

Partnership No. OC389454 (England and Wales)

**ELEPHANT AND CASTLE LIMITED LIABILITY PARTNERSHIP**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD 26 NOVEMBER 2013 TO 31 MARCH 2014**

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# ELEPHANT AND CASTLE LIMITED LIABILITY PARTNERSHIP

## PARTNERSHIP INFORMATION

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<b>Designated members</b>	Castle Real Estate Investments Co. Limited Stichting Depository APG Strategic Real Estate Pool
<b>Member</b>	Kintyre Corp
<b>Partnership number</b>	OC389454
<b>Date of incorporation</b>	26 November 2013
<b>Registered office</b>	Lansdowne House Berkeley Square London W1J 6ER
<b>Auditors</b>	Ernst & Young LLP 1 More London Place London SE1 2AF

# **ELEPHANT AND CASTLE LIMITED LIABILITY PARTNERSHIP**

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# ELEPHANT AND CASTLE LIMITED LIABILITY PARTNERSHIP

## MEMBERS' REPORT

FOR THE PERIOD 26 NOVEMBER 2013 TO 31 MARCH 2014

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The members present their report and financial statements from incorporation to 31 March 2014.

### Principal activity

The principal activity of the Partnership is that of property investment.

### Going concern

The financial statements have been prepared on a going concern basis. The Partnership has net current liabilities and net assets. The Partners forecast that they will have sufficient funds to meet its liabilities as they fall due for a period of at least one year from the date of signing the financial statements.

### Principal risks and uncertainties and key performance indicators

In the opinion of the members, the major risks faced by the business relate to fluctuations in the property market and the movement of LIBOR. The members believe that the quality of their property largely protects the Partnership from movements in this market.

### Designated members

The following designated members have held office since November 2013:

Castle Real Estate Investments Co. Limited  
Stichting Depository APG Strategic Real Estate Pool

### Members

The following members have held office since November 2013:

Castle Real Estate Investments Co. Limited

### Disclosure of information to auditors

The member who was a member of the Partnership at the time of approving the Members' report is shown above. Having made enquiries of the Partnership's auditors, the member confirms that:

- to the best of their knowledge and belief, there is no information relevant to the preparation of its report of which the auditors are not aware; and
- the member has taken all the steps he may reasonably be expected to have taken to be aware of relevant audit information and to establish that the Partnership's auditors are aware of this information.

### Auditors

Ernst & Young LLP were appointed auditors to the Partnership and a resolution proposing that they be reappointed will be put to the Annual General Meeting.

### Small Partnership's exemption

In preparing the report and financial statements, the members have taken advantage of the small partnerships' exemption provided under the Companies Act 2006. The members have also taken advantage of the exemption provided under Section 414B of the Companies Act 2006 for the requirement to produce a Strategic Report for the year.

On behalf of the board



Castle Real Estate Investments Co. Limited  
Designated member **ANDREW PARSONS**

19 Sep 2014

# **ELEPHANT AND CASTLE LIMITED LIABILITY PARTNERSHIP**

## **STATEMENT OF MEMBERS' RESPONSIBILITIES**

**FOR THE PERIOD 26 NOVEMBER 2013 TO 31 MARCH 2014**

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The designated members are responsible for preparing the Designated Members' report and financial statements in accordance with applicable United Kingdom law and regulations.

The Companies Act 2006 as applied by the Limited Liability Regulations 2008 requires the designated members to prepare financial statements for each financial year. Under the law the designated members have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the designated members 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 Partnership and of its profit and loss for that year.

In preparing these financial statements, the designated members are required to:

- select suitable and appropriate accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable accounting standards 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 Partnership will continue in business.

The designated members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the partnership and to enable them to ensure that the financial statements comply with the Limited Liability Partnerships Regulations (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. They are 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.

The designated members are responsible for the maintenance and integrity of the corporate and financial information included on the partnership website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELEPHANT AND CASTLE LIMITED LIABILITY PARTNERSHIP ('LLP')**

**FOR THE PERIOD 26 NOVEMBER 2013 TO 31 MARCH 2014**

We have audited the financial statements of Elephant and Castle Limited Liability Partnership for the period from 26 November 2013 to 31 March 2014 which comprise the Group and LLP Profit and Loss Account, the Group and LLP Statement of Total Recognised Gains and Losses, the Group and LLP Balance Sheet and the related notes 1 to 12. 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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of members and auditor**

As explained more fully in the Members' Responsibilities Statement set out on page 2, the members 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 Group's and limited liability partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the designated members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Members' 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 group's and limited liability partnership's affairs as at 31 March 2014 and of the group's 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 limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

## **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 limited liability 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 members were not entitled to prepare financial statements in accordance with the small limited liability partnerships' regime.

