

Registered number 08214335

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**MPG HOLBORN GP LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 MARCH 2013**

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COMPANIES HOUSE

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**MPG HOLBORN GP LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

R M Bursby (appointed 14 September 2012 & resigned 14 September 2012)  
Huntsmoor Nominees Limited (appointed 14 September 2012 & resigned 14 September 2012)  
Huntsmoor Limited (appointed 14 September 2012 & resigned 14 September 2012)  
P M Brown (appointed 14 September 2012)  
T J Evans (appointed 14 September 2012)  
S L Gumm (appointed 14 September 2012)  
N M Leslau (appointed 14 September 2012)

**COMPANY SECRETARY**

S L Gumm

**REGISTERED NUMBER**

08214335

**REGISTERED OFFICE**

Cavendish House  
18 Cavendish Square  
London  
W1G 0PJ

**INDEPENDENT AUDITORS**

BDO LLP  
2 City Place  
Beehive Ring Road  
Gatwick  
West Sussex  
RH6 0PA

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**MPG HOLBORN GP LIMITED**

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## **MPG HOLBORN GP LIMITED**

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### **DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2013**

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The directors present their report and the financial statements for the period ended 31 March 2013

#### **DATE OF INCORPORATION**

The company was incorporated on 14 September 2012 so these financial statements relate to the period from that date to 31 March 2013. The company commenced operations on 21 September 2012, prior to which it was dormant.

#### **PRINCIPAL ACTIVITY**

The company's principal activity is to act as general partner for MPG Holborn LP, a partnership carrying out property investment activities in the United Kingdom.

#### **DIRECTORS**

The directors who served during the period were

R M Bursby (appointed 14 September 2012 & resigned 14 September 2012)  
Huntsmoor Nominees Limited (appointed 14 September 2012 & resigned 14 September 2012)  
Huntsmoor Limited (appointed 14 September 2012 & resigned 14 September 2012)  
P M Brown (appointed 14 September 2012)  
T J Evans (appointed 14 September 2012)  
S L Gumm (appointed 14 September 2012)  
N M Leslau (appointed 14 September 2012)

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

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting estimates that are reasonable and prudent,
- 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.

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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**MPG HOLBORN GP LIMITED**

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**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 31 MARCH 2013**

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**AUDITORS**

Under section 487(2) of the Companies Act 2006, BDO LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 4 September 2013 and signed on its behalf



S. L. Gumm  
Director

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## MPG HOLBORN GP LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MPG HOLBORN GP LIMITED

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We have audited the financial statements of MPG Holborn GP Limited for the period ended 31 March 2013, set out on pages 4 to 9. 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).

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, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### 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 2013 and of its loss for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

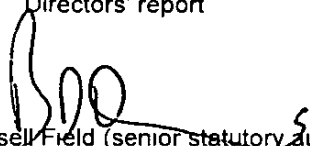
#### OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

#### 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 take advantage of the small companies' exemption in preparing the Directors' report.

  
Russell Field (senior statutory auditor)  
for and on behalf of

**BDO LLP, statutory auditor**

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)  
Gatwick, United Kingdom

4 September 2013

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**MPG HOLBORN GP LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 31 MARCH 2013**

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	<b>Note</b>	<b>Period ended 31 March 2013 £</b>
Administrative expenses		<u>(3,000)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAX</b>		<b>(3,000)</b>
Tax on loss on ordinary activities	3	<u>-</u>
<b>LOSS FOR THE FINANCIAL PERIOD</b>	8	<b><u>(3,000)</u></b>

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 other than those included in the profit and loss account

The notes on pages 6 to 9 form part of these financial statements

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**MPG HOLBORN GP LIMITED**  
**REGISTERED NUMBER 08214335**

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**BALANCE SHEET**  
**AS AT 31 MARCH 2013**

