

---

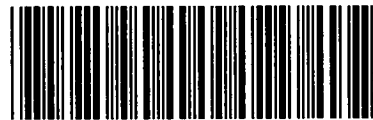
**PIHL PROPERTY ADMINISTRATION LIMITED**

---

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

TUESDAY



\*A3HJ9DOQ\*

A19

30/09/2014

#250

COMPANIES HOUSE

---

**PIHL PROPERTY ADMINISTRATION LIMITED**

---

**COMPANY INFORMATION**

---

<b>DIRECTORS</b>	S L Gumm N M Leslau N W Wray
<b>COMPANY SECRETARY</b>	S L Gumm
<b>REGISTERED NUMBER</b>	5716921
<b>REGISTERED OFFICE</b>	Cavendish House 18 Cavendish Square London W1G 0PJ
<b>INDEPENDENT AUDITORS</b>	BDO LLP 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA

---

**PIHL PROPERTY ADMINISTRATION LIMITED**

---

**CONTENTS**

---

	Page
<b>Directors' report</b>	<b>1</b>
<b>Directors' responsibilities statement</b>	<b>2</b>
<b>Independent auditors' report</b>	<b>3 - 4</b>
<b>Profit and loss account</b>	<b>5</b>
<b>Statement of total recognised gains and losses</b>	<b>6</b>
<b>Balance sheet</b>	<b>7</b>
<b>Notes to the financial statements</b>	<b>8 - 12</b>

---

## PIHL PROPERTY ADMINISTRATION LIMITED

---

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

---

The directors present their report and the financial statements for the year ended 31 December 2013.

#### PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

PIHL Property Administration Limited is an investment company. It holds an interest in PIHL Property LLP, which is a partnership that invests in real estate-backed investments.

The company is at present loss making. It has made investments with a view to making capital profits in the medium term that do not generate material income returns at present but which are financed by interest bearing contributions. This is the principal reason for the loss of £9,197,000 incurred in the year.

#### DIRECTORS

The directors who served during the year were:

S L Gumm  
N M Leslau  
N W Wray

#### DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### POST BALANCE SHEET EVENTS

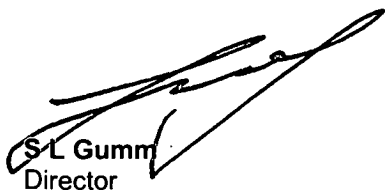
Details of post balance sheet events are set out in note 14 to the financial statements.

#### AUDITORS

BDO LLP have expressed their willingness to continue in office.

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

This report was approved by the board on 30 September 2014 and signed on its behalf.



S L Gumm  
Director

---

**PIHL PROPERTY ADMINISTRATION LIMITED**

---

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

---

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the 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 judgments 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.

---

## **PIHL PROPERTY ADMINISTRATION LIMITED**

---

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PIHL PROPERTY ADMINISTRATION LIMITED**

---

We have audited the financial statements of PIHL Property Administration Limited for the year ended 31 December 2013, which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes. 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).

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 auditors' 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 AUDITORS**

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. 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 Financial Reporting Council's (FRC'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 31 December 2013 and of its loss 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 MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the financial statements and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

---

**PIHL PROPERTY ADMINISTRATION LIMITED**

---


**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PIHL PROPERTY ADMINISTRATION  
LIMITED**

---

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the financial statements and the directors' report.



Russell Field (senior statutory auditor)

for and on behalf of  
**BDO LLP**

Statutory auditor  
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

2 City Place  
Beehive Ring Road  
Gatwick  
West Sussex  
RH6 0PA

30 September 2014

---

PIHL PROPERTY ADMINISTRATION LIMITED

---

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

	Note	2013 £000	2012 £000
Amounts written off investments		(647)	(253)
Interest payable and similar charges	4	<u>(8,550)</u>	<u>(8,089)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(9,197)</b>	<b>(8,342)</b>
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>	10	<b><u>(9,197)</u></b>	<b><u>(8,342)</u></b>

All amounts relate to continuing operations.

There are no differences between the loss on ordinary activities before taxation and the retained loss for the financial year stated above and their historical cost equivalents.

The notes on pages 8 to 12 form part of these financial statements.



---

PIHL PROPERTY ADMINISTRATION LIMITED

---

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

	2013 £000	2012 £000
<b>LOSS FOR THE FINANCIAL YEAR</b>	<b>(9,197)</b>	<b>(8,342)</b>
Unrealised surplus / (deficit) on revaluation of investment in partnership	<u>8,601</u>	<u>(2,007)</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<u><b>(596)</b></u>	<u><b>(10,349)</b></u>

The notes on pages 8 to 12 form part of these financial statements.

