

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**POLISH COMMERCIAL PROPERTY FINANCE ONLY LIMITED**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**Company Number: 06278017**

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## **POLISH COMMERCIAL PROPERTY FINANCE ONLY LIMITED**

### **COMPANY INFORMATION**

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<b>Directors</b>	D Webster G Burnett T Franks
<b>Secretary</b>	Intertrust Corporate Services (UK) Limited (formerly Elian Corporate Services (UK) Limited)
<b>Company number</b>	06278017
<b>Registered office</b>	35 Great St. Helen's London EC3A 6AP
<b>Auditor</b>	Deloitte LLP Statutory Auditor 2 New Street Square London EC4A 3BZ
<b>Bankers</b>	Barclays Bank PLC 48b-50 Lord Street Liverpool L2 1TD

**POLISH COMMERCIAL PROPERTY FINANCE ONLY LIMITED**

**CONTENTS**

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	<b>Page</b>
Directors' report	1-2
Statement of Directors' responsibilities	3
Independent auditor's report	4-5
Statement of comprehensive income and retained earnings	6
Balance sheet	7
Notes to the financial statements	8-12

## **POLISH COMMERCIAL PROPERTY FINANCE ONLY LIMITED**

### **DIRECTORS' REPORT**

#### ***FOR THE YEAR ENDED 31 MARCH 2017***

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The directors present their report together with the audited financial statements for the Polish Commercial Property Finance Only Limited ("the Company") for the year ended 31 March 2017

The Company qualifies as a small Company in accordance with section 381-382 of the Companies Act 2006 ("the Act") The directors' report has been prepared taking into consideration the entitlement to small companies exemptions provided in sections 414B (as incorporated to the Act by the Strategic Report and Directors' Report Regulations 2013) of the Act.

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

The principal activity of the Company is to provide financing for related parties and fellow subsidiaries.

There have been no significant changes in the Company's principal activities in the year under review

#### **Going concern**

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements

The company has net liabilities of £211,082 (2016: £944,715) There is a letter of financial support from the shareholder confirming it will not demand any of its loan of £4,494,352 (2016 £4,885,043) for a period of 12 months from the date of this report. The shareholder will not claim monies that the Company will not be able to recover from its subsidiaries

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements

#### **Principal risks**

The principal risk faced by the Company is the failure by related parties to repay the financing provided. This risk is mitigated by the financial support from the parent who will not claim monies the Company will not be able to recover

#### **Future developments**

The company will continue to perform its principal activities until the end of the life of the USS Fprop Managed Property Portfolio LP.

#### **Directors**

The directors of the Company during the year and up to the date of signing these financial statements were

G Burnett  
I Sherlock (Resigned 31 March 2017)  
D Webster  
T Franks (Appointed 31 March 2017)

No indemnities are provided by the directors.

#### **Results and dividends**

The income for the year is reported on page 6. The directors have not declared a dividend for the year (2016: Nil).

**POLISH COMMERCIAL PROPERTY FINANCE ONLY LIMITED**

**DIRECTORS' REPORT (continued)**

**FOR THE YEAR ENDED 31 MARCH 2017**

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**Statement of disclosure to auditor**

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

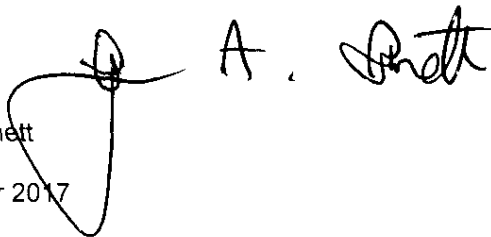
This information is given and should be interpreted in accordance with s418 of the Companies Act 2006

**Auditor**

Deloitte LLP have expressed their willingness to continue in office as auditor pursuant to section 489 of the Companies Act 2006 and a resolution to reappoint them will be proposed at the forthcoming Board Meeting

On behalf of the board

Graham Burnett  
**Director**  
20 December 2017

A handwritten signature in black ink, appearing to read 'G. Burnett', with a large, stylized loop at the end.

## **POLISH COMMERCIAL PROPERTY FINANCE ONLY LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2017***

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#### **Statement of directors' responsibilities**

The directors are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2006, applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)

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 year. In preparing these financial statements, the directors 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 United Kingdom Accounting Standards, including FRS 102 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 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **POLISH COMMERCIAL PROPERTY FINANCE ONLY LIMITED**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF POLISH COMMERCIAL PROPERTY FINANCE ONLY LIMITED**

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We have audited the financial statements of Polish Commercial Property Finance Only Limited for the year ended 31 March 2017 which comprise the Statement of Comprehensive Income and Retained Earnings, the Balance Sheet, and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including the Financial Reporting Standard applicable in the UK and Republic of Ireland

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 auditor**

As explained more fully in the Statement of Directors' Responsibilities, 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 Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; 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, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements

**POLISH COMMERCIAL PROPERTY FINANCE ONLY LIMITED**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF POLISH COMMERCIAL PROPERTY FINANCE ONLY LIMITED**

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In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

**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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Directors' Report.