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	Note	£	2013 £
<b>FIXED ASSETS</b>			
Investments	4		1
<b>CURRENT ASSETS</b>			
Debtors	5	252	
<b>CREDITORS</b> amounts falling due within one year	6	<u>(3,251)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(2,999)</u>
<b>NET LIABILITIES</b>			<u>(2,998)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7		2
Profit and loss account	8		<u>(3,000)</u>
<b>SHAREHOLDERS' DEFICIT</b>	9		<u>(2,998)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 September 2013



S L Gurpin  
Director

The notes on pages 6 to 9 form part of these financial statements



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**MPG HOLBORN GP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2013**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

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

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

**1.2 Going concern**

The financial statements have been prepared on a going concern basis, which assumes that the company will continue to meet its liabilities when they fall due, for the foreseeable future. Since the company has net liabilities, it is dependent on the support of its parent undertaking to meet its liabilities. The parent undertaking has confirmed its willingness to provide such support.

**1.3 Cash flow**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

**1.4 Disclosure in relation to Limited Partnership**

The company is the sole General Partner of MPG Holborn LP, an English Limited Partnership registered under the 1907 Limited Partnership Act. MPG Holborn LP's principal place of business is Cavendish House, 18 Cavendish Square, London, W1G 0PJ and its principal activity is property investment in the United Kingdom.

A copy of the latest financial statements of MPG Holborn LP is appended to the copy of these financial statements to be filed at Companies House.

**2. OPERATING LOSS**

The company has no employees other than the directors, who did not receive any remuneration. The auditor's remuneration was borne by the company's subsidiary undertaking.

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MPG HOLBORN GP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2013

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3. TAXATION

	Period ended 31 March 2013 £
UK corporation tax charge on loss for the period	-
<b>Factors affecting tax charge for the period</b>	
The tax assessed for the period is lower than the standard small companies' rate of corporation tax in the UK of 20%. The differences are explained below	
	Period ended 31 March 2013 £
Loss on ordinary activities before tax	(3,000)
Loss on ordinary activities multiplied by the standard small companies' rate of corporation tax in the UK of 20%	(600)
<b>Effects of</b>	
Tax on share of profits from MPG Holborn LP	50
Utilisation of tax losses	(50)
Unrelieved tax losses carried forward	600
<b>Current tax charge for the period (see note above)</b>	-

4. FIXED ASSET INVESTMENTS

	Investment in subsidiary £
<b>Cost</b>	
At 14 September 2012	-
Additions	1
At 31 March 2013	1
<b>Net book value</b>	
At 31 March 2013	1

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**MPG HOLBORN GP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2013**

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**4. FIXED ASSET INVESTMENTS (continued)**

**Subsidiary undertakings**

The following were subsidiary undertakings of the company

<b>Name</b>	<b>Class of interest</b>	<b>Holding</b>
MPG Holborn LP	General Partner	0.1%

The company controls MPG Holborn LP through its role as General Partner

**5 DEBTORS**

	<b>2013</b>
	<b>£</b>
VAT recoverable	<b>250</b>
Called up share capital not paid	<b>2</b>
	<hr/> <b>252</b> <hr/>

**6 CREDITORS**

**Amounts falling due within one year**

	<b>2013</b>
	<b>£</b>
Amounts owed to group undertakings	<b>1,501</b>
Accruals and deferred income	<b>1,750</b>
	<hr/> <b>3,251</b> <hr/>

**7 SHARE CAPITAL**

	<b>2013</b>
	<b>£</b>
<b>Allotted, called up and unpaid</b>	
2 ordinary shares of £1 each	<b>2</b>
	<hr/> <b>2</b> <hr/>

During the period, the company issued two ordinary shares of £1 each at par

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**MPG HOLBORN GP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2013**

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**8 RESERVES**

	Profit and loss account £
Loss for the financial period	(3,000)
At 31 March 2013	<u>(3,000)</u>

**9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT**

	2013 £
Opening shareholders' funds	-
Loss for the financial period	(3,000)
Shares issued during the period	2
Closing shareholders' deficit	<u>(2,998)</u>

**10 RELATED PARTY TRANSACTIONS**

During the period, the company paid management fees of £1,250 to Prestbury Investments LLP on an arm's length basis under the terms of an investment advisory agreement. The directors of the company are also members of Prestbury Investments LLP.

