

Company Registration No. 05395067 (England and Wales)

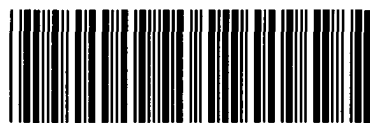
**REVCAP (KH IV) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2017**

**STATUTORY COPY**

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# **REVCAP (KH IV) LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	A J Pettit W J Killick S J Pettit N A West
<b>Secretary</b>	R B Mitchell
<b>Company number</b>	05395067
<b>Registered office</b>	First Floor 105 Wigmore Street London W1U 1QY
<b>Auditor</b>	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW

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# **REVCAP (KH IV) LIMITED**

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# **REVCAP (KH IV) LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 APRIL 2017**

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The directors present their annual report and financial statements for the year ended 30 April 2017.

#### **Principal activities**

The principal activity of the company is that of property investment.

#### **Directors**

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

A J Pettit  
W J Killick  
S J Pettit  
N A West

#### **Auditor**

The auditor, UHY Hacker Young, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **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 company's auditor 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 company's auditor is aware of that information.

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

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**REVCAP (KH IV) LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2017**

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By order of the board



R B Mitchell

**Secretary**

5 January 2018

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REVCAP (KH IV) LIMITED**

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We have audited the financial statements of Revcap (KH IV) Limited for the year ended 30 April 2017 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report has been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF REVCAP (KH IV) LIMITED**

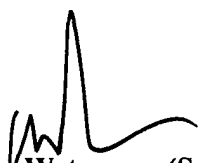
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**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



**Mary Waterman (Senior Statutory Auditor)**  
**for and on behalf of UHY Hacker Young**

5 January 2018

**Chartered Accountants**  
**Statutory Auditor**

**REVCAP (KH IV) LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30 APRIL 2017**

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		<b>2017</b>	<b>2016</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Administrative expenses		(805,805)	(770,564)
Exceptional item	<b>2</b>	15,928,410	-
		<hr/>	<hr/>
<b>Operating profit/(loss)</b>		15,122,605	(770,564)
Share of results of associates and joint ventures		(127,631)	-
Interest payable and similar expenses	<b>3</b>	(700,320)	(385,787)
Gains and losses on investments	<b>4</b>	522,454	(6,225)
		<hr/>	<hr/>
<b>Profit/(loss) before taxation</b>		14,817,108	(1,162,576)
Taxation		-	-
		<hr/>	<hr/>
<b>Profit/(loss) for the financial year</b>		<u>14,817,108</u>	<u>(1,162,576)</u>

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**REVCAP (KH IV) LIMITED****BALANCE SHEET****AS AT 30 APRIL 2017**

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Investments	5	6,002,105		-	
<b>Current assets</b>					
Debtors	6	1		-	
<b>Creditors: amounts falling due within one year</b>	7	(5,999,752)		(4,330,198)	
<b>Net current liabilities</b>		(5,999,751)		(4,330,198)	
<b>Total assets less current liabilities</b>		2,354		(4,330,198)	
<b>Creditors: amounts falling due after more than one year</b>	8	-		(10,484,556)	
<b>Net assets/(liabilities)</b>		2,354		(14,814,754)	
<b>Capital and reserves</b>					
Called up share capital	9	1		1	
Profit and loss reserves		2,353		(14,814,755)	
<b>Total equity</b>		2,354		(14,814,754)	

These financial statements 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 of directors and authorised for issue on 5 January 2018 and are signed on its behalf by:



A J Pettit  
Director

Company Registration No. 05395067

# **REVCAP (KH IV) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 APRIL 2017**

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#### **1 Accounting policies**

##### **Company information**

Revcap (KH IV) Limited is a private company limited by shares incorporated in England and Wales. The registered office is First Floor, 105 Wigmore Street, London, W1U 1QY.

##### **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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £. The financial statements in the previous year were prepared in euros, but in the opinion of the directors as the majority of transactions are recorded in sterling this should be used as the reporting currency.

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.

