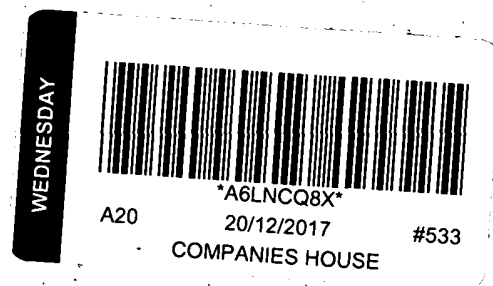


Registered number: OC348946

BUDENNY LLP
UNAUDITED FINANCIAL STATEMENTS
31 MARCH 2017

FILING COPY



BUDENNY LLP

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BUDENNY LLP

INFORMATION

Designated members D B Harris
A D Rose
Vasteras LLP

LLP registered number OC348946

Registered office 16 Great Queen Street
Covent Garden
London
WC2B 5AH

Accountants Blick Rothenberg Limited
16 Great Queen Street
Covent Garden
London
WC2B 5AH

BUDENNY LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The members present their annual report together with the financial statements of Budenny LLP (the "LLP") for the year ended 31 March 2017.

Principal activity

The principal activity of the LLP during the year was that of holding property for investment purposes.

Designated Members

D B Harris, A D Rose and Vasteras LLP were designated members of the LLP throughout the period. A J Kaye resigned as a member of the LLP on 11 November 2016.

Policy with respect to members' drawings and subscription and repayments of amounts subscribed or otherwise contributed by members

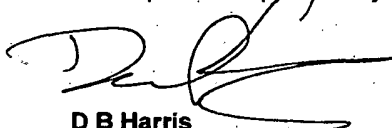
Members are permitted to make drawings in anticipation of profits which will be allocated to them. The amount of such drawings is set taking into account the anticipated cash needs of the LLP.

Members can subscribe for capital in the LLP in accordance with the terms of the agreement. An agreement of all of the members is needed for any further subscription or repayment of capital.

Certain members, designated 'A' members, have subscribed for priority capital in the LLP in accordance with the terms of the agreement. 'A' members are able to advance and withdraw their priority capital to and from the LLP in amounts and at times decided by such 'A' member. 'A' members have priority on the profit share of the LLP based on the amounts subscribed.

On retirement, the interest of the member will be valued at its open market value. Such member may sell or otherwise transfer his interest in the LLP to another member but may not sell or otherwise transfer his interest to a person who is not already a member of the LLP without consent of the continuing members.

This report was approved by the members and signed on their behalf by:



D B Harris
Designated member

Date: 11/12/2017

BUDENNY LLP

ACCOUNTANTS' REPORT TO THE BOARD OF MEMBERS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF BUDENNY LLP FOR THE YEAR ENDED 31 MARCH 2017

In order to assist you to fulfil your duties under the Companies Act 2006, as applied to LLPs, we have prepared for your approval the financial statements of Budenny LLP for the year ended 31 March 2017 which comprise the profit and loss account, the balance sheet and the related notes from the LLP accounting records and from information and explanations you have given to us.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales (ICAEW) and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

This report is made solely to the members in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Budenny LLP and state those matters that we have agreed to state to them in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Budenny LLP and its members for our work or for this report.

It is your duty to ensure that Budenny LLP has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the entity's assets, liabilities, financial position and profit. You consider that Budenny LLP is exempt from the statutory audit requirement for the year ended 31 March 2017.

We have not been instructed to carry out an audit or review of the financial statements of Budenny LLP. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Blick Rothenberg Limited

Blick Rothenberg Limited

16 Great Queen Street
Covent Garden
London
WC2B 5AH

13 December 2017

BUDENNY LLP**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £	2016 £
Turnover		162,939	1,041,192
Administrative expenses		(357,164)	(470,555)
Other operating income	3	558	12,429
Investment property revaluation		129,585	8,907,187
Operating (loss)/profit		(64,082)	9,490,253
Profit on disposal of investment properties		77,851	-
Interest receivable and similar income		3,525	36
Profit for the year before members' remuneration and profit shares		17,294	9,490,289
Profit for the year before members' remuneration and profit shares		17,294	9,490,289
Members' remuneration charged as an expense		112,291	(583,102)
Profit for the financial year available for discretionary division among members		129,585	8,907,187

There are no items of other comprehensive income for either the year or the prior period other than the profit for the year. Accordingly, no statement of other comprehensive income has been presented.