The company has taken advantage of the exemption available to wholly owned subsidiary undertakings under FRS 8 not to disclose details of any transactions with other wholly owned entities that are included in the consolidated financial statements of the ultimate parent undertaking, Max Property Group Plc.

**11 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

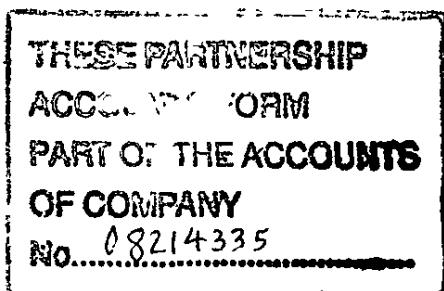
The immediate parent undertaking of MPG Holborn GP Limited is MPG Holborn Limited. The ultimate parent undertaking of MPG Holborn Limited is Max Property Group Plc. Max Property Group Plc is a company registered in Jersey and quoted on The Alternative Investment Market of the London Stock Exchange and on the Official List of The Channel Islands Stock Exchange. Copies of the consolidated financial statements of Max Property Group Plc are available from The Company Secretary, 26 New Street, St Helier, Jersey, JE2 3RA or from the website [www.maxpropertygroup.com](http://www.maxpropertygroup.com).

**MPG Holborn LP**

Financial statements

Period ended  
31 March 2013

Registered number LP015179



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**MPG HOLBORN LP****Report and financial statements for the period ended 31 March 2013**

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6	Profit and loss account
7	Statement of total recognised gains and losses and reconciliation of movements in partners' interests
8	Balance sheet
9	Notes forming part of the financial statements

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**General partner**

MPG Holborn GP Limited, Cavendish House, 18 Cavendish Square, London, W1G 0PJ

**Partnership registration number**

LP015179

**Auditors**

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

## **MPG HOLBORN LP**

### **Report of the General Partner for the period ended 31 March 2013**

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The General Partner presents its report together with the audited financial statements for the period ended 31 March 2013

#### **Results**

MPG Holborn LP (the 'Partnership') was formed on 21 September 2012 and the results relate to the period from that date to 31 March 2013. The Partnership commenced operations on 2 October 2012 when its investment properties were acquired.

The profit and loss account is set out on page 6 and shows a profit for the period of £210,567.

#### **Principal activity, review of business and future developments**

The principal activity of the Partnership is property investment. The Partnership acquired a number of investment properties on an island site in Holborn, London during the period, financed by a non-interest bearing loan from its Limited Partner. Part of this loan was subsequently refinanced by an interest bearing loan from a fellow group undertaking.

The General Partner is satisfied with the performance of the Partnership during the period under review.

#### **Policies in relation to capital and drawings**

The policies in respect of partners' profit shares, distributions, subscriptions for and repayment of partners' capital for the period under review are summarised below.

##### *Capital*

Each partner has made capital and loan contributions on which no interest is paid and which may be repaid by the Partnership in whole or in part at any time. Capital will become due and payable in full on the dissolution of the Partnership.

##### *Profits and losses*

The profits or losses of the Partnership are allocated to the partners in proportion to their capital contributions. The General Partner may from time to time decide upon such distributions of monies on account of profits for any financial year as appear reasonable, allocated to the partners in proportion to their capital contributions.

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**Statement of partners' responsibilities in respect of the financial statements**

The General Partner is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulation

The Partnerships (Accounts) Regulations 2008 require the General Partner to prepare financial statements for each financial year. Under these regulations the General Partner has elected to prepare the Partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under these regulations the General Partner must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that year.

In preparing these financial statements, the General Partner is required to

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

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions, disclose with reasonable accuracy at any time the financial position of the Partnership, and enable the General Partner to ensure that the financial statements comply with the Partnerships (Accounts) Regulations 2008. The General Partner is also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditors**

The General Partner has taken all the steps that it ought to have taken to make itself aware of any information needed by the Partnership's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The General Partner is not aware of any relevant audit information which has not been brought to the attention of the auditors.