*Ernst & Young LLP*

Matthew Williams (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

25/9/14

# **ELEPHANT AND CASTLE LIMITED LIABILITY PARTNERSHIP**

## **GROUP PROFIT AND LOSS ACCOUNT**

**FOR THE PERIOD 26 NOVEMBER 2013 TO 31 MARCH 2014**

	Notes	2014 £
Turnover	1.7	1,598,639
Cost of Sale		(243,632)
Gross profit		1,355,007
Administrative expenses		(265,748)
Operating profit		1,089,259
Interest receivable and similar income	3	879
Interest payable and similar charges	4	(180)
Profit on ordinary activities before taxation		1,089,958
Taxation	1.8	-
Profit for the period before member's remuneration and profit shares		1,089,958
Member's remuneration charged as an expense		(1,089,958)
Result for the financial period available for discretionery division among members		-

The profit and loss has been prepared on the basis that all operations are continuing.

## **GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

Profit for the period		1,089,958
Unrealised deficit on revaluation of investment properties	9	(2,014,972)
Total unrecognised losses relating to the period		(925,014)

# ELEPHANT AND CASTLE LIMITED LIABILITY PARTNERSHIP

## LLP PROFIT AND LOSS ACCOUNT

FOR THE PERIOD 26 NOVEMBER 2013 TO 31 MARCH 2014

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	Notes	2014 £
Turnover	1.7	-
Cost of Sales		-
Gross profit		-
Administrative expenses		-
Profit on ordinary activities before taxation		-
Taxation	1.8	-
Profit for the period before member's remuneration and profit shares available for discretionary division among members		-

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The profit and loss has been prepared on the basis that all operations are continuing.

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains and losses other than those arising in the profit and loss account.



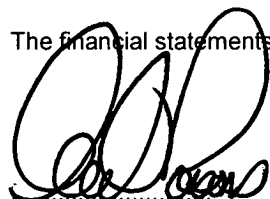
# ELEPHANT AND CASTLE LIMITED LIABILITY PARTNERSHIP

## GROUP BALANCE SHEET AT 31 MARCH 2014

	Notes	2014 £
<b>Fixed assets</b>		
Tangible assets	5	80,000,000
<b>Current assets</b>		
Debtors	7	2,304,759
Prepayments		349,149
Cash at bank and in hand		924,922
		<u>3,578,830</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(3,593,802)</u>
<b>Net current liabilities</b>		<u>(14,972)</u>
<b>Net assets attributable to members</b>		<u>79,985,028</u>
<b>Represented by:</b>		
Members' capital classified as equity	9	82,000,000
Members' other interests - other reserves classified as equity	9	(2,014,972)
		<u>79,985,028</u>
<b><u>Total members' interests</u></b>		
Members' capital contribution		82,000,000
Members' other interests - classified as equity		(2,014,972)
Amounts due to members		1,089,958
		<u>81,074,986</u>

These accounts have been prepared under the special provisions applicable to companies subject to the small LLPs regime.

The financial statements were approved by the Board on 19 Sep 2014



For and on behalf of  
Castle Real Estate Investments Co. Limited  
Designated member  
ANDREW PARSONS

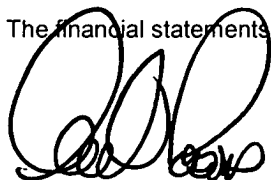
# ELEPHANT AND CASTLE LIMITED LIABILITY PARTNERSHIP

## LLP BALANCE SHEET AT 31 MARCH 2014

	Notes	2014 £
<b>Fixed assets</b>		
Tangible assets	5	1
<b>Current assets</b>		
Debtors	7	82,000,000
		<u>82,000,000</u>
<b>Creditors: amounts falling due within one year</b>	8	(1)
<b>Net current assets</b>		<u>81,999,999</u>
<b>Net assets attributable to members</b>		<u>82,000,000</u>
<b>Represented by:</b>		
Members' capital classified as equity	9	82,000,000
		<u>82,000,000</u>

These accounts have been prepared under the special provisions applicable to companies subject to the small LLPs regime.

