

Registered number  
3974061

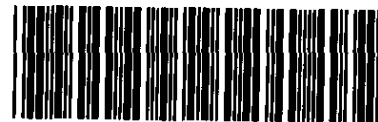
**Carraway Tunbridge Wells General Partner Limited**

**Annual Report and Financial Statements**

**For the year ended**

**30 June 2016**

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**Carraway Tunbridge Wells General Partner Limited**  
**Annual Report and accounts**  
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**Carraway Tunbridge Wells General Partner Limited**  
**Company Information**

**Directors**

Christopher Darroch  
Ben John Tolhurst  
Kirsty Wilman

**Secretary**

Hermes Secretariat Limited  
Lloyds Chambers  
1 Portsoken Street  
London  
E1 8HZ

**Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London  
United Kingdom

**Registered office**

Lloyds Chambers  
1 Portsoken Street  
London E1 8HZ

**Registered number**

3974061

## **Carraway Tunbridge Wells General Partner Limited**

### **Directors' report**

The directors who served on the board (the "Board of Directors") during the year and to the date of signing were as follows:

**Directors:** Christopher Darroch  
Ben John Tolhurst  
Kirsty Wilman (appointed 23/03/2017)

**Secretary:** Hermes Secretariat Limited

### **Accounts**

The directors submit their annual report and audited financial statements for the year ended 30 June 2016.

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

A copy of the latest accounts for the Carraway Tunbridge Wells Limited Partnership, a Qualifying Partnership under The Companies and Partnerships (Accounts and Audit) Regulations 2013, are appended to the Company's report and financial statements.

### **Principal activities and review of the business**

Carraway Tunbridge Wells General Partner Limited (the "Company") is incorporated in England and Wales. The principal activity of the company is that of managing the operations and safeguarding the assets of the Carraway Tunbridge Wells Limited Partnership (the "Partnership"). The company had no employees during the year (2015 - nil).

### **Going concern**

The accounts are prepared on the basis of going concern on the basis that the general partner (the "General Partner") intends Carraway Tunbridge Wells Limited Partnership to continue to hold investments for the foreseeable future. There are no financial obligations associated with the investment in the Partnership and under the limited partnership agreement, the Partnership meets the General Partner's expenses. The directors have considered the status of the Partnership as a going concern. The Partnership has sufficient cash flow to enable it to meet its obligations as they fall due. The directors are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements.

### **Principal risks and uncertainties**

The company holds an investment in and acts as general partner of Carraway Tunbridge Wells Limited Partnership, which invests in properties and so is exposed to risks associated with investments in real estate. The principal risks and uncertainties for the company are considered to be the risk of tenants failing or defaulting on their rent and the risk of adverse movements in property values.

The company mitigates these risks through balanced investment strategies under the directorship of property specialists with significant industry experience.

Following the Referendum held on 23 June 2016 concerning the UK's membership of the EU, a decision was taken to exit. There is still a shortage of comparable evidence of arm's length transactions since the Referendum. The valuers are applying a greater degree of judgement than

### **Results and dividends**

The profit of £25,431 for the year (2015: profit of £33,464) is shown in the attached profit and loss account on page 7.

The directors do not recommend payment of a dividend (2015 - £nil).

**Carraway Tunbridge Wells General Partner Limited**  
**Directors' report**  
**(continued)**

**Directors' interests**

No director had interests during the year in the share capital of the company nor any group company.

**Future developments**

The directors expect the current level of activity to continue in the forthcoming year.

**Events after the Balance Sheet date**

There were no significant events since the balance sheet date.

**Disclosure of information to auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

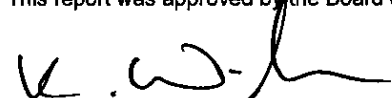
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

**Auditor**

Deloitte LLP, registered auditor, is not expected to be reappointed following the current audit cycle. The General Partner / Directors are currently making arrangements to accept the resignation of Deloitte LLP and appoint KPMG LLP.

This report was approved by the Board of Directors and signed on its behalf by:



K Wilman  
Director  
29 March 2017

**Carraway Tunbridge Wells General Partner Limited**  
**Statement of Directors' Responsibilities**

The directors are responsible for preparing the annual report and 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 year. In preparing those 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; and
- 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 to 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.

## **Independent auditor's report to the members of Carraway Tunbridge Wells General Partner Limited**

We have audited the financial statements of Carraway Tunbridge Wells General Partner Limited for the year ended 30 June 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of changes in equity 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) including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland".

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 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 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, 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 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.

### **Opinion on other matter 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.

**Independent auditor's report  
to the members of Carraway Tunbridge Wells General Partner Limited  
(continued)**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Directors' Report.

