

Company Registration No. SC516910 (Scotland)

**MRF I Investors (GP) Limited**

**Annual report and financial statements  
for the period ended 31 March 2016**

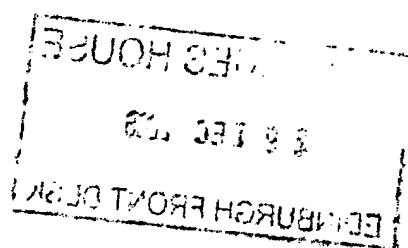


## MRF I Investors (GP) Limited

### Company information

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<b>Directors</b>	Leopold Hall Oliver Smith
<b>Company number</b>	SC516910
<b>Registered office</b>	Edinburgh Quay 133 Fountainbridge Edinburgh EH3 9BA
<b>Independent auditors</b>	Saffery Champness 71 Queen Victoria Street London EC4V 4BE
<b>Solicitors</b>	Nabarro Lacon House Theobalds Road London WC1X 8RW



## **MRF I Investors (GP) Limited**

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## **MRF I Investors (GP) Limited**

### **Directors' report**

**For the period ended 31 March 2016**

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The directors present their annual report and financial statements for the period ended 31 March 2016.

#### **Principal activities**

The principal activity of the company is the operation and administration of MRF I Investors Limited Partnership.

#### **Directors**

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Leopold Hall	(Appointed 1 October 2015)
Oliver Smith	(Appointed 1 October 2015)

#### **Results and dividends**

The company did not trade during the year and consequently no income statement is presented.

#### **Auditor**

Saffery Champness have expressed their willingness to continue in office.

#### **Statement of directors' responsibilities**

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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards, including FRS102, 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 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.

**MRF I Investors (GP) Limited**

**Directors' report (continued)**

**For the period ended 31 March 2016**

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**Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Leopold Hall

Director

30 November 2016

## **MRF I Investors (GP) Limited**

### **Independent auditors' report**

#### **To the members of MRF I Investors (GP) Limited**

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We have audited the financial statements of MRF I Investors (GP) Limited for the period ended 31 March 2016 set out on pages 5 to 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), including Financial Reporting Standard 102.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. 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.

#### **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 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

**MRF I Investors (GP) Limited**

**Independent auditors' report (continued)**

**To the members of MRF I Investors (GP) Limited**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 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 company is not entitled to claim exemption in preparing a strategic report due to it being a member of an ineligible group.



**Michael Di Leto (Senior Statutory Auditor)**  
**for and on behalf of Saffery Champness**

30 November 2016

**Chartered Accountants**  
**Statutory Auditors**

71 Queen Victoria Street  
London  
EC4V 4BE

**MRF I Investors (GP) Limited**

**Statement of financial position  
As at 31 March 2016**

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	Notes	£	2016 £
<b>Current assets</b>			
Debtors	3	1	
<b>Creditors: amounts falling due within one year</b>		-	
		<hr/>	
<b>Net current assets</b>			<u>1</u>
<b>Capital and reserves</b>			
Called up share capital	4		<u>1</u>

The financial statements were approved by the board of directors and authorised for issue on 30 November 2016 and are signed on its behalf by:



Leopold Hall  
Director

Company Registration No. SC516910



**MRF I Investors (GP) Limited**

**Statement of changes in equity  
For the period ended 31 March 2016**

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	Notes	Share capital £
Balance at 1 October 2015		-
Period ended 31 March 2016:		
Issue of share capital	4	1
Balance at 31 March 2016		<u>1</u>

**1 Accounting policies**

**Company information**

MRF I Investors (GP) Limited is a company limited by shares incorporated in Scotland. The company was incorporated on 1 October 2015. The registered office is Edinburgh Quay, 133 Fountainbridge, Edinburgh, EH3 9BA.

**1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in accordance with paragraph 1.12 of FRS 102. Exemptions have been taken in relation to the presentation of a cash flow statement.