BUDENNY LLP

REGISTERED NUMBER: OC348946

**BALANCE SHEET
AS AT 31 MARCH 2017**

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	6	13,032	12,258
Investment property	7	1,100,000	18,989,434
		<u>1,113,032</u>	<u>19,001,692</u>
Current assets			
Debtors: amounts falling due within one year	8	3,393,794	683,155
Cash at bank and in hand		33,908	135,303
		<u>3,427,702</u>	<u>818,458</u>
Creditors: amounts falling due within one year	9	(17,151)	(134,086)
Net current assets		<u>3,410,551</u>	<u>684,372</u>
Total assets less current liabilities		<u>4,523,583</u>	<u>19,686,064</u>
Net assets		<u><u>4,523,583</u></u>	<u><u>19,686,064</u></u>

BUDENNY LLP

REGISTERED NUMBER: OC348946

**BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2017**

	Note	2017 £	2016 £
Represented by:			
Loans and other debts due to members within one year			
Members' capital classified as a liability		3,917,010	3,917,010
Other amounts	10	475,988	5,807,275
		<u>4,392,998</u>	<u>9,724,285</u>
Members' other interests			
Members' capital classified as equity	1,000	1,000	
Other reserves classified as equity	129,585	9,960,779	
		<u>130,585</u>	<u>9,961,779</u>
		<u>4,523,583</u>	<u>19,686,064</u>
Total members' interests			
Amounts due from members (included in debtors)	8	(10)	(10)
Loans and other debts due to members	10	4,392,998	9,724,285
Members' other interests		130,585	9,961,779
		<u>4,523,573</u>	<u>19,686,054</u>

The members consider that the LLP is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006, as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 ("the Act").

The members acknowledge their responsibilities for complying with the requirements of the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the LLP as at 31 March 2017 and of its profit for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, relating to financial statements, so far as applicable to the LLP.

The financial statements have been prepared in accordance with the special provisions applicable to small LLPs within Part 15 of the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and in accordance with the Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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


D B Harris

Designated member

Date:

11/12/2017

The notes on pages 8 to 14 form part of these financial statements.

BUDENNY LLP

RECONCILIATION OF MEMBERS' INTERESTS FOR THE YEAR ENDED 31 MARCH 2017

	Members' capital (classified as equity) £	Other reserves £	Total £	Members' capital (classified as debt) £	Other amounts	Total £	Total £
Amounts due to members					5,649,324	5,649,324	
Amounts due from members					(10)	(10)	
Balance at 1 April 2015	1,000	1,053,592	1,054,592	3,917,010	5,649,314	9,566,324	10,620,916
Members' remuneration charged as an expense	-	-	-	-	583,102	583,102	583,102
Profit for the year available for discretionary division among members	-	8,907,187	8,907,187	-	-	-	8,907,187
Members' interests after profit for the year	1,000	9,960,779	9,961,779	3,917,010	6,232,416	10,149,426	20,111,205
Drawings	-	-	-	-	(425,151)	(425,151)	(425,151)
Amounts due to members				3,917,010	5,807,275	9,724,285	
Amounts due from members				-	(10)	(10)	
Balance at 31 March 2016	1,000	9,960,779	9,961,779	3,917,010	5,807,264	9,724,274	19,686,053
Members' remuneration charged as an expense	-	-	-	-	(112,290)	(112,290)	(112,290)
Profit for the year available for discretionary division among members	-	129,585	129,585	-	-	-	129,585
Members' interests after profit for the year	1,000	10,090,364	10,091,364	3,917,010	5,694,974	9,611,984	18,703,348
Movement in reserves	-	(9,960,779)	(9,960,779)	-	9,960,779	9,960,779	-
Amounts introduced by members	2	-	2	-	-	-	2
Repayment of capital	(2)	-	(2)	-	-	-	(2)
Drawings	-	-	-	-	(15,179,775)	(15,179,775)	(15,179,775)
Amounts due to members				3,917,010	475,988	4,392,998	
Amounts due from members				-	(10)	(10)	
Balance at 31 March 2017	1,000	129,585	130,585	3,917,010	475,978	4,392,988	4,523,573

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

BUDENNY LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. General information

Budenny LLP is a limited liability partnership incorporated in England. The address of its principal place of business is Suite 1.6, The Loom, 14 Gowers Walk, London, E1 8PY.

