

**FIRST POLISH PARTNERSHIP (GP) LIMITED**  
**FINANCIAL STATEMENTS**  
**5 APRIL 2016**



**THOMPSON TARAZ**  
Chartered Accountants  
47 Park Lane  
Mayfair  
London  
W1K 1PR

# **FIRST POLISH PARTNERSHIP (GP) LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 5 APRIL 2016**

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# **FIRST POLISH PARTNERSHIP (GP) LIMITED**

## **DIRECTORS' REPORT**

**YEAR ENDED 5 APRIL 2016**

The directors present their report and the unaudited financial statements of the company for the year ended 5 April 2016

### **PRINCIPAL ACTIVITIES**

The principal activity of the company during the year was that of the general partner in First Polish Property Partnership LP.

### **DIRECTORS**

The directors who served the company during the year were as follows

Mr M M Heffernan

Mr A Taraz

Mr K D Gray

### **SMALL COMPANY PROVISIONS**

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

Registered office  
47 Park Lane  
London  
W1K 1PR

Signed by order of the directors



Property Secretaries Limited  
Company Secretary

Approved by the directors on 7 December 2016

# **FIRST POLISH PARTNERSHIP (GP) LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 5 APRIL 2016**

	<b>Note</b>	<b>2016 £</b>	<b>2015 £</b>
<b>TURNOVER</b>		—	—
Other operating income	<b>2</b>	<b>(772)</b>	<b>47</b>
		—	—
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>772</b>	<b>(47)</b>
Tax on profit/(loss) on ordinary activities		—	—
		—	—
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<b>772</b>	<b>(47)</b>
Balance brought forward		<b>(772)</b>	<b>(725)</b>
Balance carried forward		<b>—</b>	<b>(772)</b>

**The notes on pages 4 to 5 form part of these financial statements.**

# FIRST POLISH PARTNERSHIP (GP) LIMITED

## BALANCE SHEET

5 APRIL 2016

	Note	2016 £	£	2015 £
<b>FIXED ASSETS</b>				
Investments	4		<u>1</u>	<u>1</u>
<b>CURRENT ASSETS</b>				
Debtors	5	1,066		1,066
<b>CREDITORS: Amounts falling due within one year</b>	6	<u>1,065</u>		<u>1,837</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>1</u>	<u>(771)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2</u>	<u>(770)</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	7		<u>1</u>	<u>1</u>
			<u>1</u>	<u>(771)</u>
<b>CAPITAL AND RESERVES</b>				
Called up equity share capital	9		1	1
Profit and loss account			<u>-</u>	<u>(772)</u>
<b>SHAREHOLDERS' FUNDS/(DEFICIT)</b>			<u>1</u>	<u>(771)</u>


For the year ended 5 April 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

### Directors' responsibilities

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476, and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These accounts were approved by the directors and authorised for issue on 7 December 2016, and are signed on their behalf by

  
K Gray  
Director

Company Registration Number. 06259997

The notes on pages 4 to 5 form part of these financial statements

# FIRST POLISH PARTNERSHIP (GP) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2016

### 1. ACCOUNTING POLICIES

#### Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

#### Investment properties

All fixed assets are initially recorded at cost

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

### 2. OTHER OPERATING INCOME

	2016	2015
	£	£
Other operating income	<u>772</u>	<u>(47)</u>

### 3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after crediting

	2016	2015
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

### 4. INVESTMENTS

#### Investments

	£
<b>COST</b>	
At 6 April 2015 and 5 April 2016	<u>1</u>
<b>NET BOOK VALUE</b>	
At 5 April 2016 and 5 April 2015	<u>1</u>

The investment represents a capital contribution to First Polish Property Partnership LP

# FIRST POLISH PARTNERSHIP (GP) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2016

### 5. DEBTORS

	2016 £	2015 £
Called up share capital not paid	1	1
Other debtors	<u>1,065</u>	<u>1,065</u>
	<u>1,066</u>	<u>1,066</u>

### 6. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Other creditors	<u>1,065</u>	<u>1,837</u>

### 7. CREDITORS: Amounts falling due after more than one year

	2016 £	2015 £
Other creditors	<u>1</u>	<u>1</u>

### 8. RELATED PARTY TRANSACTIONS

The company was under the control of Mr A Taraz throughout the current and previous year Mr Taraz is a director and sole shareholder

No transactions with related parties were undertaken such as are required to be disclosed under the Financial Reporting Standard 8

### 9. SHARE CAPITAL

#### Authorised share capital:

	2016 £	2015 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

#### Allotted and called up:

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

The amounts of paid up share capital for the following categories of shares differed from the called up share capital stated above due to unpaid calls and were as follows

