

PORTSMOUTH GENERAL PARTNER LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

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PORTSMOUTH GENERAL PARTNER LIMITED

COMPANY INFORMATION

Directors	J Hendriks DV4 Administration Limited DV3 Administration UK 1 Limited DV3 Administration UK 2 Limited
Secretary	DV3 Administration UK 1 Limited
Company number	5033021
Registered office	Lansdowne House Berkeley Square London W1J 6ER

PORTSMOUTH GENERAL PARTNER LIMITED

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PORTSMOUTH GENERAL PARTNER LIMITED

DIRECTORS REPORT

FOR THE YEAR ENDED 31 MARCH 2014

COMPANY NUMBER 5033021

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

Principal activities and review of the business

The principal activity of the company continued to be that of General Partner in Centros Portsmouth Limited Partnership

Future developments

The directors are pursuing a broad range of opportunities

Directors

The following directors have held office since 1 April 2013

DV4 Administration Limited

J Hendriks

DV3 Administration UK 1 Limited

DV3 Administration UK 2 Limited - resigned 03 November 2014

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies

On behalf of the board



DV4 Administration Limited

LEAH SCOTT

Director

12 Nov 2014

PORTSMOUTH GENERAL PARTNER LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2014

	Notes	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Turnover	1	1,000	1,000
Profit on ordinary activities before taxation		1,000	1,000
Tax on profit on ordinary activities	2	(200)	(200)
Profit on ordinary activities after taxation		800	800

The profit and loss account has been prepared on the basis that all operations are continuing

There are no recognised gains and losses other than those shown in the profit and loss account

PORTSMOUTH GENERAL PARTNER LIMITED

BALANCE SHEET AS AT 31 MARCH 2014

	Notes	31 March 2014		31 March 2013	
		£	£	£	£
Fixed assets					
Investments	3		1		1
Current assets					
Debtors	4	9,202		8,402	
		<u>9,202</u>		<u>8,402</u>	
Creditors amounts falling due within one year	5	(201)		(201)	
Net current assets			9,001		8,201
Total assets less current liabilities			<u>9,002</u>		<u>8,202</u>
Net assets			<u>9,002</u>		<u>8,202</u>
Capital and reserves					
Called up share capital	6		1,000		1,000
Profit and loss account	7		8,002		7,202
Shareholders' funds - equity interests			<u>9,002</u>		<u>8,202</u>

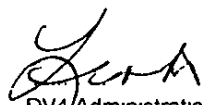
For the year ending 31 March 2014 the company was entitled to exemption from audit under section 480 of the Companies Act 2006

Directors' responsibilities

- The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006
- The directors' acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements were approved by the Board on 12 Nov 2014


 DV4/Administration Limited
 LEAH SCOTT
 Director

PORTSMOUTH GENERAL PARTNER LIMITED

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

1 Turnover

Turnover is derived from performance of duties as General Partner to Centros Portsmouth Limited Partnership, as per the Partnership Deed dated 22 March 2004. Fees are paid annually from 22 March 2004.

2 Taxation	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Current year tax		
Current year tax charge	200	200
Current tax charge	200	200
Factors affecting the tax charge for the period		
Profit on ordinary activities before taxation	1,000	1,000
Profit on ordinary activities before taxation multiplied by the small profits rate of UK corporation tax of 20% (2013: 20%)	200	200
Current tax charge	200	200

3 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 April 2013 & at 31 March 2014	1

4 Debtors	31 March 2014 £	31 March 2013 £
Amounts owed by group undertakings and undertakings in which the company has a participating interest	8,202	7,402
Other debtors	1,000	1,000
	9,202	8,402

PORTSMOUTH GENERAL PARTNER LIMITED

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

5 Creditors amounts falling due within one year	31 March 2014 £	31 March 2013 £
Taxation	200	200
Other creditors	1	1
	<u>201</u>	<u>201</u>
6 Share capital	31 March 2014 £	31 March 2013 £
Authorised		
500 ordinary 'A' shares of £1 each	500	500
500 ordinary 'B' shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1,000 ordinary 'A' and 'B' shares of £1 each	<u>1,000</u>	<u>1,000</u>
7 Statement of movements on reserves		Profit and loss account £
Balance at 1 April 2013		7,202
Retained profit for the year		<u>800</u>
Balance at 31 March 2014		<u>8,002</u>