*Philip Doherty*

**Philip Doherty FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
London  
United Kingdom**

**21** December 2017



**POLISH COMMERCIAL PROPERTY FINANCE ONLY LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME AND RETAINED EARNINGS**

**FOR THE YEAR ENDED 31 MARCH 2017**

	<b>Notes</b>	<b>2017 £</b>	<b>2016 £</b>
Turnover	2	177,845	157,007
Cost of Sales		<u>(40,320)</u>	<u>(36,264)</u>
<b>Gross Profit</b>		<b>137,525</b>	<b>120,743</b>
Administration Expenses	3	<u>617,066</u>	<u>183,577</u>
<b>Operating Profit</b>		<b>754,591</b>	<b>304,320</b>
<b>Profit on ordinary activities before taxation</b>		<b>754,591</b>	<b>304,320</b>
Tax on Profit on Ordinary Activities	6	<u>(20,958)</u>	<u>(32,469)</u>
<b>Profit for the Year</b>	10	<b>733,633</b>	<b>271,851</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>733,633</b>	<b>271,851</b>
<b>Retained losses at 1 April</b>		<b>(944,716)</b>	<b>(1,216,567)</b>
<b>Retained losses at 31 March</b>		<b>(211,083)</b>	<b>(944,716)</b>

All results shown in the profit and loss account are from continuing operations.

The notes on pages 8 to 12 form part of these financial statements

A reconciliation of movements in shareholder funds is shown in note 11

**POLISH COMMERCIAL PROPERTY FINANCE ONLY LIMITED**

**BALANCE SHEET**

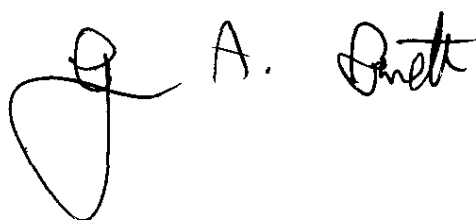
**AS AT 31 MARCH 2017**

	Notes	2017 £	2016 £
<b>Current Assets</b>			
Debtors	7	4,299,235	3,984,976
Cash at bank		293	361
		<u>4,299,528</u>	<u>3,985,337</u>
<b>Creditors: amounts falling due within one year</b>	8	<b>(4,510,610)</b>	<b>(4,930,052)</b>
<b>Net Liabilities</b>		<u><b>(211,082)</b></u>	<u><b>(944,715)</b></u>
<b>Capital and Reserves</b>			
Called up share capital	9	1	1
Profit and (loss) account	10	<u>(211,083)</u>	<u>(944,716)</u>
<b>Shareholders' Deficit</b>		<u><b>(211,082)</b></u>	<u><b>(944,715)</b></u>

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime

Approved by the Board and authorised for issue on 19 December 2017.

G Burnett  
Director

A handwritten signature in black ink, appearing to read 'G. A. Burnett', is written over a large, stylized circular mark.

Company Registration No. 06278017

# **POLISH COMMERCIAL PROPERTY FINANCE ONLY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

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### **1. Accounting policies**

#### **1.1 Company information**

Polish Commercial Property Finance Only Limited is a private company limited by shares, incorporated in the United Kingdom and its registered office is at 35 Great St. Helen's, London EC3A 6AP.

#### **1.2 Compliance with accounting standards**

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

This is the first year in which the financial statements have been prepared under FRS 102. Refer to Note 16 for an explanation to the transition.

#### **1.3 Turnover**

Turnover represents the amount of interest receivable on loans made to other group companies during the year, and is recognised on an accruals basis.

#### **1.4 Cost of sales**

Cost of sales arise from loan interest payable to other group companies during the year.

#### **1.5 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into pound sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

The functional and presentational currency is GBP.

#### **1.6 Going concern**

The directors have reviewed the current and projected financial position of the Company, making reasonable assumptions about the future trading performance. After making enquiries, the directors have a reasonable expectation that the Company has 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. There is a letter of financial support from the shareholder as documented in the directors' report.

**POLISH COMMERCIAL PROPERTY FINANCE ONLY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS continued**

**FOR THE YEAR ENDED 31 MARCH 2017**

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**1. Accounting policies (continued)**

**1.7 Taxation**

The charge for taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Provision is made for deferred tax on all timing differences that have originated but not reversed at the balance sheet date, where an event has occurred that results in an obligation to pay more or less tax in the future, except that deferred tax assets are recognised only to the extent that it is more likely than not that there will be suitable taxable profit from which future reversal of the relevant timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

**1.8 Financial assets and liabilities**

The Partnership's financial assets and liabilities are recorded in the balance sheet at historical cost or fair value. Income and expenditure arising in financial instruments is recognised on an accruals basis and taken to the income statement in the financial period in which it arises. Trade receivables are measured at initial recognition at fair value. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into

**1.9 Cash flow statement**

The Company qualifies as a small Company in accordance with section 381-382 of the Companies Act 2006 ("the Act") and has elected to take advantage of the disclosure exemptions in section 1A of FRS 102 in relation to the preparation of a Statement of Cash Flows

**1.10 Use of estimates and judgments**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods

**Critical Judgment**

In the process of applying the Company's accounting policies the Directors have made the following judgment that has the most significant effect on the amounts recognised in the financial statements

**POLISH COMMERCIAL PROPERTY FINANCE ONLY LIMITED**

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2017**

**Interest Income**

The Directors have determined that the interest rates charged on loans to group undertakings are at market rates and as such do not require any imputed interest under FRS102.