*Jennifer Chase*

Jennifer Chase, ACA (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

24 March 2017



**Carraway Tunbridge Wells General Partner Limited**  
**Profit and loss account**  
**for the year ended 30 June 2016**

	Notes	30 June 2016 £	30 June 2015 £
<b>Investment income</b>	2	34,378	42,413
Administrative expenses		-	-
<b>Operating profit</b>	3	34,378	42,413
Interest payable	4	-	(35)
<b>Profit on ordinary activities before taxation</b>		34,378	42,378
Tax on profit on ordinary activities	5	(8,947)	(8,914)
<b>Profit for the financial year</b>		25,431	33,464

There are no recognised gains or losses other than those shown above as a result no Statement of Comprehensive Income has been prepared.  
All activities derive from continuing operations.

Notes 1 to 12 form part of these financial statements.

**Carraway Tunbridge Wells General Partner Limited****3974061****Balance Sheet****as at 30 June 2016**

	Notes	30 June 2016 £	30 June 2015 £
<b>Fixed assets</b>			
Investments	6	1,018	1,018
<b>Current assets</b>			
Debtors	7	232,276	207,248
<b>Creditors: amounts falling due within one year</b>	8	(8,945)	(9,348)
<b>Net current assets</b>		<u>223,331</u>	<u>197,900</u>
<b>Net assets</b>		<u>224,349</u>	<u>198,918</u>
<b>Capital and reserves</b>			
Called up share capital	9	1,000	1,000
Profit and loss account		223,349	197,918
<b>Shareholders' funds</b>		<u>224,349</u>	<u>198,918</u>

Notes 1 to 12 form part of these financial statements.

The financial statements of Carraway Tunbridge Wells General Partner Limited (Registered No.: 3974061) were approved by the Board of Directors and authorised for issue on 29 March 2017 and signed on their behalf by:



K Wilman

Director

29 March 2017

**Carraway Tunbridge Wells General Partner Limited**  
**Statement of changes in equity**  
**for the year ended 30 June 2016**

	<b>Called up share capital £</b>	<b>Pofit and Loss account £</b>	<b>Total £</b>
<b>Balance at 1 July 2014</b>	1,000	164,454	165,454
Profit for the year	-	33,464	33,464
<b>Balance at 30 June 2015</b>	1,000	197,918	198,918
Loss for the year	-	25,431	25,431
<b>Balance at 30 June 2016</b>	1,000	223,349	224,349

Notes 1 to 12 form part of these financial statements.

**Carraway Tunbridge Wells General Partner Limited**  
**Notes to the financial statements**  
**for the year ended 30 June 2016**

**1 Accounting policies**

The principal accounting policies have been summarised below. They have all been applied consistently throughout the current and prior year.

The directors are satisfied that at the time of approving the financial statements, it is appropriate to adopt the the going concern basis in preparing the financial statements. This is discussed in the director's report on page 2 under the heading 'Going concern'.

***Basis of accounting***

accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

These financial statements include the Company's interest in the results and financial position of the Carraway Tunbridge Wells Limited Partnership.

The functional currency of Carraway Tunbridge Wells General Partner Limited is considered to be pounds sterling as this is the currency of the primary economic environment in which the Partnership operates.

This is the first year in which the financial statements have been prepared under FRS102. Refer to Note 12 for an explanation of the transition. The prior period financial statements were restated for material adjustments on adoption of FRS 102 at 1 July 2014.

The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the Directors' Report on pages 2 to 3.

***Investments***

Investments represent an interest in Carraway Tunbridge Wells Limited Partnership. This investment is accounted for by the company at fair value.

***Financial instruments***

Financial assets and financial liabilities are recognised when the Partnership becomes a party to the contractual provisions of the instrument.

Trade and other debtors are recognised by the Partnership and carried at original invoice amount less an allowance for any uncollectible or impaired amounts.

A provision for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when they are specifically identified. Other debtors are recognised at fair value.

Trade creditors are recognised by the Partnership and carried at original invoice amount. Other creditors are recognised at fair value.

***Taxation***

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded more likely than not that they are included in financial statements. Deferred tax assets and liabilities are not discounted.

***Cash flow statement***

The company has taken advantage of exemptions available under FRS 102 not to present a cash flow statement as it meets the definition of a small entity as set out in FRS 102.

***Exemption from consolidation***

The company is exempt from the requirement to prepare group accounts as it meets the definition in section 398 of the Companies Act 2006

**Carraway Tunbridge Wells General Partner Limited**  
**Notes to the financial statements**  
**for the year ended 30 June 2016**

**2 Investment income**

The company accounts for its share of the profit of the Carraway Tunbridge Wells Limited Partnership as income from investments. Under the terms of the partnership agreement the Company is entitled to a 1% share of the profit reported by the Partnership.

**3 Operating profit**

The auditor's remuneration of £4,000 (2015 - £4,000) for the year has been borne by Carraway Tunbridge Wells Limited Partnership.

The company had no employees during the current year (2015 - none).

The directors received no emoluments in respect of their services to the company during the current year (2015 - £nil).

