

EPI General Partner Limited

Annual Report and Financial Statements

For the year ended 31 December 2017



Company Registration No. 04963075 (England and Wales)

EPI General Partner Limited

Company Information

Directors	J Furber I P Laming R W Lewis R W I Wilkinson
Company number	04963075
Registered office	Berkeley Square House 8th Floor Berkeley Square London W1J 6DB
Auditor	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD

EPI General Partner Limited

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EPI General Partner Limited

Strategic Report

For the year ended 31 December 2017

The directors present the strategic report for the year ended 31 December 2017.

Fair review of the business

During the year, the company continued to be the general partner of European Property Investors (General Partner) L.P., a Limited Partnership which has an interest in European Property Investors LP ("the Fund"). The investment period for the Fund closed in December 2007 and on 18 April 2015 the Fund expired, whereupon it began to be wound down, and the Fund is currently in liquidation. During the period, as detailed in the profit and loss account, the group received investment returns from the Fund and repaid some of the amounts due to the Fund recognised in previous years as a result of the clawback provisions of the Fund Limited Partnership Agreement (LPA). As a result of this provision the group has net liabilities at the balance sheet date. None of this loss is attributable to the shareholders of the company.

Principal risks and uncertainties

The principal risk facing the group is poor investment performance. The future health of the business is dependent upon good investment performance, if (for whatever reason) assets do not increase then this could jeopardize the future of business profits. This risk is minimal due to the overall profitability of the group, which has received returns in excess of the original investment.

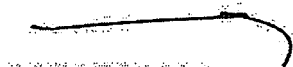
Future developments

On 18 April 2015 the Fund, which constitutes the sole investment of the group, expired and begun to be wound down. The directors consider that the liquidation of the fund will take more than 12 months and consequently, the financial statements been prepared on a going concern basis.

Key performance indicators

The KPIs of the group are the return on their investment in the Fund, as indicated by the income and distributable yield, the internal rate of return from the Fund and the net asset value of their investment in the Fund. The group monitor performance against these KPIs on a quarterly basis.

On behalf of the board



I P Laming

Director

27/09/2018

EPI General Partner Limited

Directors' Report

For the year ended 31 December 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

Principal activities

During the year, the company continued to be the general partner of European Property Investors (General Partner) L.P., a Limited Partnership which has an interest in European Property Investors LP ("the Fund"). The investment period for the fund closed in December 2007.

Directors

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

J Furber
I P Laming
R W Lewis
R W I Wilkinson

Results and dividends

The results for the year are set out on page 7.

Future developments

In accordance with section 414C(11) of the Companies Act 2006, the directors have chosen to include information about future developments in the Strategic Report.

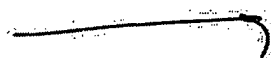
Auditor

The auditor, Kingston Smith LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

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

On behalf of the board



I P Laming

Director

Date: 27/09/2018

EPI General Partner Limited

Directors' Responsibilities Statement

For the year ended 31 December 2017

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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

EPI General Partner Limited

Independent Auditor's Report

To the Members of EPI General Partner Limited

Opinion

We have audited the financial statements of EPI General Partner Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Group Profit And Loss Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2017 and of its 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

EPI General Partner Limited

Independent Auditor's Report (Continued)

To the Members of EPI General Partner Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

EPI General Partner Limited

Independent Auditor's Report (Continued)

To the Members of EPI General Partner Limited

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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.



Thomas Moore (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

Chartered Accountants
Statutory Auditor

27 September 2018

Devonshire House
60 Goswell Road
London
EC1M 7AD

EPI General Partner Limited

Consolidated Profit and Loss Account

For the year ended 31 December 2017

	Notes	2017 €000	2016 €000
Turnover	3	65	614
Administrative expenses		(13)	(2)
Operating profit		52	612
Change in fair value of investments	6	(69)	(917)
Loss on ordinary activities before taxation		(17)	(305)
Tax on profit on ordinary activities	7	-	-
Loss after taxation		(17)	(305)
Profit for the financial year is attributable to:			
- Owners of the parent company		-	-
- Non-controlling interests		(17)	(305)
		(17)	(305)

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

EPI General Partner Limited

Group Balance Sheet

As at 31 December 2017

		2017		2016	
	Notes	€000	€000	€000	€000
Fixed assets					
Investments	8		351		420
Current assets					
Debtors	11	4,160		4,160	
Cash at bank and in hand		2,547		2,501	
		6,707		6,661	
Creditors: amounts falling due within one year	12	(4,289)		(4,291)	
Net current assets			2,418		2,370
Total assets less current liabilities			2,769		2,790
Provisions for liabilities	13		(4,925)		(5,826)
Net liabilities			(2,156)		(3,036)
Capital and reserves					
Minority interests			(2,156)		(3,036)

The financial statements were approved by the board of directors and authorised for issue on 26/9/18 and are signed on its behalf by:


I P Laming
Director

EPI General Partner Limited

Company Balance Sheet

As at 31 December 2017

	Notes	2017		2016	
		€000	€000	€000	€000
Current assets					
Creditors: amounts falling due within one year	12				
Net assets					
Capital and reserves					
Called up share capital	14				
Total equity					

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


I P Laming
Director

Company Registration No. 04963075

EPI General Partner Limited

Group Statement of Changes in Equity

For the year ended 31 December 2017

	Profit and loss reserves €000	Non- controlling interest €000	Total €000
Balance at 1 January 2016		(17,591)	(17,591)
Period ended 31 December 2016:			
Profit and total comprehensive income for the year		(305)	(305)
Return of incentive distribution		14,911	14,911
Distributions to minority interests		(51)	(51)
Balance at 31 December 2016		(3,036)	(3,036)
Period ended 31 December 2017:			
Profit and total comprehensive income for the year		(17)	(17)
Return of incentive distribution		900	900
Distributions to minority interests		(3)	(3)
Balance at 31 December 2017		(2,156)	(2,156)

