

NPS 40 GPL Limited
Company Registration Number 04053613

Annual Report and Audited Consolidated Financial Statements
For the year ended 31 December 2013

THURSDAY



A11 "A430CMSO" #126
12/03/2015
COMPANIES HOUSE

193.15 100 F&S

NPS 40 GPL Limited

STRATEGIC REPORT

The directors present their Strategic Report of NPS 40 GPL Limited ("the Group") for the year ended 31 December 2013

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Group during the year was that of property investment in the United Kingdom

On 21 December 2012, 100% of the issued share capital of the Company was acquired by NPS Real Estate Projects, L P from Grosvenor London Office Fund, L P for the gross consideration of £110.1 million. The acquirer, acting through its subsidiary company NPS (40 GP) Limited, now controls 100% of the leasehold interest in the property 40 Grosvenor Place, London SW1

On 8 May 2013 in accordance with the Limited Partnership Deed (relating to NPS 40 GP Limited Partnership ("Limited Partnership")) the Limited Partnership was wound up following the transfer of the property known as 40 Grosvenor Place in full settlement of the intercompany balance due to NPS Victoria Investments (London) Limited

On 1 July 2014, the Group transferred its 150 year leasehold interest in 40 Grosvenor Place, London SW1 to NPS (40 GP) Limited, a company registered in Jersey and the Group's immediate parent company. The consideration paid by the purchaser was £105,000,000

KEY PERFORMANCE INDICATORS

The Group focuses on profit before tax, excluding profits on disposal of investment properties, and the value of its investments as key performance measures. The objective is to grow profit before tax, in order to maximise cash returns to the shareholders

In 2013, profit before tax increased by £548,000 to £2,344,000

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Group arise from the performance of its investments in property. The risk is two-fold:

- Demand from occupiers, supply of properties for rent, and tenant default will affect the ability of the Group to return cash to shareholders, and
- Demand from investors for property assets will affect the valuation of investment properties

GOING CONCERN

The Group is financed by equity and loans from its shareholder

Following the transfer of the leasehold interest in 40 Grosvenor Place, as disclosed in note 17, the directors have, at the time of approving the financial statements, a reasonable expectation that a members' voluntary liquidation will be initiated in the near future and before the end of 2015. As a result, the financial statements are prepared on a basis other than going concern

Signed on behalf of the directors



A T J Moll
Director

NPS 40 GPL Limited

DIRECTORS' REPORT

The directors present their annual report and the audited consolidated financial statements for the year ended 31 December 2013

RESULTS AND DIVIDENDS

The results of the Group for the year are shown on page 6 Profit on ordinary activities after taxation was £1,811,000 (2012 £3,090,000)

The directors have not recommended payment of a dividend for the year ending 31 December 2013 (2012 £32,000)

The balance sheet on page 8 shows that the Group's net assets decreased from £46,961,000 to £46,772,000 during the year

Other than disclosed in note 17, there have been no significant events since the balance sheet date

DIRECTORS

The directors who held office throughout the year and to the date of issue of these financial statements were

- I E Baker (appointed 21 December 2012)
- M F Harnetty (appointed 21 December 2012)
- A T J Moll (appointed 21 December 2012)
- N J Solt (resigned 31 October 2014)

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 the group and of the profit or loss of the group 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 estimates that are reasonable and prudent,
- state whether applicable United Kingdom accounting standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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

NPS 40 GPL Limited

DIRECTORS' REPORT (CONTINUED)

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 directors are aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all reasonable steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

This information is given in accordance with S 418 of the Companies Act 2006

AUDITOR

Deloitte LLP has indicated its willingness to be reappointed for another term and is deemed to be reappointed accordingly in the absence of an Annual General Meeting

Signed on behalf of the directors



A T J Moll
Director

NPS 40 GPL Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NPS 40 GPL LIMITED FOR THE YEAR ENDED 31 DECEMBER 2013

We have audited the consolidated financial statements of NPS 40 GPL Limited for the year ended 31 December 2013 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 consolidated 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 consolidated 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 consolidated financial statements

An audit involves obtaining evidence about the amounts and disclosures in the consolidated financial statements sufficient to give reasonable assurance that the consolidated financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and 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 consolidated financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited consolidated 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 consolidated financial statements

In our opinion the consolidated financial statements

- give a true and fair view of the state of the group's and company's affairs as at 31 December 2013 and of the group's 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