	2016 £	2015 £
Ordinary shares	<u>1</u>	<u>1</u>

REGISTRATION NUMBER LP12224

**FIRST POLISH PROPERTY PARTNERSHIP LP**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 5 APRIL 2016**

THESE PARTNERSHIP  
ACCOUNTS FORM  
PART OF THE ACCOUNTS  
OF COMPANY  
No. 06259997



**FIRST POLISH PROPERTY PARTNERSHIP LP**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 5 APRIL 2016**

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27/3/2016

**FIRST POLISH PROPERTY PARTNERSHIP LP**  
**OPERATOR AND PROFESSIONAL ADVISERS**

**Operator of Partnership**

Thompson Taraz Depositary Limited  
47 Park Lane  
Mayfair  
London  
W1K 1PR

**General Partner**

First Polish Property Partnership (GP) Limited  
47 Park Lane  
Mayfair  
London  
W1K 1PR

**Bankers**

HSBC  
133 Regent Street  
London  
W1B 4HX

**Independent Auditors**

Menzies LLP  
Lynton House  
7-12 Tavistock Square  
London  
WC1H 9LT

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

# **FIRST POLISH PROPERTY PARTNERSHIP LP**

## **GENERAL PARTNER'S REPORT**

**YEAR ENDED 5 APRIL 2016**

The General Partner has pleasure in presenting its report on the operations of the Partnership for the year ended 5 April 2016 together with the financial statements.

### **PRINCIPAL ACTIVITIES, REVIEW AND FUTURE DEVELOPMENTS**

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

The Partnership holds shares and non interest bearing loan notes in Polonia Property Fund II Limited, a company registered in Guernsey set up to acquire interests in a broad range of office, retail and industrial properties occupied by high quality tenants predominantly in Poland, but also across other Central and Eastern European countries.

The intention, as referred to in the Information Memorandum, was to exit the investment through the sale of the properties after 7 years with the possibility of extending by 1 year. In 2014 the Fund Manager confirmed that the life of the Fund will be extended by one year to 31 July 2015. The life of the company was terminated on 31 July 2015 and the company was put into liquidation on that date. As the properties had not been sold by that date a liquidator was appointed to wind up the affairs of the company including the disposal of the property. This is expected to be completed no later than May 2017.

During the year there were two Loan Note repayments received from the company totalling €286,960 (10% of the total drawn capital of the company).

The principal risks and uncertainties facing the Partnership are set out in the Information Memorandum. These are not reproduced here, as this report is prepared under the provisions applicable to small entities.

### **CONSTITUTION AND GOVERNANCE**

The Partnership is a limited partnership, initially registered on 14 June 2007, which entered into a Limited Partnership Agreement on 6 July 2007 ("the Partnership Agreement") and is registered under the Limited Partnership Act 1907. The initial term of the Partnership is for 7 years.

The Registered Office of the General Partner and the principal place of business of the Partnership is 47 Park Lane, London, W1K 4QX.

The Operator of the Partnership is Thompson Taraz Depositary Limited.

### **RESULTS AND DISTRIBUTIONS**

The Partnership's loss for the year was €55,859.

During the year there were two distributions to Partners totalling €286,960.

### **THE PARTNERS**

The General Partner is First Polish Partnership (GP) Limited. The Limited Partners contributions are as set out in the Limited Partners Contributions and Income Accounts note. Each limited partner's contribution in the Partnership is made up of a Capital Contribution and a Loan Contribution.

# **FIRST POLISH PROPERTY PARTNERSHIP LP**

## **GENERAL PARTNER'S REPORT**

**YEAR ENDED 5 APRIL 2016**

### **STATEMENT OF GENERAL PARTNER'S RESPONSIBILITIES**

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

The Partnership Agreement requires the General Partner to prepare financial statements for each financial year. Under that law the General Partner has elected to prepare the financial statements in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) and applicable law. The General Partner must not approve the financial statements, unless they are satisfied that they give a true and fair view of the state of affairs of the Partnership and the profit and loss of the Partnership for that period.

In preparing these financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make 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 Limited Partnership will continue in business.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the Partnerships 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 Partnerships (Accounts) Regulation 2008. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **STATEMENT OF DISCLOSURE TO AUDITORS**

The partnership is entitled to claim exemption from audit in accordance with the provisions applicable to small companies (on the basis that the partnership would have qualified as a small company had it been incorporated under the Companies Act). However, the partnership has elected not to take advantage of this exemption as an audit is required by the terms of the Limited Partnership Agreement. The General Partner is therefore required to make the following statement:

- a) So far as the General Partner is aware, there is no relevant audit information of which the partnership's auditors are unaware; and
- b) It has taken all steps that it 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.

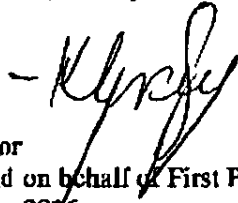
**FIRST POLISH PROPERTY PARTNERSHIP LP**  
**GENERAL PARTNER'S REPORT**  
**YEAR ENDED 5 APRIL 2016**

**AUDITORS**

Menzies LLP were re-appointed as auditors during the year and have expressed their willingness to continue in office.