**1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.4 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**1 Accounting policies (continued)**

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the income statement, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

***Impairment of financial assets***

Financial assets, other than those held at fair value through the income statement, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the income statement.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Notes to the financial statements (continued)  
For the period ended 31 March 2016

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**1 Accounting policies (continued)**

***Basic financial liabilities***

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as 'creditors: amounts falling due within one year' if payment is due within one year or less. If not, they are presented as 'creditors: amounts falling due after more than one year'. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Other financial liabilities***

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through the income statement.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the income statement in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

**1.5 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

**2 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no estimates or assumptions which have a significant risk of causing material adjustment to the carrying amount of assets and liabilities.

**3 Debtors**

	2016
	£
Amounts falling due within one year:	
Other debtors	1
	<u>1</u>

**4 Share capital**

	2016
Issued and fully paid	
1 Ordinary share of £1	1
	<u>1</u>

**5 Related party transactions**

In accordance with FRS102, the company has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

At 31 March 2016 an amount of £1 was due from other related parties.

**6 Controlling party**

The ultimate parent entity is Mansford LLP, an LLP incorporated in England and Wales. A copy of the group accounts can be obtained from Mansford LLP, 57 – 59 Haymarket, London, SW1Y 4QX.

The directors do not consider there to be one ultimate controlling party.

**Partnership Registration No. SL022851 (Scotland)**

**MRF I Investors LP**

**Annual report and financial statements  
for the period ended 31 March 2016**

## **MRF I Investors LP**

### **Partnership information**

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**General Partner** MRF I Investors (GP) Limited

**Registered number** SL022851

**Registered office** Edinburgh Quay  
133 Fountainbridge  
Edinburgh  
EH3 9BA

**Independent auditors** Saffery Champness  
71 Queen Victoria Street  
London  
EC4V 4BE

**Solicitors** Nabarro  
Lacon House  
Theobalds Road  
London  
WC1X 8RW

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## **MRF I Investors LP**

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## **MRF I Investors LP**

### **Report of the general partner For the period ended 31 March 2016**

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The General Partner has pleasure in submitting its report and financial statements of MRF I Investors LP for the period ended 31 March 2016.

#### **Principal activities**

The principal activity of the partnership has continued to be that of facilitating property investment.

#### **Auditor**

Saffery Champness have expressed their willingness to continue to act as auditors of the partnership.

#### **Statement of General Partner's responsibilities**

The General Partner is responsible for preparing the Annual Report and the financial statements in accordance with the Limited Partnership Agreement.

The Limited Partnership Agreement requires the General Partner to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law 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 period. In preparing these financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards, including FRS102, 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 General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's 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 Limited Partnership Agreement. It 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.

#### **Statement of disclosure to auditor**

So far as they are aware, the directors of the General Partner who held office at the date of approval of this General Partner's Report confirm that there is no relevant audit information of which the auditors are unaware. Additionally, each director of the General Partner has taken all the necessary steps that a director of a general partner ought to have taken to make himself aware of any relevant audit information and to establish that the limited partnership's auditors are aware of that information.

On behalf of the General Partner



Leopold Hall

**Director of MRF I Investors (GP) Limited**

30 November 2016

## **MRF I Investors LP**

### **Independent auditors' report**

#### **To the members of MRF I Investors LP**

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We have audited the financial statements of MRF I Investors LP for the period ended 31 March 2016 set out on pages 4 to 14. 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), including Financial Reporting Standard 102.

This report is made solely to the partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as modified for Limited Partnerships. Our audit work has been undertaken so that we might state to the partnership's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the partnership and the partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the general partner and auditors**

As explained more fully in the General Partner's Responsibilities Statement set out on page 1, the General Partner is responsible the preparation of the Annual Report and 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 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. In addition, we read all the financial and non-financial information in the Report of the General Partner 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 partnership's affairs as at 31 March 2016 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

**MRF I Investors LP**

**Independent auditors' report (continued)**

**To the members of MRF I Investors LP**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 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 members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the members were not entitled to prepare the financial statements in accordance with the small entities regime and take advantage of the small entities' exemption in preparing the general partner's report.



