

ST PAUL'S GENERAL PARTNER LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2008

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ST PAUL'S GENERAL PARTNER LIMITED

DIRECTORS' REPORT

The directors present their directors' report and audited financial statements for the year ended 31 December 2008. This report is prepared in accordance with the provisions for small companies as set out in s246(4) of the Companies Act 1985.

Principal activity and business review

The company acts as general partner to the St Paul's Limited Partnership, which is involved in property investment.

Results and dividend

The profit and loss account of the company is presented on page 5 of these accounts.

The directors do not recommend the payment of a dividend (2007: £nil).

Directors and directors' interests

The directors who held office throughout the year and to the date of this report (except as noted) were as follows:

R P Burrow	(appointed 16 March 2009)
B J Corbin	(resigned 16 March 2009)
J P Codling	

The directors had no interest in the share capital of the company during the year.

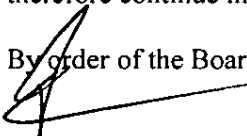
Statement as to disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as each is aware, there is no relevant audit information of which the company's auditors are unaware and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, KPMG LLP will be deemed to be reappointed and will therefore continue in office.

By order of the Board.


J P Codling
Director
25 September 2009

67 Brook Street
London, W1K 4NJ

ST PAUL'S GENERAL PARTNER LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

ST PAUL'S GENERAL PARTNER LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF ST PAUL'S GENERAL PARTNER LIMITED

We have audited the financial statements of St Paul's General Partner Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's member, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

ST PAUL'S GENERAL PARTNER LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF ST PAUL'S GENERAL PARTNER LIMITED (continued)

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. At the date of this report, loan covenant breaches existed on bank facilities totalling £33,487,000 in respect of which the company has provided a fixed and floating charge over its assets as security. The borrowers are currently in the process of negotiating a resolution of these breaches with the lenders. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG end

KPMG LLP,
Registered Auditor and Chartered Accountants

25 September 2009

8 Salisbury Square
London EC4Y 8BB

ST PAUL'S GENERAL PARTNER LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2008

		Year ended 31 December 2008	Period from 27 November 2006 to 31 December 2007
	Notes	£	£
Turnover		12,072	143,849
Cost of sales		(12,072)	(143,849)
Impairment of investment	3	<u>(3,001)</u>	<u>-</u>
Operating loss, loss before and after taxation and retained for the financial year		<u>(3,001)</u>	<u>-</u>

There are no recognised gains and losses other than the results presented above and accordingly no statement of total recognised gains and losses is presented.

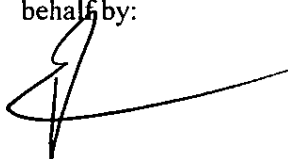
ST PAUL'S GENERAL PARTNER LIMITED

BALANCE SHEET

At 31 December 2008

	Notes	2008 £	2007 £
Fixed asset investments	3	<u>-</u>	<u>3,001</u>
Amounts due to parent undertaking		<u>(3,000)</u>	<u>(3,000)</u>
Net current liabilities		<u>(3,000)</u>	<u>(3,000)</u>
Total assets less current liabilities and net assets		<u>(3,000)</u>	<u>1</u>
Capital and reserves			
Called up share capital	4	1	1
Profit and loss account	5	<u>(3,001)</u>	<u>-</u>
Shareholders' (deficit)/funds		<u>(3,000)</u>	<u>1</u>

These financial statements were approved by the board of directors on 25 September 2009 and signed on its behalf by:



J P Codling
Director

ST PAUL'S GENERAL PARTNER LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The principal accounting policies have been applied consistently in dealing with items which are considered material to the financial statements throughout the current financial year and prior financial period and are set out below. The prior financial period ran from 27 November 2006, the date of incorporation, to 31 December 2007.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost accounting rules.

Going concern

The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future, which the directors believe to be appropriate for the following reasons.

The company has received confirmation from its parent company of its current intention not to call amounts owed by the company for a period of at least 12 months from the date of approval of these accounts.

