

Registered number: 04053613 (England and Wales)

NPS 40 GPL LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014



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NPS 40 GPL LIMITED

COMPANY INFORMATION

DIRECTORS	I E Baker M F Harnetty A T J Moll N J Solt (resigned 31 October 2014)
REGISTERED NUMBER	04053613 (England and Wales)
REGISTERED OFFICE	166 Sloane Street London SW1X 9QF
ACCOUNTANTS	Moore Stephens First Island House Peter Street St Helier Jersey JE4 8SG

NPS 40 GPL LIMITED

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NPS 40 GPL LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

The directors present their report and the unaudited financial statements for the year ended 31 December 2014

DIRECTORS

The directors who served during the year were


I E Baker
M F Harnetty
A T J Moll
N J Solt (resigned 31 October 2014)

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 9, 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.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf


.....
A T J Moll
Director

Date: 29/09/15

NPS 40 GPL LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 £	2013 £
TURNOVER	1	8,424,377	16,350,480
Cost of sales		(5,866,610)	(7,696,073)
GROSS PROFIT		2,557,767	8,654,407
Administrative expenses		(317,322)	(3,894,897)
OPERATING PROFIT	2	2,240,445	4,759,510
EXCEPTIONAL ITEMS	4		
Net profit on sale of tangible fixed assets		39,251,536	-
Provision for impairment in value of subsidiary	7	(42,275,837)	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		(783,856)	4,759,510
Interest receivable and similar income		4,793	8,634
Interest payable and similar charges	3	(1,402,857)	(2,423,749)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,181,920)	2,344,395
Tax on (loss)/profit on ordinary activities	5	(882,115)	(533,113)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	12	(3,064,035)	1,811,282

The notes on pages 8 to 14 form part of these financial statements

NPS 40 GPL LIMITED

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014 £	2013 £
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(3,064,035)	1,811,282
Unrealised deficit on revaluation of investment properties	(2,000,000)	(2,000,000)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	(5,064,035)	(188,718)

The notes on pages 8 to 14 form part of these financial statements

NPS 40 GPL LIMITED
REGISTERED NUMBER: 04053613 (ENGLAND AND WALES)

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2014

	Notes	£	2014 £	2013 £
FIXED ASSETS				
Investment property	6		-	105,000,000
CURRENT ASSETS				
Debtors	8	5,415,025	11,073,565	
Cash at bank		91,435	3,145,515	
		<u>5,506,460</u>	<u>14,219,080</u>	
CREDITORS: amounts falling due within one year	9	<u>(60,504,984)</u>	<u>(11,216,378)</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(54,998,524)</u>	<u>3,002,702</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(54,998,524)</u>	<u>108,002,702</u>
CREDITORS: amounts falling due after more than one year	10		-	(61,230,423)
NET (LIABILITIES)/ASSETS			<u>(54,998,524)</u>	<u>46,772,279</u>
CAPITAL AND RESERVES				
Called up share capital	11	6,520,100		6,520,100
Revaluation reserve	12	(59,455,323)		39,251,445
Profit and loss account	12	(2,063,301)		1,000,734
SHAREHOLDERS' (DEFICIT)/FUNDS			<u>(54,998,524)</u>	<u>46,772,279</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing unaudited financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2014 and of its loss for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to unaudited financial statements, so far as applicable to the company

The unaudited financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

NPS 40 GPL LIMITED

CONSOLIDATED BALANCE SHEET (continued)
AS AT 31 DECEMBER 2014

The unaudited financial statements were approved and authorised for issue by the board and were signed on its behalf by

.....*A T J Moll*.....
A T J Moll
Director

Date: 29/09/15

The notes on pages 8 to 14 form part of these financial statements

NPS 40 GPL LIMITED
REGISTERED NUMBER: 04053613 (ENGLAND AND WALES)

