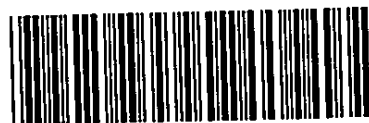


Registered number 08214335

MPG HOLBORN GP LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

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COMPANIES HOUSE

MPG HOLBORN GP LIMITED

COMPANY INFORMATION

DIRECTORS	M Pegler (appointed 15 August 2014) D McClure (appointed 15 August 2014) F Karim (appointed 15 August 2014) P M Brown (resigned 15 August 2014) T J Evans (resigned 15 August 2014) S L Gumm (resigned 15 August 2014) N M Leslau (resigned 15 August 2014)
COMPANY SECRETARY	Sanne Group Secretaries (UK) Limited
REGISTERED NUMBER	08214335
REGISTERED OFFICE	40 Berkeley Square London W1J 5AL
INDEPENDENT AUDITORS	BDO LLP 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA

MPG HOLBORN GP LIMITED

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MPG HOLBORN GP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

The directors present their report and the financial statements for the year ended 31 March 2014

DATE OF INCORPORATION

The company was incorporated on 14 September 2012 so the comparative figures 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 year were

P M Brown (resigned 15 August 2014)
T J Evans (resigned 15 August 2014)
S L Gumm (resigned 15 August 2014)
N M Leslau (resigned 15 August 2014)

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual 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.

MPG HOLBORN GP LIMITED

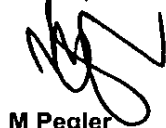
**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2014**

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 26 September 2014 and signed on its behalf



M Pegler
Director

MPG HOLBORN GP LIMITED

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

We have audited the financial statements of MPG Holborn GP Limited for the year ended 31 March 2014, 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 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 Financial Reporting Council'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.

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 2014 and of its loss for the year 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 year 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 prepare the director's report in accordance with the small companies' regime and to the exemption from the requirement to prepare a strategic 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

26 September 2014

MPG HOLBORN GP LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	31 March 2014 £	Period ended 31 March 2013 £
Administrative expenses		<u>(4,267)</u>	<u>(3,000)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAX		(4,267)	(3,000)
Tax on loss on ordinary activities	3	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR	8	<u>(4,267)</u>	<u>(3,000)</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account

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

MPG HOLBORN GP LIMITED
REGISTERED NUMBER 08214335

BALANCE SHEET
AS AT 31 MARCH 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Investments	4		1		1
CURRENT ASSETS					
Debtors	5	342		252	
CREDITORS amounts falling due within one year	6	(7,608)		(3,251)	
NET CURRENT LIABILITIES			(7,266)		(2,999)
NET LIABILITIES			(7,265)		(2,998)
CAPITAL AND RESERVES					
Called up share capital	7		2		2
Profit and loss account	8		(7,267)		(3,000)
SHAREHOLDERS' DEFICIT	9		(7,265)		(2,998)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 September 2014


M Pegler
 Director

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

MPG HOLBORN GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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 up to £11,000.

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 40 Berkeley Square, London, W1J 5AL 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 in the current year or the preceding period. The auditor's remuneration was borne by the company's subsidiary undertaking in the current year and the preceding period.

MPG HOLBORN GP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

3. TAXATION

	31 March 2014 £	<i>Period ended 31 March 2013 £</i>
UK corporation tax charge on loss for the year/period	-	-

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2013 - *lower than*) the standard small companies' rate of corporation tax in the UK of 20% (2013 - 20%) The differences are explained below

	31 March 2014 £	<i>Period ended 31 March 2013 £</i>
Loss on ordinary activities before tax	(4,267)	<i>(3,000)</i>
Loss on ordinary activities multiplied by the standard small companies' rate of corporation tax in the UK of 20% (2013 - 20%)	(853)	<i>(600)</i>
Effects of:		
Tax on share of profits from MPG Holborn LP	-	50
Utilisation of tax losses	-	(50)
Unrelieved tax losses carried forward	853	<i>600</i>
Current tax charge for the year/period (see note above)	-	<i>-</i>

Factors that may affect future tax charges

On 2 July 2013, the rate of UK corporation tax reduced to 21% with effect from 1 April 2014 and 20% with effect from 1 April 2015, which will reduce the levels of any current tax in future years

4 FIXED ASSET INVESTMENTS

	Investment in subsidiary £
Cost	
At 1 April 2013 and 31 March 2014	1
Net book value	
At 31 March 2014	1
At 31 March 2013	1

MPG HOLBORN GP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

4 FIXED ASSET INVESTMENTS (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of interest	Holding
MPG Holborn LP	General Partner	0.1%

The aggregate of the share capital and reserves as at 31 March 2014 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

Name	Aggregate of share capital and reserves £	Profit/(loss) £
MPG Holborn LP	<u>11,256,632</u>	<u>(1,251,329)</u>

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

5 DEBTORS

	2014 £	2013 £
VAT recoverable	340	250
Called up share capital not paid	2	2
	<u>342</u>	<u>252</u>

