

COMPANY REGISTRATION NUMBER SC403924

**PARTNERSHIP
ACCOUNTS**

**ACCRUE STUDENT HOUSING GP 1 LIMITED
FINANCIAL STATEMENTS
31 AUGUST 2013**



THOMPSON TARAZ
Chartered Accountants
35 Grosvenor Street
Mayfair
London W1K 4QX

ACCRUE STUDENT HOUSING GP 1 LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

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ACCRUE STUDENT HOUSING GP 1 LIMITED

DIRECTOR'S REPORT

YEAR ENDED 31 AUGUST 2013

The director presents his report and the unaudited financial statements of the company for the year ended 31 August 2013.

PRINCIPAL ACTIVITIES

The company was incorporated and commenced activity on 21 July 2011. The principal activity of the company is that of general partner in Accrue Student Housing Limited Partnership

DIRECTOR

The director who served the company during the year was as follows:

Mr SJ Webster

SMALL COMPANY PROVISIONS

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

Registered office:
50 Lothian Road
Festival Square
Edinburgh
Scotland
EH3 9WJ

Signed by



Stephen Webster

Director

Approved by the director on 28 November 2013

ACCRUE STUDENT HOUSING GP 1 LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 AUGUST 2013

| | | Year to 31 August 13 | Period from 21 July 11 to 31 August 12 |
|--|------|-------------------------|--|
| | Note | £ | £ |
| TURNOVER | | — | — |
| Administrative expenses | | 100 | 100 |
| Other operating income | 2 | (100) | (100) |
| | | — | — |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | — | — |
| Tax on profit on ordinary activities | | — | — |
| | | — | — |
| PROFIT FOR THE FINANCIAL YEAR | | — | — |

The notes on pages 4 to 6 form part of these financial statements.

ACCRUE STUDENT HOUSING GP 1 LIMITED

BALANCE SHEET

31 AUGUST 2013

| | Note | 2013 £ | 2012 £ |
|---|------|------------|------------|
| FIXED ASSETS | | | |
| Investments | 4 | <u>10</u> | <u>10</u> |
| CURRENT ASSETS | | | |
| Debtors | 5 | 1 | 1 |
| CREDITORS: Amounts falling due within one year | 6 | <u>10</u> | <u>10</u> |
| NET CURRENT LIABILITIES | | <u>(9)</u> | <u>(9)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>1</u> | <u>1</u> |
| CAPITAL AND RESERVES | | | |
| Called-up equity share capital | 8 | <u>1</u> | <u>1</u> |
| SHAREHOLDERS' FUNDS | | <u>1</u> | <u>1</u> |

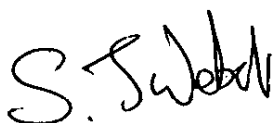
For the year ended 31 August 2013 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These accounts were approved and signed by the director and authorised for issue on 28 November 2013.



MR SJ WEBSTER
Director

Company Registration Number: SC403924

The notes on pages 4 to 6 form part of these financial statements.

ACCRUE STUDENT HOUSING GP 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. OTHER OPERATING INCOME

| | Period from | |
|------------------------|-----------------------|--------------|
| | Year to 21 July 11 to | |
| | 31 August 13 | 31 August 12 |
| | £ | £ |
| Other operating income | <u>100</u> | <u>100</u> |

During the year, the company was entitled to a priority profit share from Accrue Student Housing Limited Partnership (a limited partnership registered in Scotland under number SL009287) of £100.00 and incurred a management cost (including irrecoverable VAT) of the same sum. Thus, the company made no profit or loss.

3. OPERATING PROFIT

Operating profit is stated after crediting:

| | Period from | |
|-------------------------|-----------------------|--------------|
| | Year to 21 July 11 to | |
| | 31 August 13 | 31 August 12 |
| | £ | £ |
| Director's remuneration | <u>-</u> | <u>-</u> |

ACCRUE STUDENT HOUSING GP 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

4. INVESTMENTS

PARTNERSHIP INVESTMENT

COST

At 1 September 2012 and 31 August 2013

£

10

NET BOOK VALUE

At 31 August 2013 and 31 August 2012

10

The investment represents a capital contribution to Accrue Student Housing Limited Partnership.