EPI General Partner Limited

Company Statement of Changes in Equity

For the year ended 31 December 2017

	Profit and loss reserves €000
Balance at 1 January 2016	—
Year ended 31 December 2016:	
Profit and total comprehensive income for the year	—
Balance at 31 December 2016	—
Year ended 31 December 2017:	
Profit and total comprehensive income for the year	—
Balance at 31 December 2017	—

EPI General Partner Limited

Consolidated Statement of Cash Flows

For the year ended 31 December 2017

		2017		2016	
	Notes	€000	€000	€000	€000
Cash flows from operating activities					
Cash generated from operations	17		50		1,037
Investing activities					
Distributions paid to minority interests		(3)		(51)	
Payment to the Fund		(901)		(14,940)	
Return of capital contributions from investments				1,479	
Net cash used in investing activities			(904)		(13,512)
Financing activities					
Repayment of incentive distributions by partners		900		14,911	
Net cash generated from financing activities			900		14,911
Net increase in cash and cash equivalents			46		2,436
Cash and cash equivalents at beginning of year			2,501		65
Cash and cash equivalents at end of year			2,547		2,501

EPI General Partner Limited

Notes to the Financial Statements

For the year ended 31 December 2017

1 Accounting policies

Company information

EPI General Partner Limited ("the Company") is a limited company incorporated in England and Wales. The registered office is Berkeley Square House, 8th Floor, Berkeley Square, London, W1J 6DB.

1.1 Accounting convention

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

The financial statements are prepared in euros, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest €000.

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

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's loss for the year was €nil (2016: €nil)

1.2 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2017. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

European Property Investors (Special Limited Partner) L.P. and European Property Investors (General Partner) L.P. have been consolidated in to the group accounts. They are consolidated due to the company's ability to control them through the terms of each entity's Partnership Agreement. The company has no rights to the assets or liabilities of each undertaking and therefore they are shown as wholly attributable to minority interests in the group balance sheet.

1.3 Going concern

The company's balance sheet shows both net current assets and net assets €nil whilst the group shows net liabilities of €2.2m.

On consolidation, as set out in the basis of consolidation accounting policy, the group incorporates the assets and liabilities of subsidiary undertakings on a line by line basis. However, none of the assets and liabilities of the subsidiaries are attributable to the shareholders of the company. The group's net liabilities of €2.2m arise as a result of the provision for claw back of carried interest as set out in the partnership agreement of European Property Investors (Special Limited Partner) LP. This claw back does not crystallise until termination of the underlying fund at which point the Special Limited Partner will have an obligation to pay these amounts to the Fund. The Fund has received assurances from the fund manager that these amounts can be recovered from the investors. In addition, two of the significant investors of the Fund have confirmed their current intention to support the Fund up to a certain amount which is considered sufficient to support it for at least twelve months from the date of approval of these financial statements.

The directors have therefore prepared the financial statements on a going concern basis.

EPI General Partner Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

1 Accounting policies

(Continued)

1.4 Turnover

Turnover represents amounts receivable as carried interest payable to the group in accordance with the European Property Investors LP ("the Fund") Limited Partnership Agreement. The carried interest payable is calculated at Fund level based on the return generated by each realised investment. However on disposal of the final investment the overall level of the performance fee will be calculated based on the total sums generated. This may result in a claw back to the Fund of carried interest already calculated or an additional payment. At the end of each financial year, the General Partner is required to make an estimate of the level of the carried interest at that date based on returns generated and expected future returns. Turnover is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.

Income also includes distributions received from investments, rental income and gains or losses on property sales.

1.5 Cash and cash equivalents

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

1.6 Financial instruments

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

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

Other financial assets

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

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

EPI General Partner Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

EPI General Partner Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

1 Accounting policies

(Continued)

Other financial liabilities

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

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

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

Derecognition of financial liabilities

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

1.7 Equity instruments

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

1.8 Provisions

Provisions are recognised when the group has a present obligation as a result of a past event, and it is probable that the group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

EPI General Partner Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Value of investments

The group periodically revalues its investments based on its share of the underlying value of the net assets of the investments of the fund. The share of net assets is determined by reference to a valuation of the funds assets prepared by independent external fund managers.

Performance fee true up (clawback of carried forward interest)

In accordance with the European Property Investors Special Opportunity LP's ('the fund') limited partnership agreement, the carried interest is calculated by the Fund based on the return generated by each realised investment. At the end of each financial year, the General Partner is required to make an estimate of the level of the carried interest at that date based on returns generated and expected future returns.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2017	2016
	€000	€000
Carried interest	-	(378)
Share of revenue from sale of investment properties by the Fund	65	963
Rental income received from investments	-	29
	<u>65</u>	<u>614</u>

EPI General Partner Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

4 Auditors' remuneration

	2017	2016
	€000	€000
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the group and company	-	-
Audit of the company's subsidiaries	16	17
	<u>16</u>	<u>17</u>

The company audit fees of €6,000 are borne by European Property Investor (Special Limited Partner) L.P.

5 Employees

The only employees of the company or group were the directors.

6 Other gains and losses

	2017	2016
	€000	€000
Fair value gains/(losses) on financial instruments		
Change in fair value of investments	(69)	(917)
	<u>(69)</u>	<u>(917)</u>

7 Taxation

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2017	2016
	€000	€000
Loss before taxation	(17)	(320)
	<u>(17)</u>	<u>(320)</u>
<i>Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2016: 20%)</i>	(3)	(64)
Fair value adjustment not subject to tax	14	183
Income not subject to corporation tax	(11)	(119)
	<u>(11)</u>	<u>(119)</u>
Tax expense for the year	<u>(11)</u>	<u>(119)</u>

8 Fixed asset investments

	Group		Company	
	2017	2016	2017	2016
	€000	€000	€000	€000
Unlisted investments	351	420	-	-
	<u>351</u>	<u>420</u>	<u>-</u>	<u>-</u>

EPI General Partner Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

8 Fixed asset investments

(Continued)

Movements in fixed asset investments Group

Investment in
Fund
€000

Cost or valuation

At 1 January 2015

420

Changes in fair value

(69)

At 31 December 2017

351

Carrying amount

At 31 December 2017

351

At 31 December 2016

420

Company

For details of the company's investments see note 9.

