whether an independent valuer was involved;</li><li>(c) the methods and significant assumptions applied in estimating the items' fair values; and</li><li>(d) for each revalued class of property, plant and equipment, the carrying amount that would have been recognised had the assets been carried under the cost model.</li></ul>
Sch 1 (34)	If assets are included at other than historical cost amount and revalued through other comprehensive income, disclose: <ul style="list-style-type: none"><li>• the items affected and the basis of valuation adopted, in the note on accounting policies; and</li><li>• the historical cost amount (cost and provision for depreciation and diminution) in a note.</li></ul>
FRS 102 s20.13 (a)	A lessee should disclose for each class of finance lease asset, the net carrying amount at the end of the reporting period.
<b>Value in use</b>	Note – there is no requirement to give details of how value in use was determined (unless this is a significant estimate / judgement). This paragraph has been given for the purposes of clarified disclosure.

## FRS 102 Layout LLP

Notes forming part of the financial statements  
for the year ended 31 December 2018 (*continued*)

### 15 Tangible fixed assets

Group	Investment property £'000	Land and buildings £'000	Plant, machinery and vehicles £'000	Fixtures, fittings, tools and equipment £'000	Total £'000
<i>Cost or valuation</i>					
At 1 January 2018					
Additions					
Acquisition of subsidiary					
Disposals					
Disposal of subsidiary					
Revaluations					
Exchange adjustments					
At 31 December 2018					
<i>Depreciation</i>					
At 1 January 2018					
Provision for year					
Disposals					
Disposal of subsidiary					
Impairment					
Exchange adjustments					
At 31 December 2018					
<i>Net book value</i>					
At 31 December 2018					
At 31 December 2017					

The impairment loss recognised on tangible fixed assets in the period was £ (2017 – £ ) and is included in administrative expenses in the consolidated income statement. It mostly arose as a result of the reorganisation described in note 6 where tangible fixed assets have been written down to their recoverable amount being the higher of their fair value less costs to sell and value in use.

The value in use has been calculated using discounted cash flow projections using a discount rate of % (2017 – %) over a period of years which is based on management's most recent business forecast.

## FRS 102 Layout LLP Guidance Notes

SOURCE	COMMENTS
<b>Tangible fixed assets</b> FRS 102 s16.10	<p>An entity shall disclose the following for all investment property accounted for at fair value through profit or loss:</p> <ul style="list-style-type: none"><li>(a) the methods and significant assumptions applied in determining the fair value of investment property;</li><li>(b) the extent to which the fair value of investment property (as measured or disclosed in the financial statements) is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and class of the investment property being valued. If there has been no such valuation, that fact shall be disclosed;</li><li>(c) the existence and amounts of restrictions on the realisability of investment property or the remittance of income and proceeds of disposal;</li><li>(d) contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements; and</li><li>(e) a reconciliation between the carrying amounts of investment property at the beginning and end of the period, showing separately:<ul style="list-style-type: none"><li>(i) additions, disclosing separately those additions resulting from acquisitions through business combinations;</li><li>(ii) net gains or losses from fair value adjustments;</li><li>(iii) transfers to property, plant and equipment when a reliable measure of fair value is no longer available without undue cost or effort (see paragraph 16.8);</li><li>(iv) transfers to and from inventories and owner-occupied property; and</li><li>(v) other changes.</li></ul></li></ul> <p>This reconciliation need not be presented for prior periods.</p>
FRS 102 s27.32	<p>An entity shall disclose the following for each class of assets indicated in paragraph 27.33:</p> <ul style="list-style-type: none"><li>(a) the amount of impairment losses recognised in profit or loss during the period and the line item(s) in the statement of comprehensive income (or in the income statement, if presented) in which those impairment losses are included; and</li><li>(b) the amount of reversals of impairment losses recognised in profit or loss during the period and the line item(s) in the statement of comprehensive income (or in the income statement, if presented) in which those impairment losses are reversed.</li></ul>
FRS 102 s27.33	<p>An entity shall disclose the information required by paragraph 27.32 for each of the following classes of asset:</p> <ul style="list-style-type: none"><li>(a) inventories;</li><li>(b) property, plant and equipment (including investment property accounted for by the cost method);</li><li>(c) goodwill;</li><li>(d) intangible assets other than goodwill;</li><li>(e) investments in associates; and</li><li>(f) investments in joint ventures.</li></ul>
FRS 102 s27.33A	<p>An entity shall disclose a description of the events and circumstances that led to the recognition or reversal of the impairment loss.</p>

# FRS 102 Layout LLP

Notes forming part of the financial statements  
for the year ended 31 December 2018 *(continued)*

## 15 Tangible fixed assets *(continued)*

LLP	Investment property £'000	Land and buildings £'000	Plant, machinery and vehicles £'000	Fixtures, fittings, tools and equipment £'000	Total £'000
<i>Cost or valuation</i>					
At 1 January 2018	_____	_____	_____	_____	_____
Additions	_____	_____	_____	_____	_____
Disposals	_____	_____	_____	_____	_____
Revaluations	_____	_____	_____	_____	_____
At 31 December 2018	_____	_____	_____	_____	_____
<i>Depreciation</i>					
At 1 January 2018	_____	_____	_____	_____	_____
Provision for year	_____	_____	_____	_____	_____
Disposals	_____	_____	_____	_____	_____
At 31 December 2018	_____	_____	_____	_____	_____
<i>Net book value</i>					
At 31 December 2018	=====	=====	=====	=====	=====
At 31 December 2017	=====	=====	=====	=====	=====

The net book value of land and buildings may be further analysed as follows:

	Group 2018 £'000	Group 2017 £'000	LLP 2018 £'000	LLP 2017 £'000
Freehold	_____	_____	_____	_____
Long leasehold	_____	_____	_____	_____
Short leasehold	_____	_____	_____	_____
	=====	=====	=====	=====

# FRS 102 Layout LLP Guidance Notes

## SOURCE

## COMMENTS

### Investment property

Sch 1 (39) (2)

Paragraph 39(2) of Schedule 1 to SI 2008/1913 allows investment properties to be measured at fair value under UK GAAP with movements in fair value recognised in the profit and loss account. There is no requirement to provide depreciation. This treatment is consistent with FRS 102. As a result, there is now no need for a true and fair override to be given in UK GAAP accounts prepared under FRS 102 because of the non-provision of depreciation.

Sch 1 (56) (2)

Where investment property is included at fair value, the balance sheet items affected and the basis of valuation adopted in determining the amounts of the assets in question in the case of each such item must be disclosed in a note to the accounts.

Sch 1 (56) (3&4)

In the case of investment property, for each balance sheet item affected there must be shown, either separately in the balance sheet or in a note to the accounts—

- (a) the comparable amounts determined according to the historical cost accounting rules, or
- (b) the differences between those amounts and the corresponding amounts actually shown in the balance sheet in respect of that item.

The comparable amounts to be disclosed are:

- (a) the aggregate amount which would be required to be shown in respect of that item if the amounts to be included in respect of all the assets covered by that item were determined according to the historical cost accounting rules, and
- (b) the aggregate amount of the cumulative provisions for depreciation or diminution in value which would be permitted or required in determining those amounts according to those rules.

### Finance leases (lessee)

FRS 102 s20.13

A lessee should disclose for finance leases:

- (a) for each class of asset, the net carrying amount at the end of the reporting period.
- (b) the total of future minimum lease payments at the end of the reporting period, for each of the following periods:
  - (i) not later than one year;
  - (ii) later than one year and not later than five years; and
  - (iii) later than five years.
- (c) A general description of the lessee's significant leasing arrangements including, for example, information about contingent rent, renewal or purchase options and escalation clauses, subleases, and restrictions imposed by lease arrangements.

(see note 21 for b & c)

### Consolidated financial statements

FRS 102 s9.23

The following disclosures shall be made in consolidated financial statements:

- (a) the fact that the statements are consolidated financial statements;
- (b) the basis for concluding that control exists when the parent does not own, directly or indirectly through subsidiaries, more than half of the voting power;
- (c) any difference in the reporting date of the financial statements of the parent and its subsidiaries used in the preparation of the consolidated financial statements;
- (d) the nature and extent of any significant restrictions (eg resulting from borrowing arrangements or regulatory requirements) on the ability of subsidiaries to transfer funds to the parent in the form of cash dividends or to repay loans; and
- (e) the name of any subsidiary excluded from consolidation and the reason for exclusion

*Note that disclosures for (b)-(e) are not relevant for FRS 102 Layout LLP*

# FRFRS 102 Layout LLP

## Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

### 15 Tangible fixed assets (continued)

#### Investment properties

The group's investment properties are valued annually on 31 December at fair value, determined by an independent, professionally qualified valuer. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual. Details on the assumptions made and the key sources of estimation uncertainty are given in note 2.

The surplus on revaluation of investment property arising of £ (LLP - £ ) has been credited to the profit and loss for the year. All other tangible assets are stated at historical cost less depreciation and impairments.