The financial statements were approved by the Board on 19 Sep 2014



For and on behalf of  
Castle Real Estate Investments Co. Limited  
Designated member

ANDREW PARSONS

# ELEPHANT AND CASTLE LIMITED LIABILITY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 26 NOVEMBER 2013 TO 31 MARCH 2014

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### 1 Accounting policies

#### 1.1 Basis of preparation

The financial statements have been prepared in accordance with the applicable United Kingdom Accounting Standard and under the provisions of the SORP (Statement Of Recommended Practice).

#### 1.2 Corporate information

Elephant and Castle LLP is a limited liability partnership, incorporated and domiciled in England and Wales.

The group and the LLP financial statements of Elephant and Castle LLP for the period ended 31 March 2014 were approved and authorised for issue by the Board on behalf of the members on 19 September 2014.

The principal activity of Elephant and Castle LLP is that of property investment in the United Kingdom. Its registered office is at 6th Floor, Lansdowne House, Berkeley Square, London, W1J 6ER.

#### 1.3 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of investment properties.

#### 1.4 Basis of consolidation

The consolidated financial statements comprise the accounts of the Partnership and its subsidiaries as at 31 March each year. The financial statements of the subsidiaries are prepared for the same reporting period as the parent firm, using consistent accounting policies.

All intra-group balances, transactions, income and expenses, and profits and losses, including unrealised profits, resulting from intra-group transactions are eliminated in full.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such Control ceases.

Control - is the power to govern the financial and operating policies of an entity so as to obtain economic benefits from its activities.

#### 1.5 Going concern

The financial statements have been prepared on a going concern basis. The Partnership has net current liabilities and net assets. The Partners forecast that they will have sufficient funds to meet its liabilities as they fall due for a period of at least one year from the date of signing the financial statements.

#### 1.6 Cash flow statement

The partnership has taken advantage of the exemption Financial Reporting Standard No.1 from including a cashflow statement in the financial statements on the grounds that it is a small partnership.

#### 1.7 Turnover

The total turnover for the year represents rental income recognised on a straight line basis that arises in the United Kingdom.

#### 1.8 Taxation

Income tax payable on the LLP's profit is solely the personal liability of the members and consequently is not dealt with in these financial statements. The LLP is not taxed as a corporate entity.

Tax liabilities of entities within the group which are not partnerships or LLPs are recorded in the profit and loss and the respective liability if any in the balance sheet.

#### 1.9 Investment properties under construction

Investment properties are initially included at their full cost in the financial statements once an irrevocable purchase contract has been entered into. The cost of investment properties is their purchase cost, together with any incidental costs of acquisition. In accordance with FRS 15 the Company has chosen to capitalise finance costs directly attributable to construction costs.

Investment properties are then revalued annually on an open market basis by the Director, having had reference to valuations carried out by appropriately qualified independent valuers. Any revaluation surplus or deficit arising is transferred to the revaluation reserve except where the deficit is considered to be permanent. Permanent deficits are taken to the profit and loss account. No depreciation or amortisation is provided in respect of freehold investment properties.

# ELEPHANT AND CASTLE LIMITED LIABILITY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 26 NOVEMBER 2013 TO 31 MARCH 2014

### 1.9 Investment properties under construction (continued)

Disposals are accounted for on completion. On disposal, any revaluation surplus previously recognised in the investment revaluation reserve is transferred to the profit and loss reserve.

### 1.10 Members' participations

Members' participation give rise to a number of rights, obligation and entitlements which result in the recognition by the firm of various assets, liabilities and residual interests in its net assets (i.e. equity) as set out below.

#### Members' capital

Members' capital, which is repayable only by approval by the Board or when it ceases to be a member.

#### Allocation of profits and losses

Profits and losses are allocated on a pro-rata basis by the number of units held by each member.

#### Members' interests

Members' other interests include profits/loss to be divided and other equity reserves. In the event of winding up, members' other interests along with members's capital rank after unsecured creditors.

Total members' interests represents the firm's equity and members' capital, less amounts due from members.

<b>2</b>	<b>Operating profit</b>	<b>2014</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
		<b>Group</b>	<b>LLP</b>
	Auditors' remuneration	<b>15,000</b>	<b>-</b>
<b>3</b>	<b>Interest receivable and similar income</b>	<b>2014</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
		<b>Group</b>	<b>LLP</b>
	Bank interest	<b>879</b>	<b>-</b>
<b>4</b>	<b>Interest payable and similar charges</b>	<b>2014</b>	<b>2014</b>
		<b>Group</b>	<b>LLP</b>
		<b>£</b>	<b>£</b>
	Bank interest and similar charges	<b>180</b>	<b>-</b>
<b>5</b>	<b>Tangible assets</b>		<b>2014</b>
	- Investment property in the course of construction		<b>Group</b>
			<b>£</b>
	Additions		<b>82,014,972</b>
	Revaluation		<b>(2,014,972)</b>
	At 31 March 2014		<b>80,000,000</b>

The investment property has been valued at market value by the Members with reference to the CBRE valuation at 31 March 2014 at £80,000,000.