Partnership Number LP009330

CENTROS PORTSMOUTH LIMITED PARTNERSHIP
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

THESE PARTNERSHIP
ACCOUNTS FORM
PART OF THE ACCOUNTS
OF COMPANY
No. 5033021

THESE FRIENDSHIP
 ACCOUNTS
 PART OF
 OF COUNTRIES
 IN

CENTROS PORTSMOUTH LIMITED PARTNERSHIP

PARTNERSHIP INFORMATION

Partnership number	LP009330
Limited partners	DV4 Properties Portsmouth 2 Limited (formerly DV3 Properties Portsmouth Limited) DV4 Portsmouth Limited Partnership
General partner	Portsmouth General Partner Limited
Registered office of the General partner	6th Floor Lansdowne House Berkeley Square London W1J 6ER
Auditors	Ernst & Young LLP 1 More London Place London SE1 2AF

CENTROS PORTSMOUTH LIMITED PARTNERSHIP

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CENTROS PORTSMOUTH LIMITED PARTNERSHIP

REPORT OF THE GENERAL PARTNER FOR THE YEAR ENDED 31 MARCH 2014

PARTNERSHIP NUMBER LP009330

The General Partner presents its report and financial statements for the Limited Partnership ("Partnership") for the year ended 31 March 2014

Principal activities

The principal activity of the Partnership is that of property investment and development. The principle asset is a potential development site in Portsmouth town centre.

Result for the year

The loss for the financial year amounted to £6,182,414 (2013: £743,016)

Principal risks and uncertainties

Work progresses in producing an acceptable scheme design that should deliver positive financial returns in the future. It is the opinion of the General Partner that the major risk faced by the business is the continuing challenge in the regional retail property market, particularly for a scheme of this size and value.

A further risk is that Portsmouth City Council could still terminate the Development Agreement at any time, although a major part of the site is controlled by the Joint Venture via a long leasehold interest. However, whilst the agreement is currently in the documentation stage, until the Partnership formally enters into a legally binding extension to the Development Agreement, this position will remain. Discussions regarding the scheme delivery alongside a new highway network are progressing with Portsmouth City Council.

Going concern

The financial statements have been prepared on a going concern basis; the Partnership forecasts it will have sufficient funds to meet its liabilities as they fall due for a period of at least one year from the date of signing the financial statements.

Future developments

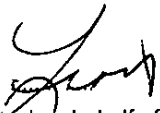
The Partnership is in final negotiations with Portsmouth City Council over an extension to the Development Agreement until March 2015, which allows for further extension to December 2016 if required.

Independent auditors and disclosure of information to auditors

So far as the General Partner is aware, there is no relevant audit information of which the Partnership's auditors are unaware, and the General Partner has taken all the steps that they ought to have taken as a General Partner in order to make itself aware of any relevant audit information, and to establish that the Partnership's auditors are aware of that information.

Auditors

Ernst & Young LLP were re-appointed auditors to the Partnership.


For and on behalf of
DV4 Administration Limited

Director of General Partner, Portsmouth General Partner Limited

12 Nov 2014

LEAH SCOTT

CENTROS PORTSMOUTH LIMITED PARTNERSHIP

STATEMENT OF GENERAL PARTNER'S RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2014

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

Company law as applied to qualifying Partnerships by the Partnerships (Accounts) Regulations 2008 (the "Regulations") requires the general partner to prepare financial statements for each financial year. Under that law the general partner has prepared the Partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law as applied to qualifying Partnerships 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 of the profit or loss of the Partnership, for that period. In preparing these financial statements, the members are required to

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

The general partner is responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to qualifying Partnerships by the Regulations. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTROS PORTSMOUTH LIMITED PARTNERSHIP

We have audited the financial statements of Centros Portsmouth Limited Partnership for the year ended 31 March 2014 which comprise Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to partnership, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applicable to qualifying partnerships. Our audit work has been undertaken so that we might state to the partnership 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 partnership, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the General Partner and auditor

The general partner responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view, are set out in the statement of general partner's responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and are prepared in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

In addition we report to you if, in our opinion, the partnership has not kept adequate accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration or partners' transactions with the partnership specified by law are not made.

