

Advantage (GP) Limited

Directors' report and financial
statements

Registered number 06051161
31 March 2012



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Directors' report

The directors present their annual report on the audited financial statements for the year ended 31 March 2012

Principal activities

The principal activity of the company is the General Partner for PxP West Midlands Limited Partnership. Advantage (GP) Limited holds a 0.1% interest in PxP West Midlands Limited Partnership. PxP West Midlands Limited Partnership is a partnership within the Limited Partnerships Act 1907.

Proposed dividend and transfer to reserves

The directors do not propose the payment of a dividend (2011 £nil)

Directors

The directors who held office during the year were as follows

J Downes	
M Jackson	
DM Pearce	(resigned 20 September 2011)
AM Simpson	(appointed 20 September 2011, resigned 27 September 2012)
NJ Marshall	(appointed 20 September 2011, resigned 27 September 2012)
MM Allen	(appointed 27 September 2012)
KA Hebron	(appointed 27 September 2012)

The directors who held office at the end of the financial year had no interests in the ordinary shares of the company as recorded in the register of directors' share interests (2011 £nil)

Disclosure of information to auditors

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

Political and charitable contributions

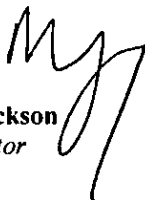
Neither the Company nor any of its subsidiaries made any political or charitable donations or incurred any political expenditure during the year (2011 £nil)

Auditor

A resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

M Jackson
Director



Centrix House
Crow Lane East
Newton-Le-Willows
WA12 9UY

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors 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 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 judgments 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.



KPMG LLP

St James' Square
Manchester
M2 6DS
United Kingdom

Independent auditor's report to the members of Advantage (GP) Limited

We have audited the financial statements of Advantage (GP) Limited for the year ended 31 March 2012 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Advantage (GP) Limited *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Nicola Quayle

Nicola Quayle (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St James' Square
Manchester
M2 6DS

21 December 2012

Consolidated profit and loss account
for the year ended 31 March 2012

	<i>Note</i>	2012 £	2011 £
0 1% share of profit of PxP West Midlands Limited Partnership		927	960
Operating profit		927	960
Interest receivable		3	3
Administration expense		(25)	-
Profit on ordinary activities before taxation	2	905	963
Tax on profit on ordinary activities	4	(235)	(269)
Profit on ordinary activities after taxation		670	694

All the company's revenue and costs for the year are derived from continuing operations

The company revenues and costs are reported on an historical cost basis. There is no difference between the results for the year as described in the profit and loss account and the results on an unmodified historic cost basis. Accordingly a note of historical cost profits and losses has not been presented.

The notes on pages 9 to 13 form part of these financial statements

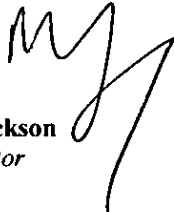
Statement of total recognised gains and losses
for the year ended 31 March 2012

	2012 £	2011 £
Profit available for distribution	670	694
Revaluation (loss)/gain on investment properties	(4,527)	481
Realisation of property losses of previous years	(13)	-
Total recognised (losses)/gains relating to the financial year	(3,870)	1,175

Balance Sheet
at 31 March 2012

	<i>Note</i>	Group £	2012 Company £	Group £	2011 Company £
Fixed assets					
Investments	5	-	3	-	3
Tangible fixed assets	6	38,575	-	41,225	-
		<u>38,575</u>	<u>3</u>	<u>41,225</u>	<u>3</u>
Current assets					
Cash at bank and in hand		2,933	521	6,584	549
Debtors	7	700	502	731	498
		<u>3,633</u>	<u>1,023</u>	<u>7,315</u>	<u>1,047</u>
Creditors: amounts falling due within one year	8	<u>(2,011)</u>	<u>-</u>	<u>(4,690)</u>	<u>(1)</u>
Net current assets		<u>1,622</u>	<u>1,023</u>	<u>2,625</u>	<u>1,046</u>
Total assets less current liabilities		<u>40,197</u>	<u>1,026</u>	<u>43,850</u>	<u>1,049</u>
Creditors: amounts due after more than one year	9	<u>(42,194)</u>	<u>-</u>	<u>(41,989)</u>	<u>-</u>
Net (liabilities)/assets		<u>(1,997)</u>	<u>1,026</u>	<u>1,861</u>	<u>1,049</u>
Capital and reserves					
Called up share capital	10	1,000	1,000	1,000	1,000
Partners capital		30,176	-	30,176	-
Revaluation deficit	11	(33,746)	-	(29,231)	-
Profit and loss account	11	573	26	(84)	49
Equity shareholders' funds	12	<u>(1,997)</u>	<u>1,026</u>	<u>1,861</u>	<u>1,049</u>