5. DEBTORS

| | 2013 £ | 2012 £ |
|----------------------------------|-----------|-----------|
| Called up share capital not paid | <u>1</u> | <u>1</u> |

6. CREDITORS: Amounts falling due within one year

| | 2013 £ | 2012 £ |
|-----------------|-----------|-----------|
| Other creditors | <u>10</u> | <u>10</u> |

7. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

The company has no ultimate controlling entity.

ACCRUE STUDENT HOUSING GP 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

8. SHARE CAPITAL

Authorised share capital:

| | 2013 £ | 2012 £ |
|-----------------------------|-----------|-----------|
| 1 Ordinary share of £1 each | <u>1</u> | <u>1</u> |

Allotted and called up:

| | 2013 No | £ | 2012 No | £ |
|----------------------------|------------|----------|------------|----------|
| Ordinary shares of £1 each | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> |

The amounts of paid up share capital for the following categories of shares differed from the called up share capital stated above due to unpaid calls and were as follows:

| | 2013 £ | 2012 £ |
|-----------------|-----------|-----------|
| Ordinary shares | <u>1</u> | <u>1</u> |

ACCRUE STUDENT HOUSING GP 1 LIMITED
MANAGEMENT INFORMATION
YEAR ENDED 31 AUGUST 2013

The following pages do not form part of the statutory financial statements.

ACCRUE STUDENT HOUSING GP 1 LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 AUGUST 2013

| | Period from | |
|--------------------------------------|--------------|---------------|
| | Year to | 21 July 11 to |
| | 31 August 13 | 31 August 12 |
| | £ | £ |
| OVERHEADS | | |
| Administrative expenses | 100 | 100 |
| | (100) | (100) |
| OTHER OPERATING INCOME | | |
| Other operating income | 100 | 100 |
| PROFIT ON ORDINARY ACTIVITIES | — | — |

ACCRUE STUDENT HOUSING GP 1 LIMITED
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 AUGUST 2013

| | Year to 31 August 13 £ | Period from 21 July 11 to 31 August 12 £ |
|--------------------------------|------------------------------|---|
| ADMINISTRATIVE EXPENSES | | |
| General expenses | | |
| Management charges payable | <u>100</u> | <u>100</u> |

REGISTRATION NUMBER SL009287

**ACCRUE STUDENT HOUSING LIMITED
PARTNERSHIP
FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2013**

ACCRUE STUDENT HOUSING LIMITED PARTNERSHIP

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

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ACCRUE STUDENT HOUSING LIMITED PARTNERSHIP

OPERATOR AND PROFESSIONAL ADVISERS

Operator of Partnership

Thompson Taraz Collectives Limited
35 Grosvenor Street
Mayfair
London
W1K 4QX

General Partner

Accrue Student Housing GP1 Limited
50 Lothian Road
Festival Square
Edinburgh
EH3 9WJ

Solicitors to the Partnership

Burness Paull & Williamsons LLP
50 Lothian Road
Festival Square
Edinburgh
EH3 9WJ

Independent Auditors

Menzies LLP
Lynton House
7-12 Tavistock Square
London
WC1H 9LT

Bankers

Co-operative Bank Plc
2nd Floor Glyme Court
Oxford Office Village
Langford Lane
OX5 1LQ

ACCRUE STUDENT HOUSING LIMITED PARTNERSHIP

GENERAL PARTNER'S REPORT

YEAR ENDED 31 AUGUST 2013

The General Partner has pleasure in presenting its report on the operations of the Partnership for the year ended 31 August 2013 together with the financial statements.

PRINCIPAL ACTIVITIES, REVIEW AND FUTURE DEVELOPMENTS

The principal activity of the Partnership is that of indirect investment into UK student housing.

The Partnership holds 50% investment in Accrue Manchester Limited Partnership ("AMLPP")

The General Partner considers this to be a good result for the period that the investment has been held.

The principal risk and uncertainties facing the Partnership are not reproduced here, as this report is prepared under the provisions applicable to small entities.