We read the general partner report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the manager in the preparation of the financial statements, and of whether the accounting policies are appropriate to the partnership's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008, and
- the financial statements give a true and fair view of the state of the partnership's affairs as at 31 March 2014 and of the partnership's loss for the period then ended.

Ernst & Young LLP

Matthew Williams (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

17 November 2014

CENTROS PORTSMOUTH LIMITED PARTNERSHIP

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 £	2013 £
Turnover	1 6	472,682	467,981
Cost of sales		(313,245)	(282,772)
Gross profit		159,437	185,209
Administrative expenses		(80,945)	(60,921)
Operating profit	2	78,492	124,288
Deficit on valuation of development properties	5	(6,260,127)	(776,238)
Loss on ordinary activities before interest		(6,181,635)	(651,950)
Interest payable and similar charges	3	(1,116)	(91,922)
Interest receivable and similar income	4	337	856
Loss on ordinary activities before taxation		(6,182,414)	(743,016)
Tax on ordinary activities	1 7	-	-
Loss for the financial year		(6,182,414)	(743,016)

The profit and loss account has been prepared on the basis that all operations are continuing

The loss for the year has been attributed to the partners in accordance with note 9

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES


There are no recognised gains and losses other than those passing through the profit and loss account

CENTROS PORTSMOUTH LIMITED PARTNERSHIP

BALANCE SHEET AT 31 MARCH 2014

	Notes	2014 £	2013 £
Fixed assets			
Tangible assets	5	20,000,000	25,000,000
Current assets			
Debtors	6	874,742	814,749
Cash at bank and in hand		34,038	20,680
		<u>908,780</u>	<u>835,429</u>
Creditors amounts falling due within one year	7	<u>(842,878)</u>	<u>(3,066,753)</u>
Net current assets/(liabilities)		65,902	(2,231,324)
		<u>20,065,902</u>	<u>22,768,676</u>
Capital and reserves			
Partners' capital accounts	8	4,000,000	4,000,000
Partners' current accounts	9	16,065,902	18,768,676
		<u>20,065,902</u>	<u>22,768,676</u>

The financial statements were approved by the partners on 12 Nov 2014


For and on behalf of
DV4 Administration Limited

Director of General Partner, Portsmouth General Partner Limited
LEAH SCOTT

CENTROS PORTSMOUTH LIMITED PARTNERSHIP

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

1 Accounting policies

1.1 Accounting convention

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Partnership's financial statements

1.2 Basis of Preparation

The financial statements have been prepared in accordance with the historical cost convention, as modified by the inclusion of investment properties at valuation, with accounting standards currently applicable in the United Kingdom and the Companies Act 2006, as applied to qualifying Partnerships by the Partnership (Accounts) Regulations 2008 (the "Regulations")

1.3 Going Concern

The financial statements have been prepared on a going concern basis, the Partnership forecasts it will have sufficient funds to meet its liabilities as they fall due for a period of at least one year from the date of signing the financial statements

1.4 Cash Flow Statement

The Partnership has taken advantage of the exemption in FRS 1 Cash flow statements (revised 1996) from the requirement to prepare a cash flow statement on the grounds that it qualifies as small

1.5 Investment property under construction

Investment properties are initially included at their full cost in the financial statements once an irrevocable purchase contract has been entered into. The cost of investment properties is their purchase cost, together with any incidental costs of acquisition. In accordance with FRS 15 the Company has chosen to capitalise finance costs directly attributable to construction costs

Investment properties are then revalued annually on an open market basis by the Director, having had reference to valuations carried out by appropriately qualified independent valuers. Any revaluation surplus or deficit arising is transferred to the revaluation reserve except where the deficit is considered to be permanent. Permanent deficits are taken to the profit and loss account. No depreciation or amortisation is provided in respect of freehold investment properties

Disposals are accounted for on completion. On disposal, any revaluation surplus previously recognised in the investment revaluation reserve is transferred to the profit and loss reserve

1.6 Turnover

The total turnover of the Partnership for the year represents rental income recognised on a straight line basis that arises in the United Kingdom