If investment property had been accounted for under the historic cost accounting rules, the property would have been measured as follows:

	<b>Group 2018 £'000</b>	<b>Group 2017 £'000</b>	<b>LLP 2018 £'000</b>	<b>LLP 2017 £'000</b>
Historic cost				
Accumulated depreciation and impairments				
Under historic cost basis				

#### Finance Leases

The net book value of plant, machinery and vehicles for the group includes an amount of £ (2017 - £ ) in respect of assets held under finance leases and hire purchase contracts. The LLP had no assets held under such leases at either year end.

Such assets are generally classified as finance leases as the rental period amounts to the estimated useful economic life of the assets concerned and often the Group has the right to purchase the assets outright at the end of the minimum lease term by paying a nominal amount.

# FRS 102 Layout LLP Guidance Notes

## SOURCE

## COMMENTS

### Fixed asset investments

Sch 1 (49)

For each item shown as a fixed asset investment, disclose:

- cost at beginning of year and balance sheet date;
- acquisitions in year;
- revaluations in year;
- disposals in year; and
- transfers to or from that item.

In respect of provisions for depreciation or diminution in value, disclose:

- accumulated amount at the beginning of year and balance sheet date;
- charge for year and provisions for diminution in value;
- adjustments for disposals; and
- other adjustments.

Sch 1 (52)(1)

Analyse investments between listed and other investments.

FRS 102 s11.48

An entity shall disclose the following items of income, expense, gains or losses:

(a) income, expense, net gains or net losses, including changes in fair value, recognised on:

- (i) financial assets measured at fair value through profit or loss;
- (ii) financial liabilities measured at fair value through profit or loss (with separate disclosure of movements on those which are not held as part of a trading portfolio and are not derivatives);
- (iii) financial assets measured at amortised cost; and
- (iv) financial liabilities measured at amortised cost;

(b) total interest income and total interest expense (calculated using the effective interest method) for financial assets or financial liabilities that are not measured at fair value through profit or loss; and

(c) the amount of any impairment loss for each class of financial asset. A class of financial asset is a grouping that is appropriate to the nature of the information disclosed and that takes into account the characteristics of the financial assets.

### Associates and Joint Ventures

FRS 102 s14.12 (c)

The financial statements shall disclose the fair value of investments in associates or jointly controlled entities accounted for using the equity method for which there are published price quotations.

FRS 102 s14.15A

The individual financial statements of an investor that is not a parent shall disclose summarised financial information about the investments in the associates, along with the effect of including those investments as if they had been accounted for using the equity method. Investing entities that are exempt from preparing consolidated financial statements, or would be exempt if they had subsidiaries, are exempt from this requirement.

FRS 102 s15.21A

The individual financial statements of a venturer that is not a parent shall disclose summarised financial information about the investments in the jointly controlled entities, along with the effect of including those investments as if they had been accounted for using the equity method. Investing entities that are exempt from preparing consolidated financial statements, or would be exempt if they had subsidiaries, are exempt from this requirement.

FRS 102 s15.19 (d)

The financial statements shall disclose the aggregate amount of its commitments relating to joint ventures, including its share in the capital commitments that have been incurred jointly with other venturers, as well as its share of the capital commitments of the joint ventures themselves.

# FRS 102 Layout LLP

Notes forming part of the financial statements  
for the year ended 31 December 2018 (*continued*)

## 16 Fixed asset investments

Group	Joint ventures £'000	Associated undertakings £'000	Other investments £'000	Total £'000
<i>Cost or valuation</i>				
At 1 January 2018				
Additions				
Movement in fair value				
At 31 December 2018				
<i>Share of retained profits</i>				
At 1 January 2018				
Profit for the year				
At 31 December 2018				
<i>Net book value</i>				
At 31 December 2018				
At 31 December 2017				

There was no premium on acquisition relating to the associated undertakings or joint venture.

Other investments are shares in other unlisted companies which have been measured at fair value. The total income recognised on these investments in the period was £ (2017: £ ) representing the fair value remeasurements shown above and dividends received of £ (2017: £ ). There has been no change in the fair value of these as a result of changes in credit risk of the investments.

## LLP

	Group undertakings £'000	Associated undertakings £'000	Other Investments £'000	Total £'000
<i>Cost</i>				
At 1 January 2018				
Additions				
Disposals				
Movement in fair value				
At 31 December 2018				

Other investments are shares in other unlisted companies which have been measured at fair value.

# FRS 102 Layout LLP Guidance Notes

SOURCE	COMMENTS
<b>Fixed asset investments in subsidiaries</b>	
Sch 2 (1)	For each subsidiary undertaking show: <ul style="list-style-type: none"><li>• name;</li><li>• address of undertakings' <b>registered office</b> (whether in or outside the UK);</li><li>• address of principal place of business if it is unincorporated;</li></ul>
Sch 2 (14)	<ul style="list-style-type: none"><li>• whether the subsidiary undertaking is included in the consolidation and, if not, give reasons for excluding it</li><li>• which of the conditions specified in S.1162(2) or (4) (definition of a subsidiary undertaking) has been satisfied. This is not required if the relevant condition is that the parent undertaking holds a majority of the voting rights and holds the same proportion of shares as it holds voting rights.</li></ul>
Sch 2 (9, 15)	For each subsidiary undertaking give proportion of nominal value and description of shares of each class held, distinguishing between shareholdings by the parent LLP and by the group if different.
Sch 2 (2)	For each subsidiary undertaking <b>not</b> included in the consolidation show: <ul style="list-style-type: none"><li>• aggregate amount of capital and reserves at the end of the year</li><li>• profit or loss for the year</li></ul> This information need not be given if: <ul style="list-style-type: none"><li>• the parent is included in the accounts of a larger group and is not required to prepare their own group accounts</li><li>• the subsidiary is included in the parent's accounts by way of the equity method</li><li>• the subsidiary is not required to publish a balance sheet in the UK or elsewhere and the parent holds less than 50% nominal value of the shares.</li><li>• the information required is not material.</li></ul>
Sch 2 (10)	If the year end of the undertaking for which the above is disclosed differs to that of the LLP, the date on which its last financial year ended (last before the end of the LLP's financial year) must be stated.
SI 2008/1911: 11 (410)	[Removed by SI 2016/575]

*Note – there is no longer a requirement to disclosure nature of business of subsidiaries, however some companies may wish to do so for informative purposes.*

## **Significant holdings in undertakings other than subsidiary undertakings**

Sch 2 (3), Sch 2 (18) Where the LLP has a significant holding in an undertaking which is not a subsidiary undertaking of the LLP or group and does not fall within paragraph 16 (joint ventures) or 17 (associated undertakings), additional disclosures are required, unless the conditions noted in Sch 2 (12) are met.

# FRS 102 Layout LLP

Notes forming part of the financial statements  
for the year ended 31 December 2018 (*continued*)

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## 16 Fixed asset investments (*continued*)

*Subsidiary undertakings, associated undertakings and other investments*

The undertakings in which the LLP's interest at the year end is 20% or more are as follows:

<b>Name</b>	<b>Registered address</b>	<b>Proportion of voting rights and ordinary share capital held</b>
<i>Subsidiary undertakings</i>		
*		
<i>Joint ventures</i>		
*	**	
<i>Associated undertakings</i>		
*	**	
*	**	
*	**	

\* Held indirectly.

\*\* Registered address is

# FRS 102 Layout LLP Guidance Notes

SOURCE	COMMENTS
<b>Stocks</b>	
FRS 102 s13.22 (b)	An entity shall disclose the total carrying amount of inventories and the carrying amount in classifications appropriate to the entity.
Sch 1 BS format	Stocks should be sub-classified in the balance sheet or notes to the financial statements to indicate the amounts held in each of the following main categories of the balance sheet formats. <ul style="list-style-type: none"><li>• raw materials and consumables;</li><li>• work in progress;</li><li>• finished goods and goods for resale</li></ul>
Sch 1 (28)	If cost has been determined using FIFO, LIFO, weighted average cost or a similar method and the difference between historical cost and replacement cost of stocks is material, the amount of that difference should be disclosed in a note to the financial statements. Note – LIFO is not permitted per FRS 102 s13.18.
<b>Debtors</b>	
Sch 1 BS format note 3	Amounts falling due after more than one year should be shown separately for each item included under debtors.
FRS 102 s4.4A	Unless an entity chooses to apply paragraph 1A(1) of Schedule 1 to the Regulations, where the amount of debtors due after more than one year is so material in the context of the total net current assets that in the absence of disclosure of the debtors due after more than one year on the face of the statement of financial position readers may misinterpret the financial statements, the amount should be disclosed on the face of the statement of financial position within current assets. In most cases it will be satisfactory to disclose the amount due after more than one year in the notes to the financial statements.
FRS 102 s23.32 (a)	An entity shall present the gross amount due from customers for contract work, as an asset.
FRS 102 s11.48	An entity shall disclose the following items of income, expense, gains or losses:  (a) income, expense, net gains or net losses, including changes in fair value, recognised on: <ul style="list-style-type: none"><li>(i) financial assets measured at fair value through profit or loss;</li><li>(ii) financial liabilities measured at fair value through profit or loss (with separate disclosure of movements on those which are not held as part of a trading portfolio and are not derivatives);</li><li>(iii) financial assets measured at amortised cost; and</li><li>(iv) financial liabilities measured at amortised cost;</li></ul> (b) total interest income and total interest expense (calculated using the effective interest method) for financial assets or financial liabilities that are not measured at fair value through profit or loss; and (c) the amount of any impairment loss for each class of financial asset. A class of financial asset is a grouping that is appropriate to the nature of the information disclosed and that takes into account the characteristics of the financial assets.