The financial statements are presented in Sterling (£).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ('FRS102') and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

This is the first year that the financial statements have been prepared under FRS 102. Information on the impact of the first time adoption of FRS 102 is given in note 13.

The following principal accounting policies have been applied:

2.2 Going concern

After making enquiries, the members have a reasonable expectation that the LLP has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months for the date these financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the LLP and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates and value added tax.

Revenue comprises rental income from tenants of the LLP's investment properties net of value added tax. Rental income is recognised on an accruals basis in the period in which it is earned, in accordance with the terms of the lease.

BUDENNY LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.4 Financial instruments

The LLP has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the LLP becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the LLP after deducting all of its liabilities.

The LLP's policies for its major classes of financial assets and financial liabilities are set out below.

Basic financial assets, including trade and other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Impairment of financial assets

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the LLP would receive for the asset if it were to be sold at the reporting date.

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

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

BUDENNY LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.5 Tangible fixed assets

Tangible fixed assets 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, and dismantling and restoration costs.

The company 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 company. 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	- 5 year
------------------	----------

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or 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 in the profit and loss account.

2.6 Investment property

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

BUDENNY LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.7 Operating leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term.

2.8 Members' participation rights

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with the provisions of section 22 of Financial Reporting Standard 102. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the LLP.

Amounts subscribed or otherwise contributed by members, for example members' capital, are classed as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

Where profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the profit and loss account in the relevant year. To the extent that they remain unpaid at the year end, they are shown as liabilities in the balance sheet.

Conversely, where profits are divided only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the profit and loss account and are equity appropriations in the balance sheet.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment.

All amounts due to members that are classified as liabilities are presented in the balance sheet within 'Loans and other debts due to members' and are charged to the profit and loss account within 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the balance sheet within 'Members' other interests'.

3. Other operating income

	2017	2016
	£	£
Other operating income	558	12,429
	558	12,429

BUDENNY LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

4. Employees

The average monthly number of employees, including designated members, during the year was 6 (2016: 5).

5. Information in relation to members

	2017 Number	2016 Number
The average number of members during the year was	4	4

6. Tangible fixed assets

	Office equipment £
Cost	
At 1 April 2016	18,843
Additions	5,188
At 31 March 2017	24,031
Depreciation	
At 1 April 2016	6,585
Charge for the year	4,414
At 31 March 2017	10,999
Net book value	
At 31 March 2017	13,032
At 31 March 2016	12,258

BUDENNY LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

7. Investment properties

	Freehold investment property £
Valuation	
At 1 April 2016	18,989,434
Additions	172,671
Disposals	(18,191,690)
Revaluation	129,585
At 31 March 2017	<u>1,100,000</u>

The investment properties were valued at the end of the year on an open market value for existing use basis by the members. The historical cost of the freehold properties to the LLP was £970,415 (2016: £9,028,655).

8. Debtors

	2017 £	2016 £
Trade debtors	-	1,900
Amounts owed by group undertakings	3,297,940	663,048
Other debtors	79,785	-
Prepayments and accrued income	16,059	18,197
Amounts due from members	10	10
	<u>3,393,794</u>	<u>683,155</u>

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	11,101	38,579
Other taxation and social security	-	8,835
Accruals and deferred income	6,050	86,672
	<u>17,151</u>	<u>134,086</u>

BUDENNY LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

10. Loans and other debts due to members

	2017 £	2016 £
Members' capital treated as debt	(3,917,010)	(3,917,010)
Other amounts due to members	(475,988)	(5,807,275)
	<u>(4,392,998)</u>	<u>(9,724,285)</u>

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

11. Commitments under operating leases

At 31 March 2017 the LLP had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	44,428	44,428
Later than 1 year and not later than 5 years	50,647	95,075
	<u>95,075</u>	<u>139,503</u>

12. Related party transactions

Transactions with related parties are as follows:

Name (relationship)	Transaction	Amount		Amount due (to)/from related parties	
		2017 £	2016 £	2017 £	2016 £
Vasteras LLP (parent undertaking)	Loan	2,634,892	-	3,297,940	663,048

Amounts owed to related parties are unsecured, interest free and due for repayment within one year.

13. First time adoption of FRS 102

In accordance with FRS102 the movement in the valuation of the LLP investment properties is recognised in the profit and loss account. The impact on the profit before members remuneration for 2016 is an increase of £8,907,187 to £9,490,289. There is no impact on the total members interest as at 31 March 2016.