6 CREDITORS:

Amounts falling due within one year

	2014 £	2013 £
Trade creditors	2,040	-
Amounts owed to group undertakings	3,818	1,501
Accruals and deferred income	1,750	1,750
	<u>7,608</u>	<u>3,251</u>

7. SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and unpaid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

MPG HOLBORN GP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

8 RESERVES

	Profit and loss account £
At 1 April 2013	(3,000)
Loss for the financial year	(4,267)
	<hr/>
At 31 March 2014	(7,267)
	<hr/>

9 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2014 £	2013 £
Opening shareholders' deficit	(2,998)	-
Loss for the financial year/period	(4,267)	(3,000)
Shares issued during the year/period	-	2
	<hr/>	<hr/>
Closing shareholders' deficit	(7,265)	(2,998)
	<hr/>	<hr/>

10 RELATED PARTY TRANSACTIONS

During the period, the company paid management fees of £2,500 (2013 - £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 at the balance sheet date were 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 at the balance sheet date was Max Property Group Plc. Max Property Group Plc was 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 26 New Street, St Helier, Jersey, JE2 3RA.

On 18 August 2014, Max Property Group Plc completed the sale of an intermediate parent undertaking that indirectly its investment in the company, at which date the ultimate parent undertaking of the company became Marina Topco (Jersey) Limited.

MPG Holborn LP

Financial statements

Year ended
31 March 2014

Registered number LP015179

THESE PARTNERSHIP
ACCOUNTS FORM
PART OF THE ACCOUNTS
OF COMPANY
No. 08214335.

MPG HOLBORN LP

Report and financial statements for the year ended 31 March 2014

Contents

Page

2	Report of the General Partner
4	Independent Auditor's report
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

General partner

MPG Holborn GP Limited, 40 Berkeley Square, London, W1J 5AL

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 year ended 31 March 2014

The General Partner presents its report together with the audited financial statements for the year ended 31 March 2014

Results

The profit and loss account is set out on page 6 and shows a loss for the year of £1,251,329 (2013 profit of £210,567)

Comparative figures relate to the period from 21 September 2012 to 31 March 2013. The Partnership commenced operations on 2 October 2012 when its investment properties were acquired.

Principal activity, review of business and future developments

The principal activity of the Partnership is property investment. The Partnership has continued to carry out significant refurbishment work on its Holborn properties with a view to generating income and capital growth once the refurbished units are let. A revaluation gain of £12,357,346 during the year has led to an increase in net assets from £150,615 to £11,256,632.

The General Partner is satisfied with the performance of the Partnership during the year under review and expects to see an increase in profitability in future financial years as its investment properties are let and become income-producing.

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.

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

M Pegler

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

26 September 2014

MPG HOLBORN LP

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

We have audited the financial statements of MPG Holborn LP (the "Partnership") for the year to 31 March 2014 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 Financial Reporting Council'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.

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 2014 and of its loss for the year 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 year 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 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 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

26 September 2014

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 year ended 31 March 2014**

	Note	Year ended 31 March 2014 £	Period ended 31 March 2013 £
Turnover		1,769,261	754,075
Cost of sales		(1,058,151)	(181,839)
		<hr/>	<hr/>
Gross profit		711,110	572,236
Administrative expenses		(603,146)	(249,790)
		<hr/>	<hr/>
Operating profit	3	107,964	322,446
Interest receivable and similar income		2,210	3,416
Interest payable and similar charges	4	(1,361,503)	(115,295)
		<hr/>	<hr/>
(Loss) / profit for the period	8	(1,251,329)	210,567

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 year ended 31 March 2014**

	Year ended 31 March 2014	Period ended 31 March 2013
	£	£
(Loss) / profit for the period	(1,251,329)	210,567
Surplus / (deficit) on revaluation of investment properties	12,357,346	(60,952)
Total recognised gains and losses for the period	<u>11,106,017</u>	<u>149,615</u>

Reconciliation of movement in partners' interests

	Year ended 31 March 2014	Period ended 31 March 2013
	£	£
Total recognised gains and losses	11,106,017	149,615
Partner capital introduced	-	1,000
Net increase in partners' interests	<u>11,106,017</u>	<u>150,615</u>
Opening partners' interests	150,615	-
Closing partners' interests	<u>11,256,632</u>	<u>150,615</u>

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

MPG HOLBORN LP
Balance sheet at 31 March 2014

Registered number
LP015179

	Note	31 March 2014	31 March 2013
		£	£
Fixed assets			
Investment properties	5	63,356,027	47,700,000
		<u>63,356,027</u>	<u>47,700,000</u>
Current assets			
Debtors due within one year	6	590,628	495,269
Debtors due in more than one year	6	260,107	-
Cash at bank and in hand		761,153	1,761,410
		<u>1,611,888</u>	<u>2,256,679</u>
Creditors: amounts falling due			
due within one year	7	(53,711,283)	(49,806,064)
		<u>(52,099,395)</u>	<u>(47,549,385)</u>
Net current liabilities			
		<u>11,256,632</u>	<u>150,615</u>
Net assets			
		<u>11,256,632</u>	<u>150,615</u>
Partners' capital and current accounts			
Partners' capital contributions	8	1,000	1,000
Partners' income accounts	8	(1,040,762)	210,567
Partners' capital accounts	8	12,296,394	(60,952)
		<u>11,256,632</u>	<u>150,615</u>
Total partners' interests		<u>11,256,632</u>	<u>150,615</u>