# FRS 102 Layout LLP

## Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

### 17 Stocks

	Group 2018 £'000	Group 2017 £'000	LLP 2018 £'000	LLP 2017 £'000
Raw materials and consumables	_____	_____	_____	_____
Work in progress (goods to be sold)	_____	_____	_____	_____
Finished goods and goods for resale	_____	_____	_____	_____
	=====	=====	=====	=====

#### *Replacement cost*

Included in the amount shown above for stocks of raw materials and consumables are items valued at cost calculated on a first in, first out basis. The replacement cost of these items at 31 December 2018 was £ greater (2017 – £ greater) than the amount at which they are included in the accounts.

### 18 Debtors

	Group 2018 £'000	Group 2017 £'000	LLP 2018 £'000	LLP 2017 £'000
Trade debtors	_____	_____	_____	_____
Amounts owed by group undertakings	_____	_____	_____	_____
Amounts owed by joint ventures and associated undertakings	_____	_____	_____	_____
Other debtors	_____	_____	_____	_____
Prepayments	_____	_____	_____	_____
Accrued income	_____	_____	_____	_____
Net investment in finance lease	_____	_____	_____	_____
Deferred tax asset	_____	_____	_____	_____
	=====	=====	=====	=====

All amounts shown under debtors fall due for payment within one year except:

#### Group:

- net investment in finance leases £ (2017 - £ ); and
- deferred tax asset recognised in respect of the defined benefit pension scheme operated by some subsidiaries of the group. This will reverse over the life of the scheme and is subject to changes in valuations of the defined benefit obligation and plan assets.

#### LLP:

- None (2017 – None)

The impairment loss recognised in the group profit or loss for the period in respect of bad and doubtful trade debtors was £ (2017: £ ). The impairment loss recognised in the LLP profit or loss for the period in respect of bad and doubtful trade debtors was £ (2017: £ ).

# FRS 102 Layout LLP Guidance Notes

SOURCE	COMMENTS
<b>Finance leases (lessor)</b>	
FRS 102 s20.23	<p>A lessor shall make the following disclosures for finance leases:</p> <p>(a) a reconciliation between the gross investment in the lease at the end of the reporting period, and the present value of minimum lease payments receivable at the end of the reporting period. In addition, a lessor shall disclose the gross investment in the lease and the present value of minimum lease payments receivable at the end of the reporting period, for each of the following periods:</p> <ul style="list-style-type: none"><li>(i) not later than one year;</li><li>(ii) later than one year and not later than five years; and</li><li>(iii) later than five years.</li></ul> <p>(b) unearned finance income;</p> <p>(c) the unguaranteed residual values accruing to the benefit of the lessor;</p> <p>(d) the accumulated allowance for uncollectible minimum lease payments receivable;</p> <p>(e) contingent rents recognised as income in the period; and</p> <p>(f) a general description of the lessor's significant leasing arrangements including, for example, information about contingent rent, renewal or purchase options and escalation clauses, subleases, and restrictions imposed by lease arrangements.</p> <p><i>[Note – in the case of FRS 102 Layout LLP this is not material]</i></p>
<b>Current asset investments</b>	
Sch 1(52)(1)	Analyse investments between listed and other investments.
FRS 102 s11.48	<p>An entity shall disclose the following items of income, expense, gains or losses:</p> <p>(a) income, expense, net gains or net losses, including changes in fair value, recognised on:</p> <ul style="list-style-type: none"><li>(i) financial assets measured at fair value through profit or loss;</li><li>(ii) financial liabilities measured at fair value through profit or loss (with separate disclosure of movements on those which are not held as part of a trading portfolio and are not derivatives);</li><li>(iii) financial assets measured at amortised cost; and</li><li>(iv) financial liabilities measured at amortised cost;</li></ul> <p>(b) total interest income and total interest expense (calculated using the effective interest method) for financial assets or financial liabilities that are not measured at fair value through profit or loss; and</p> <p>(c) the amount of any impairment loss for each class of financial asset. A class of financial asset is a grouping that is appropriate to the nature of the information disclosed and that takes into account the characteristics of the financial assets.</p>
<b>Creditors: Amounts falling due within one year</b>	
Sch 1 (59)(4)	<p>For each item in creditors for which security has been given:</p> <ul style="list-style-type: none"><li>• state the amounts secured; and</li><li>• give a general indication of security.</li></ul>
Sch 1 BS format note 7	Liabilities for taxation and social security should be separately disclosed.
FRS 102 s23.32	<p>An entity shall present:</p> <ul style="list-style-type: none"><li>(a) the gross amount due from customers for contract work, as an asset; and</li><li>(b) the gross amount due to customers for contract work, as a liability.</li></ul>

# FRS 102 Layout LLP

Notes forming part of the financial statements  
for the year ended 31 December 2018 (*continued*)

## 19 Current asset investments

	Group and LLP	
	2018	2017
	£'000	£'000
Opening fair value		
Purchases		
Sales		
Gains/(losses) on remeasurement to fair value		
	_____	_____
Market value		
	_____	_____

All current asset investments are shares held in listed companies which are traded on a regular basis. The total income recognised on these investments in the period was £ (2017: £ ) representing the fair value remeasurements shown above and dividends received of £ (2017: £ ).

## 20 Creditors: amounts falling due within one year

	Group	Group	LLP	LLP
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Bank overdrafts (secured)				
Payments received on account				
Trade creditors				
Amounts owed to group undertakings				
Corporation tax				
Taxation and social security				
Obligations under finance lease and hire purchase contracts				
Other creditors				
Accruals and deferred income				
Amounts due to former members				
	_____	_____	_____	_____
	_____	_____	_____	_____

The bank overdrafts are secured by a floating charge over the assets of the group and the LLP.

## FRS 102 Layout LLP Guidance Notes

SOURCE	COMMENTS
	<b>Creditors: amounts falling due after more than one year</b>
Sch 1 (48)(1)	If debentures have been issued during the year, give: <ul style="list-style-type: none"><li>• classes of debentures issued; and</li><li>• for each class, the amount issued and the consideration received.</li></ul>
Sch 1 (48)(2)	Disclose the nominal and carrying amount of any debentures held by a nominee of or trustee for the LLP.
Sch 1 (59)(4)	For items where security has been given state the amounts secured and give a general indication of the security.
Sch 1 (59)(1)	For the aggregate of items included in creditors, disclose the aggregate of: <ul style="list-style-type: none"><li>• amounts payable otherwise than by instalments more than five years hence; and</li><li>• amounts payable by instalments any of which are due more than five years hence and the total of such instalments.</li></ul>
Sch 1 (59)(2&3)	Where any part of the debt is payable after more than five years, show terms of repayment and rates of interest payable. If this produces a statement of excessive length, give a general indication of the terms and rates of interest.

# FRS 102 Layout LLP

Notes forming part of the financial statements  
for the year ended 31 December 2018 *(continued)*

**21 Creditors: amounts falling due after more than one year**

	Group 2018 £'000	Group 2017 £'000	LLP 2018 £'000	LLP 2017 £'000
Bank loans	_____	_____	_____	_____
Interest rate swap – cash flow hedge				
Obligations under finance lease and hire purchase contracts				
Accruals and deferred income	_____	_____	_____	_____
	=====	=====	=====	=====

The maturity of sources of debt finance are as follows:

	Loans and overdrafts 2018 £'000	Finance leases 2018 £'000	Total 2018 £'000
<b>Group</b>			
In one year or less, or on demand			
In more than one year but not more than two years			
In more than two years but not more than five years	_____	_____	_____
	=====	=====	=====
	<b>Loans and overdrafts 2017 £'000</b>	<b>Finance leases 2017 £'000</b>	<b>Total 2017 £'000</b>
In one year or less, or on demand			
In more than one year but not more than two years			
In more than two years but not more than five years	_____	_____	_____
	=====	=====	=====

## FRS 102 Layout LLP Guidance Notes

SOURCE	COMMENTS
<b>Financial instruments</b>	
FRS 102 s11.42	An entity shall disclose information that enables users of its financial statements to evaluate the significance of financial instruments for its financial position and performance. For example, for long-term debt such information would normally include the terms and conditions of the debt instrument (such as interest rate, maturity, repayment schedule, and restrictions that the debt instrument imposes on the entity).
FRS 102 s11.47	For loans payable recognised at the reporting date for which there is a breach of terms or default of principal, interest, sinking fund, or redemption terms that has not been remedied by the reporting date, an entity shall disclose the following: (a) details of that breach or default; (b) the carrying amount of the related loans payable at the reporting date; and (c) whether the breach or default was remedied, or the terms of the loans payable were renegotiated, before the financial statements were authorised for issue.
<b>Finance leases (lessee)</b>	
FRS 102 s20.13	A lessee shall disclose for finance leases: (b) the total of future minimum lease payments at the end of the reporting period, for each of the following periods: (i) not later than one year; (ii) later than one year and not later than five years; and (iii) later than five years.  (c) And a general description of the lessee's significant leasing arrangements including, for example, information about contingent rent, renewal or purchase options and escalation clauses, subleases, and restrictions imposed by lease arrangements.