**2. Turnover**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Loan interest	<u>177,845</u>	<u>157,007</u>

**3. Administration expenses**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Administration fee	2,034	2,424
Bank charges	72	36
Audit fees	-	-
Foreign exchange losses / (gains)	30,210	(40,555)
Loan (writeback) / impairment	(649,382)	(145,482)
	<u><b>(617,066)</b></u>	<u><b>(183,577)</b></u>

**4. Directors remuneration**

No remuneration was paid to directors in the current year (2016: £nil)

**5. Auditor's remuneration**

Audit fees of £12,500 (2016: £10,587) are borne by the Parent entity, USS Fprop Managed Portfolio LP, with no amount recharged to Polish Commercial Property Finance Only Limited

**6. Taxation**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
U.K. corporation tax charge	20,958	32,469
Total current tax	<u><b>20,958</b></u>	<u><b>32,469</b></u>

**Factors affecting the tax charge for the year**

Profit on ordinary activities before tax	<u><b>754,591</b></u>	<u><b>304,320</b></u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2016 – 20.00%)	<b>150,918</b>	<b>60,864</b>
(Non tax revenues)/non-tax deductible expenses	(129,960)	(28,395)
<b>Current tax charge for the year</b>	<u><b>20,958</b></u>	<u><b>32,469</b></u>

**POLISH COMMERCIAL PROPERTY FINANCE ONLY LIMITED**

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2017**

**7. Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	4,878,920	5,214,043
Impairments	<u>(579,685)</u>	<u>(1,229,067)</u>
	<b><u>4,299,235</u></b>	<b><u>3,984,976</u></b>

Amounts owed by group undertakings are due within ten years from the date the loan was granted and are charged at an interest rate of between 5.0% and 6.5% per annum

A provision is recognised for amounts not expected to be recovered. Movements in the accumulated impairment losses on debtors were as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Balance brought forward	(1,229,067)	(1,374,549)
Impairment reversal	<u>649,382</u>	<u>145,482</u>
Provision for doubtful debts	<u>(579,685)</u>	<u>(1,229,067)</u>

The impairment release arises as a result of a repayment of a loan by one of the group undertakings that owed amounts to the company

**8. Creditors: amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	4,494,352	4,885,043
Taxation and social security	4,724	32,469
Accruals and deferred income	<u>11,534</u>	<u>12,540</u>
	<b><u>4,510,610</u></b>	<b><u>4,930,052</u></b>

Amounts owed to group undertakings are unsecured, repayable on demand and are interest bearing at rates between 1.5% and 6.5%.

**9. Share capital**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Allotted, called up and fully paid		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

**10. Statement of movements on profit and loss account**

	<b>Profit and (loss) account £</b>
Balance at 1 April 2016	(944,716)
Profit for the year	<u>733,633</u>
Balance at 31 March 2017	<b><u>(211,083)</u></b>

**POLISH COMMERCIAL PROPERTY FINANCE ONLY LIMITED**

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2017**

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**11. Movement in shareholder funds**

	<b>Shareholder funds £</b>
Balance at 1 April 2016	(944,715)
Profit for the year	733,633
Balance at 31 March 2017	<u><b>(211,082)</b></u>

**12. Ultimate and immediate parent company**

The share capital of the company is held by First Property General Partner Limited as general partner of the USS Fprop Managed Property Portfolio LP. The parent entity of the company is the USS Fprop Managed Property Portfolio LP. The largest entity for which the group financial statements are presented are those of the USS Fprop Managed Property Portfolio LP, whose principal place of business is 35 Great St Helen's, London EC3A 6AP. The ultimate controlling entity is considered to be Universities Superannuation Scheme Limited, acting as sole corporate trustee of the Universities Superannuation Scheme, by virtue of its ability to appoint and remove directors of First Property General Partner Limited the entity responsible for the day to day conduct of the business of the partnership

**13. Related party transactions**

During the year the company paid interest of £40,320 (2016: £36,264) to the USS Fprop Managed Property Portfolio LP. At the year-end the company owed £4,494,352 (2016: £4,885,043) to the USS Fprop Property Portfolio LP. During the year the company charged interest of £177,845 (2016: £157,007) to the subsidiaries owned by USS Fprop Managed Property Portfolio LP. At the year end the company was owed £4,299,235 (2016: £3,984,976) by these subsidiaries net of provisions of £579,685 (2016: £1,229,067).

**14. Capital commitments and contingent liabilities**

There are no capital commitments or contingent liabilities.

**15. Number of employees**

There were no employees during the year apart from the directors (2016: nil)

**16. Transition to FRS 102**

The last financial statements under a previous GAAP (pre-2015 UK GAAP) were for the year ended 31 March 2016 and the date of transition to FRS 102 was therefore 1 April 2016. There are no comparative amounts for the prior year that need to be restated.