**Michael Di Leto (Senior Statutory Auditor)**  
**for and on behalf of Saffery Champness**

**30 November 2016**

**Chartered Accountants**  
**Statutory Auditors**

**71 Queen Victoria Street**  
**London**  
**EC4V 4BE**

**MRF I Investors LP**

**Statement of comprehensive income  
For the period ended 31 March 2016**

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		Period ended 31 March 2016 £
	Notes	
Administrative expenses		(4,600)
Investment income	4	(2,208)
Fair value movement	5	(6,683)
		<hr/>
<b>Loss for the financial period</b>	<b>11</b>	<b>(13,491)</b>
<b>Other comprehensive income</b>		<hr/> -
<b>Total comprehensive income for the period</b>		<hr/> <b>(13,491)</b> <hr/>

The income statement has been prepared on the basis that all operations are continuing operations.

**MRF I Investors LP**

**Statement of financial position  
As at 31 March 2016**

	Notes	£	2016 £
<b>Fixed assets</b>			
Investments	6		232,075
<b>Current assets</b>			
Debtors	7	4	
<b>Creditors: amounts falling due within one year</b>	8	(4,600)	
<b>Net current liabilities</b>			(4,596)
<b>Total assets less current liabilities</b>			227,479
<b>Partners' accounts</b>			
Capital account	9		(6,679)
Loan account	10		240,966
Current account	11		(6,808)
<b>Total Partners' interests</b>			227,479

We approve these accounts and confirm that we have made available all relevant records and information for their preparation.



Leopold Hall  
Director of MRF I Investors GP LP  
General Partner

30 November 2016

Partnership Registration No. SL022851

**MRF I Investors LP****Statement of changes in partners' accounts  
For the period ended 31 March 2016**

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	Notes	Capital account £	Loan account £	Current account £	Total £
<b>Balance at 5 October 2015</b>					
Comprehensive income for the year		-	-	(13,491)	(13,491)
Capital subscribed by partners	9	4	-	-	4
Transfer		(6,683)	-	6,683	-
Loan advances		-	240,966	-	240,966
<b>Balance at 31 March 2016</b>		<u>(6,679)</u>	<u>240,966</u>	<u>(6,808)</u>	<u>227,479</u>

**MRF I Investors LP****Statement of cash flows****For the period ended 31 March 2016**

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	Notes	£	2016 £
<b>Cash flows from operating activities</b>			
Cash absorbed by operations	13		(4)
<b>Investing activities</b>			
Investments in Limited partnerships		(20)	
Advances to Limited partnerships		(240,946)	
		<hr/>	
<b>Net cash used in investing activities</b>			(240,966)
<b>Financing activities</b>			
Proceeds from capital subscribed		4	
Loan advances from partners		240,966	
		<hr/>	
<b>Net cash generated from/(used in) financing activities</b>			240,970
<b>Net increase in cash and cash equivalents</b>			-
Cash and cash equivalents at beginning of period			-
			<hr/>
<b>Cash and cash equivalents at end of period</b>			-
			<hr/> <hr/>

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**Notes to the financial statements**  
**For the period ended 31 March 2016**

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**1 Accounting policies**

**Partnership information**

MRF I Investors LP (the "Partnership") was established on 5 October 2015 and is registered as a Limited Partnership in Scotland. The General Partner is MRF I Investors (GP) Limited.

The registered office is Edinburgh Quay, 133 Fountainbridge, Edinburgh, EH3 9BA.

**1.1 Accounting convention**

These financial statements have been prepared in accordance with the Limited Partnership Agreement, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the partnership. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

**1.2 Going concern**

The General Partner has a reasonable expectation that the partnership has adequate resources to continue in operational existence for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the financial statements.

**1.3 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.4 Financial instruments**

The partnership has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the partnership's statement of financial position when the partnership becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.