The financial statements were approved by the General Partner and authorised for issue on 26 September 2014



M Pegler

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 year ended 31 March 2014

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. Since the year end, the loan from the fellow group undertaking has been refinanced with a loan from the Limited Partner, who has confirmed that up to £52,099,395 of its loan will not be called for repayment until the Partnership has sufficient resources to do so.

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.

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 current year or the preceding period.

3 Operating profit

	Year ended 31 March 2014	Period ended 31 March 2013
	£	£
This has been arrived at after charging Auditors' remuneration - audit services	20,500	5,000

4 Interest payable and similar charges

	Year ended 31 March 2014	Period ended 31 March 2013
	£	£
Interest on unsecured loans from fellow group undertaking	1,361,503	115,295

MPG HOLBORN LP

Notes forming part of the financial statements for the year ended 31 March 2014

(continued)

5 Investment properties

	Freehold £
<i>Cost or valuation</i>	
At the start of the year	47,700,000
Capital expenditure net of capital receipts	3,298,681
Surplus on revaluation	12,357,346
	<hr/>
Carrying value at the end of the year	63,356,027
Rent free periods	195,148
Capitalised letting fees	93,825
	<hr/>
Valuation at the end of the year	<u>63,645,000</u>

At 31 March 2014 the Partnership's investment properties were valued at £63,645,000 (2013 £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 January 2014 on the basis of market value.

The historical cost of investment properties is £51,059,633 (2013 £47,760,952)

6 Debtors

	31 March 2014 £	31 March 2013 £
Due within one year		
Trade debtors	55,290	157,443
Prepayments	397,933	331,384
Capitalised letting fees	28,866	-
VAT recoverable	96,121	-
Amounts owed by other group undertakings	12,418	6,442
	<hr/>	<hr/>
	590,628	495,269
	<hr/>	<hr/>
Due after more than one year		
Rent free periods	195,148	-
Capitalised letting fees	64,959	-
	<hr/>	<hr/>
	260,107	-
	<hr/>	<hr/>

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

MPG HOLBORN LP**Notes forming part of the financial statements for the year ended 31 March 2014****(continued)****7 Creditors: Amounts falling due within one year**

	31 March 2014	31 March 2013
	£	£
Trade creditors	653,836	336,232
Interest payable on amounts owed to fellow group undertaking	573,037	115,295
Amounts owed to fellow group undertaking	24,615,642	21,593,893
Amounts owed to Limited Partner	27,150,000	27,150,000
VAT payable	-	64,824
Accruals and deferred income	669,023	490,460
Other creditors	49,745	55,360
	<u>53,711,283</u>	<u>49,806,064</u>

Amounts owed to fellow group undertaking are unsecured, earn interest at 5.0% per annum and were originally repayable on 27 February 2014. Since the year end, the loan has been replaced with a further drawdown under the loan from the Limited Partner. Amounts owed to Limited Partner are unsecured, interest free and repayable on demand.

8 Partners' Capital and Income Accounts**a) Capital contributions**

	Limited Partner	General Partner	Total
	£	£	£
At the start and end of the year	<u>999</u>	<u>1</u>	<u>1,000</u>

b) Income accounts

	Limited Partner	General Partner	Total
	£	£	£
At the start of the year	210,356	211	210,567
Loss for the year	(1,250,078)	(1,251)	(1,251,329)
At the end of the year	<u>(1,039,722)</u>	<u>(1,040)</u>	<u>(1,040,762)</u>

MPG HOLBORN LP

Notes forming part of the financial statements for the year ended 31 March 2014

*(continued)***8 Partners' Capital and Income Accounts (continued)****c) Capital accounts**

	Limited Partner £	General Partner £	Total £
At the start of the year	(60,891)	(61)	(60,952)
Revaluation surplus	12,344,989	12,357	12,357,346
At the end of the year	<u>12,284,098</u>	<u>12,296</u>	<u>12,296,394</u>

9 Related party transactions

During the period, the Partnership paid management fees of £535,897 (2013 £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 at the balance sheet date were 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.

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 at the balance sheet date was Max Property Group Plc. Max Property Group Plc was 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 Securities Exchange. Copies of the consolidated financial statements of Max Property Group Plc are available from 26 New Street, St Helier, Jersey, JE2 3RA.

On 18 August 2014, Max Property Group Plc completed the sale of an intermediate parent undertaking that indirectly held its investment in the Partnership, at which date the ultimate parent undertaking of the Partnership became Marina Topco (Jersey) Limited.