##### **1.2 Going concern**

The financial statements have been prepared on a going concern basis as in the directors' opinion the predicted future cash flows from the group's joint venture investments and funds available under the group loan facilities will be sufficient to meet the company's liabilities as they fall due.

##### **1.3 Fixed asset investments**

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

##### **1.4 Financial instruments**

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

# REVCAP (KH IV) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

### 1 Accounting policies

(Continued)

#### *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.

#### *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 company 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.

### 1.5 Equity instruments

Equity instruments issued by the company 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 company.

### 1.6 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

### 2 Exceptional costs/(income)

	2017	2016
	£	£
Amounts written off intercompany loans	(15,928,410)	-

**REVCAP (KH IV) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 APRIL 2017****3 Interest payable and similar expenses**

	2017	2016
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest payable to group undertakings	311,090	385,787
Other interest on financial liabilities	156,298	-
	<u>467,388</u>	<u>385,787</u>
<b>Other finance costs:</b>		
Other interest	232,932	-
	<u>700,320</u>	<u>385,787</u>

**4 Gains and losses on investments**

	2017	2016
	£	£
<b>Fair value gains/(losses) on financial instruments</b>		
Change in value of financial assets held at fair value through profit or loss	522,454	-
<b>Other gains/(losses)</b>		
Gain/(loss) on disposal of financial assets held at cost	-	(6,225)
	<u>522,454</u>	<u>(6,225)</u>

**5 Fixed asset investments**

	2017	2016
	£	£
Loans	<u>6,002,105</u>	<u>-</u>

**REVCAP (KH IV) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 APRIL 2017****5 Fixed asset investments****(Continued)****Movements in fixed asset investments**

	<b>Loans to group undertakings and participating interests £</b>
<b>Cost or valuation</b>	
At 1 May 2016	-
Additions	6,900,000
Valuation changes	522,454
Share of results of limited partnership investment	(127,631)
Receipts from limited partnership investments	(1,292,718)
At 30 April 2017	6,002,105
<b>Carrying amount</b>	
At 30 April 2017	6,002,105
At 30 April 2016	-

The company holds 10% of the equity capital of Kitty Hawk Capital Partners IV LP, a limited partnership incorporated in Jersey. The limited partnership is managed by the general partner through management boards on which other partners are represented in accordance with their respective interests in the limited partnership.

The investment in the limited partnership has been measured at fair value, the basis of which was the company's share of the group net assets taken from the limited partnership's consolidated accounts for the period ended 31 March 2017 as they were prepared on a net asset value basis.

**6 Debtors**

	<b>2017 £</b>	<b>2016 £</b>
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	1	-

**REVCAP (KH IV) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 APRIL 2017****7 Creditors: amounts falling due within one year**

	2017 £	2016 £
Amounts due to group undertakings	-	4,326,958
Other creditors	5,996,512	-
Accruals and deferred income	3,240	3,240
	<u>5,999,752</u>	<u>4,330,198</u>

**8 Creditors: amounts falling due after more than one year**

	2017 £	2016 £
Group loans	-	10,484,556

The group loans are secured on the assets of the company, its parent and fellow subsidiary undertakings.

**9 Called up share capital**

	2017 £	2016 £
<b>Issued and fully paid</b>		
1 Ordinary shares of £1 each	1	1

**10 Related party transactions**

During the year Revcap (KH IV) Limited was advanced a loan of £2,415,000 from Revcap (KH IV) Jersey Limited and £3,323,992 from Sparrowhawk Lending 802 S.a.r.l.. Both companies are subsidiaries of Sparrowhawk Capital Partners IV LP, which is a joint venture of Revcap (SH IV) Limited, a fellow subsidiary of the company. During the year a profit participating interest of £232,932 and loan interest of £156,298 was charged on these loans respectively. At the year end the outstanding loan balance was £2,647,932 and £3,348,580 respectively.

**11 Parent company**

The immediate parent is Revcap UK Holdings Limited and the ultimate parent is Real Estate Venture Capital Partners LLP. This limited liability partnership is registered in England and Wales. Real Estate Venture Capital Partners LLP prepares group financial statements and copies can be obtained from Companies House.