9 Subsidiaries

Details of the company's subsidiaries at 31 December 2017 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	% Held
			Direct
European Property Investors (General Partner) L.P.	England and Wales	Investment	
European Property Investors (Special Limited Partner) L.P.	England and Wales	Investment	

The above entities are controlled by virtue of the powers granted to EPI General Partner Limited under the respective partnership agreements of each entity.

EPI General Partner Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

10 Financial instruments

	Group		Company	
	2017	2016	2017	2016
	€000	€000	€000	€000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	4,160	4,160		
Equity instruments measured at cost less impairment	351	420		
	<u>4,511</u>	<u>4,580</u>		
Carrying amount of financial liabilities				
Measured at amortised cost	4,289	4,291		
	<u>4,289</u>	<u>4,291</u>		

11 Debtors

	Group		Company	
	2017	2016	2017	2016
	€000	€000	€000	€000
Amounts falling due within one year:				
Other debtors	4,160	4,160		
	<u>4,160</u>	<u>4,160</u>		

12 Creditors: amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	€000	€000	€000	€000
Other creditors	4,289	4,291		
	<u>4,289</u>	<u>4,291</u>		

13 Provisions for liabilities

	Group		Company	
	2017	2016	2017	2016
	€000	€000	€000	€000
Provision for true up	4,925	5,826		
	<u>4,925</u>	<u>5,826</u>		

The provision shown is in respect of a potential true up payable to the Fund. The expected timing of the settlement will be at the end of the life of the Fund and is dependent on the future transactions of the Fund.

14 Share capital

	Group and company	
	2017	2016
	€000	€000
Issued and fully paid		
100 ordinary shares of £1 each		
	<u>100</u>	<u>100</u>

EPI General Partner Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

15 Related party transactions

During the year, the Partnership provided for €nil (2016: €0.377m) previously recognised as income in respect of its carried interest in European Property Investors LP. European Property Investors LP is an entity in which the Partnership has a material interest. The best estimate of the amounts payable by the group to European Property Investors LP are included in provisions for other liabilities and charges. At the balance sheet date, the Partnership owed European Property Investors LP €4.16 million (2016: €4.16 million).

At year end, the group was owed €4.16 million (2016: €4.16m million) by European Property Investors Special Opportunities LLC, an entity that has a material interest in one of EPI General Partner Limited's subsidiary undertakings.

16 Controlling party

The immediate parent company is AEW Europe S.A., an entity registered in France. The ultimate controlling party is Natixis Global Asset Management, S.A., an entity registered in France, by virtue of its ultimate beneficial ownership of the company.

17 Cash generated from operations	2017 €000	2016 €000
Loss for the year	(17)	(305)
Adjustments for:		
Fair value gains and losses on investments	69	917
(Decrease)/increase in provisions	-	377
Movements in working capital:		
(Decrease)/increase in creditors	(2)	48
Cash generated from operations	50	1,037

European Property Investors LP
(Limited Partnership No. LP9339)

Consolidated Financial Statements

For the year ended 31 December 2017

European Property Investors LP

(Limited Partnership No. LP9339)

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European Property Investors LP

(Limited Partnership No. LP9339)

GENERAL INFORMATION

Designated members of the General Partner	Ric Lewis Ian Laming Rob Wilkinson Russell Jewell
Registered Office	Berkeley Square House 8th Floor Berkeley Square London W1J 6DB
General Partner	European Property Investors (General Partner) LP acting through its general partner European Property Investors (General Partner) Limited Berkeley Square House 8th Floor Berkeley Square London W1J 6DB
Sub-Advisor	Tristan Capital Partners LLP Berkeley Square House 8th Floor Berkeley Square London W1J 6DB
Manager	AEW Europe LLP 33 Jermyn Street London SW1Y 6DN
Solicitors	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF
Bankers	The Royal Bank of Scotland International 71 Bath Street St. Helier Jersey JE4 8PJ
Independent Auditors	Ernst & Young LLP 1 More London Place London SE1 2AF
Administrators	Langham Hall UK Services LLP 5 Old Bailey London, EC4M 7BA

European Property Investors LP

(Limited Partnership No. LP9339)

GENERAL PARTNER'S REPORT

The General Partner presents its report and audited Consolidated Financial Statements of the Partnership for the year ended 31 December 2017.

Principal Activity of the Partnership

The Fund life expired on 18 April 2015, however as per the Partnership Agreement the Fund continues to operate in order to achieve best value for its Limited Partners. Following the amendment of the Limited Partnership Agreement on the 11 December 2012, the remaining outstanding capital committed by the Limited Partners was cancelled.

The strategy for the Partnership is to wind-up the remaining structure in a timely and orderly manner.

Results for the year

The Partnership has a consolidated loss after tax for the year to 31 December 2017 of €0.1 million (2016: €0.9 million profit).

Information to auditors

So far as each person who is a director of the General Partner at the date of approving this report is aware there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors of the General Partner and the Partnership's auditors, each director has taken all steps that he/she is obliged to take as a director of the General Partner in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Break up basis of preparation

Until 31 December 2014, the Financial Statements of European Property Investors LP were prepared under the "going concern" assumption. As of 31 December 2015 the Financial Statements were prepared on a break up basis reflecting the planned orderly wind up of the Fund. As of 31 December 2016 all investments had been sold.

- A provision of €0.1 million has been made to cover the estimated costs of winding up the Fund structure.
- All assets and liabilities are recognised as current on the face of the Statement of Financial Position. Therefore, the Partnership presents all assets and liabilities in order of liquidity, because it provides information that is reliable and more relevant.

For and on behalf of European Property Investors General Partner Limited



Ric Lewis
Designated Member

14 February 2018



Ian Laming
Designated Member

14 February 2018

European Property Investors LP

(Limited Partnership No. LP9339)

STATEMENT OF RESPONSIBILITIES OF THE GENERAL PARTNER

The General Partner is responsible for preparing the Strategic Report, the General Partner's Report and the financial statements in accordance with applicable law and regulations.


