
P1 PRIME LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

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P1 PRIME LIMITED

COMPANY INFORMATION

DIRECTORS

T J Evans
S L Gumm
N M Leslau

COMPANY SECRETARY

S L Gumm

COMPANY NUMBER

6064204

REGISTERED OFFICE

Cavendish House
18 Cavendish Square
London
W1G 0PJ

AUDITORS

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

P1 PRIME LIMITED

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P1 PRIME LIMITED

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

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

RESULTS

The loss for the year, after taxation, amounted to £37,648 (2013 - loss £4,845,073).

DIRECTORS

The directors who served during the year were:

T J Evans
S L Gumm
N M Leslau

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 and the group'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 and the group's auditors are aware of that information.

AUDITORS

BDO LLP have expressed their willingness to continue in office.

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

This report was approved by the board on 26 November 2014 and signed on its behalf.



S L Gumm
Director

P1 PRIME LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014**

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 group and 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 judgments 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 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

P1 PRIME LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF P1 PRIME LIMITED

We have audited the financial statements of P1 Prime Limited for the year ended 31 March 2014, which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement, the statement of total recognised gains and losses, the note of historical cost profits and losses 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.

OPINION ON FINANCIAL STATEMENTS

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 March 2014 and of the group's 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

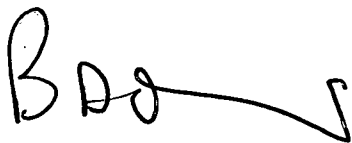
P1 PRIME LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF P1 PRIME 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 in preparing the financial statements, the strategic report 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

26 November 2014

P1 PRIME LIMITED

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

| | Note | 2014 £ | 2013 £ |
|---|-------------|-------------------|--------------------|
| TURNOVER | 2 | - | 1,301,582 |
| Cost of sales | | 1,379 | (26,618) |
| GROSS PROFIT | | 1,379 | 1,274,964 |
| Administrative expenses | | (40,071) | (57,245) |
| Other operating income | | 153 | 3,053 |
| OPERATING (LOSS)/PROFIT | | (38,539) | 1,220,772 |
| INVESTMENT PROPERTY DISPOSAL | | | |
| Loss on sale of investment properties | | - | (295,260) |
| (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST | | (38,539) | 925,512 |
| Interest receivable and similar income | | 891 | 15,945 |
| Interest payable and similar charges | 6 | - | (5,786,530) |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (37,648) | (4,845,073) |
| Tax on loss on ordinary activities | 7 | - | - |
| LOSS FOR THE FINANCIAL YEAR | 13 | (37,648) | (4,845,073) |

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

The notes on pages 10 to 19 form part of these financial statements.

P1 PRIME LIMITED

**NOTE OF CONSOLIDATED HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2014**

| | 2014 | 2013 |
|--|-----------------|--------------------|
| | £ | £ |
| REPORTED LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | (37,648) | (4,845,073) |
| Realisation of valuation deficits of previous periods | - | (4,203,676) |
| HISTORICAL COST LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | (37,648) | (9,048,749) |
| HISTORICAL LOSS FOR THE YEAR AFTER TAXATION | (37,648) | (9,048,749) |

The notes on pages 10 to 19 form part of these financial statements.

P1 PRIME LIMITED
REGISTERED NUMBER: 6064204

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2014

| | Note | £ | 2014 £ | £ | 2013 £ |
|--|------|-----------------|----------------------------|-----------------|----------------------------|
| CURRENT ASSETS | | | | | |
| Debtors | 9 | 15,838 | | 61,910 | |
| Cash at bank | | 145,507 | | 532,044 | |
| | | <u>161,345</u> | | <u>593,954</u> | |
| CREDITORS: amounts falling due within one year | 10 | <u>(40,228)</u> | | <u>(70,189)</u> | |
| NET CURRENT ASSETS | | | 121,117 | | 523,765 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 121,117 | | 523,765 |
| CREDITORS: amounts falling due after more than one year | 11 | | <u>(33,112,482)</u> | | <u>(33,477,482)</u> |
| NET LIABILITIES | | | <u>(32,991,365)</u> | | <u>(32,953,717)</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 12 | | 1 | | 1 |
| Profit and loss account | 13 | | <u>(32,991,366)</u> | | <u>(32,953,718)</u> |
| SHAREHOLDERS' DEFICIT | 14 | | <u>(32,991,365)</u> | | <u>(32,953,717)</u> |

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 and authorised for issue by the board and were signed on its behalf on 26 November 2014.