# FRS 102 Layout LLP

## Notes forming part of the financial statements for the year ended 31 December 2018 *(continued)*

### 21 Creditors: amounts falling due after more than one year *(continued)*

Maturity of debt (continued):

#### LLP

	<b>Loans and overdrafts</b>	<b>Total</b>
	<b>2018</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
In one year or less, or on demand	_____	_____
In more than one year but not more than two years	_____	_____
In more than two years but not more than five years	_____	_____
	<b>_____</b>	<b>_____</b>
	<b>Loans and overdrafts</b>	<b>Total</b>
	<b>2017</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
In one year or less, or on demand	_____	_____
In more than one year but not more than two years	_____	_____
In more than two years but not more than five years	_____	_____
	<b>_____</b>	<b>_____</b>

During the year, the group repaid its previous loan of £      and borrowed funds from its bankers under two term loans of £      and £      respectively. The first (reporting date carrying amount of £      (2017: £      )) is repayable in      and the second (reporting date carrying amount of £      (2017: £      )) is repayable in      . Both loans accrue interest at a variable rate equivalent to LIBOR plus % . Issue costs of £      were incurred, which have been deducted from the initial carrying value and will be charged to profit or loss as part of the interest charge calculated using the effective interest rate method.

The group has entered into floating to fixed interest rate swaps with a fixed leg of % and a variable rate leg equal to LIBOR. These are accounted for as a cash flow hedge (see note 22).

Total of group future minimum lease payments under finance leases:

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Not later than one year	_____	_____
Later than one year and not later than five years	_____	_____
<b>Total</b>	<b>_____</b>	<b>_____</b>

The LLP had no assets held under such leases at either year end.

## FRS 102 Layout LLP Guidance Notes

SOURCE	COMMENTS
<b>Financial instruments (also see next page)</b>	NB not all of the following are relevant to FRS 102 Layout LLP
FRS 102 s11.41	<p>An entity shall disclose the carrying amounts of each of the following categories of financial assets and financial liabilities at the reporting date, in total, either in the statement of financial position or in the notes:</p> <ul style="list-style-type: none"><li>(a) financial assets measured at fair value through profit or loss;</li><li>(b) financial assets that are debt instruments measured at amortised cost;</li><li>(c) financial assets that are equity instruments measured at cost less impairment;</li><li>(d) financial liabilities measured at fair value through profit or loss, showing non-derivative financial liabilities not held as part of a trading portfolio separately;</li><li>(e) financial liabilities measured at amortised cost; and</li><li>(f) loan commitments measured at cost less impairment.</li></ul>
FRS 102 s11.42	<p>An entity shall disclose information that enables users of its financial statements to evaluate the significance of financial instruments for its financial position and performance. For example, for long-term debt such information would normally include the terms and conditions of the debt instrument (such as interest rate, maturity, repayment schedule, and restrictions that the debt instrument imposes on the entity).</p>
FRS 102 s11.45	<p>If an entity has transferred financial assets to another party in a transaction that does not qualify for de-recognition (see paragraphs 11.33 to 11.35), the entity shall disclose the following for each class of such financial assets:</p> <ul style="list-style-type: none"><li>(a) the nature of the assets;</li><li>(b) the nature of the risks and rewards of ownership to which the entity remains exposed; and</li><li>(c) the carrying amounts of the assets and of any associated liabilities that the entity continues to recognise.</li></ul>
FRS 102 s11.46	<p>When an entity has pledged financial assets as collateral for liabilities or contingent liabilities, it shall disclose the following:</p> <ul style="list-style-type: none"><li>(a) the carrying amount of the financial assets pledged as collateral; and</li><li>(b) the terms and conditions relating to its pledge.</li></ul>
FRS 102 s11.48A	<p>The following disclosures are required only for financial instruments at fair value through profit or loss that are not financial liabilities held as part of a trading portfolio nor derivatives:</p> <ul style="list-style-type: none"><li>(a) The amount of change, during the period and cumulatively, in the fair value of the financial instrument that is attributable to changes in the credit risk of that instrument, determined either:<ul style="list-style-type: none"><li>(i) as the amount of change in its fair value that is not attributable to changes in market conditions that give rise to market risk; or</li><li>(ii) using an alternative method the entity believes more faithfully represents the amount of change in its fair value that is attributable to changes in the credit risk of the instrument.</li></ul></li><li>(b) The method used to establish the amount of change attributable to changes in own credit risk, or, if the change cannot be measured reliably or is immaterial, that fact.</li><li>(c) The difference between financial liability's carrying amount and the amount the entity would be contractually required to pay at.</li><li>(d) If an instrument contains both a liability and an equity feature, and the instrument has multiple features that substantially modify the cash flows and the values of those features are interdependent (such as a callable convertible debt instrument), the existence of those features.</li><li>(e) Any difference between the fair value at initial recognition and the amount that would be determined at that date using a valuation technique, and the amount recognised in profit or loss.</li><li>(f) Information that enables users of the entity's financial statements to evaluate the nature and extent of relevant risks arising from financial instruments to which the entity is exposed at the end of the reporting period. These risks typically include, but are not limited to, credit risk, liquidity risk and market risk. The disclosure should include both the entity's exposure to each type of risk and how it manages those risks.</li></ul>

*Note – FRS 102 Layout LLP has no financing transactions as all long term creditors are at market rates (members' capital classified as a liability is a short term liability).*

# FRS 102 Layout LLP

## Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

### 22 Financial instruments

The Group's financial instruments may be analysed as follows:

	Group 2018 £'000	Group 2017 £'000
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss		
Financial assets that are debt instruments measured at amortised cost		
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost		
Derivative financial instruments designated as hedges of variable interest rate risk		

Financial assets measured at fair value through profit or loss comprise fixed asset investments in unlisted company shares and current asset investments in a trading portfolio of listed company shares.

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors, accrued income, amounts due from members, and amounts owed by joint ventures and associated undertakings.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, other creditors, deferred income, amounts due to former members, and certain accruals.

Derivative financial instruments designated as hedges of variable interest rate risk comprise interest rate swaps.

For the financial assets measured at fair value through profit or loss, the financial risk the group is exposed to is market risk. [provide detail of exposure and management of risk]

#### *Hedge of variable interest rate risk arising from bank loan liabilities*

During the year, the group borrowed funds from its bankers under two term loans of £      and £      , which are repayable in      and      respectively at interest of LIBOR plus %.

To hedge the potential volatility in future interest cash flows arising from movements in LIBOR, the group has entered into floating to fixed interest rate swaps with a nominal value equal to that of the initial borrowings, the same term as the loans and interest re-pricing dates identical to those of the variable rate loans. These result in the group paying % and receiving LIBOR (though cash flows are settled on a net basis) and effectively fix the total interest cost on loans and interest rates swaps at % per annum.

The derivatives are accounted for as a hedge of variable rate interest rate risks, in accordance with FRS 102 and had a fair value of £      liability (2017: £      ) at the balance sheet date. The cash flows arising from the interest rate swaps will continue until their maturity in      and      , coincidental with the repayment of the term loans. Changes in the fair value of the derivative recognised in other comprehensive income that were determined to be an effective hedge amounted to £      . During the year an amount of £      was reclassified from other comprehensive income to the income statement representing the amount by which forecast cash flows affected the profit or loss. The hedge did not result in any ineffective portion of the change in the fair value of the derivative being recognised in the profit or loss for the year.