The St Paul's Limited Partnership is a joint borrower for bank facilities totalling £120,987,000 ('the Facility Agreements'), with the borrowings being secured on the property owned by the borrowers, and under which facilities the company has also provided a fixed and floating charge over its assets in favour of the lenders. At the date of this report, unremedied loan-to-value covenant breaches exist in respect of certain of the bank facilities with a principal totalling £33,787,000. The lenders have not called these amounts to date. However, they have issued default notices to the borrowers regarding these breaches in which they state that, whilst it is not their present intention to enforce their rights or take immediate action, they reserve their rights under the Facility Agreements. Discussions are ongoing with the lenders regarding the remedy of these covenant breaches. The directors are confident that the discussions with the lenders will lead to a remedy of the breaches. However, should the breaches go unremedied, the lenders would have the right to exercise their charges over the assets of the company.

The directors have prepared projected cash flow information for the period ending twelve months from the date of its approval of these financial statements. On the basis of these forecasts, the directors consider that the company will have sufficient funds to meet its obligations as they fall due for the period ending twelve months after the date of this report, assuming that the lenders do not call the bank loans on which covenant breaches referred to above are outstanding.

The directors have concluded that the circumstances referred to above give rise to a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. The company may, therefore, be unable to realise its assets and discharge its liabilities in the normal course of business but the financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

Turnover

Turnover represents amounts recharged to the St Paul's Limited Partnership, recognised on an accruals basis.

Investments

Investments are recognised at cost less provision for any impairment.

ST PAUL'S GENERAL PARTNER LIMITED

NOTES TO THE ACCOUNTS (continued)

2. DIRECTORS, EMPLOYEES AND TAXATION

None of the directors received any remuneration from the company during the year (2007: £nil).

The company has no employees other than the directors in the current financial year and prior financial period.

Audit fees of £500 (2007: £1,000) have been borne by other group companies.

The company is taxed on its share of the profits and losses of the St Paul's Limited Partnership. In the year ended 31 December 2008 that taxation charge amounted to £nil (2007: £nil). The company has not recognised a deferred tax asset of £840 (2007: £nil) arising on the loss for the year of £3,001 (2007: £nil) on the basis that future profits are not sufficiently certain.

3. FIXED ASSET INVESTMENTS

Net book value	£
At 1 January 2008	3,001
Provision for impairment	<u>(3,001)</u>
At 31 December 2008	<u>—</u>

The investment in the period represents 0.06% of the capital contributed to the St Paul's Limited Partnership, a partnership engaged in property investment and registered in England and Wales. The company acts as General Partner to the St Paul's Limited Partnership.

The company have reviewed the carrying value of the investment at 31 December 2008 and considered it prudent to provide for impairment in full.

4. CALLED UP SHARE CAPITAL

	Authorised 2008 £	Allotted, called up and fully paid 2008 £	Authorised 2007 £	Allotted, called up and fully paid 2007 £
Ordinary shares of £1 each (1,000 authorised, 1 issued)	<u>1,000</u>	<u>1</u>	<u>1,000</u>	<u>1</u>

5. PROFIT AND LOSS ACCOUNT

	£
At 1 January 2008	-
Loss for the financial year	<u>(3,001)</u>
At 31 December 2008	<u>(3,001)</u>

ST PAUL'S GENERAL PARTNER LIMITED

NOTES TO THE ACCOUNTS (continued)

6. RELATED PARTY DISCLOSURES, PARENT UNDERTAKINGS AND CONTROLLING PARTY

The company takes advantage of exemption granted by Financial Reporting Standard 8 'Related Party Disclosures' and does not disclose balances and transactions with members of the Chelsfield Partners LLP group.

The immediate parent undertaking of the company is Brave Corporate Sarl, a company incorporated in Luxembourg. The ultimate parent undertaking and controlling party of the company is Chelsfield Partners LLP, a limited liability partnership incorporated in England and Wales. The financial statements of that ultimate parent undertaking, which is the smallest and largest group in which these financial statements are consolidated, are available from 67 Brook Street, London W1K 4NJ.