S L Gumm
 Director

The notes on pages 10 to 19 form part of these financial statements.

P1 PRIME LIMITED
REGISTERED NUMBER: 6064204

COMPANY BALANCE SHEET
AS AT 31 MARCH 2014

| | Note | £ | 2014 £ | 2013 £ |
|--|------|---------------------|---------------------|------------------|
| FIXED ASSETS | | | | |
| Investments | 8 | | 9 | 9 |
| CURRENT ASSETS | | | | |
| Debtors: amounts falling due after more than one year | 9 | - | 1,494,578 | |
| Debtors: amounts falling due within one year | 9 | 4,554 | 1,935 | |
| Cash at bank | | 145,507 | 532,044 | |
| | | <u>150,061</u> | <u>2,028,557</u> | |
| CREDITORS: amounts falling due within one year | 10 | <u>(40,228)</u> | <u>(45,738)</u> | |
| NET CURRENT ASSETS | | | <u>109,833</u> | <u>1,982,819</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>109,842</u> | <u>1,982,828</u> |
| CREDITORS: amounts falling due after more than one year | 11 | <u>(33,123,764)</u> | <u>(55,209,112)</u> | |
| NET LIABILITIES | | <u>(33,013,922)</u> | <u>(53,226,284)</u> | |
| CAPITAL AND RESERVES | | | | |
| Called up share capital | 12 | | 1 | 1 |
| Profit and loss account | 13 | (33,013,923) | (53,226,285) | |
| SHAREHOLDERS' DEFICIT | 14 | <u>(33,013,922)</u> | <u>(53,226,284)</u> | |

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 and authorised for issue by the board and were signed on its behalf on 26 November 2014.


S. L. Gumm
 Director

The notes on pages 10 to 19 form part of these financial statements.

P1 PRIME LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014**

| | Note | 2014 £ | 2013 £ |
|---|-------------|-------------------|-------------------|
| Net cash flow from operating activities | 17 | (22,428) | (1,316,019) |
| Returns on investments and servicing of finance | 18 | 891 | (6,892,563) |
| Capital expenditure and financial investment | 18 | - | 114,703,061 |
| CASH (OUTFLOW)/INFLOW BEFORE FINANCING | | (21,537) | 106,494,479 |
| Financing | 18 | (365,000) | (109,800,459) |
| DECREASE IN CASH IN THE YEAR | | (386,537) | (3,305,980) |

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 MARCH 2014**

| | 2014 £ | 2013 £ |
|--|---------------------|-------------------|
| Decrease in cash in the year | (386,537) | (3,305,980) |
| Cash outflow from decrease in debt and lease financing | 365,000 | 109,800,459 |
| CHANGE IN NET DEBT RESULTING FROM CASH FLOWS | (21,537) | 106,494,479 |
| Other non-cash changes | - | (125,630) |
| MOVEMENT IN NET DEBT IN THE YEAR | (21,537) | 106,368,849 |
| Net debt at 1 April 2013 | (32,945,438) | (139,314,287) |
| NET DEBT AT 31 MARCH 2014 | (32,966,975) | (32,945,438) |

The notes on pages 10 to 19 form part of these financial statements.

P1 PRIME LIMITED

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The financial statements have been prepared on a going concern basis, which assumes that the group will continue to meet its liabilities when they fall due, for the foreseeable future.