**SMALL ENTITY PROVISIONS**

This report has been prepared in accordance with the provisions applicable to entities entitled to the small entity exemptions.



Director  
For and on behalf of First Polish Partnership (GP) Limited  
31 May 2016

**FIRST POLISH PROPERTY PARTNERSHIP LP**  
**INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF FIRST**  
**POLISH PROPERTY PARTNERSHIP LP**  
**YEAR ENDED 5 APRIL 2016**

We have audited the financial statements of First Polish Property Partnership LP for the year ended 5 April 2016 on pages 7 - 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the Partners, as a body, in accordance with 'The Partnership (Accounts) Regulations 2008' and the Limited Partnership Agreement. Our audit work has been undertaken so that we might state to the Partners 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 and the Partners 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**

As explained more fully in the General Partners Responsibilities Statement set out on page 3, the General Partner is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 (APB'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 APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

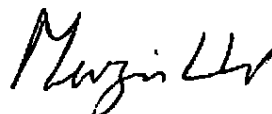
- give a true and fair view of the state of the Partnership's affairs as at 5 April 2016 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with 'The Partnerships (Accounts) Regulations 2008' and the Limited Partnership Agreement.

**FIRST POLISH PROPERTY PARTNERSHIP LP**  
**INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF FIRST**  
**POLISH PROPERTY PARTNERSHIP LP**  
**YEAR ENDED 5 APRIL 2016**

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

We have nothing to report in respect of the following matters where The Partnerships (Accounts) Regulations 2008 and the Limited Partnership Agreement 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
- we have not received all the information and explanations we require for our audit; or
- the General Partner was not entitled to prepare the financial statements and the General Partner's report in accordance with the small entities regime.



**PHILIP KING FCA (Senior Statutory Auditor)**  
For and on behalf of  
**MENZIES LLP**  
Chartered Accountants & Statutory Auditor

Lynton House  
7-12 Tavistock Square  
London  
WC1H 9LT

31 May 2016

**FIRST POLISH PROPERTY PARTNERSHIP LP**  
**PROFIT AND LOSS STATEMENT**  
**YEAR ENDED 5 APRIL 2016**

	Note	2016 €	2015 €
<b>INCOME</b>	<b>2</b>	—	—
<b>OPERATING COSTS</b>			
Other operating charges		(42,592)	(33,670)
<b>OPERATING LOSS</b>	<b>3</b>	(42,592)	(33,670)
Interest receivable	5	81	113
Interest payable and similar charges	6	(13,348)	20,598
<b>LOSS ON ORDINARY ACTIVITIES FOR THE FINANCIAL YEAR BEFORE AND AFTER TAXATION</b>		(55,859)	(12,959)
<b>LOSS FOR THE FINANCIAL YEAR</b>		(55,859)	(12,959)
Balance brought forward		(423,830)	(410,871)
Balance carried forward		(479,689)	(423,830)

All of the activities of the Partnership are classed as continuing.

There is no difference between the income on ordinary activities and net income for the period stated above and their historical cost equivalent.

All recognised gains and losses in the year are included in the profit and loss account.

The notes on pages 9 - 11 form part of these financial statements.



# FIRST POLISH PROPERTY PARTNERSHIP LP

## BALANCE SHEET

5 APRIL 2016

	Note	2016 €	2015 €
<b>FIXED ASSETS</b>			
Investments	7	<u>4,004,840</u>	<u>3,434,800</u>
<b>CURRENT ASSETS</b>			
Debtors	8	121	121
Cash at bank		<u>134,994</u>	<u>190,853</u>
		<u>135,115</u>	<u>190,974</u>
<b>CREDITORS: Amounts falling due within one year</b>		<u>-</u>	<u>-</u>
<b>NET CURRENT ASSETS</b>		<u>135,115</u>	<u>190,974</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,139,955</u>	<u>3,625,774</u>
<b>NET ASSETS</b>		<u>4,139,955</u>	<u>3,625,774</u>
<b>FUNDED BY:</b>			
Partners' capital contribution account	10	7,686	7,686
Partners' loan contribution account	10	2,730,958	3,017,918
Partners' capital appreciation account	10	1,881,000	1,024,000
Partners' income account	10	(479,689)	(423,830)
		<u>4,139,955</u>	<u>3,625,774</u>

These financial statements have been prepared in accordance with the special provisions for small entities and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the General Partner and authorised for issue on 31 May 2016.

  
 Director  
 For and on behalf of First Polish Partnership (GP) Limited  
 31 May 2016

Registration Number LP12224

The notes on pages 9 - 11 form part of these financial statements.