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Opinion on other matter prescribed by the Companies Act 2006

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

NPS 40 GPL Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NPS 40 GPL LIMITED FOR THE YEAR ENDED 31 DECEMBER 2013 (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 consolidated 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



Andrew Isham, BA, FCA
for and behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Jersey

9 March 2015

NPS 40 GPL Limited

Consolidated Profit and Loss Account For the year ended 31 December 2013

	Notes	Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
Turnover		16,351	15,215
Direct Costs		(10,610)	(9,795)
Gross Profit		5,741	5,420
Dividend income		-	153
Other operating expenses		(982)	(483)
Operating profit	2	4,759	5,090
Net interest payable	4	(2,415)	(3,294)
Profit on ordinary activities before taxation		2,344	1,796
Taxation	5	(533)	(271)
Deferred taxation	12	-	1,565
Profit on ordinary activities after taxation		1,811	3,090
Dividend		-	(32)
Retained profit for the financial year		1,811	3,058

All the items dealt with in arriving at profit on ordinary activities relate to continuing activities

The notes on pages 11 to 17 form part of these consolidated financial statements

NPS 40 GPL Limited

Consolidated Statement of Total Recognised Gains and Losses For the year ended 31 December 2013

	Notes	Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
Reported profit for the financial year		1,811	3,058
Unrealised (loss) / gain on revaluation of investment property	6	(2,000)	754
		-	
Total recognised (loss) / gain in the year		(189)	3,812

The notes on pages 11 to 17 form part of these consolidated financial statements

NPS 40 GPL Limited

Consolidated Balance Sheet as at 31 December 2013

	Notes	31 December 2013		31 December 2012	
		£000	£000	£000	£000
Fixed assets					
Investment properties	6		105,000		107,000
Current assets					
Debtors	8	11,074		874	
Cash at bank and in hand	9	<u>3,145</u>		<u>4,214</u>	
		14,219		5,088	
Creditors: amounts falling due within one year	10	<u>(11,217)</u>		<u>(4,279)</u>	
Net current assets			<u>3,002</u>		<u>809</u>
Creditors: amounts falling due after more than one year	11		(61,230)		(60,848)
Net assets			<u>46,772</u>		<u>46,961</u>
Capital and reserves					
Called up share capital	13		6,520		6,520
Profit and loss reserve	14		1,001		(810)
Revaluation reserve	14		<u>39,251</u>		<u>41,251</u>
Shareholders' funds			<u>46,772</u>		<u>46,961</u>

The accounts on pages 6 to 17 were approved by the board of directors on 9 March 2015 and were signed on its behalf by

Felix Reale

Director

The notes on pages 11 to 17 form part of these consolidated financial statements

NPS 40 GPL Limited

Company Balance Sheet as at 31 December 2013

	Notes	31 December 2013 £000	£000	31 December 2012 £000	£000
Fixed assets					
Investments	7		42,276		42,276
Current assets					
Debtors		2,806		-	
Cash at bank and in hand		<u>1,132</u>		<u>14</u>	
		3,938		14	
Creditors: amounts falling due within one year	10	<u>(13,680)</u>		<u>(7,184)</u>	
Net current liabilities			<u>(9,742)</u>		<u>(7,170)</u>
Creditors: amounts falling due after more than one year	11		(61,230)		(60,848)
Deferred taxation	12		-		(4)
Net assets			<u>(28,696)</u>		<u>(25,746)</u>
Capital and reserves					
Called up share capital	13		6,520		6,520
Profit and loss reserve	14		<u>(35,216)</u>		<u>(32,266)</u>
Shareholders' funds			<u>(28,696)</u>		<u>(25,746)</u>

The accounts on pages 6 to 17 were approved by the board of directors on 9 March 2015 and were signed on its behalf by