Company law requires the General Partner to prepare financial statements for each financial year. Under that law the General Partner has elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law the directors of the General Partner must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Partnership and the profit or loss of the Partnership for that period.

In preparing these Financial Statements, the General Partner is required to:

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

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

For and on behalf of European Property Investors General Partner Limited:



Ric Lewis
Designated Member

14 February 2018



Ian Laming
Designated Member

14 February 2018

European Property Investors LP

(Limited Partnership No. LP9339)

GENERAL PARTNER'S STRATEGIC REPORT

The General Partner presents its strategic report for the year ended 31 December 2017.

Review of the business

The Partnership's principal activities during the year was to manage the liquidation of the remaining structure.

The key financial indicators during the year were as follows:

	2017	2016	Change
	€'000	€'000	%
Gross property revenue	-	3,480	(100)%
(Loss) / Profit after tax	(80)	926	(109)%
Distributions paid	1,000	38,000	(97)%
Limited Partners' net assets	5,344	6,424	(17)%

No further capital calls are anticipated. The remaining outstanding commitment was cancelled on 11 December 2012.

Tax

An analysis of the tax charge is set out in note 9 of the Partnership's financial statements. The tax charge represents the consolidated net tax charge of the underlying subsidiaries as required under International Financial Reporting Standards.

Capital returned during the year

During 2017, the Partnership made no return of capital to the Partners (2016: €22.7 million).

Principal risks and uncertainties

The Partnership is subject to a range of risks, including those associated with liquidity and solvency.

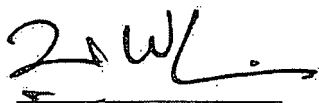
Liquidity and solvency risks

The Partnership manages its remaining cash balances to ensure that invoices are settled in a timely manner as the remaining corporate structure is wound up.

The Partnership nor any of its subsidiaries are subject to externally imposed capital requirements.

Break up basis of preparation

As of 31 December 2017, the Consolidated Financial Statements of European Property Investors LP have been prepared on a break up basis, which assumes that the Partnership will be closing and winding up. The Directors of the General Partner consider this assumption to be appropriate.



Ric Lewis

Designated Member

14 February 2018



Ian Laming

Designated Member

14 February 2018

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUROPEAN PROPERTY INVESTORS LP

Disclaimer of Opinion

We have audited the financial statements of European Property Investors LP for the year ended 31 December 2017 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Partnership Statement of Financial Position, the Consolidated Statement of Changes in Net Assets Attributable to Limited Partners, the Partnership Statement of Changes in Net Assets Attributable to Limited Partners, the Consolidated Statement of Cash Flows and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. As described in note 2, the financial statements have been prepared on a break up basis.

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly we do not express an opinion on the financial statements.

Basis for Disclaimer of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the qualifying partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The audit evidence available to us was limited because we were unable to assess whether the performance fee true-up of €4.9 million included in Trade and Other Receivables is recoverable from the Special Limited Partner. It currently has insufficient available funds to repay the amount and we have not been able to obtain support that it will be successful in obtaining these funds from individual recipients of the performance fee or from its parent entity in order to repay the balance. As a result of this we have been unable to obtain sufficient appropriate audit evidence concerning the recoverability of the performance fee true-up balance.

Use of our report

This report is made solely to the qualifying partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships. 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The General Partner is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, accordingly, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUROPEAN PROPERTY INVESTORS LP (continued)

Opinion on other matters prescribed by the Companies Act 2006 as applied to qualifying partnerships

Notwithstanding our disclaimer of an opinion on the financial statements, in our opinion, based on the work undertaken in the course of the audit:

- ▶ the information given in the General Partner's Strategic Report and the General Partner's Report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- ▶ the General Partner's Strategic Report and the General Partner's Report have been prepared in accordance with applicable legal requirements;

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Partnership and its environment obtained in the course of the audit, we have identified no material misstatements in the General Partner's Strategic Report or the General Partner's Report.

Arising from the limitation of our work referred to above:

- ▶ we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- ▶ we were unable to determine whether adequate accounting records have been kept.

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:

- ▶ returns adequate for our audit have not been received from branches not visited by us; or
- ▶ the financial statements are not in agreement with the accounting records and returns; or
- ▶ certain disclosures of members' remuneration specified by law are not made.

Respective responsibilities of General Partner

As explained more fully in the Statement of Responsibilities of the General Partner set out on page 3, the General Partner is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the General Partner is responsible for assessing the partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless members either intend to liquidate the partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Ernst & Young LLP

Daniel Saunders (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
14 February 2018

European Property Investors LP

(Limited Partnership No. LP9339)

CONSOLIDATED AND PARTNERSHIP STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

ASSETS	Notes	Consolidated		Partnership	
		2017 €'000	2016 €'000	2017 €'000	2016 €'000
Current assets					
Loan to subsidiaries	13	-	-	2,820	2,788
Trade and other receivables	10	4,927	5,858	4,926	5,830
Current tax receivable		75	100	-	-
Cash and cash equivalents	11	708	1,447	547	878
Total current assets		5,710	7,405	8,293	9,496
Total Assets		5,710	7,405	8,293	9,496
EQUITY AND LIABILITIES					
Equity attributable to partners of the Partnership					
Partners' capital contributions		195,954	195,954	195,954	195,954
Partners' current account		(190,845)	(189,765)	(190,610)	(189,530)
Exchange reserves		235	235	-	-
		5,344	6,424	5,344	6,424
Non-controlling interests		5	5	-	-
Total Equity		5,349	6,429	5,344	6,424
Current liabilities					
Loan from subsidiaries	13	-	-	2,723	2,723
Trade and other payables	12	222	576	87	38
Provision for wind up costs		139	400	139	311
Total current liabilities		361	976	2,949	3,072
Total Liabilities		361	976	2,949	3,072
Total Equity and Liabilities		5,710	7,405	8,293	9,496

Signed on behalf of European Property Investors LP by its General Partner, European Property Investors (General Partner) LP acting through its general partner, European Property Investors General Partner Limited:



Ric Lewis
Designated Member

14 February 2018



Ian Laming
Designated Member

14 February 2018

The accompanying Notes to the Consolidated Financial Statements form an integral part of these Consolidated Financial Statements.