**FIRST POLISH PROPERTY PARTNERSHIP LP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 5 APRIL 2016**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment property. The financial statements have been prepared on a going concern basis in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015), The Partnerships (Accounts) Regulations 2008 and with the terms of the Partnership Agreement, which have been applied consistently.

**Investments**

A surplus over original cost of a Fixed Asset investment is transferred to a revaluation reserve account. A deficit is recognised in the profit and loss account unless and to the extent it comprises a previous revaluation surplus in which case it is recognised in the revaluation reserve.

On realisation, any gain or loss is calculated by reference to the carrying value at the last balance sheet date and is included in the income and expenditure account. Any balance in the revaluation reserve, immediately prior to realisation, is then transferred directly to the Partners' income account.

**Issue costs**

Issue costs with respect to partner's loans received are set off against the Partner's Loan Contribution balance.

**Taxation**

The Partnership is carrying on the business of property investment and should have no tax liability in respect of income and gains distinct from that incurred by the partners. Income and gains generated by the Partnership are attributed to the partners for tax purposes pro rata to their investment as set out in the Partnership Agreement.

**Distributions**

The Partnership has a full distribution policy of all net positive cash flows to all partners, subject to a cash provision being maintained to cover any administration or management costs.

**FIRST POLISH PROPERTY PARTNERSHIP LP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 5 APRIL 2016**

**3. OPERATING DEFICIT**

Operating deficit is stated after charging

	2016	2015
	€	€
Auditors' remuneration	3,971	4,197
Foreign exchange gains and losses	11,909	(21,844)
	<u>15,880</u>	<u>(17,647)</u>

**4. PARTNER REMUNERATION AND EMPLOYEE INFORMATION**

The partners received no remuneration from the Partnership. The Partnership does not have any employees.

**5. INTEREST RECEIVABLE**

	2016	2015
	€	€
Interest receivable	<u>81</u>	<u>113</u>

Interest receivable comprises entirely of bank interest receivable.

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	2016	2015
	€	€
Bank charges	1,439	1,246
Other similar charges payable	11,909	(21,844)
	<u>13,348</u>	<u>(20,598)</u>

Bank Charges	<u>1,439</u>	<u>1,246</u>
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**7. INVESTMENTS**

	Investments €
<b>VALUATION</b>	
At 6 April 2015	3,434,800
Additions	(286,960)
Revaluation	857,000
At 5 April 2016	<u>4,004,840</u>

# FIRST POLISH PROPERTY PARTNERSHIP LP

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2016

### 7. INVESTMENTS *(continued)*

The analysis of investment between shares and loan notes is as follows:

	Shares €	Loan notes €	Total €
Original cost	700,000	2,170,000	2,870,000
Revaluations to date	1,881,000	-	1,881,000
Repayments received to date	-	(746,160)	(746,160)
	<u>€2,581,000</u>	<u>€1,423,840</u>	<u>€4,004,840</u>

On 31 July 2007, the Partnership made a Capital Commitment of €7,000,000 in Polonia Property Fund II Limited. Polonia Property Fund II Limited had its first closing on 31 July 2007 with aggregate commitments of €200m.

The initial investment under this commitment of €700,000 comprised 700 €0.01 participating redeemable preference shares issued at €1,000 each. The balance of the commitment comprises interest-free, non-recourse subordinated loan notes. In 2010 Polonia II advised that it did not intend to make any further capital calls on the Partnership and therefore the Partnership returned approximately €4,000,000 of unused monies.

### 8. DEBTORS

	2016 €	2015 €
Other debtors	<u>121</u>	<u>121</u>

### 9. DISTRIBUTION TO PARTNERS

During the year there were two distributions to Partners totalling €286,960 (10% of the total drawn capital of the company).

### 10. LIMITED PARTNERS CONTRIBUTIONS AND INCOME ACCOUNTS

	Loan Contribution €	Capital Contribution €	Net Income €	Capital Appreciation €
Balance brought forward	3,017,918	7,686	(423,830)	1,024,000
Loan repayments during the year	(286,960)	-	-	-
Loss for the year	-	-	(55,859)	-
Uplift in base market value	-	-	-	857,000
	<u>2,730,958</u>	<u>7,686</u>	<u>(479,689)</u>	<u>1,881,000</u>

## Notice of Meeting

NOTICE IS GIVEN that the ANNUAL GENERAL MEETING of First Polish Property Partnership LP will be held at 47 Park Lane, London, W1K 1PR on Thursday 21st July 2016 at 2.30pm for the following purposes:

To receive and consider the General Partners' report and the Financial Statements for the period ended 5 April 2016.

By Order of the General Partner

Director

For and on behalf of First Polish Partnership (GP) Limited  
31 May 2016

A holder entitled to attend and vote may appoint a proxy and, on a poll, to vote in his/her stead. A holder being a corporation may authorise any person to be its representative at the meeting.