Notes to the financial statements (continued)  
For the period ended 31 March 2016

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**1 Accounting policies (continued)**

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the income statement, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

***Impairment of financial assets***

Financial assets, other than those held at fair value through the income statement, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the income statement.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the partnership transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Notes to the financial statements (continued)  
For the period ended 31 March 2016

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**1 Accounting policies (continued)**

***Basic financial liabilities***

Basic financial liabilities, including trade and other creditors, bank loans, and loans from related entities, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as 'creditors: amounts falling due within one year' if payment is due within one year or less. If not, they are presented as 'creditors: amounts falling due after more than one year'. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Other financial liabilities***

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through the income statement.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the income statement in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the partnership's contractual obligations expire or are discharged or cancelled.

**1.5 Taxation**

The partnership does not constitute a separate taxable entity and as such there is not a tax charge provided in these accounts.

**Notes to the financial statements (continued)**  
**For the period ended 31 March 2016**

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**2 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the partnership's accounting policies, the General Partner is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The key source of estimation uncertainty is the valuation of investments. The partnership carries its investments at fair value, with changes in fair value being recognised in the statement of comprehensive income.

**3 Auditors' remuneration**

	<b>2016</b>
	<b>£</b>
Fees payable to the partnership's auditor and associates:	
Audit of the partnership's financial statements	2,600
Taxation compliance services	2,000
	<u>          </u>

**4 Investment income**

	<b>2016</b>
	<b>£</b>
Profit/(loss) share receivable from Limited partnership investments	(2,208)
	<u>          </u>

**5 Amounts written off investments**

	<b>2016</b>
	<b>£</b>
Fair value movement	(6,683)
	<u>          </u>

**MRF I Investors LP****Notes to the financial statements (continued)****For the period ended 31 March 2016****6 Fixed asset investments**

	Capital account	Loan account	Current account	Total
Investments in Limited Partnerships	£	£	£	£
At 1 October 2015	-	-	-	-
Capital subscribed	20	-	-	20
Share of profit	-	-	(8,891)	(8,891)
Transfer	(6,683)	-	6,683	-
Advances	-	240,946	-	240,946
Drawdowns	-	-	-	-
<b>At 31 March 2016</b>	<b>(6,663)</b>	<b>240,946</b>	<b>(2,208)</b>	<b>232,075</b>

Investments in Limited Partnerships represents an interest as a limited partner in MRF I LP, a limited partnership registered in Scotland. The loan amounts are unsecured, interest free and repayable on realisation of the underlying assets it was used to invest in.

**7 Debtors**

	2016 £
Amounts falling due within one year:	
Other debtors	4

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

	2016 £
Other creditors	4,600

**9 Capital account**

	2016 £
Capital subscribed	
Limited Partners	4
Fair value movement deficit	
Limited Partners	(6,683)
	(6,679)

**MRF I Investors LP****Notes to the financial statements (continued)**  
**For the period ended 31 March 2016****10 Loan account**

	Balance at 5 October 2015 £	Advances £	Repayments £	Balance at 31 March 2016 £
Limited Partners	-	240,966	-	240,966

**11 Current account**

	Balance at 5 October 2015 £	Share of profit/(loss) £	Transfer from capital account £	Balance at 31 March 2016 £
General Partner	-	-	-	-
Limited Partners	-	(13,491)	6,683	(6,808)
	-	(13,491)	6,683	(6,808)

**12 Related party transactions**

Key management personnel received no remuneration during the year.

**MRF I Investors LP**

**Notes to the financial statements (continued)**

**For the period ended 31 March 2016**

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**13 Cash generated from operations**

	<b>2016</b>
	<b>£</b>
Total comprehensive income	(13,491)
<b>Adjustments for:</b>	
Investment income	2,208
Fair value movement	6,683
<b>Movements in working capital:</b>	
(Increase) in debtors	(4)
Increase in creditors	4,600
<b>Cash absorbed by operations</b>	<u>(4)</u>