<b>4 Interest payable</b>	<b>30 June 2016</b>	<b>30 June 2015</b>
	<b>£</b>	<b>£</b>
Corporate tax interest	-	35

<b>5 Taxation</b>	<b>30 June 2016</b>	<b>30 June 2015</b>
	<b>£</b>	<b>£</b>
<b>Analysis of charge in year</b>		
Current tax:		
UK corporation tax	8,954	9,313
Adjustments in respect of prior periods	(7)	(399)
Tax on profit on ordinary activities	<u>8,947</u>	<u>8,914</u>

**Factors affecting tax charge for the year**

**The differences between the tax assessed for the year and the standard rate of corporation tax are explained as follows:**

	<b>30 June 2016</b>	<b>30 June 2015</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<u>34,378</u>	<u>42,378</u>
Tax on profit on ordinary activities at standard corporation tax rate of 20.00% (year ended 30 June 2015: 20%)	6,876	8,476
Effects of:		
Expenses not deductible for tax purposes	2,073	834
Other short term timing differences	-	-
Adjustments to tax charge in respect of previous years	(7)	(399)
Amounts charged directly to OCI or otherwise transferred	5	3
Current tax charge for year	<u>8,947</u>	<u>8,914</u>

<b>6 Investments</b>	<b>30 June 2016</b>	<b>30 June 2015</b>
	<b>£</b>	<b>£</b>
Carraway Tunbridge Wells Limited Partnership	1,000	1,000
Carraway Tunbridge Wells (Nominee A) Limited	9	9
Carraway Tunbridge Wells (Nominee B) Limited	9	9
	<u>1,018</u>	<u>1,018</u>

**Carraway Tunbridge Wells General Partner Limited**  
**Notes to the financial statements**  
**for the year ended 30 June 2016**

**6 Investments (continued)**

Details of investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

<i>Name of subsidiary undertaking</i>	<i>Place of incorporation</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
Carraway Tunbridge Wells (Nominee A) Limited	Jersey	Ordinary shares	90%	Trustee company
Carraway Tunbridge Wells (Nominee B) Limited	Jersey	Ordinary shares	90%	Trustee company

The Investment in Carraway Tunbridge Wells Limited Partnership represents a 1% holding in the Partnership, which was established under a limited partnership agreement dated 19 March 2012. The Partnership is registered in England and Wales in accordance with The Limited Partnerships Act 1907.

Carraway Tunbridge Wells (Nominee A) Limited and Carraway Tunbridge Wells (Nominee B) registered address is 13 Castle Street St Helier, Jersey JE4 5UT.

Carraway Tunbridge Wells Limited Partnership registered address is 1 Portsoken Street, London E1 8HZ.

<b>7 Debtors</b>	<b>30 June 2016</b>	<b>30 June 2015</b>
	£	£
Amounts payable on demand and non-interest bearing due from group undertakings	<u>232,276</u>	<u>207,249</u>

Debtors are initially recognised at cost and the carrying value is considered to be the same as fair value.

<b>8 Creditors: amounts falling due within one year</b>	<b>30 June 2016</b>	<b>30 June 2015</b>
	£	£
Corporation tax	8,945	9,313
Corporation tax interest	-	35
	<u>8,945</u>	<u>9,348</u>

Creditors are initially recognised at cost and the carrying value is considered to be the same as fair value.

**9 Called up share capital**

	<b>30 June 2016</b>	<b>30 June 2015</b>	<b>30 June 2016</b>	<b>30 June 2015</b>
	No	No	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

**Carraway Tunbridge Wells General Partner Limited**  
**Notes to the financial statements**  
**for the year ended 30 June 2016**

**10 Related parties**

The company is the General Partner of Carraway Tunbridge Wells Limited Partnership and Britel Fund Trustees Limited (as custodian trustee for the BT Pension Scheme) is the Limited Partner of the Partnership.

At 30 June 2016 the Company is owed £232,276 (30 June 2015: £207,249) from Carraway Tunbridge Wells Limited Partnership which includes £218,875 (30 June 2015: £184,497) as distribution related to the Company 1% interest in the Partnership.

**11 Ultimate parent undertaking and controlling party**

The directors regard the BT Pension Scheme as the company's immediate and ultimate parent controlling entity. It is also the parent of the smallest and largest group of which Carraway Tunbridge Wells General Partner Limited is a member to prepare group accounts.

The address of the BT Pension Scheme is Lloyds Chambers, 1 Portsoken Street, London, United Kingdom E1 8HZ.

**12 Explanation of the transition to FRS 102**

This is the first year that the company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 30 June 2015; however the date of transition to FRS 102 was 1 July 2014. There have been no changes to accounting policies and therefore no adjustments at 30 June 2015 and 30 June 2016 as a result of the transition to FRS 102.

Registered number  
LP7040

**Carraway Tunbridge Wells Limited Partnership**

**Annual Report and Financial Statements**

**For the year ended**

**30 June 2016**



## **Carraway Tunbridge Wells Limited Partnership**

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## **Carraway Tunbridge Wells Limited Partnership**

### **Partnership information**

#### **General Partner**

Carraway Tunbridge Wells General Partner Limited  
Lloyds Chambers  
1 Portsoken Street  
London E1 8HZ

#### **Registered Office**

Lloyds Chambers  
1 Portsoken Street  
London E1 8HZ

#### **Operator**

Hermes Investment Management Limited  
Lloyds Chambers  
1 Portsoken Street  
London E1 8HZ

#### **Bankers**

Royal Bank of Scotland plc  
PO Box 39952  
2 1/2 Devonshire Square  
London EC2M 4XJ

#### **Auditor**

Deloitte LLP  
Chartered Accountants  
London  
United Kingdom

#### **Registered number**

LP7040

## **Carraway Tunbridge Wells Limited Partnership Strategic Report**

The General Partner presents their strategic report for the year ended 30 June 2016.