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 Prestbury 1 Limited Partnership to meet its liabilities. Prestbury 1 Limited Partnership has confirmed that it will not demand repayment of the amounts due to it in the foreseeable future.

1.3 Basis of consolidation

The financial statements consolidate the accounts of P1 Prime Limited and all of its subsidiary undertakings using the acquisition method of accounting.

1.4 Turnover

Turnover represents amounts receivable during the year from the letting of investment properties at invoiced amounts less value added tax. Rent free periods and other lease incentives associated with entering into occupational leases are allocated evenly over the period from the date of lease commencement to the first break option or, in the unusual case where the probability that the break option will be exercised is considered low, over the lease term.

1.5 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.6 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:

- deferred tax is not recognised on timing differences arising on revalued properties unless the group has entered into a binding sale agreement and is unable to utilise existing capital losses; and
- the recognition of deferred tax assets is limited to the extent that the group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

P1 PRIME LIMITED

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

1. ACCOUNTING POLICIES (continued)

1.7 Cash

For the purposes of the cash flow statement, cash comprises cash in hand and deposits repayable on demand.

2. TURNOVER

The whole of the turnover is attributable to the principal activity of the group.

All turnover arose within the United Kingdom.

3. AUDITORS' REMUNERATION

| | 2014 | 2013 |
|---|--------------|--------------|
| | £ | £ |
| Fees payable to the company's auditor and its associates for the audit of the company's annual accounts | 8,500 | 8,500 |

Fees payable to the company's auditors:

The audit of the company and its subsidiaries, pursuant to legislation: £20,000 (2013: £21,000).

The auditors' remuneration for whole the group is borne by the company.

4. STAFF COSTS

The company has no employees and no director received any remuneration during the year (2013: £nil).

5. LOSS ON SALE OF INVESTMENT PROPERTY

| | 2014 | 2013 |
|---|-------------|--------------|
| | £ | £ |
| Net proceeds on sale | - | 93,944,328 |
| Historical cost of property sold | - | (98,443,264) |
| Historical cost loss | | (4,498,936) |
| Valuation deficit of prior periods realised | - | 4,203,676 |
| Loss on sale of investment property | - | (295,260) |

P1 PRIME LIMITED

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

6. INTEREST PAYABLE

| | 2014 | 2013 |
|------------------------------|-------------|-------------|
| | £ | £ |
| On bank loans and overdrafts | - | 1,757,203 |
| Hedging cancellation costs | - | 4,029,327 |
| | <hr/> | <hr/> |
| | - | 5,786,530 |
| | <hr/> | <hr/> |

P1 PRIME LIMITED

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

7. TAXATION

| | 2014 £ | 2013 £ |
|--|-----------|-----------|
| UK corporation tax charge on loss for the year | - | - |

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 23% (2013 - 24%). The differences are explained below:

| | 2014 £ | 2013 £ |
|--|-----------|-------------|
| Loss on ordinary activities before tax | (37,648) | (4,845,073) |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013 - 24%) | (8,659) | (1,162,818) |
| Effects of: | | |
| Expenses not deductible for tax purposes | - | 5,100 |
| Capital allowances for year | - | (42,912) |
| Utilisation of tax losses | - | (211,265) |
| Non-taxable income | (35) | - |
| Accounting profit on disposal of investment property | - | 70,862 |
| Capital loss on disposal of investment property | - | (2,923,601) |
| Movement in tax losses carried forward | 8,694 | 4,264,634 |
| Current tax charge for the year (see note above) | - | - |

UNPROVIDED DEFERRED TAX ASSET

| | Group | | Company | |
|--|--------------|-----------|----------------|-----------|
| | 2014 £ | 2013 £ | 2014 £ | 2013 £ |
| Losses available to carry forward at 20% (2013: 23%) | 7,145,857 | 8,208,672 | 1,865,295 | 2,047,471 |

The unprovided deferred tax balances have been measured at a rate of 20% (2013: 23%), being the rate substantively enacted at the balance sheet date.