This report has been prepared in accordance with the provisions applicable to limited partnerships entitled to the small entities exemption.

**For and on behalf of the General Partner**



S L Gumm

Director of MPG Holborn GP Limited acting on behalf of MPG Holborn LP

4 September 2013



## **MPG HOLBORN LP**

### **Independent Auditor's report to the partners of MPG Holborn LP**

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We have audited the financial statements of MPG Holborn LP (the 'Partnership') for the period from 21 September 2012 to 31 March 2013 on pages 6 to 13, which have been prepared under the accounting policies set out on pages 9 and 10. 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).

This report is made solely to the partners of the Partnership, as a body, in accordance with the Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the partners of the Partnership 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 Partnership and its partners as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of General Partner and auditors**

As explained more fully in the statement of General Partner's responsibilities, the General Partner is 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

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

In our opinion the financial statements

- give a true and fair view of the state of the Partnership's affairs as at 31 March 2013 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to partnerships by the Partnerships (Accounts) Regulations 2008.

#### **Opinion on other matters**

In our opinion the information given in the General Partner's report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**MPG HOLBORN LP**

**Independent Auditor's report to the partners of MPG Holborn LP**

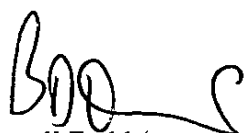
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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to partnerships 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
- we have not received all the information and explanations we require for our audit, or
- the General Partner was not entitled to prepare financial statements and the report of the General Partner in accordance with the small companies regime (as applied to partnerships)



Russell Field (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

Gatwick, United Kingdom

4 September 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

**MPG HOLBORN LP****Profit and loss account for the period ended 31 March 2013**

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	<b>Note</b>	<b>Period ended 31 March 2013 £</b>
<b>Turnover</b>		<b>754,075</b>
Cost of sales		<b>(181,839)</b>
		<hr/>
<b>Gross profit</b>		<b>572,236</b>
Administrative expenses		<b>(249,790)</b>
		<hr/>
<b>Operating profit</b>	<b>3</b>	<b>322,446</b>
Interest receivable and similar income		<b>3,416</b>
Interest payable and similar charges	<b>4</b>	<b>(115,295)</b>
		<hr/>
<b>Profit for the period</b>	<b>8</b>	<b>210,567</b>
		<hr/>

All amounts relate to continuing operations

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

**MPG HOLBORN LP****Statement of total recognised gains and losses for the period ended 31 March 2013**

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	<b>Period ended 31 March 2013 £</b>
Profit for the period	<b>210,567</b>
Deficit on revaluation of investment properties	<b>(60,952)</b>
<b>Total recognised gains and losses for the period</b>	<b><u>149,615</u></b>

**Reconciliation of movement in partners' interests**

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	<b>Period ended 31 March 2013 £</b>
Total recognised gains and losses	<b>149,615</b>
Partner capital introduced	<b>1,000</b>
<b>Net increase in partners' interests</b>	<b><u>150,615</u></b>
Opening partners' interests	<b>-</b>
<b>Closing partners' interests</b>	<b><u>150,615</u></b>

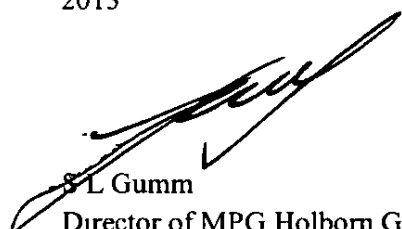
The notes on pages 9 to 13 form part of the financial statements