The Carraway Tunbridge Wells Limited Partnership (the "Partnership") is regulated by the amended and restated limited partnership agreement dated 19 March 2012 (the "Limited Partnership Agreement"), which replaces the original partnership agreement dated 28 July 2000.

Carraway Tunbridge Wells General Partner Limited, acting as General Partner, has a 1.0% interest in the profits and assets of the Partnership. The other limited partners with interests in the Partnership are Carraway Tunbridge Wells Investments Unit Trust, Britel Fund Trustees Limited, Britel Real Estate Investments (Jersey) Limited and Carraway Tunbridge Wells Ventures General Partner Limited.

### **Principal activity and review of the business**

The principal activity of the Partnership is investing in Real Estate and during the period the Partnership continued to own and manage the Royal Victoria Place Centre, Tunbridge Wells. As shown in the profit and loss account, the Partnership recorded an operating profit for the year of £3,509k (2015: £5,417k).

The balance sheet shows that the Partnership has net assets of £93,978k as at 30 June 2016 (as at 30 June 2015: £94,030k). The directors seek to continue to enhance the development of the business during the next period.

### **Principal risks and uncertainties**

The Partnership considers the following to be the principal risks:

- Market risk resulting in unforeseen changes to property values; and
- Credit risk associated with property tenants resulting in a potential loss of rental income.

The business reviews these risks regularly and mitigates them through balanced investment strategies under the direction of property specialists with significant industry experience.

### **Future developments**

The General Partner expects the current level of activity to continue in the forthcoming year.

The Partnership has no employees.

Approved by the General Partner on 29 March 2017 and signed on its behalf:



K Wilman  
Director

For Carraway Tunbridge Wells General Partner Limited

## **Carraway Tunbridge Wells Limited Partnership General Partner's Report**

The general partner of the Partnership (the "General Partner") presents its report and audited financial statements of the Partnership for the year ended 30 June 2016.

### **Principal activities and review of the business**

Details of the principal activity and review of the business can be found in the Strategic Report on page 3.

### **Going Concern**

Considering the net current liability position and the ability of the Partnership to continue as a going concern, the directors of the General Partner consider the cash flows generated by the investment in Royal Victoria Place Centre to be sufficient to meet the Partnership's liabilities when they fall due. Additionally, liabilities recognised under amounts owed to group undertakings bear no interest and there are no reasons to suggest that partner funding would not be forthcoming if required. The directors have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### **The Partners**

Carraway Tunbridge Wells General Partner Limited, acting as General Partner, has a 1.0% interest in the profits and assets of the Partnership. The other limited partners with interests in the Partnership are:

	<b>Capital (£)</b>	<b>Percentage Interest</b>	<b>Capital (£)</b>	<b>Percentage Interest</b>
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>
Carraway Investment Trustee Limited as trustee for the Carraway Tunbridge Wells Investments Units Trust	<b>49,025</b>	<b>49.0%</b>	49,025	49.0%
Britel Fund Trustees Limited as trustee for the BT Pension Scheme	<b>49,500</b>	<b>49.5%</b>	49,500	49.5%
Britel Real Estate Investments (Jersey) Limited	<b>228</b>	<b>0.2%</b>	228	0.2%
Carraway Tunbridge Wells Ventures General Partner Limited	<b>248</b>	<b>0.2%</b>	248	0.2%

Under the terms of the Partnership Agreement, the net income or loss shall be allocated between the partners at each quarter end in the proportion to their percentage interests.

**Carraway Tunbridge Wells Limited Partnership  
General Partner's Report (continued)**

**Results**

The results for the year are set out in the profit and loss account on page 8.

**Duration**

According to the Partnership Agreement, the Partnership will continue in force until terminated where it shall be dissolved upon the occurrence of any of the following events: (a) the partnership ceasing to have any interest in the Property; (b) the General Partner and the Limited Partners agree to the termination; or (c) the Partnership failing to execute the Purchase Agreement within one calendar month of the date of commencement of the Partnership.

**Financial risk management objectives and policies**

The Partnerships' activities expose it to a number of financial risks including market risk, credit risk and liquidity risk.

**Market risk**

Market risk is the risk that market prices of investment properties change. Refer to principal risks and uncertainties for further information.

**Credit risk**

The Partnership's principal financial assets are cash and deposits, debtors and investment properties.

The partnership's credit risk is primarily attributable to its debtors. The amounts presented in the balance sheet are net of allowances for doubtful debts. An allowance for impairment is made when there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows.