P1 PRIME LIMITED

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

8. FIXED ASSET INVESTMENTS

| Company | Investments in subsidiary companies £ |
|-----------------------------------|--|
| Cost and net book value | |
| At 1 April 2013 and 31 March 2014 | 9 |

Subsidiary undertakings

The following companies were the principal subsidiary undertakings at the end of the year and have all been included in the consolidated financial statements:

| Company name | Country | Percentage Shareholding | Description |
|------------------------|----------------|------------------------------------|--------------------|
| P1 Cornhill Limited | England | 100 | Dormant |
| P1 Dover Limited | England | 100 | Dormant |
| P1 Duke Street Limited | England | 100 | Dormant |
| P1 Golden Limited | England | 100 | Dormant |
| P1 Kensington Limited | England | 100 | Dormant |
| P1 Newman Limited | England | 100 | Dormant |
| P1 Parkshot Limited | England | 100 | Dormant |
| P1 St Andrew Limited | England | 100 | Dormant |
| P1 St Martins Limited | England | 100 | Dormant |

For all undertakings listed above, the country of operation is the same as its country of incorporation.

All the above companies became inactive after the sale of investment properties but were previously property investment companies.

P1 PRIME LIMITED

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

9. DEBTORS

| | <u>Group</u> | | <u>Company</u> | |
|-------------------------------------|---------------|---------------|----------------|--------------|
| | 2014 £ | 2013 £ | 2014 £ | 2013 £ |
| Due after more than one year | | | | |
| Amounts owed by group undertakings | - | - | - | 1,494,578 |
| | | | | |
| | <u>Group</u> | | <u>Company</u> | |
| | 2014 £ | 2013 £ | 2014 £ | 2013 £ |
| Due within one year | | | | |
| Other debtors | 15,838 | 17,726 | 4,554 | 1,935 |
| Prepayments and accrued income | - | 44,184 | - | - |
| | | | | |
| | 15,838 | 61,910 | 4,554 | 1,935 |

The amounts owed by group undertakings at 31 March 2013 were unsecured, bore no interest and had no fixed repayment date. At 31 March 2013, amounts due from subsidiary undertakings of £5,803,251 were shown net of provisions amounting in total to £4,308,673. The provisions, which have been charged to the company's own profit and loss account and reversed on consolidation, reflected the net liabilities of subsidiary undertakings as at 31 March 2013.

10. CREDITORS:

Amounts falling due within one year

| | <u>Group</u> | | <u>Company</u> | |
|------------------------------|---------------|---------------|----------------|---------------|
| | 2014 £ | 2013 £ | 2014 £ | 2013 £ |
| Trade creditors | - | 5,806 | - | 5,160 |
| Taxation and social security | - | 9,862 | - | - |
| Other creditors | - | 13,943 | - | - |
| Accruals and deferred income | 40,228 | 40,578 | 40,228 | 40,578 |
| | | | | |
| | 40,228 | 70,189 | 40,228 | 45,738 |

P1 PRIME LIMITED

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

11. CREDITORS:

Amounts falling due after more than one year

| | Group | | Company | |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2014 | 2013 | 2014 | 2013 |
| | £ | £ | £ | £ |
| Shareholder loans | 33,112,482 | 33,477,482 | 33,112,482 | 33,477,482 |
| Amounts owed to group undertakings | - | - | 11,282 | 21,731,630 |
| | 33,112,482 | 33,477,482 | 33,123,764 | 55,209,112 |

The shareholder loans are unsecured, non-interest bearing and have no fixed repayment date.

The amounts due to subsidiary undertakings are unsecured, bear interest at 6.55% and have no fixed repayment date. The above amounts include interest payable accrued of £153 (2013: £4,346,969).