**MPG HOLBORN LP**  
**Balance sheet at 31 March 2013**

**Registered number**  
**LP015179**

	<b>Note</b>	<b>31 March 2013</b> <b>£</b>
<b>Fixed assets</b>		
Investment properties	5	47,700,000
		<u>47,700,000</u>
<b>Current assets</b>		
Debtors due within one year	6	495,269
Cash at bank and in hand		1,761,410
		<u>2,256,679</u>
<b>Creditors: amounts falling due</b>		
due within one year	7	(49,806,064)
		<u>(47,549,385)</u>
<b>Net current liabilities</b>		
		<u>150,615</u>
<b>Net assets</b>		
		<u>150,615</u>
<b>Partners' capital and current accounts</b>		
Partners' capital contributions	8	1,000
Partners' income accounts	8	210,567
Partners' capital accounts	8	(60,952)
		<u>150,615</u>
<b>Total partners' interests</b>		<u>150,615</u>

The financial statements were approved by the General Partner and authorised for issue on 4 September 2013



S L Gumm

Director of MPG Holborn GP Limited acting on behalf of MPG Holborn LP

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

## **MPG HOLBORN LP**

### **Notes forming part of the financial statements for the period ended 31 March 2013**

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#### **1 Accounting policies**

##### *Basis of preparation*

The financial statements have been prepared under the historic cost convention, as modified by the revaluation of investment properties, and in accordance with applicable United Kingdom accounting standards and Regulation 4 of the Partnerships (Accounts) Regulations 2008

The financial statements have been prepared on a going concern basis, which assumes that the Partnership will continue to meet its liabilities when they fall due, for the foreseeable future. The Partnership has net current liabilities, principally because amounts owed to a fellow group undertaking and amounts owed to the Limited Partner are classified as current liabilities. The Limited Partner has confirmed that its loan will not be called for repayment until the Partnership has sufficient resources to do so and the directors of the General Partner believe that the loan to the fellow group undertaking can be refinanced before it falls due in February 2014.

##### *Turnover and cost of sales*

Turnover represents rents receivable from the letting of investment properties at invoiced amounts excluding VAT, is wholly attributable to the principal activity of the Partnership and arises solely in the United Kingdom.

Rental income is recognised in the profit and loss account on an accruals basis. Contingent income, such as turnover rents and rent reviews, is recorded in the profit and loss account in the periods in which it is earned. Specifically:

- rent reviews are recognised when formally agreed,
- rent free periods, other lease incentives and any costs associated with entering into occupational leases are allocated evenly over the period from the date of lease commencement to the first rent review date, and
- in the event that any premium is received on a lease surrender, the profit, net of any payments for dilapidations and non-recoverable outgoings, is reflected in the profit and loss account in the period in which the surrender becomes legally binding.

Property operating costs, including any property operating expenditure not recovered from tenants, for example through service charges, are expensed through the profit and loss account on an accruals basis.

##### *Investment properties*

Investment properties are included in the balance sheet at their market value at the balance sheet date. Market value represents the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. Aggregate surpluses or deficits arising on valuation are transferred to the capital accounts. Permanent diminutions in the value of the properties are charged directly to the income accounts.

Additions to investment properties include only costs of a capital nature. Costs such as interest and other property outgoings are treated as revenue expenditure and are written off as incurred.

## MPG HOLBORN LP

Notes forming part of the financial statements for the period ended 31 March 2013 (continued)

### 1 Accounting policies (continued)

#### *Investment properties (continued)*

In accordance with SSAP 19 (as amended), no depreciation or amortisation is provided in respect of freehold investment properties. This treatment is a departure from the requirements of the Companies Act 2006, as applied to partnerships, concerning depreciation of fixed assets. However, the Partnership's investment properties are held not for consumption but for investment and the members consider that systematic annual depreciation would be inappropriate. The accounting policy is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of the factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

#### *Allocation of gains and losses*

Allocation of net income, net income losses and capital gains and losses are made in proportion to the Partners' capital contributions, in accordance with the Limited Partnership Agreement. The General Partner may from time to time decide upon such distributions of monies on account of profits for any financial year as appear reasonable.

#### *Cash flow statement*

The Partnership, being a subsidiary undertaking where 90% or more of the voting rights are controlled within a group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

### 2 Employees

The Partnership did not have any employees in the period.