	<b>2014</b>
	<b>LLP</b>
	<b>£</b>
Investment in subsidiary undertaking	<b>1</b>

# ELEPHANT AND CASTLE LIMITED LIABILITY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 26 NOVEMBER 2013 TO 31 MARCH 2014

### 6 Fixed asset investments

The principal subsidiaries of which the Partnership holds 100% of the issued ordinary share capital are as follows:

<b>Subsidiary undertaking</b>	<b>Country of incorporation</b>	<b>Nature of business</b>
Castle Properties Co. Limited	British Virgin Islands	Real estate investment
Elephant and Castle Properties S.A.R.L.	Luxembourg	Real estate investment
Elephant and Castle Properties Limited	England and Wales	Property company
Elephant and Castle Properties (BVI) Co.	British Virgin Islands	Real estate investment

The Partnership directly holds 100% of the issued ordinary share capital of Castle Properties Co. Limited, its principal activity of that of real estate investment. Castle Properties Co. Limited directly holds 100% of the issued share capital of Elephant and Castle Properties S.A.R.L. and Elephant and Castle Properties (BVI) Co. Limited. All other shares in the subsidiaries are held directly by DV4 Eadon Co. Limited. Elephant and Castle Properties S.A.R.L. directly holds 100% of the issued share capital of Elephant and Castle Properties Limited.

### 7 Debtors

	2014 Group £	2014 LLP £
Trade debtors	2,302,877	-
Other debtors	1,882	-
Amounts due from subsidiary undertaking	-	82,000,000
	<u>2,304,759</u>	<u>82,000,000</u>

### 8 Creditors: amounts falling due within one year

	2014 Group £	2014 LLP £
Trade creditors	191,553	-
Accruals and deferred income	1,383,424	-
Other creditors	366,956	1
Other taxes and social security costs	561,911	-
Amounts due to members - distribution account	1,089,958	-
	<u>3,593,802</u>	<u>1</u>

### 9 Reconciliation of members' interests

	Members' Capital (classified as equity) £	Revaluation reserve £	Attributable profit £	Total Equity £	Distributions account £	Total members interests £
Balance as at 26 November 2013	-	-	-	-	-	-
Profit for the period	-	-	-	-	1,089,958	1,089,958
Total comprehensive profit	-	-	-	-	1,089,958	1,089,958
Revaluation deficit	-	(2,014,972)	-	(2,014,972)	-	(2,014,972)
Members' interest after profit for the period	-	(2,014,972)	-	(2,014,972)	1,089,958	(925,014)
Capital introduced by members	82,000,000	-	-	82,000,000	-	82,000,000
As at 31 March 2014	<u>82,000,000</u>	<u>(2,014,972)</u>	<u>-</u>	<u>79,985,028</u>	<u>1,089,958</u>	<u>81,074,986</u>

## ELEPHANT AND CASTLE LIMITED LIABILITY PARTNERSHIP

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 26 NOVEMBER 2013 TO 31 MARCH 2014

#### 9 Reconciliation of members' interests (continued)

Units	26 November 2013	Units issued	31 March 2014
Castle Real Estate Investments Co. Limited	-	41,000,000	41,000,000
Stichting Depository APG Strategic Real Estate Pool	-	41,000,000	41,000,000
	-	82,000,000	82,000,000

#### 10 Employees

The Partnership did not employ any employees during the period.

#### 11 Ultimate parent company

There is no ultimate parent company because the Partnership is jointly owned and controlled by Castle Real Estate Investments Co. Limited and Stichting Depository APG Strategic Real Estate Pool. For the same reason, there are no smallest and largest group into which they are consolidated.

#### 12 Post balance sheet events

On 7 April 2014 Elephant and Castle Properties (BVI) Co. Limited acquired Elephant and Castle Shopping Centre for £80,000,000 from Elephant and Castle Properties S.A.R.L. The acquisition was financed via a £40,000,000 loan facility bearing interest at LIBOR plus a margin of 3.5% with a maturity date of 7 April 2017, there is also an option to extend for a further year. The remaining £40,000,000 was financed through intercompany loans of £25,000,000 and deep discount bonds of £15,000,000.