The credit risk on cash and deposits is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

**Liquidity risk**

The partnership is financed by Partners' loans and capital. The Partnership maintains sufficient reserves of cash to meet its liquidity requirements at all times.

**Distributions**

The GP recommended a distribution of £3,512k for the year (2015: £5,418k). Of this amount £1,356k is outstanding at year end (2015: £1,392k). Distributions are paid quarterly.

**Events after the Balance Sheet date**

There were no significant events since the balance sheet date.

**Disclosure of Information to Auditor**

Each of the persons who is a director of the General Partner at the date of approval of this report confirms that:

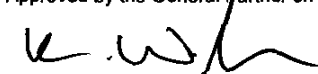
- so far as the director is aware, there is no relevant audit information of which the Partnership's auditor is unaware;  
and
- the director has taken all the steps that he/she ought to have taken as a director of the General Partner in order to make himself/herself aware of any relevant audit information and to establish that the Partnership's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

**Auditor**

Deloitte LLP, registered auditor, is not expected to be reappointed following the current audit cycle. The General Partner / Directors are currently making arrangements to accept the resignation of Deloitte LLP and appoint KPMG LLP.

Approved by the General Partner on 29 March 2017 and signed on its behalf:



K Wilman  
Director

For Carraway Tunbridge Wells General Partner Limited

## **Carraway Tunbridge Wells Limited Partnership**

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

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

Company law as applied to qualifying partnerships by the Partnerships (Accounts) regulations 2008 require the general partner to prepare financial statements for each financial year. Under that law the General Partner has elected to prepare the financial statements for the partnership in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland". Under company law as applied to qualifying partnerships, 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 and loss of the Partnership for that period. In preparing the financial statements, the General Partner is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Partnership will continue in business.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and to enable it ensure that the financial statements comply with the Partnerships (Accounts) Regulation 2008. 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.

## **Carraway Tunbridge Wells Limited Partnership**

### **Independent Auditor's Report to the Partners of Carraway Tunbridge Wells Limited Partnership**

We have audited the financial statements of Carraway Tunbridge Wells Limited Partnership for the year ended 30 June 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Members Interests, the Cash Flow Statement and the related notes 1 to 15. 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 FRS 102 'The Financial Reporting Standard applicable in the UK and

This report is made solely for the exclusive use of the members of the partnership, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the qualifying partnership's 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 qualifying partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of General Partner and auditor**

As explained more fully in the General Partner's Responsibilities Statement, the General Partner is responsible for the preparation of the financial statements and for being satisfied 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 qualifying partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the General Partner; 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 qualifying 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 qualifying partnerships.

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

In our opinion the information given in the General Partner's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to qualifying 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
- certain disclosures of the general partner's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Jennifer Chase, ACA (Senior Statutory Auditor)  
for and on behalf of Deloitte  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

29 March 2017

**Carraway Tunbridge Wells Limited Partnership**  
**Profit and Loss Account**  
**for the year ended 30 June 2016**

	<b>Notes</b>	<b>30 June 2016 £'000</b>	<b>Restated 30 June 2015 £'000</b>
<b>Rental Income</b>	2	6,215	7,992
Net property costs		(2,648)	(2,289)
<b>Gross profit</b>		<u>3,567</u>	<u>5,703</u>
Administrative expenses		(58)	(286)
<b>Operating profit</b>	3	<u>3,509</u>	<u>5,417</u>
Unrealised (loss) / gain on revaluation of investment properties		(163)	7,443
Interest receivable	4	3	1
<b>Profit for the financial year</b>		<u>3,349</u>	<u>12,861</u>

There were no recognised gains and losses for the year/ period other than those included in the profit and loss account, and as a result no Statement of Comprehensive Income has been prepared.

All activities derive from continuing operations.

Notes 1 to 15 form part of these financial statements.



**Carraway Tunbridge Wells Limited Partnership**  
**LP7040**  
**Balance Sheet**  
**as at 30 June 2016**

	Notes	30 June 2016 £'000	Restated 30 June 2015 £'000
<b>Fixed assets</b>			
Investment property	6	102,928	101,997
		<u>102,928</u>	<u>101,997</u>
<b>Current assets</b>			
Stocks			
Debtors			
- due within one year	7	1,085	445
- due after one year	7	708	1,654
Cash at bank and in hand	8	3,021	2,812
		<u>4,814</u>	<u>4,911</u>
<b>Creditors: amounts falling due within one year</b>	9	(13,764)	(12,878)
<b>Net current liabilities</b>		<u>(8,950)</u>	<u>(7,967)</u>
<b>Total assets less current liabilities</b>		<u>93,978</u>	<u>94,030</u>
<b>Net assets</b>		<u>93,978</u>	<u>94,030</u>
<b>Partners' Funds</b>			
Capital and loan accounts	11	96,784	95,362
Current accounts	11	(2,806)	(1,332)
		<u>93,978</u>	<u>94,030</u>

Notes 1 to 15 form part of these financial statements.