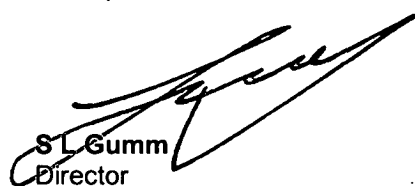
**PIHL PROPERTY ADMINISTRATION LIMITED**  
**REGISTERED NUMBER: 5716921**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2013**

	Note	2013 £000	2012 £000
<b>FIXED ASSETS</b>			
Investments	6	71,567	66,684
<b>CREDITORS: amounts falling due within one year</b>	7	<b>(103,535)</b>	<b>(98,056)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>(31,968)</b>	<b>(31,372)</b>
<b>CREDITORS: amounts falling due after more than one year</b>	8	<b>(2)</b>	<b>(2)</b>
<b>NET LIABILITIES</b>		<b>(31,970)</b>	<b>(31,374)</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	-	-
Revaluation reserve	10	14,656	6,055
Profit and loss account	10	(46,626)	(37,429)
<b>SHAREHOLDERS' DEFICIT</b>	11	<b>(31,970)</b>	<b>(31,374)</b>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2014.

  
**S L Gumm**  
 Director

The notes on pages 8 to 12 form part of these financial statements.

---

## PIHL PROPERTY ADMINISTRATION LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

---

#### 1. ACCOUNTING POLICIES

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

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed asset investments and in accordance with applicable accounting standards.

##### 1.2 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the company will continue to meet its liabilities when they fall due, for the foreseeable future. Since the company has net liabilities, it is dependent on the continuing support of its parent undertaking to meet its liabilities. The parent undertaking has confirmed that it will not demand repayment of the amounts due to it in the foreseeable future.

##### 1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

##### 1.4 Fixed asset investments - partnerships

Investments in partnerships where the company does not have the power to govern or exercise significant influence over the financial and operating policies of that entity are stated at directors' valuation which includes any accrued profit share. When no profit shares are accrued the directors' valuation will equate to the lower of cost and recoverable amount. Any valuation deficits below cost which are considered permanent are written off to the profit and loss account.

##### 1.5 Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the short term to absorb the reversal of the underlying timing differences.

#### 2. AUDITORS' REMUNERATION

The auditors' remuneration is borne by the parent company. Fees payable to the company's auditors for the audit of the company's annual accounts were £3,000 (2012: £3,000).

#### 3. STAFF COSTS

The company has no employees and no director received any remuneration during the year (2012 - £nil).

---

PIHL PROPERTY ADMINISTRATION LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

4. INTEREST PAYABLE

	2013 £000	2012 £000
On loans from group undertakings	8,550	8,089

5. TAXATION

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013 £000	2012 £000
Loss on ordinary activities before tax	(9,197)	(8,342)
Loss on ordinary activities multiplied by the average standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	(2,138)	(2,044)
<b>Effects of:</b>		
Write down of investment - non tax deductible	150	62
Group relief surrendered	1,988	1,982
<b>Current tax charge for the year (see note above)</b>	-	-

**Factors that may affect future tax charges**

The company has estimated revenue related losses available to carry forward to utilise against future suitable profits of £12,513,000 (2012: £12,513,000).

---

**PIHL PROPERTY ADMINISTRATION LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

---

**6. FIXED ASSET INVESTMENTS**

	£000
<b>At directors' valuation</b>	
At 1 January 2013	66,684
Additions	1,129
Capital repaid	(4,200)
Revaluations	8,601
Amounts written off	(647)
	<hr/>
At 31 December 2013	<b>71,567</b>
	<hr/>

The carrying value of fixed asset investments at 31 December 2013 represents amounts invested, principally by way of loan capital, in PIHL Property LLP ("the LLP"), a limited liability partnership which is registered and operates in England and Wales. The company holds an interest of 0.1% of the A capital of the LLP, which entitles it to exercise 0.1% of the voting rights in this entity.

The historic cost of the investment net of any permanent write downs is £57,562,000 (2012: £61,280,000).

The A capital of PIHL Property LLP entitles the company to a pro rata share of any returns derived from the LLP's 26.67% stake in Prestbury 1 Limited Partnership ("P1LP"), an English Limited Partnership established to invest in real estate and similar opportunities. P1LP was established in July 2006 and is fully invested. Its net asset value at 31 December 2013 including property investments at directors' valuation was £230,789,000 of which the company's share is £71,567,000.