These financial statements were approved by the board of directors on 23 NOVEMBER 2012 and were signed on its behalf by


M Jackson
 Director

The notes on pages 9 to 13 form part of these financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of accounting

The financial statements have been prepared on the historical cost convention and in accordance with applicable UK accounting standards

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard 1 to prepare a cashflow statement as it is entitled to the filing exemptions as a small company under sections 246 and 249 of the Companies Act 2006 when filing accounts with the Registrar of companies

Investment in PxP West Midlands Limited Partnership

The Company has a £2 investment in PxP West Midlands Limited Partnership, and as general partner of the Limited Partnership, is considered to have control over it. However, it is not entitled to a share of the results and the assets of the Partnership

The directors consider that the accounts would not give a true and fair view if the assets and liabilities and income and expenditure of the Partnership were to be fully consolidated. Therefore they have taken advantage of s404 (5) of the Companies Act 2007 and proportionally consolidated its interest in the Partnership in order for the financial statements to give a true and fair view

Had the company fully consolidated PxP West Midlands Limited Partnership into its financial statements the consolidated balance sheet would show net liabilities of £2,820,614 (2011 net assets of £779,687). Under the proportional consolidation method adopted, the company has net liabilities of £1,997 (2011 net assets of £1,861), being Advantage (GP) Limited's own share capital plus its share of the net profit and movements on revaluation reserves of PxP West Midlands Limited Partnership

PxP West Midlands Limited Partnership have taken advantage of the exemption from the requirement to file financial statements conferred by regulation 7 of the Partnerships and Unlimited Companies (Accounts) Regulations 1993 (Statutory Instrument No 1820)

Fixed assets and depreciation

In accordance with SSAP 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve, and no depreciation or amortisation is provided in respect of freehold investment properties. This treatment may be a departure from the requirements of the Companies Act 2007 regarding depreciation of fixed assets but the directors consider that this accounting policy is necessary for the accounts to give a true and fair view, as the properties are held for investment not consumption. Depreciation or amortisation is only one of the factors reflected in the annual valuations, and the amount which might otherwise have been shown cannot be separately identified or quantified

Reductions in the market value of investment properties are recorded in the profit and loss account except where the reduction in value is considered to be temporary. Such temporary reductions in market value are taken to the Statement of Recognised Gains and Losses as a movement on the investment property revaluation reserve

Notes (continued)

1 Accounting policies (continued)

Taxation

The tax charge is based on taxable profits for the year. Tax, including tax relief for losses if applicable, is allocated over profits on ordinary activities and amounts charged or credited to reserves as appropriate.

Provision is made for deferred tax liabilities, using the liability method, on all material timing differences, including revaluation gains and losses on investments recognised in the profit and loss account. Deferred taxation is calculated at the rates at which it is expected that the tax will arise and discounted to take into account the likely timing of payments and pattern of expected realisation of investments. Deferred tax assets are recognised to the extent that they are regarded as more likely than not to be recovered.

Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as Directors' Interests only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Partners to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and
- b) where the instrument will or may be settled in the Company's own capital instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own capital instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own capital instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own capital instruments, the amounts presented in these financial statements for capital exclude amounts in relation to those capital instruments. Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges.

'B' Loan Notes carry a coupon rate of 6.25% per annum with payments made to the Loan Note holders on an annual basis. The 'B' Loan Notes accrue interest at a fixed coupon rate and as such they are treated as a debt instrument in these financial statements and are therefore shown as a liability on the balance sheet. For three years commencing 22 February 2011 it has been agreed that the interest rate of 6.25% per annum will be split into the primary and secondary coupon. The primary rate will be equal to the variable European reference rate plus a margin of 0.5% and will be payable on the current payment dates. The secondary coupon will be equal to the difference between ERR and 6.25%. This will be payable at the end of the JV subject to both parties having received 15% IRR on their equity investment.

'A' Loan Notes represent capital contributions made at the inception of the Company. There are no priority repayments and no repayment schedules have been established. There is no coupon rate and as such no interest is earned by the Partners on these capital contributions. The 'A' Loan Notes are treated as equity instruments in these financial statements.

2 Profit on ordinary activities before taxation

The audit fee for the year was borne by Langtree Group Plc and The Homes and Communities Agency. No staff were employed by the group during the year and prior year.