European Property Investors LP

(Limited Partnership No. LP9339)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 31 DECEMBER 2017

	Notes	2017 €'000	2016 €'000
Gross rental income		-	3,480
Service charge income		-	298
Property operating expenses	6	-	(1,054)
Net property revenue		-	2,724
Administrative expenses	7	(177)	(1,159)
Other income	8	87	721
Profit on sale of investment properties		-	(4)
Loss on sale of subsidiaries		-	(395)
Change in fair value of investment properties		-	1,025
Operating (loss) / profit		(90)	2,912
Finance costs		-	(1,928)
(Loss) / profit before tax		(90)	984
Taxation	9	10	(58)
(Loss) / profit for the year		(80)	926
Total comprehensive (expense) / income		(80)	926

There is no taxation effect relating to items of other comprehensive income. All items of other comprehensive income recognised for the year may be reclassified to profit or loss in subsequent years.

(Loss) / profit attributable to:

Limited Partners	(80)	1,153
Non-controlling interests	-	(227)
	(80)	926

Total comprehensive (loss) / profit attributable to:

Limited Partners	(80)	1,153
Non-controlling interests	-	(227)
	(80)	926

All of the activities of the Partnership are classed as discontinuing as the Directors of the General Partner have the intent to wind up the Partnership.

The accompanying Notes to the Consolidated Financial Statements form an integral part of these Consolidated Financial Statements.

European Property Investors LP

(Limited Partnership No. LP9339)

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO LIMITED PARTNERS FOR THE YEAR ENDED 31 DECEMBER 2017

	Attributable to Limited Partners				Non-controlling	
	Capital	Foreign	Current	TOTAL	Interests	TOTAL
	Account	Exchange	Account		Interests	
	€'000	Reserve	€'000	€'000	€'000	€'000
As at 1 January 2017	195,954	235	(189,765)	6,424	5	6,429
Distributions to Limited Partners	-	-	(1,000)	(1,000)	-	(1,000)
Total comprehensive loss for the year	-	-	(80)	(80)	-	(80)
As at 31 December 2017	195,954	235	(190,845)	5,344	5	5,349

	Attributable to Limited Partners				Non-controlling	
	Capital	Foreign	Current	TOTAL	Interests	TOTAL
	Account	Exchange	Account		Interests	
	€'000	Reserve	€'000	€'000	€'000	€'000
As at 1 January 2016	218,697	235	(175,661)	43,271	232	43,503
Distributions to Limited Partners	(22,743)	-	(15,257)	(38,000)	-	(38,000)
Total comprehensive profit for the year	-	-	1,153	1,153	(227)	926
As at 31 December 2016	195,954	235	(189,765)	6,424	5	6,429

The accompanying Notes to the Consolidated Financial Statements form an integral part of these Consolidated Financial Statements.

European Property Investors LP

(Limited Partnership No. LP9339)

PARTNERSHIP STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO LIMITED PARTNERS FOR THE YEAR ENDED 31 DECEMBER 2017

	Attributable to Limited Partners		
	Capital	Current	TOTAL
	Account	Account	
	€'000	€'000	€'000
As at 1 January 2017	195,954	(189,530)	6,424
Distributions to Limited Partners	-	(1,000)	(1,000)
Total comprehensive loss for the year	-	(80)	(80)
As at 31 December 2017	195,954	(190,610)	5,344

	Attributable to Limited Partners		
	Capital	Current	TOTAL
	Account	Account	
	€'000	€'000	€'000
As at 1 January 2016	218,697	(175,426)	43,271
Distributions to Limited Partners	(22,743)	(15,257)	(38,000)
Total comprehensive income for the year	-	1,153	1,153
As at 31 December 2016	195,954	(189,530)	6,424

The accompanying Notes to the Consolidated Financial Statements form an integral part of these Consolidated Financial Statements.

European Property Investors LP

(Limited Partnership No. LP9339)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 €'000	2016 €'000
Operating activities			
(Loss) / profit before tax		(90)	984
Loss on sale of investment properties		-	4
Loss on sale of subsidiaries		-	395
Changes in fair value of investment properties		-	(1,025)
Decrease in trade and other receivables		931	20,212
Decrease in trade and other payables		(615)	(5,543)
Net finance costs		-	1,972
Tax paid		35	98
Net cash flow from operating activities		261	17,097
Investing activities			
Proceeds from sale of investment properties		-	249
Proceeds from sale of subsidiaries		-	-
Disposal of investment properties	-	90,400	-
Decrease in trade and other receivables	-	3,075	-
Decrease in trade and other payables	-	(1,494)	-
Repayment of borrowings	-	(67,833)	-
		-	24,148
Net cash flow from investment activities		-	24,397
Financing activities			
Distribution paid to Limited Partners		(1,000)	(38,000)
Repayment of borrowings		-	(1,698)
Interest paid		-	(3,452)
Net cash flow used in financing activities		(1,000)	(43,150)
Net decrease in cash and cash equivalents		(739)	(1,656)
Cash and cash equivalents at the beginning of the year		1,447	3,103
Cash and cash equivalents at the end of the year	11	708	1,447

The accompanying Notes to the Consolidated Financial Statements form an integral part of these Consolidated Financial Statements.

European Property Investors LP

(Limited Partnership No. LP9339)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1 CORPORATE INFORMATION

The Consolidated Financial Statements of European Property Investors Limited Partnership for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of the General Partner on 14 February 2018. European Property Investors Limited Partnership (the 'Partnership') is a qualifying limited partnership incorporated in England and domiciled in the United Kingdom.

The General Partner to the Partnership is European Property Investors (General Partner), LP (acting through its general partner European Property Investors General Partner Limited as incorporated and registered in England and Wales whose registered office is located at Berkeley Square House, 8th Floor, Berkeley Square, London, W1J 6DB).