CONSTITUTION AND GOVERNANCE

The Partnership is a limited partnership, initially registered on 25 July 2011, which entered into a Limited Partnership Agreement on 11 August 2011 ("the Partnership Agreement") and is registered under the Limited Partnership Act 1907. The Partnership shall continue until such date as the General Partner and 90% of the Limited Partners agree to terminate the Partnership.

The Registered Office and the principal place of business of the General Partner is 50 Lothian Road, Festival Square, Edinburgh, Scotland EH3 9WJ.

The Operator of the Partnership is Thompson Taraz Collectives Limited.

RESULTS AND DISTRIBUTIONS

The Partnership's profit for the year was £23,143.

A partner's loan capital distribution of £250,000 (2012: NIL) was made in November 2012. An additional £50,000 was invested in Accrue Manchester Limited Partnership.

THE PARTNERS

The General Partner is Accrue Student Housing GP 1 Limited. The Limited Partner's contributions are as set out in the Limited Partners Contributions and Income Accounts note. Each limited partner's contribution in the Partnership is made up of a Capital Contribution and a Loan Contribution.

ACCRUE STUDENT HOUSING LIMITED PARTNERSHIP

GENERAL PARTNER'S REPORT

YEAR ENDED 31 AUGUST 2013

STATEMENT OF GENERAL PARTNER'S RESPONSIBILITIES

The General Partner is responsible for preparing the General Partners Report and the financial statements in accordance with applicable law and regulations.

The Partnership Agreement requires the General Partner to prepare financial statements for each financial year. Under that law the General Partner has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The General Partner 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 the profit and loss of the Partnership for that period.

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

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


The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the Partnerships transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Partnerships (Accounts) Regulation 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.

STATEMENT OF DISCLOSURE TO AUDITORS

- a) So far as the General Partner is aware, there is no relevant audit information of which the partnership's auditors are unaware.
- b) It has taken all steps that it ought to have taken as a General Partner in order to make itself aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.

AUDITORS

Menzies LLP were re-appointed as auditors during the year and have expressed their willingness to continue in office.



Director
For and on behalf of Accrue Student Housing GP 1 Limited
20 November 2013

ACCRUE STUDENT HOUSING LIMITED PARTNERSHIP
INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF ACCRUE
STUDENT HOUSING LIMITED PARTNERSHIP
YEAR ENDED 31 AUGUST 2013

We have audited the financial statements of Accrue Student Housing Limited Partnership for the year ended 31 August 2013 on pages 6 - 11. 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, as a body, in accordance with 'The Partnership (Accounts) Regulations 2008' and the Limited Partnership Agreement. Our audit work has been undertaken so that we might state to the Partners 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 the Partners as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE GENERAL PARTNER AND AUDITOR

As explained more fully in the General Partners Responsibilities Statement set out on page 3, 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 (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 August 2013 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 Partnerships (Accounts) Regulations 2008' and the Limited Partnership Agreement.

ACCRUE STUDENT HOUSING LIMITED PARTNERSHIP
INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF ACCRUE
STUDENT HOUSING LIMITED PARTNERSHIP
YEAR ENDED 31 AUGUST 2013

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where The Partnerships (Accounts) Regulations 2008 and the Limited Partnership Agreement 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; and
- we have not received all the information and explanations we require for our audit.



PHILIP KING FCA (Senior Statutory Auditor)
For and on behalf of
MENZIES LLP
Chartered Accountants & Statutory Auditor

Lynton House
7-12 Tavistock Square
London
WC1H 9LT

20 November 2013

ACCRUE STUDENT HOUSING LIMITED PARTNERSHIP

PROFIT AND LOSS STATEMENT

YEAR ENDED 31 AUGUST 2013

| | | Year to 31 August 13 | Period from 11 August 11 to 31 August 12 |
|--|----------|----------------------|--|
| | Note | £ | £ |
| PROFIT AND LOSS STATEMENT | | | |
| INCOME | 2 | 26,767 | (24,931) |
| OPERATING COSTS | | | |
| OTHER OPERATING CHARGES | | <u>(3,540)</u> | <u>(2,700)</u> |
| OPERATING SURPLUS/(DEFICIT) | 3 | 23,227 | (27,631) |
| Interest receivable | 5 | – | 1,008 |
| Interest payable and similar charges | 6 | <u>(84)</u> | <u>(42)</u> |
| SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES FOR THE FINANCIAL YEAR BEFORE AND AFTER TAXATION | | 23,143 | (26,665) |
| SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR | | <u>23,143</u> | <u>(26,665)</u> |

All of the activities of the Partnership are classed as continuing.