In May and June 2014, the majority of the assets held by P1LP were subject to a reorganisation which ultimately resulted in the listing of a group of companies representing the majority of the P1LP business on AIM. As a result of additional capital raised by that business on listing the company's indirect interest in these assets reduced from 26.67% to 25.3%. The newly listed business was valued at £293 million on listing of which the company's share was £74,129,000. The market value of that investment has since increased to c. £100 million. The residual unlisted element of P1LP has only nominal value.

The company owns 99.99% of the B capital of the LLP, which carries no voting rights but which entitles the holder to a priority profit share equivalent to a return on equity invested of up to 9% p.a. compounded annually, provided that the LLP's underlying investments, including its investment in P1LP, in aggregate generate sufficient returns. B capital contributed by the company to the LLP in the year in relation to P1LP's activities totalled £482,000 (2012: £951,000). All of the value in the investment relates to the B capital.

The LLP also has, through its wholly owned subsidiary, PIHL One Limited, a 50% voting interest in Holetown Group Limited ("Holetown"). Holetown is the parent company of a group which owns a 3.5 acre beachfront development site on the west coast of Barbados. Holetown is a joint venture company, not controlled by any one entity that is incorporated in England and Wales, in which the LLP has a 40% economic interest.

The total invested by the company in relation to Holetown's activities is £1,664,000 of which £647,000 (2012: £253,000) was invested in the current year. The investment has been valued at £nil in these accounts pending resolution of a number of outstanding matters including debt financing requirements.

---

**PIHL PROPERTY ADMINISTRATION LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

---

**7. CREDITORS:**  
**Amounts falling due within one year**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Amounts owed to group undertakings	<b>103,535</b>	<b>98,056</b>

Amounts owed to group undertakings are unsecured, bear interest at 9% pa and are repayable on demand. The above amount includes accrued interest of £43,313,000 (2012: £34,763,000).

**8. CREDITORS:**  
**Amounts falling due after more than one year**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Amounts owed to group undertakings	<b>2</b>	<b>2</b>

**9. SHARE CAPITAL**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
1 ordinary share of £1	<b>1</b>	<b>1</b>

**10. RESERVES**

	<b>Revaluation reserve £000</b>	<b>Profit and loss account £000</b>
At 1 January 2013	<b>6,055</b>	<b>(37,429)</b>
Loss for the financial year	<b>-</b>	<b>(9,197)</b>
Unrealised surplus on revaluation of investment in partnership	<b>8,601</b>	<b>-</b>
 At 31 December 2013	 <b>14,656</b>	 <b>(46,626)</b>

---

**PIHL PROPERTY ADMINISTRATION LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

---

**11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT**

	<b>2013</b>	2012
	<b>£000</b>	£000
Opening shareholders' deficit	<b>(31,374)</b>	(21,025)
Loss for the financial year	<b>(9,197)</b>	(8,342)
Other recognised gains and losses during the year	<b>8,601</b>	(2,007)
	<hr/>	<hr/>
Closing shareholders' deficit	<b>(31,970)</b>	(31,374)
	<hr/> <hr/>	<hr/> <hr/>

**12. RELATED PARTY TRANSACTIONS**

As the company is a wholly owned subsidiary of Prestbury Investment Holdings Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Prestbury Investment Holdings Limited, within which this company is included, can be obtained from the address given in note 13.

**13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The results of the company are consolidated in the group headed by Prestbury Investment Holdings Limited, the company's parent undertaking, which is incorporated in England and Wales. The consolidated accounts of that company are available to the public and may be obtained from the Company Secretary, Cavendish House, 18 Cavendish Square, London, W1G 0PJ. The ultimate parent entity of the company is Lesray LLP, an LLP which is incorporated in England and Wales. The consolidated accounts of the partnership will be available to the public and may be obtained from the partnership's registered office address at Belfry House, Champions Way, Hendon, London, NW4 1PX.

**14. POST BALANCE SHEET EVENTS**

In May and June 2014, the majority of the assets held by P1LP were subject to a reorganisation which ultimately resulted in the listing of a group of companies representing the majority of the P1LP business on AIM. As a result of additional capital raised by that business on listing the company's indirect interest in these assets reduced from 26.67% to 25.3%. The newly listed business was valued at £293 million on listing of which the company's share was £74,129,000. The market value of that investment has since increased to c. £100 million. The residual unlisted element of P1LP has only nominal value.