## FRS 102 Layout LLP Guidance Notes

SOURCE	COMMENTS
<b>Financial instruments – hedge accounting</b> FRS 102 s12.27	<i>NB not all of the following are relevant to FRS 102 Layout LLP</i> An entity shall disclose the following separately for hedges of each of the four types of relationships described in paragraph 12.19: (a) a description of the hedge; (b) a description of the financial instruments designated as hedging instruments and their fair values at the reporting date; and (c) the nature of the risks being hedged, including a description of the hedged item.
FRS 102 s12.28	If an entity uses hedge accounting for a fair value hedge it shall disclose the following: (a) the amount of the change in fair value of the hedging instrument recognised in profit or loss for the period; and (b) the amount of the change in fair value of the hedged item recognised in profit or loss for the period.
FRS 102 s12.29	If an entity uses hedge accounting for a cash flow hedge it shall disclose the following: (a) the periods when the cash flows are expected to occur and when they are expected to affect profit or loss; (b) a description of any forecast transaction for which hedge accounting had previously been used, but which is no longer expected to occur; (c) the amount of the change in fair value of the hedging instrument that was recognised in other comprehensive income during the period; (d) the amount that was reclassified from other comprehensive income to profit or loss for the period; and (e) the amount of any excess of the fair value of the hedging instrument over the change in the fair value of the expected cash flows that was recognised in profit or loss for the period.
<b>Provisions for liabilities</b>	
Sch 1 (57)(1-3)	Where amounts would ordinarily be shown separately in the balance sheet, then details of amounts brought forward, transferred and carried forward should be given in tabular form.
FRS 102 s21.14	For each class of provision, an entity shall disclose the following: (a) a reconciliation showing: (i) the carrying amount at the beginning and end of the period; (ii) additions during the period, including adjustments that result from changes in measuring the discounted amount; (iii) amounts charged against the provision during the period; and (iv) unused amounts reversed during the period; (b) a brief description of the nature of the obligation and the expected amount and timing of any resulting payments; (c) an indication of the uncertainties about the amount or timing of those outflows; and (d) the amount of any expected reimbursement, stating the amount of any asset that has been recognised for that expected reimbursement. (in FRS 102 Layout LLP's case this is nil). Comparative information for prior periods is not required. [See accounting policies for some of these disclosures]
<b>PII Provision</b>	
FRS 102 s21.9	If the full claim amount remains a liability of the LLP, the full claim liability and recovery insurance debtor (where virtually certain) should be shown gross in the balance sheet, and not netted off.
<b>Deferred taxation</b>	
Sch 1 (58)	Show any provision for deferred tax separately from any provision for other tax.
<b>Annuity provision</b> [Note – if the business is a regular insurance provided, see s4 for further requirements]	
FRS 103 s4.5	An entity with insurance contracts shall disclose: (a) the recognised assets, liabilities, income and expense (and, if it presents its statement of cash flows using the direct method, cash flows) from these...; (b) the process used to determine the assumptions that have the greatest effect on the measurement of these. When practicable, shall also give quantified disclosure of those assumptions; (c) the effect of changes in assumptions used to measure insurance assets and insurance liabilities, showing separately the effect of each change that has a material effect on the financial statements; and (d) reconciliations of changes in insurance liabilities...
FRS 103 s4.8	An entity shall disclose: ...'b) i) sensitivity to insurance risk (see paragraph 4.9);

# FRS 102 Layout LLP

## Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

### 23 Provisions for liabilities

Group	PII provision	Deferred taxation (Note 25) £'000	Dilapidations £'000	Onerous lease £'000	Annuity £'000	Total £'000
At 1 January 2018						
Charged to profit or loss						
Charged to other comprehensive income						
Arising on business combinations						
Utilised in year						
At 31 December 2018						
<b>LLP</b>		<b>PII provision £'000</b>	<b>Dilapidations £'000</b>		<b>Annuity £'000</b>	<b>Total £'000</b>
At 1 January 2018						
Charged to profit or loss						
Utilised in year						
At 31 December 2018						

For the annuity provision which exists until the demise of the individual, the assumptions that have the greatest effect on the measurement are the mortality age of and the discount rate of %. The mortality rate is determined with reference to mortality tables provided by an actuary. The change in mortality age in the year from to resulted in a £ increase in the provision (2017: ). A change in mortality age of +/- years would result in the provision changing by +/- £ . No reasonable change in discount rate would have a material impact on the provision.

In common with comparable businesses, the Group is involved in a number of disputes in the ordinary course of business, which may give rise to claims. The Group carries professional indemnity insurance (PII) and where a claim is agreed with the insurance company on notification, the liability for the claim amount above the excess is taken on by the insurance firm. No separate disclosure is made of the cost of claims covered by insurance as to do so could seriously prejudice the position of the Group.

Onerous lease provisions will unwind over the next years. Dilapidations provisions are expected to be utilised in and years.

## FRS 102 Layout LLP Guidance Notes

### SOURCE

### COMMENTS

#### Pensions

Sch 1 (60)(4,5&6)

Disclose any pension commitments at the year end, both provided and unprovided. Where any such commitment relates wholly or partly to pensions payable to past members of the LLP separate particulars must be given of that commitment so far as it relates to such pension. (See note 7 for details on defined contribution pension).

FRS 102 s28.41

An entity shall disclose the following information about defined benefit plans. If an entity has more than one defined benefit plan, these disclosures may be made in aggregate, separately for each plan, or in such groupings as are considered to be the most useful:

- (a) A general description of the type of plan, including funding policy.
- (d) The date of the most recent comprehensive actuarial valuation and, if it was not as of the reporting date, a description of the adjustments that were made to measure the defined benefit obligation at the reporting date.
- (e) A reconciliation of opening and closing balances for each of the following:
  - (i) the defined benefit obligation;
  - (ii) the fair value of plan assets; and
  - (iii) any reimbursement right recognised as an asset.
- (f) Each of the reconciliations above shall show each of the following if applicable:
  - (i) the change in the defined benefit liability arising from employee service rendered during the reporting period in profit or loss;
  - (ii) interest income or expense;
  - (iii) re-measurement of the defined benefit liability, showing separately actuarial gains and losses and the return on plan assets less amounts included in (ii) above; and
  - (iv) plan introductions, changes, curtailments and settlements.
- (g) The total cost relating to defined benefit plans for the period, disclosing separately the amounts:
  - (i) recognised in profit or loss as an expense; and
  - (ii) included in the cost of an asset.
- (h) For each major class of plan assets, which shall include, but is not limited to, equity instruments, debt instruments, property, and all other assets, the percentage or amount that each major class constitutes of the fair value of the total plan assets at the reporting date.
- (i) The amounts included in the fair value of plan assets for:
  - (i) each class of the entity's own financial instruments; and
  - (ii) any property occupied by, or other assets used by, the entity.
- (j) The return on plan assets.
- (k) The principal actuarial assumptions used, including, when applicable:
  - (i) the discount rates;
  - (iii) the expected rates of salary increases;
  - (iv) medical cost trend rates; and
  - (v) any other material actuarial assumptions used.

The reconciliations in (e) and (f) above need not be presented for prior periods.  
Note – there is no b & c, or k(ii)

# FRS 102 Layout LLP

## Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

### 24 Pensions

Several pension schemes are operated by the group. Details of defined contribution scheme costs are shown in note 5. Details of the defined benefit scheme are shown below.

#### Defined benefit pension scheme

Some subsidiaries within the group operate a defined benefit pension scheme which was established under an irrevocable Deed of Trust. The Deed determines the appointment of trustees to the fund. The scheme is managed by a corporate trustee accountable to the pension scheme members. The trustees of the fund are required to act in the best interests of the beneficiaries.

There is a stated policy for charging the net defined benefit scheme between those group companies that are a party to the scheme and hence a proportion of the defined benefit scheme assets, liabilities, income and costs are recognised by individual group companies in accordance with that policy. However, as FRS 102 Layout LLP is not itself a party to the scheme and none of its own employees are members of that scheme, no proportion of the scheme is recognised in its individual LLP financial statements.

Pension benefits depend upon age, length of service and salary level.

A full actuarial valuation of the defined benefit scheme was carried out at [date] and updated to 31 December 2017 and 2018 by a qualified independent actuary. Contributions to the scheme are made by the group based on the advice of the actuary and with the aim of making good the deficit over the remaining working life of the employees.

There were no changes to the scheme during the year and no amounts owing to the scheme at the year end.

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<i>Reconciliation of present value of plan liabilities</i>		
At the beginning of the year		
Current service cost		
Interest cost		
Actuarial losses		
Benefits paid		
Past service costs		

At the end of the year

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<i>Composition of plan liabilities</i>		
Schemes wholly or partly funded		

## FRS 102 Layout LLP Guidance Notes

### SOURCE

### COMMENTS

FRS 102 s28.41A

If an entity participates in a defined benefit plan that shares risks between entities under common control it shall disclose the following information:

- (a) The contractual agreement or stated policy for charging the cost of a defined benefit plan or the fact that there is no policy.
- (b) The policy for determining the contribution to be paid by the entity.
- (c) If the entity accounts for an allocation of the net defined benefit cost, all the information required in paragraph 28.41.
- (d) If the entity accounts for the contributions payable for the period, the information about the plan as a whole required by paragraph 28.41(a), (d), (h) and (i).

This information can be disclosed by cross-reference to disclosures in another group entity's financial statements if:

- (i) that group entity's financial statements separately identify and disclose the information required about the plan; and
- (ii) that group entity's financial statements are available to users of the financial statements on the same terms as the financial statements of the entity and at the same time as, or earlier than, the financial statements of the entity.

FRS 102 s28.40

An entity shall disclose the amount recognised in profit or loss as an expense for defined contribution plans (Disclosed in note 7).

FRS 102 s28.40A

If an entity treats a defined benefit multi-employer plan as a defined contribution plan because sufficient information is not available to use defined benefit accounting it shall:

- (a) disclose the fact that it is a defined benefit plan and the reason why it is being accounted for as a defined contribution plan, along with any available information about the plan's surplus or deficit and the implications, if any, for the entity;
- (b) include a description of the extent to which the entity can be liable to the plan for other entities' obligations under the terms and conditions of the multi-employer plan; and
- (c) disclose how any liability recognised in accordance with s28.11A (multi-employer plans with an agreement in place to fund a deficit) has been determined.