John Rees

Director

The notes on pages 11 to 17 form part of these consolidated financial statements

NPS 40 GPL Limited

Consolidated cash flow statement For the year ended 31 December 2013

	31 December 2013 £000	31 December 2012 £000	
Net cash inflow from operating activities	1,566	5,745	
Returns on investments and servicing of finance			
Interest paid	(2,424)	(3,300)	
Interest received	9	9	
Cash (outflow) / inflow before financing	(849)	2,454	
Financing			
Increase/(decrease) in debt	382	(1,891)	
Dividends paid	-	(10)	
Tax paid	(602)	-	
(Decrease) / increase in cash for the year	(1,069)	553	
Reconciliation of net cash flow to movement in net debt			
	31 December 2013 £000	31 December 2012 £000	
(Decrease) / increase in cash in the year	(1,069)	553	
(Increase) / decrease in debt due after 1 year	(382)	1,595	
	(1,451)	2,148	
Net debt at 1 January	(56,634)	(58,782)	
Net debt at 31 December	(58,085)	(56,634)	
Reconciliation of operating profit to net cash inflow from operating activities			
	31 December 2013 £000	31 December 2012 £000	
Operating profit	4,759	5,090	
Increase in debtors	(10,200)	(93)	
Increase in creditors	7,007	748	
Net cash (outflow) / inflow from operating activities	1,566	5,745	
Analysis of changes in net debt	At 1 January 2013 £000	Cash flows £000	At 31 December 2013 £000
<u>Net cash</u>			
Cash in hand and at bank	4,214	(1,069)	3,145
<u>Debt</u>			
Debt due after 1 year	(60,976)	(538)	(61,514)
Loan set up costs	128	156	284
Debt	(60,848)	(382)	(61,230)
Net debt	(56,634)	(1,451)	(58,085)

The notes on pages 11 to 17 form part of these consolidated financial statements

NPS 40 GPL Limited

Notes to the consolidated financial statements For the year ended 31 December 2013

1. Accounting policies

(a) Basis of accounting

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, and in accordance with UK law and accounting standards. The accounting policies adopted have been applied consistently throughout the current and preceding year.

As permitted by Section 408 of the Companies Act 2006 the Company has elected not to present its own profit and loss account for the year. The Company reported a loss for the year ended 31 December 2013 of £2,950,000 (2012: £2,984,000).

(b) Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December each year. The consolidation is based on uniform accounting policies across the group companies and the elimination of intra-group transactions. The results of the subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

(c) Going concern

The Group financial statements are prepared on a basis other than going concern because following the transfer of the leasehold interest in 40 Grosvenor Place (see note 17), the directors have at the time of approving the financial statements, a reasonable expectation that a members' voluntary liquidation will be initiated in the near future and before the end of 2015.

(d) Turnover

Turnover comprises gross income net of VAT including rents receivable and service charges. Lease incentives and initial costs to arrange leases are amortised on a straight-line basis over the shorter of the lease term and the period until a review date on which the rent is first adjusted to the prevailing market rate.

(e) Depreciation

In accordance with SSAP19 (Revised) "Accounting for Investment Properties" no depreciation is provided on freehold or on leasehold properties with an unexpired term exceeding twenty years. The directors consider that this departure from the requirement of the Companies Act 2006 for all properties to be depreciated is necessary for the financial statements to show a true and fair view, since depreciation is reflected in the open market value and cannot be quantified separately. Depreciation is provided on short leasehold properties with twenty years or less unexpired over the period of the lease.

(f) Investment properties

Investment properties are valued annually at market value by independent valuers. Any surplus or deficit on revaluation is transferred to the revaluation reserve, except that if a permanent impairment in value below original cost arises it is taken to the profit and loss account. The cost of major improvements, including attributable interest paid, where such interest is reflected in the carrying value of the property, is added to the cost. Net profits and losses on the disposal of investment properties are recognised on unconditional exchange of contracts and are calculated by reference to book value and are included in the profit and loss account.

(g) Investments

Investments held as fixed assets are included in the balance sheet at the lower of cost and net realisable value.

(h) Taxation

Current tax, including UK corporation tax and foreign 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.

NPS 40 GPL Limited

Notes to the consolidated financial statements (continued) For the year ended 31 December 2013

1. Accounting policies (continued)

(i) Deferred Taxation

Deferred tax is provided in full respect of timing differences between the recognition of income and expenditure for accounting and taxation purposes. Deferred taxation is not provided in respect of unrealised valuation surpluses where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

(j) Borrowings

Interest-bearing intercompany loans and overdrafts are recorded as the proceeds received, net of direct issue costs. Borrowing costs are recognised in the profit and loss account in the period to which they relate. Direct issue costs are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

2 Operating profit

	Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
Operating profit for the period is stated after charging		
Ground rent	6,552	6,123
Asset advisory fee	-	312
Fees payable to the company's auditors for the audit of the Group and subsidiary undertakings' annual accounts	17	16

Fees payable to the company's auditor for the audit of the annual accounts of the subsidiaries of NPS 40 GPL Limited for the year ending 31 December 2013 are £17,000 (2012: £16,000).