2 BASIS OF PREPARATION

a) Preparation of the Consolidated Financial Statements

The Consolidated Financial Statements continue to be prepared on a break-up basis. As at 31 December 2017, the Partnership has a net current asset position of €5.3 million (2016: net current assets of €6.4 million). The General Partner has continued to prepare the Consolidated Financial Statements on a break up basis which assumes that the Partnership will be closing and winding up. The Partnership expects to pay all of its liabilities as they fall due. Accordingly, all assets and liabilities are recognised as current on the face of the Statement of Financial Position. Assets have been disclosed at their estimated realisable amount, liabilities at their settlement values and adjustments have been made to provide for any further liabilities which will arise. The Consolidated Financial Statements are presented in Euros (€) and all values are rounded to the nearest thousand (€000) except when otherwise indicated. The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and adopted by the EU.

No profit and loss account is presented for European Property Investors LP as permitted under sections 408 of the Companies Act 2006. The Partnership's unconsolidated loss for 2017 was €0.1 million (2016: €1.2 million).

All references to "net assets" throughout these Consolidated Financial Statements refer to the net assets attributable to the holders of Limited Partners' interests unless otherwise stated.

b) Cash flow statement

The Partnership reports cash flows from operating activities using the indirect method. Interests received and paid are presented within financing cash flows. The acquisitions/disposals of investment properties are disclosed as cash flows from investing activities because this most appropriately reflects the Partnership's business activities.

c) New and amended standards adopted by the Partnership

The following amended standards and interpretations have no impact on the Partnership's financial statements:

Standard/interpretation	Content	Effective date for (annual periods beginning on)
IAS 7 (amended)	Statement of Cash Flows: Disclosure Initiative	1 January 2017
IAS 12 (amended)	Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
IFRS 12(amended)	Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12 (annual improvements)	1 January 2017

European Property Investors LP

(Limited Partnership No. LP9339)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

2 BASIS OF PREPARATION (continued)

d) New standards, amendments and interpretations issued, but not yet effective

The following amended standards and interpretations have been issued but are not yet effective. Management has assessed that IFRS 9 is not expected to have an impact on intercompany balances, neither is IFRS 15 to have an impact on the Partnership's financial statements.

Effective for annual periods (and interim periods therein) ending 31 December 2017 and thereafter:

Standard/interpretation	Content	Effective date for (annual periods beginning on)
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 9	Financial Instruments (issued in 2014)	1 January 2018

The Partnership will re-assess the impact of these new standards and amendments in the next financial year.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS

The preparation of the Partnership's Consolidated Financial Statements requires the General Partner to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected.

In the process of applying the Partnership's accounting policies, the General Partner has made the following judgements, which have the most significant effect on the amounts recognised in the Consolidated Financial Statements:

a) Taxes

The Partnership is subject to income and capital gains taxes in numerous jurisdictions. Significant judgement is required to determine the total provision for current and deferred taxes. There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain.

The Partnership recognises liabilities for current taxes based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax provisions in the period in which the determination is made. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

European Property Investors LP

(Limited Partnership No. LP9339)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

3 SIGNIFICANT ACCOUNTING JUDGEMENTS (continued)

a) Taxes (continued)

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income and gains. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

b) Performance fee

A performance fee is payable to the Special Limited Partner in accordance with the criteria as described in Section 6.1.1 of the Partnership's Limited Partnership Agreement. The fee payable has been calculated based on the return generated by each realised investment, however on disposal of the final investment the overall level of the performance fee is being recognised based on the total returns generated. This has resulted in a true-up receivable for the performance fees already calculated.

Assets or liabilities arising from the performance fee, that are determined by amounts realised on disposal of investments are financial assets or liabilities measured through the Consolidated Statement of Comprehensive Income. The level of the asset or liability is measured at the end of each year end based on the Managers' estimate of the future cash flows payable/receivable.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the Partnership and its subsidiaries as at 31 December 2017. Control is achieved when the Partnership is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Partnership controls an investee if, and only if, the Partnership has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Partnership has less than a majority of the voting or similar rights of an investee, the Partnership considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Partnership's voting rights and potential voting rights

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Basis of consolidation (continued)

The Partnership re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Partnership obtains control over the subsidiary and ceases when the Partnership loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Partnership gains control until the date the Partnership ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Partnership and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Partnership's accounting policies. All intra-partnership assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Partnership are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Partnership loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

b) Trade and other receivables

Trade and other receivables are disclosed at their recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision is made when there is objective evidence that the Partnership will not be able to recover balances in full. Additional provisions are made to cover estimated exit costs of the Fund structure. Balances are written off when the probability of recovery is assessed as being remote.

c) Cash and cash equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash in hand and at bank.

d) Trade and other payables

Trade and other payables are recognised and carried at their settlement values. Where the time value of money is material, payables are subsequently carried at amortised cost. Generally this results in their recognition at their nominal value. Additional provisions are made to cover estimated exit costs of the Fund structure.

e) Revenue recognition

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income, and are accounted for on a straight-line basis over the lease term, except that contingent lease rentals are recognised as revenue in the year in which they are earned.

Premiums received to terminate leases are recognised in the Consolidated Statement of Comprehensive Income when they arise.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Revenue recognition (continued)

Service charge income recoverable from tenants

Expenses incurred in the day-to-day operations of investment properties, as well as expenses recoverable from tenants, are recorded as operating expenses. Amounts recovered from tenants are recognised within revenue as service charge income whilst other operating income records insurance receipts and other miscellaneous income. The income is recognised in the year in which it is earned.

Interest income

Interest is recognised as the interest accrues (using the effective interest rate method).

f) Taxes

The structure of the Partnership is tax transparent. Accordingly, tax is not payable by the Partnership on the Partnership's profit for the year, however the operating income of the Partnership's investment through its subsidiaries may be subject to income taxes in the respective jurisdictions at applicable tax rates. Such tax is recognised in the Consolidated Statement of Comprehensive Income except to the extent that it relates to items recognised directly in net assets, in which case it is recognised directly in the Consolidated Statement of Changes in Net Assets Attributable to Limited Partners.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the Consolidated Statement of Financial Position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

g) Reserves

Partners' capital account

This reserve is used to record the capital contributed from the Limited Partners for the purpose of investments, less capital subsequently returned to the Limited Partners.