# FRS 102 Layout LLP

## Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

### 24 Pensions (*continued*)

	2018 £'000	2017 £'000
<i>Reconciliation of fair value of plan assets</i>		
At the beginning of the year		
Interest income on plan assets		
Actuarial gains/(losses)		
Contributions by group		
Benefits paid		
At the end of the year		
	<b>2018</b> <b>£'000</b>	<b>2017</b> <b>£'000</b>
Fair value of plan assets		
Present value of plan liabilities		
Net pension scheme liability		
	<b>2018</b> <b>£'000</b>	<b>2017</b> <b>£'000</b>
<i>Amounts recognised in the profit and loss amount are as follows:</i>		
<i>Included in administrative expenses:</i>		
Current service cost		
Past service cost		
<i>Amounts included in other finance costs</i>		
Net interest cost		
	<b>2018</b> <b>£'000</b>	<b>2017</b> <b>£'000</b>
<i>Analysis of actuarial loss recognised in Other Comprehensive Income</i>		
Actual return less interest income included in net interest income		
Experience gains and losses arising on the scheme liabilities		
Changes in assumptions underlying the present value of the scheme liabilities		

## FRS 102 Layout LLP Guidance Notes

### SOURCE

### COMMENTS

No further comments. See above for guidance.

# FRS 102 Layout LLP

## Notes forming part of the financial statements for the year ended 31 December 2018 *(continued)*

### 24 Pensions *(continued)*

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<i>Composition of plan assets</i>		
European equities		
European bonds		
Property		
Cash		
	_____	_____
Total plan assets		
	=====	=====
	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<i>Actual return on plan assets</i>		
	=====	=====
	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>%</b>
<i>Principal actuarial assumptions used at the balance sheet date</i>		
Discount rates		
Future salary increases		
Future pension increases		
Proportion of employees opting for early retirement		
Inflation assumption		
Mortality rates		
- for a male aged now		
- at for a male member aged now		
- for a female aged now		
- at for a female member aged now		

No employees of the parent LLP were members of the defined benefit scheme.

# FRS 102 Layout LLP Guidance Notes

## SOURCE

## COMMENTS

### Deferred taxation

FRS 102 s29.27

An entity shall disclose the following separately:

- (a) the aggregate current and deferred tax relating to items that are recognised as items of other comprehensive income or equity;
- (b) a reconciliation between:
  - (i) the tax expense included in profit or loss and
  - (ii) the profit or loss on ordinary activities before tax multiplied by the applicable tax rate;
- (c) the amount of the net reversal of deferred tax assets and deferred tax liabilities expected to occur during the year beginning after the reporting period together with a brief explanation for the expected reversal;
- (d) an explanation of changes in the applicable tax rate(s) compared with the previous reporting period;
- (e) the amount of deferred tax liabilities and deferred tax assets at the end of the reporting period for each type of timing difference and the amount of unused tax losses and tax credits;
- (f) the expiry date, if any, of timing differences, unused tax losses and unused tax credits; and
- (g) an explanation of the nature of the potential income tax consequences that would result from the payment of dividends to its shareholders.

### Contingent liabilities

FRS 102 s21.15

Unless the possibility of any outflow of resources in settlement is remote, an entity shall disclose, for each class of contingent liability at the reporting date, a brief description of the nature of the contingent liability and:

- (a) an estimate of its financial effect;
- (b) an indication of the uncertainties relating to the amount or timing of any outflow; and
- (c) the possibility of any reimbursement.

If it is impracticable to make one or more of these disclosures, that fact shall be stated.

FRS 102 s21.17

In extremely rare cases, disclosure of some or all of the information required by paragraphs 21.14 to 21.16 can be expected to prejudice seriously the position of the entity in a dispute with other parties on the subject matter of the provision, contingent liability or contingent asset. In such cases, an entity need not disclose all of the information required by those paragraphs insofar as it relates to the dispute, but shall disclose at least the following.

In relation to provisions, the following information shall be given:

- (a) a table showing the reconciliation required by paragraph 21.14(a) in aggregate, including the source and application of any amounts transferred to or from provisions during the reporting period;
- (b) particulars of each provision in any case where the amount of the provision is material; and
- (c) the fact that, and reason why, the information required by paragraph 21.14 has not been disclosed.

In relation to contingent liabilities, the following information shall be given:

- (a) [see Sch 1 (60) (2) below for details as these are the same];
- (b) [see Sch 1 (60) (7) below for details as these are the same]; and
- (c) the fact that, and reason why, the information required by paragraph 21.15 has not been disclosed.

In relation to contingent assets, the entity shall disclose the general nature of the dispute, together with the fact that, and reason why, the information required by paragraph 21.16 has not been disclosed.

(continued on next page)

# FRS 102 Layout LLP

Notes forming part of the financial statements  
for the year ended 31 December 2018 (*continued*)

## 25 Deferred taxation

### Deferred tax liabilities – Group

	Accelerated capital allowances	Business combinations	Investment property revaluations	Financial instruments revaluations	Total
	2018 £'000	2018 £'000	2018 £'000	2018 £'000	2018 £'000
Deferred tax liability (Note 23)	_____	_____	_____	_____	_____
	Accelerated capital allowances	Business combinations	Investment property revaluations	Financial instruments revaluations	Total
	2017 £'000	2017 £'000	2017 £'000	2017 £'000	2017 £'000
Deferred tax liability	=====	=====	=====	=====	=====

The LLP has no deferred tax liability or asset as taxation on a members' share of the LLP's profits is solely the personal liability of the individual members and consequently is not dealt with in these financial statements.

### Deferred tax assets - Group

	2018 £'000	2017 £'000
Defined benefit pension scheme (Note 18)	=====	=====

The group has no unused tax losses or credits.

The net reversal of deferred tax assets and liabilities expected in 2019 is £ . This is expected to arise because depreciation is anticipated to be higher than the available capital allowances. However, it should be noted that further reversals (or further increases in deferred tax balances) may arise as a result of revaluations of investment property, financial instruments and changes in the defined benefit pension liability. As the future deferred tax balances, if any, will be dependent on future changes in fair values of assets and liabilities, it is not possible to estimate any further future reversals.

# FRS 102 Layout LLP Guidance Notes

## SOURCE

## COMMENTS

### Contingent liabilities

(Continued from previous page)

- Sch 1 (60)
- (1) Particulars must be given of any charge on the assets of the LLP to secure the liabilities of any other person including the amount secured.
  - (2) Particulars and the total amount of any financial commitments, guarantees and contingencies that are not included in the balance sheet must be disclosed.
  - (3) An indication of the nature and form of any valuable security given by the LLP in respect of commitments, guarantees and contingencies within sub-paragraph (2) must be given.
  - (4) The total amount of any commitments within sub-paragraph (2) concerning pensions must be separately disclosed.
  - (5) Particulars must be given of pension commitments which are included in the balance sheet.
  - (6) Where any commitment within sub-paragraph (4) or (5) relates wholly or partly to pensions payable to past members of the LLP separate particulars must be given of that commitment.
  - (7) The total amount of any commitments, guarantees and contingencies within sub-paragraph (2) which are undertaken on behalf of or for the benefit of—
    - a. any parent undertaking or fellow subsidiary undertaking of the LLP,
    - b. any subsidiary undertaking of the LLP, or
    - c. any undertaking in which the LLP has a participating interest,must be separately stated and those within each of paragraphs (a), (b) and (c) must also be stated separately from those within any other of those paragraphs.

Sch 1 (60), SORP  
124

If the LLP has entered into any guarantee or indemnity with respect to the borrowings of a member or members personally, the existence of such a guarantee or indemnity, where material, should either be disclosed as a note to the accounts (where it is unlikely that the guarantee or indemnity would be called) or provided for in the primary statements where there is an actual or constructive liability and it is probable that the guarantee or indemnity will be called.

SI 2008/1911: 11  
(410A)

410A(1) If in any financial year—

- (a) an LLP is or has been party to arrangements that are not reflected in its balance sheet, and
- (b) at the balance sheet date the risks or benefits arising from those arrangements are material,

the information required by this section must be given in the notes to the LLP's annual accounts.

410A(2) The information required is—

- (a) the nature and business purpose of the arrangements, and
- (b) the financial impact of the arrangements on the LLP.

410A(3) The information need only be given to the extent necessary for enabling the financial position of the LLP to be assessed.

### LLP's own accounts: guarantees etc in favour of group undertakings

Sch 1 (60) (7)

See above for disclosure requirements.

### Contingent assets

FRS 102 s21.16

If an inflow of economic benefits is probable (more likely than not) but not virtually certain, an entity shall disclose a description of the nature of the contingent assets at the end of the reporting period, and, when practicable, an estimate of their financial effect, measured using the principles set out in paragraphs 21.7 to 21.11. If it is impracticable to make this disclosure, that fact shall be stated.

# FRS 102 Layout LLP

Notes forming part of the financial statements  
for the year ended 31 December 2018 (*continued*)

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## 26 Contingent liabilities

### Group

During the year a subsidiary of the group received a writ from a customer in respect of mishandling of goods amounting to £ plus costs and damages arising from an alleged breach of contract. The case had not been resolved when these financial statements were approved by the Board. The Members are of the opinion that the LLP has an adequate defence and are intending to dispute the claim. Accordingly no provision for any liability from such a claim has been made in the financial statements.

