

3 SOVEREIGN SQUARE HOLDINGS 2 LLP

REGISTERED NUMBER OC394092

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016



3 Sovereign Square Holdings 2 LLP

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3 Sovereign Square Holdings 2 LLP

Designated members

Kier Property Developments Limited
Bruntwood Development Holdings Limited

Registered office

Tempsford Hall
Sandy
Bedfordshire
SG19 2BD

Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

3 Sovereign Square Holdings 2 LLP

Report to the members

The Business, its objectives and strategy

3 Sovereign Square Holdings 2 LLP (the "LLP") holds an investment in 3 Sovereign Square LLP.

The Board submits its annual report and the audited financial statements of 3 Sovereign Square Holdings 2 LLP for the year ended 30 June 2016.

Designated members

The members of the LLP who were in office during the year and up to the date of signing the financial statements were Kier Property Developments Limited and Bruntwood Development Holding Limited. The designated members delegate their responsibilities on a day to day basis to the following individuals (collectively the "Members").

L Howard
T Gilman
C Oglesby
P Crowther

Members' profit shares

Members are remunerated solely out of the profits of the LLP. The allocation of profits to those who were members during the financial year occurs following the finalisation of the annual financial statements.

The allocation of profits between members is determined by entitlements outlined in the Members' Agreement and is dependent on certain profit criteria being achieved.

Small Companies exemption

This report has 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.

Independent auditors

The board members who held office at the date of approval of this report to the members confirm that, so far as they are each aware, there is no relevant audit information of which the auditors are unaware; and each board member has taken all the steps that they ought to have taken as a board member to make themselves aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office – this intent has been agreed by the members.

3 Sovereign Square Holdings 2 LLP

Statement of members' responsibilities in respect of the financial statements

The members are responsible for preparing the Strategic Report, Members' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the members to prepare financial statements for each financial year. Under that law the members have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), and applicable law). Under company law the 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 company and of the profit or loss of the company for that year. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent ;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements ;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The members 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.



L Howard

Approved by all designated members and signed on their behalf.

01 February 2017

Tempsford Hall
Sandy
Bedfordshire
SG19 2BD

Independent auditors' report to the members of 3 Sovereign Square Holdings 2 LLP

Report on the financial statements

Our opinion

In our opinion, 3 Sovereign Square Holdings 2 LLP's financial statements (the "financial statements"):

- give a true and fair view of the state of the limited liability partnership's affairs as at 30 June 2016 and of its profit 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 limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.
-

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the statement of financial position as at 30 June 2016;
- the statement of comprehensive income for the year then ended;
- the statement of changes in members' capital for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the members have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the members

As explained more fully in the Statement of Members' Responsibilities set out on page 4, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the members of the partnership as a body in accordance with 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 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 limited liability partnership's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the members; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the members' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Rachel Savage (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

01 February 2017

3 Sovereign Square Holdings 2 LLP

Statement of comprehensive income for the year ended 30 June 2016

	<i>Note</i>	Year ended 30 June 2016 £'000	Period ended 30 June 2015 £'000
Share of joint venture profit/(loss)		4,813	-
Total comprehensive income for the year/period	5	4,813	-

All activities relate to continuing operations.

3 Sovereign Square Holdings 2 LLP

Registered number OC394092

Statement of financial position as at 30 June 2016

	Note	30 June 2016 £'000	30 June 2015 £'000
Fixed assets			
Investments	4	<u>4,813</u>	<u>-</u>
		4,813	-
Net assets attributable to members		<u>4,813</u>	<u>-</u>
Represented by:			
Members' other interests			
Members' capital	5	-	-
Other reserves	5	<u>4,813</u>	<u>-</u>
Total members' interests		<u>4,813</u>	<u>-</u>

The financial statements on pages 7 to 11 were approved by the board on 01 February 2017 and signed on its behalf by:



L Howard

Approved by all designated members and signed on their behalf.

3 Sovereign Square Holdings 2 LLP

Registered number OC394092

Statement of changes in members' capital for the year ended 30 June 2016

	<i>Note</i>	Members' capital classified as equity £'000	Members' other interests £'000	Total members' interests £'000
Balance as at 3 July 2014		-	-	-
Profit for the financial period available for discretionary division among members		-	-	-
Capital introduced	5	-	-	-
Balance as at 30 June 2015 and 1 July 2015		-	-	-
Profit for the financial year available for discretionary division among members		-	4,813	4,813
Balance as at 30 June 2016		-	4,813	4,813

3 Sovereign Square Holdings 2 LLP

Notes to the financial statements

1. Accounting policies

General Information

3 Sovereign Square Holdings 2 LLP is the parent of 3 Sovereign Square LLP.

3 Sovereign Square Holdings 2 LLP is a limited liability company incorporated in England. The address of its registered office is Tempsford Hall, Sandy, Bedfordshire, SG19 2BD.

Statement of compliance

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), Companies Act 2006 as applied by LLPs and the Statement of Recommended Practice (SORP), Accounting by Limited Liability Partnerships, issued in July 2014. The financial statements have been prepared on the historical cost basis.

Cash drawings will only be distributed upon mutual consent of both partners. There has been and there is no intention to transfer equity into partner loans.

This is the first year in which the financial statements have been prepared under FRS 102 and there has been no transition differences.

Taxation

Taxation on all LLP's profits is solely the personal liability of individual members. Consequently neither taxation nor related deferred taxation arising in respect of 3 Sovereign Square Holdings 2 LLP is accounted for in these financial statements.

Investment accounting policy

The value of investments in these financial statements are held at the value of the share of net assets in the investment. It is considered that the value is not less than the amounts at which they are stated in the financial statements.

2. Loss for the financial year before members' remuneration and profit shares

Audit fees of £2k for the year ended 30 June 2016 will be paid by 3 Sovereign Square LLP (period 2015: £2k)

3. Employee information

The LLP had no employees during the year to 30 June 2016 (period 2015: nil)

4. Investments

	2016 £'000	2015 £'000
Investment in Joint Ventures at 1 July 2015/2 June 2014	-	-
Share of joint venture profits	4,813	-
Capital introduced	-	-
Investment in Joint Ventures at 30 June	<u>4,813</u>	<u>-</u>

The partnership's investments comprised the issued members' capital of the following companies, all incorporated in the United Kingdom and registered in England and Wales. Investments are held at the value of underlying net assets. 3 Sovereign Square Holdings 2 LLP holds a 50% investment in 3 Sovereign Square LLP.

3 Sovereign Square LLP made losses of £74k in the period to 30 June 2015. The recognition of 3 Sovereign Square Holdings 2 LLP's share of these losses of £37k has been restricted so as to write off the cost of investment only; as there is no legal or constructive obligation for 3 Sovereign Square Holdings 2 LLP to fund losses above its investment value.

3 Sovereign Square Holdings 2 LLP

Notes to the financial statements Continued

5. Members' accounts

	Other reserves £'000	Members' capital £'000	Total £'000
At the beginning of the year	-	-	-
Members' contribution	-	-	-
Profit for the year	4,813	-	4,813
Members' interests after profit for the year	4,813	-	4,813

6. Immediate and ultimate parent

The partners of the LLP are Kier Property Developments Limited and Bruntwood Development Holdings Limited.

Both the partners are registered in England and Wales and copies of their financial statements can be obtained from Companies House, Crown Way, Cardiff. The joint venture partners have common control and as such results are not consolidated in either partner's accounts.

7. Related party transactions

The LLP also holds an investment of £4,812k in 3 Sovereign Square LLP (period 2015: (£37k))