12. SHARE CAPITAL

| | 2014 | 2013 |
|---|-------------|-------------|
| | £ | £ |
| Allotted, called up and fully paid | | |
| 1 ordinary share of £1 | 1 | 1 |

13. RESERVES

| Group | Profit and loss account £ |
|-------------------------------|--|
| At 1 April 2013 | (32,953,718) |
| Loss for the financial year | (37,648) |
| At 31 March 2014 | (32,991,366) |
| Company | Profit and loss account £ |
| At 1 April 2013 | (53,226,285) |
| Profit for the financial year | 20,212,362 |
| At 31 March 2014 | (33,013,923) |

P1 PRIME LIMITED

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

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

| | 2014 | 2013 |
|--------------------------------------|---------------------|---------------------|
| Group | £ | £ |
| Opening shareholders' deficit | (32,953,717) | (28,108,644) |
| Loss for the financial year | (37,648) | (4,845,073) |
| Closing shareholders' deficit | <u>(32,991,365)</u> | <u>(32,953,717)</u> |
| | | |
| Company | 2014 | 2013 |
| | £ | £ |
| Opening shareholders' deficit | (53,226,284) | (47,057,189) |
| Profit/(loss) for the financial year | 20,212,362 | (6,169,095) |
| Closing shareholders' deficit | <u>(33,013,922)</u> | <u>(53,226,284)</u> |

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

The profit for the year dealt with in the accounts of the company was £20,212,362 (2013: loss: £6,169,095).

15. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available to wholly owned subsidiary undertakings under FRS 8 not to disclose details of any transactions with entities that are included in the consolidated financial statements of Prestbury 1 Limited Partnership.

16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The controlling interests of Prestbury 1 Limited Partnership in the shares of P1 Prime Limited are legally owned by Prestbury 1 Nominee Limited but beneficially owned by Prestbury 1 Limited Partnership whose general partner is Prestbury General Partner Limited Partnership. The ultimate parent entity is Prestbury Investments LLP. At 31 March 2014 N M Leslau was the controlling party of Prestbury Investments LLP in respect of the business undertaken by the company in relation to its investment in Prestbury 1 Limited Partnership. The consolidated accounts of Prestbury 1 Limited Partnership are available to the public and may be obtained from the Company Secretary, Cavendish House, 18 Cavendish Square, London W1G 0PJ.

P1 PRIME LIMITED

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

17. NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2014 £ | 2013 £ |
|---|-----------------|--------------------|
| Operating (loss)/profit | (38,539) | 1,220,772 |
| Decrease in debtors | 46,072 | 1,227,155 |
| Decrease in creditors | (29,961) | (3,763,946) |
| Net cash outflow from operating activities | (22,428) | (1,316,019) |

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

| | 2014 £ | 2013 £ |
|---|------------|--------------------|
| Returns on investments and servicing of finance | | |
| Interest received | 891 | 15,940 |
| Interest paid | - | (6,908,503) |
| Net cash inflow/(outflow) from returns on investments and servicing of finance | 891 | (6,892,563) |

| | 2014 £ | 2013 £ |
|---|-----------|--------------------|
| Capital expenditure and financial investment | | |
| Investment property additions | - | 10,412 |
| Sale of investment properties | - | 114,692,649 |
| Net cash inflow from capital expenditure | - | 114,703,061 |

| | 2014 £ | 2013 £ |
|--|------------------|----------------------|
| Financing | | |
| Repayment of loans | - | (87,801,419) |
| Shareholder loans repaid | (365,000) | (21,999,040) |
| Net cash outflow from financing | (365,000) | (109,800,459) |

P1 PRIME LIMITED

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

19. ANALYSIS OF CHANGES IN NET DEBT

| | 1 April 2013 £ | Cash flow £ | Other non-cash changes £ | 31 March 2014 £ |
|--|----------------------|-----------------|-----------------------------------|-----------------------|
| Cash at bank and in hand | 532,044 | (386,537) | - | 145,507 |
| Debt: | | | | |
| Debts due within one year | - | - | - | - |
| Loans and other debts due to shareholders | (33,477,482) | 365,000 | - | (33,112,482) |
| Net debt | <u>(32,945,438)</u> | <u>(21,537)</u> | <u>-</u> | <u>(32,966,975)</u> |