3. Particulars of employees

No fees or other emoluments were paid to the directors of the Group or company during either the current or the preceding year in respect of their services to the Group or company. Until 21 December 2012, the directors were paid by Grosvenor Estate Management Limited. Subsequently the directors received no emoluments. There were no employees of the Group or company for the current or preceding year.

4. Net interest payable

On 7 January 2013, the Group, via its immediate parent company NPS (40GP) Limited, entered into a £105,000,000 loan agreement with Deutsche Hypothekbank (Actien-Gesellschaft), London branch relating to the financing of 40 Grosvenor Place, London SW1 (see note 11). The loan bears interest at a rate of ISDAFIX GBP for a 6 monthly reference period, plus a margin of 2.85%. The facility was utilised in full on 16 January 2013.

	Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
Interest payable on external debt	2,424	3,300
Interest receivable	(9)	(6)
Net interest payable	2,415	3,294

NPS 40 GPL Limited

Notes to the consolidated financial statements (continued) For the year ended 31 December 2013

5. Tax on ordinary activities

	Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
Current tax		
UK corporation tax based on results for the year	533	271
Total current tax	533	271
Deferred tax charge (Note 12)	-	(1,565)
Tax on profit on ordinary activities	533	(1,294)

Tax on profit on ordinary activities

	Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
Profit on ordinary activities before tax	2,344	1,796
Profit on ordinary activities multiplied by standard rate of tax 23 25% (2012 24 5%)	545	441
<i>Tax effects of</i>		
Expenses not deductible for tax	-	-
Other tax adjustments	(10)	(170)
Tax on profit on ordinary activities	533	271

6 Investment properties

	Long Leasehold £000
Group	
Cost or valuation At 1 January 2013	107,000
Revaluation of investment property	(2,000)
Net book value at 31 December 2013	105,000
Net book value at 31 December 2012	107,000

NPS 40 GPL Limited

Notes to the consolidated financial statements (continued) For the year ended 31 December 2013

6. Investment properties (continued)

All properties were valued as at 31 December 2013 by qualified professional valuers working for the company of Knight Frank LLP, acting in the capacity of Independent Valuers. All such valuers are Chartered Surveyors, being members of the Royal Institution of Chartered Surveyors (RICS).

All the properties were valued on the basis of Market Value. All current year valuations were carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Standards, Global & UK, 7th edition.

The directors have used this valuation in the preparation of these accounts.

The historical cost of investment properties at 31 December 2013 and 31 December 2012 was £65.7 million.

The taxation on capital gains which would be payable on the surplus arising on the revaluation of properties held by its limited partnership investments in the event of their sale at valuation, is estimated to be approximately £11.8m (2012: £11.8m).

7. Investments

	31 December 2013 £000
Company Cost	
At 1 January 2013 and 31 December 2013	<u>42,276</u>

The above represents the investments in NPS Victoria Investments (London) Limited.

Principal Group Investments

Until 8 May 2013 the parent company and the Group had investments in the following subsidiary undertakings which principally affected the profits or net assets of the Group.

Subsidiary undertaking	Country of incorporation	Principal activity	Holding	%
NPS Victoria Investments (London) Limited	United Kingdom	Property investment	Shares	100
NPS 40 GP Unit Trust	Jersey	Property investment	Units	100
NPS 40 GP Limited Partnership	United Kingdom	Property investment	Partner Capital	99.8

On 8 May 2013 in accordance with the Limited Partnership Deed (relating to NPS 40 GP Limited Partnership ("Limited Partnership")) the Limited Partnership and NPS 40 Unit Trust were wound up following the transfer of the property known as 40 Grosvenor Place in full settlement of the intercompany balance due to NPS Victoria Investments (London) Limited. The parent company and the Group, therefore, had a 100% holding in NPS Victoria Investments (London) Limited only.

8. Debtors

	31 December 2013 £000	31 December 2012 £000
Group		
Trade debtors	256	147
Other debtors	422	441
Amounts owed by group undertakings	6,477	-
Prepayments	2,394	46
Accrued income	<u>1,525</u>	<u>240</u>
	<u>11,074</u>	<u>874</u>

All amounts due from group undertakings, as disclosed in Note 15, are interest free and repayable on demand.