### LLP

The LLP has guaranteed bank borrowings of its subsidiaries. At the year end the liabilities covered by these guarantees totalled £ (2017 - £ ).

## FRS 102 Layout LLP Guidance Notes

SOURCE	COMMENTS
<b>Members' interests</b> FRS 102 s4.13, SORP 59B	Paragraph 4.12 of FRS 102 requires certain disclosures relating to an entity's share capital and reserves. For entities without share capital, such as an LLP, equivalent information to that required by paragraph 4.12(a) is required, showing changes during the period in each category of equity, and the rights, preferences and restrictions attaching to each category of equity.
Sch 1 (47), SORP 60	<p>The accounts should therefore include a reconciliation of the movement in members' interests analysed between 'Members' other interests' and 'Loans and other debts due to members'. Disclosure should include:</p> <ol style="list-style-type: none"><li>the aggregate amount of loans and other debts due to members as at the date of the beginning of the financial year,</li><li>the aggregate amounts contributed by members during the financial year,</li><li>the aggregate amounts transferred to or from the profit and loss account during that year,</li><li>the aggregate amounts withdrawn by members or applied on behalf of members during that year,</li><li>the aggregate amount of loans and other debts due to members as at the balance sheet date, and</li><li>the aggregate amount of loans and other debts due to members that fall due after one year.</li></ol> <p>The SORP requires that disclosure should be in the format shown within the SORP (although additional categories of members' interests or types of movements should be disclosed where this aids clarity or circumstances require it) <i>Note – the above requirements mean that no comparative is required.</i></p>
Sch 1 (47), SORP 65	<p>Disclosure of the amount of loans and other debts due to members falling due after more than one year is required. <i>FRS 102 Layout LLP has none due after more than one year.</i></p>
SORP 67	Disclose the amount of debts owing to the LLP by members.
Sch 1 BS format note 10	Loans and other debts due to members. The following amounts must be shown separately under this item-
SORP 66	<ol style="list-style-type: none"><li>the aggregate amount of money advanced to the LLP by the members by way of loan,</li><li>the aggregate amount of money owed to members by the LLP in respect of profits,</li><li>any other amounts.</li></ol> <p>(Note – a) is n/a for FRS 102 Layout LLP)</p>
SORP 63	<p>The notes must state where amounts in 'Loans and other debts due to members' (other than members' capital classified as debt) would rank in relation to other creditors who are unsecured in the event of a winding up. The notes should disclose details of any protection afforded to other creditors in such an event which is legally enforceable and cannot be revoked solely by a decision of the members.</p> <p>The notes should also disclose what restrictions or limitations exist on the ability of the members to reduce the amount of 'Members' other interests' or state that there are no such restrictions.</p>
SORP Appendix 5.5	Note - An LLP could only have a revaluation reserve if there was no agreement between the members for the automatic division of profit. This is because the old common law rules regarding distributions would apply to LLPs and under these rules a revaluation reserve was distributable. [see SOCIE]

# FRS 102 Layout LLP

Notes forming part of the financial statements  
for the year ended 31 December 2018 (*continued*)

## 27 Members' Interests

GROUP	EQUITY					DEBT			Total Members' Interests
	Members' other interests					Loans and other debts due to members less any amounts due from members in debtors			
	Members' capital classified as equity £'000	Cash flow hedge reserve £'000	Merger reserve £'000	Other reserves £'000	Total £'000	Members' capital classified as a liability £'000	Other amounts £'000	Total £'000	Total 2018 £'000
Amounts due to members									
Amounts due from members									
<b>Balance at 1 January 2018</b>									
<b>Members' remuneration charged as an expense</b>									
<b>Profit for the financial year available for discretionary division among members</b>									
Members' interests after profit for the year									
Other divisions of profit									
Introduction by members									
Repayment of capital									
Drawings									
Movement in cash flow hedge									
Actuarial gain on defined benefit scheme									
Currency translation differences									
Transfer to creditors									
<b>Amounts due to members</b>									
<b>Amounts due from members</b>									
<b>Balance at 31 December 2018</b>									

## FRS 102 Layout LLP Guidance Notes

### SOURCE

### COMMENTS

No further comments. See above for guidance.

# FRS 102 Layout LLP

Notes forming part of the financial statements  
for the year ended 31 December 2018 *(continued)*

## 27 Members' Interests *(Continued)*

LLP	EQUITY				DEBT			Total Members' Interests
	Members' other interests				Loans and other debts due to members less any amounts due from members in debtors			
	Members' capital classified as equity	Merger reserve	Other reserves	Total	Members' capital classified as a liability	Other amounts	Total	Total 2018
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Amounts due to members								
Amounts due from members								
<b>Balance at 1 January 2018</b>								
<b>Members' remuneration charged as an expense</b>								
<b>Profit for the financial year available for discretionary division among members</b>								
Members' interests after profit for the year								
Other divisions of profit								
Introduction by members								
Repayment of capital								
Drawings								
Transfer to creditors								
<b>Amounts due to members</b>								
<b>Amounts due from members</b>								
<b>Balance at 31 December 2018</b>								

Of Loans and other debts due to members (in Group and LLP), £ (2017: £ ) is subordinated to unsecured creditors. The rest ranks pari passu with unsecured creditors in the event of a winding up.

There are no restrictions on the ability for the Board of members to reduce Members' other interests.

# FRS 102 Layout LLP Guidance Notes

## SOURCE

## COMMENTS

### Acquisitions

FRS 102 s19.25

For each business combination, excluding any group reconstructions, that was effected during the period, the acquirer shall disclose the following:

- (a) the names and descriptions of the combining entities or businesses;
- (b) the acquisition date;
- (c) the percentage of voting equity instruments acquired;
- (d) the cost of the combination and a description of the components of that cost (such as cash, equity instruments and debt instruments);
- (e) the amounts recognised at the acquisition date for each class of the acquiree's assets, liabilities and contingent liabilities, including goodwill;
- (f) [not used]
- (g) the useful life of goodwill, and if this cannot be reliably estimated, supporting reasons for the period chosen; and
- (h) the periods in which the excess recognised [negative goodwill] will be recognised in profit or loss.

Sch 3 (13)

In relation to an acquisition which significantly affects the figures shown in the group accounts, the following further information must be given:

- (3) The composition and fair value of the consideration for the acquisition given by the parent LLP and its subsidiary undertakings must be stated.
- (4) Where the acquisition method of accounting has been adopted, the book values immediately prior to the acquisition, and the fair values at the date of acquisition, of each class of assets and liabilities of the undertaking or group acquired must be stated in tabular form, including a statement of the amount of any goodwill or negative consolidation difference arising on the acquisition, together with an explanation of any significant adjustments made.

FRS 102 s19.25A

The acquirer shall disclose, separately for each material business combination that occurred during the reporting period, the amounts of revenue and profit or loss of the acquiree since the acquisition date included in the consolidated statement of comprehensive income for the reporting period. The disclosure may be provided in aggregate for business combinations that occurred during the reporting period which, individually, are not material.

FRS 102 s19.26

For all business combinations an acquirer shall disclose a reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period, showing separately:

- (a) changes arising from new business combinations;
- (b) amortisation;
- (c) impairment losses;
- (d) disposals of previously acquired businesses; and
- (e) other changes.

This reconciliation need not be presented for prior periods.

FRS 102 s19.26A

For all business combinations an acquirer shall disclose a reconciliation of the carrying amount of the excess recognised [negative goodwill] at the beginning and end of the reporting period, showing separately:

- (a) changes arising from new business combinations;
- (b) amounts recognised in profit or loss in accordance with paragraph 19.24(c);
- (c) disposals of previously acquired businesses; and
- (d) other changes.

This reconciliation need not be presented for prior periods.

SORP 106 - 108

The SORP provides further guidance around the treatment of a promise of any profit share to the new members in the enlarged LLP as a result of the acquisition.

# FRS 102 Layout LLP

## Notes forming part of the financial statements for the year ended 31 December 2018 *(continued)*

### 28 Business combinations

#### *Acquisition of*

On 2018 the group acquired 100% of for £ paid in .

In calculating the goodwill arising on acquisition, the fair value of net assets of have been assessed and adjustments from book value have been made where necessary.

	<b>Book value</b>	<b>Revaluation of fixed assets</b>	<b>Fair value</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fixed assets			
Tangible			
Intangible			
Current assets			
Stocks			
Debtors			
Cash at bank and in hand			
	_____	_____	_____
Total assets			
Creditors			
Due within one year			
Deferred tax on differences between fair values and tax bases			
	_____	_____	_____
<b>Net assets</b>			
Goodwill (note 14)			_____
<b>Total purchase consideration (including expenses of £ )</b>			_____
Purchase consideration settled in cash, as above			_____
Cash and cash equivalents in subsidiary acquired			_____
<b>Cash outflow on acquisition</b>			_____

The useful economic life of goodwill has been estimated to be years, based on estimates.

There were no acquisitions in the year ended 31 December 2017.