The financial statements of Carraway Tunbridge Wells Limited Partnership (registered number LP7040) were approved by the General Partner and authorised for issue on **29** March 2017. They were signed on its behalf by:



K Wilman  
Director  
On behalf of Carraway Tunbridge Wells General Partner Limited

**Carraway Tunbridge Wells Limited Partnership**  
**Statement of changes in members' interests**  
**for the year ended 30 June 2016**

	<b>Capital accounts £'000</b>	<b>Loan accounts £'000</b>	<b>Current accounts £'000</b>	<b>Total £'000</b>
<b>Balance at 1 July 2014</b>	100	95,262	(9,952)	85,410
Profit for the year	-	-	12,861	12,861
Distributions	-	-	(4,241)	(4,241)
<b>Balance at 30 June 2015 as restated</b>	100	95,262	(1,332)	94,030
Additions	-	1,422	-	1,422
Profit for the year	-	-	3,349	3,349
Distributions	-	-	(4,823)	(4,823)
<b>Balance at 30 June 2016</b>	<u>100</u>	<u>96,684</u>	<u>(2,806)</u>	<u>93,978</u>

Notes 1 to 15 form part of these financial statements.

**Carraway Tunbridge Wells Limited Partnership**  
**Cash Flow Statement**  
**for the year ended 30 June 2016**

	Notes	30 June 2016 £'000	30 June 2015 £'000
Cash generated from operations	11a	3,893	4,607
Interest received		<u>3</u>	<u>1</u>
<b>Net Cash generated from operating activities</b>		<u>3,896</u>	<u>4,608</u>
<b>Cash flow from financing activities</b>			
Partners loans advanced		1,422	-
Distribution		<u>(4,015)</u>	<u>(4,220)</u>
<b>Cash flow from investing activities</b>			
Purchase of investment properties		<u>(1,094)</u>	<u>(218)</u>
<b>Increase / Decrease) in cash in the year</b>	11b	<u>209</u>	<u>170</u>
Cash brought forward		2,812	2,642
Movement		<u>209</u>	<u>170</u>
Cash carried forward		<u>3,021</u>	<u>2,812</u>

Notes 1 to 15 form part of these financial statements.

**Carraway Tunbridge Wells Limited Partnership**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2016**

**1 Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently through the current year and prior year.

***Basis of accounts***

Carraway Tunbridge Wells Limited Partnership is a Qualifying Partnership registered in the United Kingdom. The address of the registered office is given on page 1. The nature of the Partnership's operations and its principal activities are set out in the Strategic report on pages 3.

The financial statements have been prepared under Regulation 4 of the Partnerships (Accounts) Regulations 2008 and Companies Act 2006 as applicable to qualifying partnerships.

The financial statements have been prepared under the historical cost convention, modified by the revaluation of investment properties to fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Carraway Tunbridge Wells Limited Partnership is considered to be pounds sterling because that is the currency of the primary economic environment in which the Partnership operates.

***Going concern***

The principal activity of the Partnership is property investment.

The General Partner's forecasts and projections, taking into account possible changes in trading performance and non-cancellable contractual commitments, show that the Partnership has adequate resources to continue in operational existence for the foreseeable future. In preparing these forecasts, the General Partner has taken into account the following key business risks and uncertainties:

- Market risks on demand and supply;
- Yield shift movements;
- Possible failure of tenants and reductions in net rental income; and
- Increased capital expenditure required to maintain the assets.

Having taken into account the risks and uncertainties that exist within the business, the General Partner has concluded that the Partnership has adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, it is appropriate to continue to adopt the going concern basis in preparing these financial statements.

**Carraway Tunbridge Wells Limited Partnership**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2016**

***Statement of compliance***

The financial statements have been prepared under the historical cost convention and in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"). This is the first year that the Limited Partnership has adopted FRS102. The impact of adopting FRS102 is detailed in note 15. The prior year financial statements were restated for material adjustments on adoption of FRS 102 at 1 July 2014.

***Rental income***

Rental income is accounted for on an accruals basis and recognised on a straight-line basis over the term of the lease, net of discounts, VAT and other related taxes. Rental income in respect of rental uplifts on rent reviews is not recognised until settlement occurs.

***Investment properties***

Investment properties are measured at fair value. Investment properties are independently valued each quarter end by CBRE Limited, Chartered Surveyors, on an open market basis. Any surplus or deficit arising is taken to the profit and loss account.

***Financial instruments***

Financial assets and financial liabilities are recognised when the Partnership becomes a party to the contractual provisions of the instrument.

Trade and other debtors are recognised by the Partnership and carried at original invoice amount less an allowance for any uncollectible or impaired amounts.

A provision for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when they are specifically identified. Other debtors are recognised at fair value.

Trade creditors are recognised by the Partnership and carried at original invoice amount. Other creditors are recognised at fair value.

***Taxation***

No taxation is provided as the tax liabilities on the Limited Partnership's profits are a liability of the Partners and not of the Limited Partnership.

***Distributions***

It is the policy of the Partnership to distribute all income net of expenses to the Partners on a quarterly basis. In accordance with FRS 102, distributions have been classified as finance costs within the Cash Flow Statement.