NPS 40 GPL Limited

Notes to the consolidated financial statements (continued) For the year ended 31 December 2013

9. Cash at bank and in hand

Included within cash is £413,000 of restricted cash (2012 £487,000)

10. Creditors, amounts falling due within one year

	31 December 2013 £000	31 December 2012 £000
Group		
Trade creditors	-	72
Other creditors	27	503
Corporation tax liability	193	262
VAT payable	140	-
Accruals	7,124	277
Interest payable	493	-
Deferred income	3,240	3,165
	<u>11,217</u>	<u>4,279</u>

Company

Amounts owed to group undertakings	13,165	7,176
Accruals	515	8
	<u>13,680</u>	<u>7,184</u>

11. Creditors: amounts falling due after one year

Group

Amounts owed to group undertakings	-	60,848
Bank loan (note 4)	61,230	-
	<u>61,230</u>	<u>60,848</u>

Company

Bank loan (note 4)	61,230	60,848
	<u>61,230</u>	<u>60,848</u>

No unamortised finance costs are included in the loan balance

12. Deferred taxation

Group

The movement in the deferred taxation provision during the year was

Provision brought forward	-	1,565
Profit and loss account movement during the year	-	(1,565)
Provision carried forward	<u>-</u>	<u>-</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

NPS 40 GPL Limited

Notes to the consolidated financial statements (continued) For the year ended 31 December 2013

12. Deferred taxation (continued)

Company	2013 £000	2012 £000
The movement in the deferred taxation provision during the year was		
Provision brought forward	4	4
Profit and loss account movement during the year	(4)	-
Provision carried forward	<u>-</u>	<u>4</u>

13. Called up share capital

Group		
Authorised share capital	2013 £000	2012 £000
6,520,100 Ordinary shares of £1 each	6,520	6,520
Company		
Allotted, called up and fully paid	2013 £000	2012 £000
6,520,100 Ordinary shares of £1 each	<u>6,520</u>	<u>6,520</u>

14. Reserves

Group	Share Capital £000	Revaluation reserve £000	Retained earnings £000	Total £000
Balance at 1 January 2013	6,520	41,251	(810)	46,961
Profit for the year	-	-	1,811	1,811
Revaluation of investment properties	-	(2,000)	-	(2,000)
Balance at 31 December 2013	<u>6,520</u>	<u>39,251</u>	<u>1,001</u>	<u>46,772</u>
Company	Share Capital £000	Revaluation reserve £000	Retained earnings £000	Total £000
Balance at 1 January 2013	6,520	-	(32,266)	(25,746)
Loss for the year	-	-	(2,950)	(2,950)
Balance at 31 December 2013	<u>6,520</u>	<u>-</u>	<u>(35,216)</u>	<u>(28,696)</u>

NPS 40 GPL Limited

Notes to the consolidated financial statements (continued) **For the year ended 31 December 2013**

15. Related Party transactions

As at 31 December 2013 the amounts due from group undertakings comprised £4,564,000 due from NPS (40GP) Limited, the Group and Company's immediate parent company, and £1,913,000 from NPS (Jersey) Limited, the immediate parent company of NPS (40GP) Limited. All amounts are interest free and repayable on demand.

During the year, a management fee of £219,090 was payable to NPS (40GP) Limited, all of which remained outstanding at 31 December 2013.

In 2012 a management fee of £312,000 was paid to Grosvenor Investment Management Limited, a fellow Subsidiary undertaking of Grosvenor Management Limited, which, until 20 December 2012 was the general partner of the group's ultimate parent, Grosvenor London Office Fund. An amount of £72,000 was unpaid as at 31 December 2012.

16. Ultimate parent undertaking

In the opinion of the directors, the ultimate parent undertaking and controlling entity of the Group and company is NPS Real Estate Projects Limited Partnership, a partnership established and registered in England and Wales under the Limited Partnership Act 1907.

The ultimate parent undertaking heads the largest and smallest group of undertakings of which the group and company is a member.

17. Subsequent events

On 1 July 2014, the Group transferred its 150 year leasehold interest in 40 Grosvenor Place, London SW1 to NPS (40 GP) Limited, a company registered in Jersey and the Group's immediate parent company. The consideration paid by the purchaser was £105,000,000.