## FRS 102 Layout LLP Guidance Notes

SOURCE	COMMENTS
<b>Discontinued operations</b>	
Sch 3 (15)	<p>Where during the financial year there has been a disposal of an undertaking or group which significantly affects the figure shown in the group accounts, there must be stated in a note to the accounts–</p> <ul style="list-style-type: none"><li>a) the name of undertaking or parent of group disposed of in the year, and</li><li>b) the extent to which the profit and loss in the group financial statements is attributable to the profit or loss of any undertakings disposed of in the year.</li></ul> <p>In these financial statements this information is given on the face of the profit and loss account since there is only one such disposal in the period.</p>
Sch 3 (16)	<p>The information in Sch 3 (15) above need not be given in respect of an undertaking established or carrying on its business outside of the UK if disclosure would be seriously prejudicial to the business of the group (provided that the Secretary of State agrees).</p>

# FRS 102 Layout LLP

Notes forming part of the financial statements  
for the year ended 31 December 2018 *(continued)*

## 28 Business combinations *(continued)*

The results of since its acquisition are as follows:

	Current period since acquisition £'000
Turnover	_____
Profit for the year	=====

## 29 Discontinued operations

On 2018 the group disposed of . The profit on disposal of has been calculated as follows:

	£'000	£'000
Cash proceeds		
Net assets disposed of:		
Tangible fixed assets		
Stocks		
Debtors		
Cash		
Creditors		
	_____	
Profit on disposal before tax		_____

The net inflow of cash in respect of the sale of is as follows:

	£'000
Cash consideration	
Cash transferred on disposal	
	_____
Net inflow of cash	=====

# FRS 102 Layout LLP Guidance Notes

## SOURCE

## COMMENTS

### Commitments under operating leases

FRS 102 s20.16(a) & s20.30(a) A lessee and lessor shall make the following disclosures for operating leases:  
(a) the total of future minimum lease payments under non-cancellable operating leases for each of the following periods:  
(i) not later than one year;  
(ii) later than one year and not later than five years; and  
(iii) later than five years.

A lessor shall also disclose:  
Total contingent rents recognised as income; and

A general description of the lessor's significant leasing arrangements including, for example, information about contingent rent, renewal or purchase options and escalation clauses, subleases, and restrictions imposed by lease arrangements

### Related parties

FRS 102 s33.5, SORP 131 Relationships between a parent and its subsidiaries shall be disclosed irrespective of whether there have been related party transactions. An entity shall disclose the name of its parent and, if different, the ultimate controlling party. If neither the entity's parent nor the ultimate controlling party produces financial statements available for public use, the name of the next most senior parent that does so (if any) shall also be disclosed.

Sch 2 (7) (3) If the ultimate parent is incorporated outside the UK, the country in which it is incorporated must be stated (if known to the members).

FRS 102 s33.8 A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. Examples of related party transactions that are common to entities within the scope of FRS 102 include, but are not limited to:  
(a) transactions between an entity and its principal owner(s);  
(b) transactions between an entity and another entity when both entities are under the common control of a single entity or person; and  
(c) transactions in which an entity or person that controls the reporting entity incurs expenses directly that otherwise would have been borne by the reporting entity.

FRS 102 s33.9 & 10 If an entity has related party transactions, it shall disclose the nature of the related party relationship as well as information about the transactions, outstanding balances and commitments necessary for an understanding of the potential effect of the relationship on the financial statements. Those disclosure requirements are in addition to the requirements in paragraph 33.7 to disclose key management personnel compensation. At a minimum, disclosures shall include:

Sch 1 (70)

- (a) The amount of the transactions.
- (b) The amount of outstanding balances and:
  - (i) their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in settlement; and
  - (ii) details of any guarantees given or received.
- (c) Provisions for uncollectible receivables related to the amount of outstanding balances.
- (d) The expense recognised during the period in respect of bad or doubtful debts due from related parties.

Such transactions could include purchases, sales, or transfers of goods or services, leases, guarantees and settlements by the entity on behalf of the related party or vice versa.

These disclosures shall be shown separately for each of the following categories:

[continued on next page]

*Continued...*

# FRS 102 Layout LLP

Notes forming part of the financial statements  
for the year ended 31 December 2018 (*continued*)

## 30 Commitments under operating leases

### Lessee

The group had minimum lease payments under non-cancellable operating leases as set out below:

	2018 £'000	2017 £'000
Not later than 1 year		
Later than 1 year and not later than 5 years		
Later than 5 years		
	_____	_____
Total	=====	=====

The LLP had no commitments under non-cancellable operating leases as at the balance sheet date.

### Lessor

The group leases out the investment properties under non-cancellable operating leases for the following future minimum lease payments. There are no contingent rents.

	Group 2018 £'000	Group 2017 £'000	LLP 2018 £'000	LLP 2017 £'000
Not later than 1 year				
Later than 1 year and not later than 5 years				
Later than 5 years				
	_____	_____	_____	_____
	-			
Total	=====	=====	=====	=====
	=			

## 31 Related party disclosures

There is no ultimate controlling party of FRS 102 Layout LLP.

Sales of £ (2017 - £ ) were made during the year by to . A major shareholder of is also a Member of FRS 102 Layout LLP. All transactions were conducted on an arm's length basis on normal trading terms. At 31 December 2018, £ (2017 - £ ) was owed to .

Also, sales of £ (2017 - £ ) were made on normal trading terms to subsidiaries of , a company in which a Member has a controlling interest. As at 31 December 2018, £ (2017 - £ ) was owed by these companies.

## FRS 102 Layout LLP Guidance Notes

### SOURCE

### COMMENTS

#### Related parties *(continued)*

FRS 102 s33.9 & 10	These disclosures shall be shown separately for each of the following categories:
Sch 1 (70)	(a) entities with control, joint control or significant influence over the entity; (b) entities over which the entity has control, joint control or significant influence; (c) key management personnel of the entity or its parent (in the aggregate); (d) entities that provide key management personnel services to the entity; and (e) other related parties.
FRS 102 s33.13	An entity shall not state that related party transactions were made on terms equivalent to those that prevail in arm's length transactions unless such terms can be substantiated.
FRS 102 s33.14	An entity may disclose items of a similar nature in the aggregate except when separate disclosure is necessary for an understanding of the effects of related party transactions on the financial statements of the entity.
FRS 102 s33.7	An entity shall disclose key management personnel compensation in total.
SORP 130	Key management personnel of an LLP are those persons – whether designated members, members or employees – having authority and responsibility for planning, directing and controlling the activities of the LLP, directly or indirectly.
SORP 130 A	Paragraph 33.7 of FRS 102 requires the disclosure of the total of compensation paid to key management personnel which may comprise elements of employee remuneration and profit attributable to members.

# FRS 102 Layout LLP

## Notes forming part of the financial statements for the year ended 31 December 2018 *(continued)*

### 31 Related party disclosures *(continued)*

#### *Joint venture and associated companies*

The following transactions took place between the group and its joint venture and associated companies during the year:

	2018 £'000	2017 £'000
Net short-term loan movements (repayments)/advances		
Net sales and purchases of goods and services		
Management fees received		
Dividends received		
	_____	_____

The following receivable balances relating to joint ventures were included in the consolidated balance sheet:

	2018 £'000	2017 £'000
Short-term loans		
Trading balances		
Management fees		
	_____	_____

The LLP debtor due from joint ventures and associated undertakings of £ (2017 - £ ) (note 18) represents a trading balance.

Key management personnel include all designated members and a number of senior members and senior managers across the group who together have authority and responsibility for planning, directing and controlling the activities of the group. The total compensation paid to key management personnel for services provided to the group was £ (2017: £ ).

## FRS 102 Layout LLP Guidance Notes

SOURCE	COMMENTS
<b>Capital commitments</b>	
Sch 1 (60)	(2) Particulars and the total amount of any financial commitments, guarantees and contingencies that are not included in the balance sheet must be disclosed.
FRS 102 s17.32 (b)	The entity shall disclose the amount of contractual commitments for the acquisition of property, plant and equipment.
FRS 102 s16.10 (d)	An entity shall disclose any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements for all investment property accounted for at fair value through profit or loss.
<b>Events after the end of the reporting period</b>	
FRS 102 s32.9	An entity shall disclose the date when the financial statements were authorised for issue and who gave that authorisation. If the entity's owners or others have the power to amend the financial statements after issue, the entity shall disclose that fact.
FRS 102 s32.10	An entity shall disclose the following for each category of non-adjusting event after the end of the reporting period: (a) the nature of the event; and (b) an estimate of its financial effect or a statement that such an estimate cannot be made.
Sch 1 (70A)	The nature and financial effect of material events arising after the balance sheet date which are not reflected in the profit and loss account or balance sheet must be stated.

# FRS 102 Layout LLP

Notes forming part of the financial statements  
for the year ended 31 December 2018 (*continued*)

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## 32 Capital commitments

	Group 2018 £'000	Group 2017 £'000	LLP 2018 £'000	LLP 2017 £'000
Contracted but not provided for - Inventory	<hr/>	<hr/>	<hr/>	<hr/>

## 33 Post balance sheet events

## **FRS 102 Layout LLP**

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