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2014

	Notes	£	2014 £	£	2013 £
FIXED ASSETS					
Investments	7		-		42,275,837
CURRENT ASSETS					
Debtors	8	5,364,117		2,806,082	
Cash at bank		91,435		1,132,482	
		<u>5,455,552</u>		<u>3,938,564</u>	
CREDITORS: amounts falling due within one year	9	<u>(60,490,988)</u>		<u>(13,679,101)</u>	
NET CURRENT LIABILITIES			<u>(55,035,436)</u>		<u>(9,740,537)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(55,035,436)</u>		<u>32,535,300</u>
CREDITORS: amounts falling due after more than one year	10		-		(61,230,423)
NET LIABILITIES			<u>(55,035,436)</u>		<u>(28,695,123)</u>
CAPITAL AND RESERVES					
Called up share capital	11	6,520,100			6,520,100
Profit and loss account	12	<u>(61,555,536)</u>			<u>(35,215,223)</u>
SHAREHOLDERS' DEFICIT			<u>(55,035,436)</u>		<u>(28,695,123)</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act

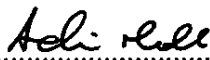
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing unaudited financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2014 and of its loss for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to the unaudited financial statements, so far as applicable to the company

The unaudited financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

NPS 40 GPL LIMITED

COMPANY BALANCE SHEET (continued)
AS AT 31 DECEMBER 2014

The unaudited financial statements were approved and authorised for issue by the board and were signed on its behalf by


.....
A T J Moll
Director

Date: 29/09/15

The notes on pages 8 to 14 form part of these financial statements

NPS 40 GPL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 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 (note 9), 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.

1.3 Basis of consolidation

The financial statements consolidate the accounts of NPS 40 GPL Limited and all of its subsidiary undertakings ('subsidiaries')

The company has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Profit and loss account

The profit and loss account for the year dealt with in the accounts of the company was a loss of £26,340,312 (2013 loss of £2,950,000)

1.4 Turnover

Turnover comprises gross income net of Value Added Tax and trade discounts 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

1.5 Investments

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

1.6 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

NPS 40 GPL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 ACCOUNTING POLICIES (continued)

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.8 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

1.9 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

2. OPERATING PROFIT

During the year, no director received any emoluments (2013 - £NIL)

Fees payable to the company's auditor for the audit of the annual accounts for the year ending 31 December 2014 are £nil (2013 £17,000)

3. INTEREST PAYABLE

	2014 £	2013 £
Interest payable on external debt	<u>1,402,857</u>	<u>2,423,749</u>

On 7 January 2013, the Group, via its immediate parent company NPS (40 GP) Limited, entered into a £105,000,000 loan agreement with Deutsche Hypothekenbank (Actien-Gesellschaft), London branch relating to the financing of 40 Grosvenor Place, London SW1 (note 9). 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

NPS 40 GPL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

4. EXCEPTIONAL ITEMS

	2014 £	2013 £
Profit on sale of investment properties	(39,251,536)	-
Provision for impairment in value of subsidiary (note 7)	42,275,837	-
	<u>3,024,301</u>	<u>-</u>

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, which recognised a profit of £39,251,536

On 3 December 2014 NPS Victoria Investments (London) Limited entered into voluntary liquidation and the investment in the subsidiary by NPS 40 GPL Limited of £42,275,837 was cancelled and recognised as a provision for impairment in value

5. TAXATION

Loss on ordinary activities before tax is £2,181,920 (2013 profit of £2,344,395)

	2014 £	2013 £
Tax effects of		
Profit on ordinary activities multiplied by standard rate of tax 20 0% (2013 23 0%)	698,271	533,113
Tax effects of other tax adjustments	183,844	-
Tax on (loss)/profit on ordinary activities	<u>882,115</u>	<u>533,113</u>

NPS 40 GPL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

6 INVESTMENT PROPERTY

Group	Freehold investment property £
Valuation	
At 1 January 2014	105,000,000
Disposals	(103,000,000)
Deficit on revaluation	(2,000,000)
	<hr/>
At 31 December 2014	-
	<hr/> <hr/>

All properties were valued as at 31 December 2014 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.