There is no difference between the income on ordinary activities and net income for the period stated above and their historical cost equivalent.

All recognised gains and losses in the year are included in the profit and loss account.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

| | | |
|--|------------------------|------------------------|
| Surplus for the financial period | 23,143 | (26,665) |
| (Reduction)/Gain on revaluation of investment property portfolio | (60,820) | – |
| Balance carried forward | <u>(37,677)</u> | <u>(26,665)</u> |

The notes on pages 8 - 11 form part of these financial statements.

ACCRUE STUDENT HOUSING LIMITED PARTNERSHIP

BALANCE SHEET

31 AUGUST 2013

| | Note | 2013 £ | 2012 £ |
|---|------|------------------|------------------|
| FIXED ASSETS | | | |
| Investments | 7 | <u>1,736,826</u> | <u>1,470,869</u> |
| CURRENT ASSETS | | | |
| Debtors | 8 | 30,943 | 20,419 |
| Cash at bank | | <u>6,273</u> | <u>321,422</u> |
| | | 37,216 | 341,841 |
| CREDITORS: Amounts falling due within one year | 9 | <u>(2,459)</u> | <u>(3,460)</u> |
| NET CURRENT ASSETS | | <u>34,757</u> | <u>338,381</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>1,771,583</u> | <u>1,809,250</u> |
| NET ASSETS | | <u>1,771,583</u> | <u>1,809,250</u> |
| FUNDED BY: | | | |
| Partners' capital contribution account | 12 | 150 | 160 |
| Partners' loan contribution account | 12 | 1,585,765 | 1,835,755 |
| Partners' capital appreciation account | 12 | 189,190 | — |
| Partners' income account | 12 | <u>(3,522)</u> | <u>(26,665)</u> |
| | | <u>1,771,583</u> | <u>1,809,250</u> |

These financial statements have been prepared in accordance with the special provisions for small entities in accordance with Generally Accepted Accounting Practice in the United Kingdom.

The financial statements were approved by the General Partner and authorised for issue on 20 November 2013.



Director
For and on behalf of Accrue Student Housing GP 1 Limited
20 November 2013

Registration Number SL009287

The notes on pages 8 - 11 form part of these financial statements.

ACCRUE STUDENT HOUSING LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments. The financial statements have been prepared on a going concern basis in accordance with the Generally Accepted Accounting Practices in the United Kingdom, 'The Partnerships (Accounts) Regulations 2008' and with the terms of the Partnership Agreement, which have been applied consistently.

Cash flow statement

The partnership has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small entity.

Turnover

Income is accounted for on an accruals basis. It represents the Partnership's share of net income of the limited partnership investment.

Investments

The investment in AMLP was initially valued at cost, being the value of the consideration paid. Subsequently, the value has been adjusted in respect of the Partnership's share of net profits, realised and unrealised gains, distributions received and its share of operating costs.

The Partnership's share of the net profit or loss of AMLP is recognised in the Profit and loss account and the partners' revenue accounts. The Partnership's share of realised capital items of the AMLP are recognised in the Profit and loss account and the Partnership's share of capital items arising on the revaluation of a partnership's underlying investment portfolio are recognised in the revaluation reserve and disclosed in the Statement of total recognised gains and losses.

Issue costs

Issue costs with respect to partner's loans received are set off against the Partner's Loan Contribution balance.

Taxation

The Partnership is carrying on the business of indirect property investment and should have no tax liability in respect of income and gains distinct from that incurred by the partners. Income and gains generated by the Partnership are attributed to the partners for tax purposes pro rata to their investment as set out in the Partnership Agreement.

The taxable income is reduced by the deduction of the interest cost incurred on the loan used to purchase the property and by utilising capital allowances. Gains realised may be eligible for taper relief, so that less than the full amount of the gain is taxable.