***Cash and deposits***

Cash and deposits includes cash at bank, cash on hand and overnight deposits.

**Carraway Tunbridge Wells Limited Partnership**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2016**

**1 Accounting policies (Continued)**

**Leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

**Purchases and sales**

Property purchases are accounted for on exchange of unconditional contracts, otherwise on completion. Sales are accounted for on completion.

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

In the application of the Partnership's accounting policies, which are described in note 1, the General Partner is required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the General Partner has made in the process of applying the Partnership's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

**Valuation of investment property**

Investment property is carried at fair value, determined by market values in accordance with valuations carried out by independent valuers. Valuations are based on a number of key assumptions including an estimate of future rental income and an appropriate discount rate.

**2 Rental Income**

The rental income and profit are derived from continuing operations in the United Kingdom and are attributable to one activity, the ownership of investment properties.

**3 Operating profit**

	2016 £'000	2015 £'000
This is stated after charging:		
Auditor's remuneration for audit services - statutory	22	22
Auditor's remuneration for audit services - non statutory	4	4
	<u>26</u>	<u>26</u>

The auditor's remuneration for statutory audit services includes:

- £4,000 (2015 - £4,000) for the audit of Carraway Tunbridge Wells General Partner Limited.

-£3,000 (2015 - £3,000) for the audit of Carraway Tunbridge Wells Ventures General Partner Limited.

The Partnership had no employees during the year (year ended 30 June 2015 - none).

**Carraway Tunbridge Wells Limited Partnership**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2016**

**4 Interest receivable**

	2016 £'000	2015 £'000
Bank interest receivable	<u>3</u>	<u>1</u>

**5 Distributions to partners**

	2016 £'000	2015 £'000
Distributable Profit for the financial year	3,512	5,418
Distributions paid to partners	(3,465)	(2,849)
Distributions payable to partners	<u>(1,358)</u>	<u>(1,392)</u>
	<u>(1,311)</u>	<u>1,177</u>

**6 Investment properties**

	Freehold investment properties £'000
<b>Valuation:</b>	
At 1 July 2015 ( <i>Restated</i> )	101,997
Additions	1,094
Revaluation loss	<u>(163)</u>
At 30 June 2016	102,928
Lease incentives included in note 7	<u>822</u>
Property valuation at 30 June 2016	<u>103,750</u>
<b>Historical cost</b>	
At 30 June 2016	<u>105,737</u>
At 30 June 2015	<u>104,643</u>

The Partnership's investment properties as at 30 June 2016 were valued by CBRE Limited, qualified valuers, on a market basis at £103,750,000. The valuations were carried out in accordance with the RICS Valuation Red Book. CBRE Limited have recent experience in the location and class of the investment property being valued.

Following the Referendum held on 23 June 2016 concerning the UK's membership of the EU, a decision was taken to exit. There is still a shortage of comparable evidence of arm's length transactions since the Referendum. This has led the valuers to issue a notice of uncertainty to the valuation, due to the increase in degree of judgement regarding the valuation. The valuations will be kept under regular review.

**Carraway Tunbridge Wells Limited Partnership**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2016**

**7 Debtors**

<i>Amounts falling due within one year</i>	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Trade Debtors	754	385
Amounts due from group undertakings	-	11
Other debtors	217	-
Lease incentives	114	49
	<u>1,085</u>	<u>445</u>
<i>Amounts falling due after one year</i>		
Lease incentives	708	1,654
	<u>708</u>	<u>1,654</u>

Amounts due from group undertakings are non-interest bearing and repayable on demand.

Debtors are initially recognised at cost and the carrying value is considered to be the same as fair value.

<b>8 Cash at bank and in hand</b>	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand	<u>3,021</u>	<u>2,812</u>

Included within the cash at bank is restricted cash of £1,386,209 (2015: £741,899) which relates to service charges, insurance and tenant deposits.

<b>9 Creditors: amounts falling due within one year</b>	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	279	117
Amounts due to group undertakings	10,639	9,851
Other taxes and social security costs	297	457
Accruals and deferred income	2,549	2,453
	<u>13,764</u>	<u>12,878</u>

Amounts due to group undertakings are non-interest bearing and repayable on demand.

Creditors are initially recognised at cost and the carrying value is considered to be the same as fair value.

**10 Future Minimum Lease Payments**

At the balance sheet date the Partnership had the following future minimum lease rental income receivable under non-cancellable operating leases for each of the following periods.

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Not later than one year	1,157,940	3,264,265
Later than one year and not later than five years	8,934,464	10,646,646
Later than five years	10,583,822	10,498,489
	<u>20,676,226</u>	<u>24,409,400</u>

There are no significant leasing arrangements.