1.7 Taxation

No provision for taxation has been made as each partner will be responsible for their own tax liability

CENTROS PORTSMOUTH LIMITED PARTNERSHIP

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

2 Operating profit

	2014 £	2013 £
This is stated after charging		
Auditors' remuneration	16,500	23,000

3 Interest payable and similar charges

	2014 £	2013 £
Bank interest payable	1,116	91,922

4 Interest receivable and similar income

	2014 £	2013 £
Bank interest receivable	337	856

5 Tangible assets

	2014 £	2013 £
- Investment property in the course of construction		
At beginning of year	25,000,000	25,000,000
Additions	1,260,127	776,238
Revaluation	(6,260,127)	(776,238)
At end of year	20,000,000	25,000,000

The investment property has been valued at market value by the Members with reference to the CBRE valuation at 31 March 2014 at £20,000,000

6 Debtors

	2014 £	2013 £
Trade debtors	132,689	146,192
Taxes and social security	107,963	-
Other debtors	631,126	668,557
Prepayments and accrued income	2,964	-
	874,742	814,749

CENTROS PORTSMOUTH LIMITED PARTNERSHIP

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

7	Creditors amounts falling due within one year	2014 £	2013 £
	Bank loans repayable within one year	-	2,091,558
	Trade creditors	289,853	195,159
	Accruals and deferred income	535,773	762,585
	Other Creditors	10,250	10,250
	Amounts due to related parties	7,002	7,201
		<u>842,878</u>	<u>3,066,753</u>

Trade creditors includes £22,500 due to Centros UK Limited, a related party (2013 £22,500)

8	Partners' capital accounts	2014 £	2013 £
	Equity		
	DV4 Properties Portsmouth 2 Limited	2,000,000	2,000,000
	DV4 Portsmouth Limited Partnership	2,000,000	2,000,000
		<u>4,000,000</u>	<u>4,000,000</u>

9	Partners' current accounts	As at 1 April 2013 £	Capital introduced in year £	Loss in year £	As at 31 March 2014 £
	DV4 Properties Portsmouth 2 Limited	9,384,338	1,739,820	(3,091,207)	8,032,951
	DV4 Portsmouth Limited Partnership	9,384,338	1,739,820	(3,091,207)	8,032,951
		<u>18,768,676</u>	<u>3,479,640</u>	<u>(6,182,414)</u>	<u>16,065,902</u>

- 10 Employees**
The Partnership had no employees during the year (2013 none)

- 11 Transactions with related parties**
During the year administration and consulting costs of £225,000 (2013 £194,378) were charged by Centros UK Limited, a management company in which the ultimate parent company of DV4 Portsmouth Limited Partnership owns an investment

As at 31 March 2014, an amount of £22,500 was due to Centros UK Limited (2013 £22,500), this is included in Note 7

During the year the Partnership paid the costs on behalf of it's general partner (GP), Portsmouth General Partner, the amount due to the GP was £7,002 (2013 £7,202), this is included in Note 7

CENTROS PORTSMOUTH LIMITED PARTNERSHIP

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

12 Capital commitments

Commitments contracted but not provided for in the financial statements amounted to £1,854,583 at 31 March 2013, there are no such items as at 31 March 2014. This includes compensation for blight claims (the purchase of both freehold and leasehold interests) and future rental and rates liabilities arising from the settlement of such claims which has been considered in the valuation of the property.

13 Ultimate parent company

Portsmouth General Partner Limited, incorporated in England, is the Limited Partnership's General Partner. As at 31 March 2014 there was no ultimate parent company because the Partnership was jointly owned and controlled (please see note 14 regarding the change of ultimate ownership post year end). For the same reason, there was no smallest and largest group into which they are consolidated.

14 Post balance sheet event

On 16 September 2014 a wholly owned subsidiary of DV4 Limited indirectly acquired the ownership of DV4 Properties Portsmouth 2 Limited, making DV4 Limited the ultimate owner at the date of approval of the financial statements. DV4 Limited is a company registered and incorporated in the British Virgin Islands. DV4 Limited is the parent company of the largest group and the smallest group of which the Partnership is a member and for which group financial statements are prepared.