Exchange reserves

This reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries where the functional currency is not Euros.

Partners' current account

This reserve is used to record the profits / (losses) earned to date from the investments, less any profit returned to the Limited Partners via a distribution.

Non-controlling interest

This reserve is used to record the non-controlling interests' share of net assets, plus their share of profit or loss earned to date, less any distributions paid to them.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Transactions with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets not held by the Partnership. The Partnership applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Partnership. In accordance with IAS 27, non-controlling interests in the profit, loss and net assets of subsidiaries for the reporting period are presented separately in the Consolidated Statement of Comprehensive Income and Consolidated Statement of Changes in Net Assets Attributable to Limited Partners.

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Partnership's principal financial instruments comprise trade and other receivables, trade and other payables and cash. The main purpose of these financial instruments is to provide finance for the Partnership's activities.

The Partnership's financial instruments and how they are measured in the Consolidated Statement of Financial Position is summarised below:

As at 31 December 2017	Loans and receivables	Financial liabilities measured at amortised cost	Financial liabilities at fair value through profit or loss	Total
	€000	€000	€000	€000
Financial assets				
- Trade and other receivables	1	-	-	1
- Cash	708	-	-	708
- Performance fee receivable	4,926	-	-	4,926
- Current tax receivable	75	-	-	75
Financial liabilities				
- Trade and other payables	-	-	(222)	(222)
	<u>5,710</u>	<u>-</u>	<u>(222)</u>	<u>5,488</u>
As at 31 December 2016				
	€000	€000	€000	€000
Financial assets				
- Trade and other receivables	31	-	-	31
- Cash	1,447	-	-	1,447
- Performance fee receivable	5,827	-	-	5,827
- Current tax receivable	100	-	-	100
Financial liabilities				
- Trade and other payables	-	-	(576)	(576)
	<u>7,405</u>	<u>-</u>	<u>(576)</u>	<u>6,829</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

a) Liquidity risk

The Partnership monitors its risk of a shortage of funds using detailed cash flow monitoring run at both a local entity level and on a consolidated basis. These reports track projected cash flows and the costs associated with maintaining the remaining structure.

The following is an analysis of the contractual undiscounted cash flows payable under financial liabilities as at the balance sheet date:

As at 2017	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Total
	€000	€000	€000	€000	€000	€000
Trade and accounts payables	(222)	-	-	-	-	(222)
Total financial liabilities	(222)	-	-	-	-	(222)

As at 2016	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Total
	€000	€000	€000	€000	€000	€000
Trade and accounts payables	(576)	-	-	-	-	(576)
Total financial liabilities	(576)	-	-	-	-	(576)

b) Solvency Risk

The primary goal of EPI's cash management is to ensure ongoing solvency of all consolidated entities including the ability to settle invoices in a timely manner. In addition, by way of centralised cash management, EPI targets an optimised allocation of cash resources to the various Fund companies.

There were no changes in the Partnership's approach to capital management during the year.

The Partnership nor any of its subsidiaries are subject to externally imposed capital requirements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

	2017 €'000	2016 €'000
6 PROPERTY OPERATING EXPENSES		
Service charge expenses	-	(609)
Property management fees	-	(268)
Non recoverable operating expenses	-	(103)
Other operating expenses	-	(59)
Property taxes	-	(15)
Total property operating expenses	<u>-</u>	<u>(1,054)</u>

All property operating expenses arose from rental income generating investment property.

Under the Limited Partnership Agreement, the Managers are obligated to provide property management services to the Partnership. In turn, the Managers have subcontracted these services to third party property companies.

	2017 €'000	2016 €'000
7 ADMINISTRATIVE EXPENSES		
Accounting fees	(71)	(406)
Audit fees	(45)	(53)
Other assurance fees	(29)	(51)
Legal and professional fees	(22)	(276)
Bank charges	(10)	(62)
Other expenses	-	(311)
Total administrative expenses	<u>(177)</u>	<u>(1,159)</u>

8 OTHER INCOME

Other income includes an amount of €nil (2016: €0.4 million) in relation to the true-up of performance fee from the Special Limited Partner. Refer note 3(b) for further information.

	2017 €'000	2016 €'000
9 TAXATION		
The major components of the tax charge are:		
Current tax credit/ (charge)	<u>10</u>	<u>(58)</u>
Total reported in the Consolidated Statement of Comprehensive Income	<u>10</u>	<u>(58)</u>

A reconciliation of the tax charge applicable to the accounting profit before tax at the average tax rate to the tax charge at the Partnership's effective tax rate for the year ending 31 December 2017 and 2016 is as follows:

(Loss) / profit before tax	<u>(90)</u>	<u>984</u>
Tax calculated at a weighted average rate for the Partnership of 24.7% (2016: 53.8%)	22	529
Permanent differences	<u>(12)</u>	<u>(587)</u>
	<u>10</u>	<u>(58)</u>

The effective tax rate for 2017 is 11.0% (2016: 6.4%).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

	Consolidated		Partnership	
	2017	2016	2017	2016
	€'000	€'000	€'000	€'000
10 TRADE AND OTHER RECEIVABLES				
Performance fee true up	4,926	5,827	4,926	5,826
Trade and accounts receivable	1	18	-	-
Recoverable VAT	-	13	-	4
Total	4,927	5,858	4,926	5,830
Split as follows:				
Current	4,927	5,858	4,926	5,830
	4,927	5,858	4,926	5,830

The performance fee true-up is due from the Special Limited Partner and is expected to be settled within the next 12 months. Refer to notes 3(b) and 21 for further information.

Trade and accounts receivable are typically due within 30 days and include rental debtors, which are a combination of non interest-bearing and interest-bearing amounts as determined by the lease agreements. Trade and accounts receivables in connection with rents receivable are all considered past due as the majority relate to rents receivable from tenants which are payable in advance.

The carrying value of trade and other receivables approximates their realisable amounts and are deemed to be current as they are expected to be settled within 12 months.