**Carraway Tunbridge Wells Limited Partnership**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2016**

**11 Partners' accounts**

	Carraway Tunbridge Wells General Partner Limited £'000	Britel Fund Trustees Limited £'000	Carraway Investment Trustee Limited £'000	Britel Real Estate Investments (Jersey) Limited £'000	Carraway Tunbridge Wells Ventures General Partner Limited £'000	Total £'000
<b>Capital accounts %</b>	1%	49.50%	49.025%	0.228%	0.248%	1.0
<b>Capital accounts</b>						
At 1 July 2015	1	49.5	49.025	0.228	0.248	100
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 30 June 2016	1	49.5	49.025	0.228	0.248	100
<b>Loan accounts</b>						
At 1 July 2015	-	47,631	47,174	219	238	95,262
Advanced during the year	-	711	704	3	4	1,422
Withdrawn during the year	-	-	-	-	-	-
At 30 June 2016	-	47,631	47,174	219	238	96,684
<b>Current accounts</b>						
At 1 July 2015	(13)	(659)	(653)	(3)	(3)	(1,332)
Profit for the year	33	1,658	1,642	8	8	3,349
Distribution paid	-	(1,737)	(1,720)	(8)	-	(3,465)
Distribution payable	(14)	(672)	(666)	(3)	(3)	(1,358)
At 30 June 2016	6	(1,410)	(1,397)	(6)	2	(2,806)
<b>Total Partners' accounts</b>						<b>93,978</b>

**Carraway Tunbridge Wells Limited Partnership**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2016**

**12 Notes to the Cash Flow Statement**

(a) Reconciliation of operating profit to net cash inflow from operating activities:

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Operating Profit	3,509	5,417
Decrease / (increase) in debtors	307	(98)
Increase / (Decrease) in creditors	77	(712)
Cash generated from operations	<u>3,893</u>	<u>4,607</u>

(b) Analysis of changes in net funds:

	<b>At 1 July</b>	<b>Cash flow</b>	<b>At 30 June</b>
	<b>2015</b>	<b>2016</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash at Bank	<u>2,812</u>	<u>209</u>	<u>3,021</u>

**13 Related parties**

The General Partner of the Partnership is Carraway Tunbridge Wells General Partner Limited and its limited partners are Britel Fund Trustees Limited, Carraway Investment Trustee Limited, Britel Real Estate Investments (Jersey) Limited and Carraway Tunbridge Wells Ventures General Partner Limited.

During the year under review the partnership paid distributions relating to the current year's profits of £3,465,000 (2015: £2,849,000). Of this amount £1,737,000 (2015: £1,113,000 ) was paid to Britel Fund Trustees Limited, £1,720,000 (2015: £1,728,000 ) to Carraway Investment Trustee Limited and £8,000 (2015: £8,000) to Britel Real Estate Investments (Jersey) Limited.

At the year end, included within amounts due to group undertakings in note 9, the Partnership has a distribution payable of £2,478,000 (2015: £1,392,000) representing distributions due to Carraway Tunbridge Wells General Partner Limited, Britel Fund Trustees Limited, Carraway Investment Trustee Limited, Britel Real Estate Investments (Jersey) Limited and Carraway Tunbridge Wells Ventures General Partner Limited.

At the year end Carraway Tunbridge Wells Limited Partnership had intercompany receivables of £11,000 (2015: £9,000) due from Carraway Tunbridge Wells Ventures General Partner Limited and intercompany payables of £13,000 (2015: £23,000) and £8,159,000 (2015: £8,159,000) due to Carraway Tunbridge Wells General Partner Limited and Carraway Belfast Limited Partnership respectively.

**14 Controlling party**

Carraway Tunbridge Wells General Partner Limited is the General Partner and immediate controlling party of the Partnership and Carraway Tunbridge Wells Ventures Trustee Limited, Britel Fund Trustees Limited, Britel Real Estate Investments (Jersey) Limited and Carraway Tunbridge Wells Ventures General Partners Limited are the Limited Partners.

The ultimate controlling party and parent of the smallest and largest group into which the Partnership is consolidated is the BT Pension Scheme.

The address of the BT Pension Scheme is: Lloyds Chambers, 1 Portsoken Street, London, E1 8HZ.

**Carraway Tunbridge Wells Limited Partnership**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2016**

**15 Explanation of the transition to FRS 102**

This is the first year that the Partnership has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 30 June 2015; however the date of transition to FRS 102 was 01 July 2014. The impact on the financial statements of adopting FRS 102 is as follows:

The unrealised gain on revaluation of investment property is reflected in the profit and loss account. This was previously included in the statement of total recognised gains and losses.

Lease incentives on operating leases are recognised on a straight line basis over the term of the lease. These were previously recognised on a straight line basis over the term of the lease or the period to the next rent review date if shorter.

**Reconciliation of partnership funds for the year ended 30 June 2015**

Partnership funds at 30 June 2015 under previous UK GAAP	94,030
Adjustment to investment property	(1,313)
Adjustment to lease incentives	1,313
Partnership funds at 30 June 2015 under FRS 102	<u>94,030</u>

**Reconciliation of profit for the year ended 30 June 2015**

Profit for the period under previous UK GAAP	4,241
Unrealised gain on the revaluation of investment property	7,443
Lease incentive adjustment	1,177
Profit for the period under FRS 102	<u>12,861</u>