### 3 Operating profit

This has been arrived at after charging  
Auditors' remuneration - audit services

Period ended  
31 March 2013  
£

5,000

### 4 Interest payable and similar charges

Interest on unsecured loans from fellow group undertaking

Period ended  
31 March 2013  
£

115,295

**MPG HOLBORN LP****Notes forming part of the financial statements for the period ended 31 March 2013 (continued)****5 Investment properties**

	<b>Freehold £</b>
<i>Cost or valuation</i>	
On acquisition	<b>47,760,952</b>
Deficit on revaluation	<b>(60,952)</b>
	<hr/>
Carrying value at 31 March 2013	<b>47,700,000</b>
	<hr/>

At 31 March 2013 the Partnership's investment properties were valued at £47,700,000 on an open market basis by CBRE Limited, Commercial Real Estate Advisors, in their capacity as external valuers. The valuation was undertaken in accordance with RICS Valuation - Professional Standards (2012) on the basis of market value.

The historical cost of investment properties is £47,760,952

**6 Debtors**

	<b>31 March 2013 £</b>
Due within one year	
Trade debtors	<b>157,443</b>
Prepayments	<b>331,384</b>
Amounts owed by other group undertakings	<b>6,442</b>
	<hr/>
	<b>495,269</b>
	<hr/>

Amounts owed by other group undertakings are interest free and repayable on demand

**7 Creditors: Amounts falling due within one year**

	<b>31 March 2013 £</b>
Trade creditors	<b>336,232</b>
Interest payable on amounts owed to fellow group undertaking	<b>115,295</b>
Amounts owed to fellow group undertaking	<b>21,593,893</b>
Amounts owed to Limited Partner	<b>27,150,000</b>
VAT payable	<b>64,824</b>
Accruals and deferred income	<b>490,460</b>
Other creditors	<b>55,360</b>
	<hr/>
	<b>49,806,064</b>
	<hr/>

Amounts owed to fellow group undertaking are unsecured, earn interest at 5.0% per annum and are repayable on 27 February 2014. Amounts owed to Limited Partner are unsecured, interest free and repayable on demand.



**MPG HOLBORN LP****Notes forming part of the financial statements for the period ended 31 March 2013** *(continued)***8 Partners' Capital and Income Accounts****a) Capital contributions**

	Limited Partner £	General Partner £	Total £
At inception and 31 March 2013	<u>999</u>	<u>1</u>	<u>1,000</u>

**b) Income accounts**

	Limited Partner £	General Partner £	Total £
At inception	-	-	-
Profit for the period	210,356	211	210,567
At the end of the period	<u>210,356</u>	<u>211</u>	<u>210,567</u>

**c) Capital accounts**

	Limited Partner £	General Partner £	Total £
At inception	-	-	-
Revaluation deficit	(60,891)	(61)	(60,952)
	<u>(60,891)</u>	<u>(61)</u>	<u>(60,952)</u>

**9 Related party transactions**

During the period, the Partnership paid management fees of £220,860 to Prestbury Investments LLP on an arm's length basis under the terms of an investment advisory agreement. The directors of the General Partner are also members of Prestbury Investments LLP.

The Partnership has taken advantage of the exemption available to wholly owned subsidiary undertakings under FRS 8 not to disclose details of any transactions with other wholly owned entities that are included in the consolidated financial statements of the ultimate parent undertaking, Max Property Group Plc.

## **MPG HOLBORN LP**

**Notes forming part of the financial statements for the period ended 31 March 2013** *(continued)*

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### **10 Controlling party information**

The General Partner of MPG Holborn LP is MPG Holborn GP Limited. The ultimate parent entity of MPG Holborn GP Limited is Max Property Group Plc. Max Property Group Plc is a company registered in Jersey and quoted on The Alternative Investment Market of the London Stock Exchange and on the Official List of The Channel Islands Stock Exchange. Copies of the consolidated financial statements of Max Property Group Plc are available from The Company Secretary, 26 New Street, St Helier, Jersey, JE2 3RA or from the website [www.maxpropertygroup.com](http://www.maxpropertygroup.com)