	Consolidated		Partnership	
	2017	2016	2017	2016
	€'000	€'000	€'000	€'000
11 CASH AND CASH EQUIVALENTS				
Cash at bank	708	1,447	547	878

Cash at bank earns or incurs interest at floating rates based on daily bank deposit rates. The carrying value of cash and cash equivalents approximates to fair value due to its relatively short maturity.

	Consolidated		Partnership	
	2017	2016	2017	2016
	€'000	€'000	€'000	€'000
12 TRADE AND OTHER PAYABLES				
VAT payable	-	(295)	-	-
Accruals & deferred income	(169)	(163)	(87)	(33)
Trade and accounts payable	(53)	(114)	-	-
Interest payable	-	(4)	-	-
Other payables	-	-	-	(5)
Total trade and other payables	(222)	(576)	(87)	(38)
Split as follows:				
Current	(222)	(576)	(87)	(38)
	(222)	(576)	(87)	(38)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

12 TRADE AND OTHER PAYABLES (CONTINUED)

Accruals & deferred income include audit fees of €0.1 million (2016: €0.2 million).

Trade and accounts payable are non-interest-bearing and are normally settled on 30 day terms.

Trade and other payables are measured at their settlement value.

13 LOANS TO / (FROM) SUBSIDIARIES

	2017	2016
	€'000	€'000
At the year end, the Partnership had the following loans with its subsidiaries:		
EPI Orange Holding Sarl	245,323	192,506
Oakwood Sarl	-	45,627
Cloud Sarl	-	375
Less: Provision on loans to subsidiaries	(242,503)	(235,720)
Total loans to subsidiaries	2,820	2,788
Split as follows:		
Current	2,820	2,788
	2,820	2,788
At the year end, the Partnership had the following loans with its subsidiaries:		
	2017	2016
	€'000	€'000
EPI Orange Holding Sarl	(2,723)	(2,723)
Total loans from subsidiaries	(2,723)	(2,723)
Split as follows:		
Current	(2,723)	(2,723)
	(2,723)	(2,723)

Loans to and from subsidiaries are deemed current as they are expected to be settled within 12 months. For the year ended 31 December 2017, the Group recorded a provision for impairment relating to loans to subsidiaries of €242.5 million (2016: €235.7 million). This assessment is undertaken through examining the financial position of the related party and the market in which the related party operates.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

14 CONSOLIDATED PARTNERS' CAPITAL AND CURRENT ACCOUNT

	2017	2017	2016	2016
	€'000	€'000	€'000	€'000
	Capital	Current	Capital	Current
APG Investments	31,853	(31,001)	31,853	(30,825)
Gothaer Allgemeine Versicherung AG	28,030	(27,280)	28,030	(27,126)
Strategic Partners Real Estate Special Opportunities I	20,385	(19,840)	20,385	(19,728)
Tamweelview S.A.	19,111	(18,587)	19,111	(18,481)
EPI NU Sarl	15,289	(14,869)	15,289	(14,785)
EPI SLP LP	12,740	(12,391)	12,740	(12,320)
Pensionskassernes Administration A/S	12,741	(12,391)	12,741	(12,321)
SASU FONAE	12,741	(12,391)	12,741	(12,321)
R&V Lebensversicherung AG	8,919	(8,674)	8,919	(8,625)
Ilmarinen Mutual Pension Insurance Company	7,644	(7,429)	7,644	(7,387)
Aberdeen Indirect Property Partners	7,644	(7,429)	7,644	(7,387)
Storebrand Livsforsikring AS	6,116	(5,943)	6,116	(5,910)
KF-UK Limited Partner	5,096	(4,953)	5,096	(4,925)
R&V Allgemeine Versicherung AG	3,822	(3,717)	3,822	(3,696)
Suomi Mutual Life Assurance Company	1,978	(1,922)	1,978	(1,911)
Mandatum life Insurance Company Limited	956	(929)	956	(923)
Op Life Assurance Company	889	(864)	889	(859)
	<u>195,954</u>	<u>(190,610)</u>	<u>195,954</u>	<u>(189,530)</u>

Included in the Partners' current accounts balance is €235k (2016: €235k) of foreign exchange reserves.

Partners' capital commitment	2017	2016
	€'000	€'000
Partners' capital commitment at 1 January 2017	195,954	218,697
Partners' capital returned during the year	-	(22,743)
At 31 December 2017	<u>195,954</u>	<u>195,954</u>

Following the amendment of the Limited Partnership Agreement on the 11 December 2012, the remaining outstanding capital committed by the Limited Partners was cancelled.

15 TRANSACTIONS WITH RELATED PARTIES

The consolidated financial statements include the financial statements of European Property Investors Limited Partnership and the subsidiaries listed below.

Incorporated in Luxembourg	Equity Interest
EPI Orange Holdings Sarl	100%
Goldfrapp Sarl	100%

The equity interest in ongoing subsidiaries is unchanged from the year ended 31 December 2016.

Carrying value of investment in subsidiary as of 31 December 2017 and 2016 is €nil.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

15 TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Entity with significant influence over the Group

AEW Europe LLP is appointed as the Manager of the Partnership and Tristan Capital Partners LLP is appointed as the Sub-Advisor of the Partnership. Under this appointment, the Manager has the powers and duties in accordance with section 4 of the Limited Partnership Agreement.

Terms and conditions of transactions with related parties

No management fees were charged by AEW Europe LLP nor by Tristan Capital Partners LLP during the year.

At 31 December 2017 a performance fee true-up of €4.9 million (2016: €5.8 million) due from the Special Limited Partner was accrued, calculated in accordance with Section 6.1.1 of the Limited Partnership Agreement. Manager's performance fee income of €nil (2016: €0.4 million) was recognised in the Consolidated Statement of Comprehensive Income for the year then ended.

16 CONTINGENCIES AND COMMITMENTS

The Partnership has no other material commitments or contingencies.

17 ULTIMATE CONTROLLING ENTITY

The Partnership does not have an ultimate controlling entity. No individual Limited Partner or General Partner has the capacity to exercise control over the Partnership.