3 Remuneration of directors

No emoluments were paid to the directors by the Company (2011: £nil).

Notes (continued)

4 Taxation

a) Analysis of charge in year

	2012 £	2011 £
<i>UK corporation tax</i>		
Current year corporation tax	235	269
	<u>235</u>	<u>269</u>

b) Factors affecting the tax charge for the current year

The tax assessed for the year does not differ from the standard rate of corporation tax in the UK 26% (2011 28%)

	2012 £	2011 £
Profit on ordinary activities before tax	905	962
	<u>905</u>	<u>962</u>
Current tax at 26% (2011 28%)	235	269
	<u>235</u>	<u>269</u>

5 Investments

Company only

	2012 Company £	2011 Company £
<i>Cost</i>		
At beginning of the year	3	3
Additions	-	-
	<u>3</u>	<u>3</u>
At end of the year	3	3
	<u>3</u>	<u>3</u>

Investment of £2 represents the interest of Advantage (GP) Limited in PxP West Midlands Limited Partnership. The General Partner holds 0.1% of the issued share capital of the Limited Partnership. Investment of £1 represents the interest of Advantage (GP) Limited in Cobalt Park Limited. Advantage (GP) owns 100% of the issued share capital of Cobalt Park Limited.

The directors are of the opinion that the value of the investments are not less than book value.

Notes (continued)

6 Tangible fixed assets

Group only	2012 Investment properties £	2011 Investment properties £
<i>Cost</i>		
At beginning of the year	41,225	39,097
Additions	2,031	1,647
Disposals	(153)	-
(Deficit)/Surplus on revaluation	(4,527)	481
	<hr/>	<hr/>
At end of the year	38,550	41,225
	<hr/>	<hr/>

Investment and development properties were independently valued at 31 March 2012 by Colliers CRE LLP in accordance with the Appraisal and Valuation manual of the Royal Institution of Chartered Surveyors

7 Debtors

Group and company	2012		2011	
	Group £	Company £	Group £	Company £
Trade debtors	103	-	111	-
Prepayments and other debtors	580	502	562	498
Other tax and social security	17	-	58	-
	<hr/>	<hr/>	<hr/>	<hr/>
	700	502	731	498
	<hr/>	<hr/>	<hr/>	<hr/>

8 Creditors: amounts falling due within one year

Group and company	2012		2011	
	Group £	Company £	Group £	Company £
Trade creditors	85	-	502	-
Accruals and deferred income	1,557	-	3,944	1
Other creditors	369	-	244	-
	<hr/>	<hr/>	<hr/>	<hr/>
	2,011	-	4,690	1
	<hr/>	<hr/>	<hr/>	<hr/>

9 Creditors: amounts falling due after more than one year

Group only	2012 £	2011 £
Amounts owed to Homes and Communities Agency in respect of B Loan Notes	42,194	41,989
	<hr/>	<hr/>
	42,194	41,989
	<hr/>	<hr/>

Notes (continued)

10 Called up share capital

Group and company

	2012 £	2011 £
<i>Authorised, allotted, called up and fully paid</i>		
Ordinary Shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

11 Reserves

Group only

	Profit and loss Account £	Revaluation Reserve £	Total £
At beginning of year	(84)	(29,231)	(29,315)
Profit and loss account for the year	670	-	670
Revaluation deficit	-	(4,527)	(4,527)
Transfers	(13)	13	-
	<u>573</u>	<u>(33,745)</u>	<u>(33,172)</u>
At end of year	573	(33,745)	(33,172)

12 Reconciliation of movements in shareholders' funds

Group and company

	2012		2011	
	Group £	Company £	Group £	Company £
At beginning of year	1,861	1,049	686	1,046
Profit/(loss) for the financial year	670	(23)	694	3
Share of revaluation (deficit)/surplus	(4,527)	-	481	-
	<u>(1,996)</u>	<u>1,026</u>	<u>1,861</u>	<u>1,049</u>
At end of the year	(1,996)	1,026	1,861	1,049

13 Related party transactions

There were no related party transactions during the financial year ended 31 March 2012

Notes *(continued)*

14 Ultimate parent and controlling undertaking

The company is controlled by Langtree Group Plc and The Homes and Communities Agency who each control 50% of the ordinary issued share capital of the company

Copies of the financial statements of Langtree Group Plc and The Homes and Communities Agency are publicly available from Companies House, Maindy, Cardiff CF14 3UZ