7. FIXED ASSET INVESTMENTS

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2014	42,275,837
Provision for impairment in value of investment in subsidiary undertakings	(42,275,837)
	<hr/>
At 31 December 2014	-
	<hr/>
Net book value	
At 31 December 2014	-
	<hr/> <hr/>
At 31 December 2013	42,275,837
	<hr/> <hr/>

The above represents the 100% holding in NPS Victoria Investments (London) Limited.

On 3 December 2014 NPS Victoria Investments (London) Limited entered into a voluntary liquidation, whereby PricewaterhouseCoopers LLP were appointed as joint liquidators. A provision for impairment in value of the investment of £42,275,837 has been recognised through the profit and loss account.

NPS 40 GPL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

8. DEBTORS

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	-	256,162	-	-
Amounts owed by group undertakings	5,364,117	6,476,762	5,364,117	2,050,544
Prepayments	-	2,394,201	-	755,538
Other debtors and accrued income	50,908	1,946,440	-	-
	5,415,025	11,073,565	5,364,117	2,806,082

Amounts owed by group undertakings includes a non-interest bearing short term intercompany loan with NPS (Jersey) Limited in the sum of £3,170,460 and a non-interest bearing short term intercompany loan with NPS (40GP) Limited in the sum of £2,193,657

9. CREDITORS:
Amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Amounts owed to group undertakings	60,433,319	12,332	60,433,319	13,164,447
Corporation tax payable	-	192,947	-	-
VAT payable	-	140,410	-	-
Deferred income	-	3,239,402	-	-
Other creditors and accruals	71,665	7,631,287	57,669	514,654
	60,504,984	11,216,378	60,490,988	13,679,101

On 7 January 2013, the Group, via its immediate parent company NPS (40 GP) Limited, entered into a £105,000,000 loan agreement with Deutsche Hypothekenbank (Actien-Gesellschaft), London branch relating to the financing of 40 Grosvenor Place, London SW1. 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.

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.

Subsequently the bank loan in the sum of £61,230,423 was settled and a non-interest bearing intercompany loan was created between the Group and NPS (40 GP) Limited, the balance of which remained at 31 December 2014 in the sum of £60,433,319.

NPS 40 GPL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10. CREDITORS

Amounts falling due after more than one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans (see note 9)	-	61,230,423	-	61,230,423

11. SHARE CAPITAL

	2014	2013
	£	£
Allotted, called up and fully paid		
6,520,100 Ordinary shares of £1 each	6,520,100	6,520,100

12. RESERVES

Group	Revaluation reserve £	Profit and loss account £
At 1 January 2014	39,251,445	1,000,734
Loss for the financial year		(3,064,035)
Dividends	(101,731,069)	
Gain on disposal of assets	3,024,301	
At 31 December 2014	(59,455,323)	(2,063,301)

Company	Profit and loss account £
At 1 January 2014	(35,215,223)
Loss for the financial year	(26,340,313)
At 31 December 2014	(61,555,536)

13. DIVIDENDS

During the year the Group declared and paid dividends totalling £101,731,069 (2013 £nil)

NPS 40 GPL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

14. RELATED PARTY TRANSACTIONS

As at 31 December 2014, the amounts due from group undertakings comprised £58,239,662 (2013 £4,564,000) due from NPS (40) GP Limited, the Company's immediate parent company, and £3,170,460 (2013 £1,913,000) from NPS Victoria Investments (London) Limited. During the year, a management fee of £166,619 (2013 £219,090) was payable to NPS (40GP) Limited, none of which remained outstanding at 31 December 2014.

15. POST BALANCE SHEET EVENTS

Following the liquidation of NPS Victoria Investments (London) Limited, the Directors anticipate that NPS 40 GPL Limited will enter voluntary liquidation by the end of 2015, thereby dissolving the Group.

16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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.