ACCRUE STUDENT HOUSING LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES *(continued)*

Distributions

The Partnership has a full distribution policy of all net positive cash flows to all partners, subject to a small cash provision being maintained to cover any administration or management costs, also subject to payment of interest and repayment of bank indebtedness.

2. INCOME

The income and surplus before tax are attributable to the one principal activity of the Partnership.

3. OPERATING SURPLUS

Operating surplus is stated after charging:

| | Year to 31 August 13 | Period from 11 August 11 to 31 August 12 |
|------------------------|-------------------------|--|
| | £ | £ |
| Auditors' remuneration | <u>2,040</u> | <u>2,000</u> |

4. PARTNER REMUNERATION AND EMPLOYEE INFORMATION

The partners received no remuneration from the Partnership. The Partnership does not have any employees.

ACCRUE STUDENT HOUSING LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

5. INTEREST RECEIVABLE

| | Year to 31 August 13 | Period from 11 August 11 to 31 August 12 |
|---------------------|-------------------------|--|
| | £ | £ |
| Interest receivable | <u>—</u> | <u>1,008</u> |
| Bank interest | <u>—</u> | <u>1,008</u> |

6. INTEREST PAYABLE AND SIMILAR CHARGES

| | Year to 31 August 13 | Period from 11 August 11 to 31 August 12 |
|-----------------|-------------------------|--|
| | £ | £ |
| Finance charges | <u>84</u> | <u>42</u> |

7. INVESTMENTS

| | Investments £ |
|--------------------------|-------------------------|
| COST | |
| At 1 September 2012 | 1,470,869 |
| Additions | <u>265,957</u> |
| At 31 August 2013 | <u>1,736,826</u> |

The Partnership has an investment of 50.0% of Accrue Manchester Limited Partnership, ("AMLPP"). AMLPP is registered in the UK.

8. DEBTORS

| | 2013 £ | 2012 £ |
|---------------|----------------------|----------------------|
| Trust debtor | 30,803 | 20,279 |
| Other debtors | <u>140</u> | <u>140</u> |
| | <u>30,943</u> | <u>20,419</u> |

ACCRUE STUDENT HOUSING LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

9. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

| | 2013 | 2012 |
|----------------------------|--------------|--------------|
| | £ | £ |
| Trade creditors | - | 1,200 |
| Income received in advance | 259 | 260 |
| Accruals | <u>2,200</u> | <u>2,000</u> |
| | <u>2,459</u> | <u>3,460</u> |

10. RELATED PARTY TRANSACTIONS

Capita Trust Company Limited acts as Trustee for Accrue Student Housing Unit Trust ("ASHUT") and is a Limited Partner in the Partnership. Thompson Taraz Collectives Limited ("Collectives") acts as Trust Manager for ASHUT.

During the period, the Partnership incurred costs of £5,725 (2012: £14,278) and £4,800 (2012: £6,000) for Trustee and Trust Manager fees respectively. These are recoverable from ASHUT in due course.

At the period end, and included in Other Creditors, is an amount of £130 (2012: £130) owed to Accrue Manchester Limited Partnership. This is repayable on demand and non-interest bearing.

There is no controlling entity. The General Partner manages the Limited Partnership in accordance with the Limited Partnership Agreement.

11. DISTRIBUTION TO PARTNERS

As all surplus income has been applied to reduce bank borrowings there will be no distribution to partners in respect of the current period. This is expected to be the case in every year until such time as the investment property is sold, or until the bank loans are repaid.

12. LIMITED PARTNERS CONTRIBUTIONS AND INCOME ACCOUNTS

| | Loan Contribution | Capital Contribution | Net Income | Capital Appreciation |
|---------------------------------|----------------------|-------------------------|----------------|-------------------------|
| | £ | £ | £ | £ |
| Balance brought forward | 1,835,755 | 160 | (26,665) | - |
| Additions during the year | 10 | (10) | - | - |
| Loan repayments during the year | (250,000) | - | - | - |
| Profit for the year | - | - | 23,143 | - |
| Uplift in base market value | - | - | - | 189,190 |
| | <u>1,585,765</u> | <u>150</u> | <u>(3,522)</u> | <u>189,190</u> |